CITY COUNCIL
MEETING AGENDA
1st and 3rd Thursday of the Month

Marc D. Tall, Mayor
Ronald J. Beauchamp, Mayor Pro Tem
Patricia A. Baribeau, Council Member
Ralph B. Blasier, Council Member
Michael R. Sattem, Council Member

Patrick S. Jordan, City Manager
Robert S. Richards, CMC City Clerk
Ralph B. K. Peterson, City Attorney

City Council Chambers located at: City Hall – 410 Ludington Street – Room C101 – Escanaba MI 49829

The Council has adopted a policy to use a Consent Agenda, when appropriate. All items with an asterisk [*] are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member or citizen requests, in which event, the item will be removed from the General Order of Business and considered in its normal sequence on the Agenda.

Regular Meeting
Thursday, October 5, 2017, at 7:00 p.m.

CALL TO ORDER
ROLL CALL
INVOCATION/PLEDGE OF ALLEGIANCE – Pastor Chris Johnson of Christ the King Lutheran Church
APPROVAL/CORRECTION(S) TO MINUTES - Special Meeting – September 20, 2017, Regular Meeting – September 21, 2017
APPROVAL/ADJUSTMENTS TO THE AGENDA
CONFLICT OF INTEREST DECLARATION
BRIEF PUBLIC COMMENT
PUBLIC HEARINGS
NEW BUSINESS

1. Approval – Uniform Video Service Local Franchise Agreement – Charter Communications.
Explanation: The City’s current Franchise Agreement expires on October 18, 2017. The Council amended the Current agreement in 2011 to include a 2% Franchise Fee. The Franchise Fee provides the City approximately $78,000 per year. The franchise fee revenue has been deposited into the Office Equipment Fund. The City uses those funds for technology purchases, upgrades and maintenance as well as maintaining our equipment for channel 191. Funds are also transferred into the City General Fund for the same purposes. The City took part in a survey of 18 communities in the state to see what others are assessing through their franchise agreements. The results of that survey showed Escanaba on the low end on what communities were assessing. After much discussion, Administration is recommending the new Franchise Fee Agreement to include a fee of 5%.

2. Approval – Aeration Blower Replacement – Wastewater Treatment Plant.
Explanation: The existing aeration blowers at the WasteWater Treatment Plant are 40 plus years old. C2AE has been working with the City through the SAW Process Evaluation phase and ultimately provided a recommendation for blower replacement. Administration requests Council authorization to retain C2AE of Escanaba, Michigan, to conduct the engineering services as written in the proposal dated August 30, 2017, at a cost not to exceed $17,500.

Respectfully Submitted

[Signature]
Patrick S. Jordan
City Manager
Pursuit to a meeting notice posted September 13, 2017, Mayor Marc D. Tall called the meeting to order at 4:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Ronald J. Beauchamp, Ralph B. Blasier, and Michael R. Sattem.

Absent: Patricia A. Baribeau

Beauchamp moved, Sattem seconded, to excuse Council Member Baribeau.


Absent: Chairperson Tim Wilson, and John Mellinger

Also Present: City Manager Patrick S. Jordan, City Clerk Robert S. Richards, Electric Superintendent Mike Furmanski, and members of the public and media.

ADJUSTMENTS TO THE AGENDA

Sattem moved, Beauchamp seconded, CARRIED UNANIMOUSLY, to approve the Joint City Council & Electrical Advisory Committee Agenda as submitted.

CONFLICT OF INTEREST – None

NEW BUSINESS

Update – Electric Department – General Operations.

An update on departmental operations was given by Electrical Superintendent Mike Furmanski which included the following:

- Escanaba Crew Hurricane relief update in Florida. Electrical Superintendent Mike Furmanski ultimately advised the City would be reimbursed by FEMA;
- FERC filing and response by City;
- Apprentence Line School Staff Training.

Update – Breezy Point Distribution line upgrade.

Electrical Superintendent Mike Furmanski provided an update on the Breezy Point distribution line upgrade. He advised Karcz Engineering was working on plans with a winter
construction.

Approval – Northshore Substation Relay Panels.

Administration sought Council approval to purchase relay panels from Energis High Voltage Resources, Inc of Green Bay, WI for $58,095.08. These panels were included in the current budget.

NB-3 After consulting with the Electrical Advisory Committee Members, Blasier moved, Sattem seconded, to approve to purchase relay panels from Energis High Voltage Resources, Inc of Green Bay, WI for $58,095.08.

Upon a call of the roll, the vote was as follows:

Ayes: Blasier, Sattem, Beauchamp, Tall
Nays: None

MOTION CARRIED.

Approval – Northshore Substation Structural Steel.

Administration sought Council approval to purchase the structural steel from B&B Steel of Knapp, WI for $59,886.00. This purchase was included in the current budget.

NB-4 After consulting with the Electrical Advisory Committee Members, Sattem moved, Blasier seconded, to approve to purchase the Northshore Substation structural steel from B&B Steel of Knapp, WI for $59,886.00.

Upon a call of the roll, the vote was as follows:

Ayes: Sattem, Blasier, Beauchamp, Tall
Nays: None

MOTION CARRIED.

Approval – Northshore Substation Control Building.

Administration sought Council approval to purchase a control building from Trachte, LLC of Oregon, WI for $126,334.00. This purchase was included in the current budget.

NB-5 After consulting with the Electrical Advisory Committee Members, Beauchamp moved, Sattem seconded, to approve to purchase a Northshore Substation Control Building from Trachte, LLC of Oregon, WI for $126,334.00.
Joint City Council & Electrical Advisory Minutes
September 20, 2017 – cont.

Upon a call of the roll, the vote was as follows:

Ayes: Beauchamp, Sattem, Blasier, Tall
Nays: None

MOTION CARRIED.

Approval – Northshore Substation Reclosers.

Administration sought Council approval to purchase 4 reclosers from Resco of Middleton, WI for $78,100. This purchase was included in the current budget.

NB-6 After consulting with the Electrical Advisory Committee Members, Blasier moved, Beauchamp seconded, to approval to purchase 4 reclosers from Resco of Middleton, WI for $78,100.

Upon a call of the roll, the vote was as follows:

Ayes: Blasier, Beauchamp, Sattem, Tall
Nays: None

MOTION CARRIED.

Update – Solar Generation Project.

Electrical Superintendent Mike Furmanski and Electrical Advisory Committee Member Brown provided an update on the potential solar project for the City. (See Attachment – A)

Approval – Solar Generation Project - Geotechnical Assessment.

Administration sought Council approval to retain Westwood Multi-Disciplined Surveying & Engineering of Eden Prairie, MN to complete a Geotechnical Assessment, Pile Load Testing, FAA Solar Glare Review & Application, and Shade Analysis with Energy Production Modeling on the proposed site. This work was not budgeted.

NB-8 After consulting with the Electrical Advisory Committee Members, Blasier moved, Beauchamp seconded, for $36,500, to complete a Geotechnical Assessment from Westwood Multi-Disciplined Surveying & Engineering of Eden Prairie, MN, to include Helical and Driven Pile Load Testing, Test Pits and Geotechnical Engineering Reporting, and Shade Analysis with Energy Production Modeling on the proposed Delta County Airport site, contingent upon approval of a two (2) year exclusive lease with a 30 year lease extension, and direct Escanaba City Attorney to draw up the lease document.
Upon a call of the roll, the vote was as follows:

Ayes: Blasier, Beauchamp, Sattem, Tall
Nays: None

MOTION CARRIED.

GENERAL PUBLIC COMMENT

Airport Director Kelly Smith stated they would support the City Solar Project and help submit any required documentation to the FAA.

COUNCIL/COMMITTEE, STAFF REPORTS

Council Members reviewed City Board and Commission meetings each attended since the last City Council Meeting.

ADJOURNMENT

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 5:32 p.m.

Respectfully submitted,

Robert S. Richards, CMC
City Clerk

Approved: ____________________

Marc D. Tall, Mayor
Solar Project Update for City of Escanaba
Electric Advisory Committee & City Council

September 20\textsuperscript{th}, 2017

1. Updated comparison of Alternative Escanaba Solar Project Sites

2. Delta County Airport site proposed lease arrangements

3. Proposed Geotechnical Assessment and Pile (helical and/or driven) Load Testing and Costs
   a. Shade Analysis & Energy Production Modeling
   b. FAA Solar Glare Review and Application Support

4. Tentative Project Timeline

5. Regional Solar Project Updates
   a. Marquette Board of Light & Power
   b. Lansing Board of Water & Power

6. Solar panel import tariff threat to Escanaba Solar Project Economics
### 1. Comparison of Alternative Escanaba Solar Project Sites

**September 20, 2017**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Delta County Airport Site</th>
<th>BP Products Site on 20th Avenue North</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Suitability for Lowest</strong></td>
<td>Uncertain with high groundwater levels</td>
<td>Driven post mounting is very likely with the groundwater 12 to 15 feet below the surface from geotechnical data available in MDEQ files.</td>
</tr>
<tr>
<td><strong>Installation Cost</strong></td>
<td>1. Bell’s Brewery adjacent site groundwater level 4 to 7 feet below surface</td>
<td>High risk of above ground and below ground structures from the old terminal facility which may interfere with using driven piles. This may force a typically more expensive grout in place with concrete option.</td>
</tr>
<tr>
<td></td>
<td>2. Escanaba Electric Department linemen report groundwater at &lt; 4 feet below surface at proposed site</td>
<td></td>
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<tr>
<td></td>
<td>3. Ditch along the Airport Road, adjacent to the site has visible water levels</td>
<td></td>
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<tr>
<td></td>
<td>4. Shallow ground water levels and fine sand soils increase the <strong>risk of frost heaves</strong> on driven piles. Damaging the solar panel foundations and racking systems.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Foundation options to minimize or prevent frost heaves are:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Pour-in-Place concrete ballast adds $0.10/watt to installation cost. ($100,000 for 1 MW facility)</td>
<td></td>
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<tr>
<td></td>
<td>- Helical piles which have similar installation costs to driven piles with an experienced design and installation team</td>
<td></td>
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<tr>
<td></td>
<td>- A mix of helical piles and/or concrete ballast may be necessary for various specific areas of the site.</td>
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<tr>
<td></td>
<td>6. A few localized areas on the Airport site contain stone, rocks and broken asphalt on the surface. The Airport Manager reported the localized fill came from the County Road construction crews to level some shallow low spots on the site. The Geotechnical Site Assessment will confirm if the stone and rock is only at the surface. Stone and rock below the surface can prevent both driven and</td>
<td></td>
</tr>
<tr>
<td>Geotechnical site assessment cost with driven and/or helical pile load testing</td>
<td>$27,500 - $34,000 depending on whether only helical piles are load tested or both driven and helical piles are load tested.</td>
<td>$50,000 Increased subsurface risk associated with the previous land use, (e.g., buried tank foundations, piping or slurry wall) necessitates more testing locations and higher costs.</td>
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</tbody>
</table>
| External Legal Resources | NA | Attorney specializing in brownfield site purchase and re-use would assist the City with the following tasks:  
• Negotiation and review purchase agreement for the BP property.  
• Selection and retention of qualified environmental consultants, including the use of a Master Service Agreement for the contract terms for the Phase 1, Phase II, BEA and Due Care Plan.  
• Review and edit the Phase 1, Phase II, BEA and Due Care Plan, including review for sufficiency.  
• Liaison with Michigan MDEQ on Vapor Intrusion assessment.  
• June 2017 quote for $11,000 |
| Environmental Consulting service to provide Phase 1, Phase II, BEA and Due Care | NA | $15,000 from Antea Group which managed the BP property site testing and remediation until 2016. Antea required BP approval to provide the quote. BP remains a major client of Antea. Would require BP to release testing data that is not in the |

Solar Project Update for City of Escanaba EAC and Council Sept 20 2017 3
<table>
<thead>
<tr>
<th>Plan on site.</th>
<th>public domain (e.g., MDEQ files). $75,000 to $125,000 is estimated cost for an independent Environmental Consulting firm with no previous ties to the site or BP.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted Sun Exposure</strong></td>
<td>None on site, but trees on south side of Airport Road may create a future shade problems – possible tree removal easement in that area may be required. About a dozen small trees need to be removed including stumps, with an estimated removal cost of $5,000. The electric distribution line has poles crossing the south end of the site. Quantity shade analysis and energy production modeling will cost $2,500.</td>
</tr>
<tr>
<td>The electric distribution line is underground.</td>
<td></td>
</tr>
<tr>
<td>Quantitative shade analysis and energy production modeling will cost $2,500.</td>
<td></td>
</tr>
<tr>
<td><strong>Flat site requiring minimal grading</strong></td>
<td>No grading expected</td>
</tr>
<tr>
<td><strong>Cost to Purchase or Lease Site</strong></td>
<td>$2,000* annual lease ($60,000 total payment over 30 years) *Subject to FAA approval</td>
</tr>
<tr>
<td><strong>Regulatory Review and Approval</strong></td>
<td>FAA Review and Approval Required An FAA solar assessment application, support, review and coordination cost is $2,750.</td>
</tr>
<tr>
<td>Criteria</td>
<td>Delta County Airport Site</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Security Fence 7' high required for substations</td>
<td>$34,000 required to fence three sides of site</td>
</tr>
<tr>
<td>Proximity to existing City electric distribution lines with adequate capacity</td>
<td>Existing underground distribution line is near the site.</td>
</tr>
<tr>
<td>Public Visibility and Economic Development benefits</td>
<td>Visible from Airport Road and Airport Terminal</td>
</tr>
<tr>
<td>Deed Restrictions</td>
<td>N/A</td>
</tr>
<tr>
<td>Potential to Sell a Portion of the Property</td>
<td>N/A</td>
</tr>
<tr>
<td>Proximity to Electric Department to monitor and maintain</td>
<td>Significantly more distant</td>
</tr>
</tbody>
</table>

**SUMMARY:**

The Delta County Airport site provides:

- Significantly lower cost
- No environmental cost exposure for City compared with BP Products brownfield site with significant remediation work remaining.
- Helical pile technology is compatible with shallow ground water
Reasons for selecting the proposed site location:

- Preliminary glare analysis indicates minimal glare for the FAA review & approval
- Fewer trees on the south side of the road, which could shade the solar panels
- Shorter distance and resulting lower wiring costs, to connect to the existing City of Escanaba distribution system.
- Existing access road to reach the site
- Flat, dry and open site requiring minimal improvements
- Visible from Airport Terminal to promote area economic development
- 5 to 7 acre proposed site (red) within the larger blue colored area
- Exact site location will be based on geotechnical study, shade analysis and FAA glare studies
2. Key Terms for Proposed Lease at Delta County Airport

1. 30 year lease for approximately 5 to 7 acres with option to extend lease for multiple 5 year periods.

2. Escanaba Electric Department will be responsible for mowing the leased property

3. $2,000 (subject to FAA approval) annual lease payment to use site. For example, a total payment of $60,000 over 30 years.

4. When useful life of the solar generation facility is complete (i.e., 30+ years), the Escanaba Electric Department is responsible for removing the solar panels, racking system, pile foundations, wiring, etc. and returning the site to the original condition. Solar project components are recyclable.

5. The Solar Project layout will provide access to the eastern unleashed portion of the site for airport personnel (e.g., mowing)

6. Up to a 2 year exclusive option to lease the property is required to complete the following tasks before implementing the final lease agreement:

   a. File FAA Form 7460-1 along with a Solar Glare Hazard Analysis Tool (SGHAT) assessment of the proposed solar facility for FAA review and approval. A preliminary SGHAT assessment for the proposed site indicates minimal issues. This task and contacts with the FAA will require Airport Manager support.
b. Shade analysis to determine whether or not trees on the south side of the Airport Road will shade the solar panels over the 30+ years for the project. Shade issues may influence the solar project layout, exact location and increase space requirements.

c. Conduct a Geotechnical site assessment to determine the soil type, water table level, soil corrosivity, and vertical and lateral load capacity. This testing is required to establish the feasibility of driven and/or helical pile foundation construction and the required depth for the piles. Due to the shallow ground water depths, designing the foundations for possible frost heaving is a major concern requiring solar foundation engineering and design expertise.

d. Escanaba Electric Department obtaining City Administration and Council approval to issue an RFP for the solar generation facility.

e. Based on the RFP responses, the City Council approving the solar generation project to proceed with awarding the construction contract.

7. As part of the lease arrangements, the City of Escanaba will extend the electrical distributions system further west beyond the solar project site in the Delta County Industrial Air Park if a business leases and/or purchases an adjacent site to the west. The electric distribution costs will be based on only the wiring and equipment costs. Water and sewer services already extend west beyond the proposed solar site.
8. Once the decision is made to go ahead with the Escanaba Solar Project at the Delta County Airport by the City Council, and the costs and terms for purchasing capacity are formally established and approved by the City Council, Delta County will have six months to exercise the 1st priority right to a purchase option for up to 500 solar panels. After six months, Delta County may purchase available capacity on the same basis as other Residents and Businesses within the Escanaba Electric Department service area.

9. With agreement on the essential Escanaba Solar Project lease terms, the City of Escanaba Attorney will draft a formal legal document by September 29th for the appropriate signatures.
3. Geotechnical Assessment and Pile Load Testing

- Pile load testing for commercial and utility solar project foundation design is a very specialized skill with few experienced experts that provide design recommendations that consider:
  - Wind loads (e.g., 110 MPH)
  - Snow loads
  - Frost heaving for northern Midwest and Canadian sites

- Geotechnical Assessment and Pile Load Testing proposals were obtained from two firms:
  - Westwood Professional Services
    - Minnesota based
    - Experience with > 6000 MW of solar project design
    - Matt Wessale, Project Manager, has 7 years of experience in geotechnical engineering for solar project foundations
    - Experience with wet sites and frost heave prevention
  - AES Solar
    - Sault Ste. Marie, Ontario based
    - Extensive experience in solar foundations in northern climates
  - Westwood provided lowest cost quote $34,000
• Request approval to conduct a Geotechnical Assessment, Pile Load Testing, FAA Solar Glare Review & Application, and Shade Analysis with Energy Production Modeling on the proposed site.
  ▪ Geotechnical Assessment will involve performing 3 test pits to an 8 foot depth with soil sampling and testing. Test pits will be backfilled and compacted after testing is complete.
  
  ▪ Pile load testing will involve installing 14 to 18 test piles for axial and lateral load testing. The prototype piles will be removed after testing.
    a. 6” x 9” I-beam driven piles
    b. 4.5” OD helical piles with 16” plates
  
  ▪ Soil resistivity testing
  
  ▪ Shade analysis and energy production modeling ($2,500)
    a. Solmetric SunEye shade analysis on the site perimeter
    b. Energy production modeling which considers potential production loses due to shading.
- FAA Solar Glare Assessment, Review and Application ($2,750)
  - Review existing glare assessment
  - Assist in preparation of FAA Form 7460-1
  - Coordinate with FAA to ensure FAA review in a timely manner

4. Tentative Project Timeline

<table>
<thead>
<tr>
<th>Month</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct &amp; Nov 2017</td>
<td>Geotechnical Assessment &amp; Pile Load Testing</td>
</tr>
<tr>
<td>Nov &amp; Dec 2017</td>
<td>Develop Project RFP</td>
</tr>
<tr>
<td>Dec 2017</td>
<td>City Administration &amp; Council Approval to Issue RFP</td>
</tr>
<tr>
<td>March 2018</td>
<td>Based on RFP responses, City Council approving the solar project to proceed with awarding the Escanaba Solar Project contract</td>
</tr>
<tr>
<td>March 2018</td>
<td>City Council approve terms for the contract language for Residential and Business electric customers, Delta County, etc. to purchase capacity in the solar project</td>
</tr>
<tr>
<td>April 2018</td>
<td>Promote sales of solar capacity in the community</td>
</tr>
<tr>
<td>Construction season –2018</td>
<td>Project construction</td>
</tr>
</tbody>
</table>
5. Regional Solar Project Updates

a. Marquette Board of Light and Power Solar Project Update August 30, 2017

Mike Furmanski and Glendon Brown visited the Marquette Board of Light & Power (MBL&P) solar project site on August 11th. Our host for the site visit was Ian Olmsted, who heads Peninsula Solar, a Marquette based company, which is the Contractor for the MBL&P solar project. Construction on the MBL&P solar facility began on July 25th, and was expected to be completed by the end of August.

As shown in the attached photographs, the three rows of solar panels are mounted on driven piles except for the locations where underground electric and natural gas pipelines exist under the ground and concrete ballast foundations on the surface are used. Patriot Solar, a lower Michigan company supplied the fixed angle solar mounting systems and drove the C-channel piles. Patriot Solar also provided the solar panel mounting or “racking system” for the 1.1 MW Heritage Solar Facility in Garden, MI.

The MBL&P driven piles were reported to be hammered to only a depth of 7’3”. This shallow depth, according to solar foundation experts, raises some future frost heave concerns for the MBL&P solar foundations.

Primarily driven piles are used as the foundation for the Solar panels. Concrete ballast pad is also used in areas with underground natural gas and electric lines.

Key components of the MBL&P facility are:

1. 3 rows of solar panels – each row of solar panels contained:
   a. 160 panels per row
   b. Within a row were two lines of 80 solar panels in a portrait orientation
   c. Row length was approximately 261 feet
2. Solar panels oriented due south with a fixed 30 degree angle of tilt

3. 320 Watt individual solar panels supplied by Axitec, a German panel manufacturer
   a. 72 cell polycrystalline type
   b. 12 year manufacturer’s warranty
   c. Performance guarantee:
      i. 90% of original capacity after 15 years
      ii. 85% of original capacity after 25 years
   d. Dimensions: 77” x 39” x 1.6”
   e. Weight is 50.7 lb per panel

4. 6 individual SolarEdge Inverters
   a. 80 solar panels/inverter
   b. 98% efficiency (DC to AC conversion)
   c. 480 volt AC output
   d. Model SE20KUS Inverter
   e. SolarEdge Power Optimizers (25 year warranty) were used with each panel to minimize power generation losses due to localized shading or snow.
   f. 12 year warranty for inverter with a warranty extension purchase option for 20 or 25 years
   g. Two inverters were mounted on panel support systems at the end of each row
   h. DC wiring from the panels to the inverters attached to the panel mounting systems
   i. AC wiring from the inverters is in underground PVC conduit to the AC switch panel and distribution transformer.

5. The SolarEdge inverter and optimizer technology simplifies the DC wiring and should maximize output.

6. Row spacing is 36 feet, 3 inches.

7. Distance between driven piles is 16’ 11”
8. Panel heights off the ground were
   a. Lower edge 3 feet
   b. Upper edge 9 feet 6.5 inches

9. Total DC capacity
   3 rows x 160 panels/row x 320 watts (DC)/ panel = 0.154 MW(DC)

10. The MBL&P solar project economics are summarized below:
   a. The MBL&P solar panel purchase price including an Energy Optimization Rebate of $75 per panel is $499.
   b. Cost per DC Watt is $499/320 watts per panel = $1.56/Watt
   c. The kWh credit for the solar panel generation is $.063/kWh
      i. This avoided cost credit is primarily based on the avoided natural gas fuel cost for the new RICE generators
      ii. The solar panel customer is not being charged any Operating and Maintenance fee for the solar system. (mowing, cleaning, replacement for out of warranty inverters, data monitoring etc.)
   d. The MBL&P has clearly made a great effort to write the Solar License and Management Agreement so that the resident or business purchasing the solar panels will be eligible to receive the 30% Federal Investment Tax Credit. However, they do not guarantee the customer will be allowed the Federal Investment Tax Credit. With the 30% ITC, the $/watt cost is $1.09/Watt(DC).
   e. A payback analysis for purchasing a MBL&P solar panel is summarized in the Table below:

<table>
<thead>
<tr>
<th>Installation Cost</th>
<th>$/Watt</th>
<th>Number of years to pay off the initial investment</th>
<th>Number of years of Credits after the initial investment is Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment with EO Rebate</td>
<td>1.56</td>
<td>20.6</td>
<td>4.4</td>
</tr>
<tr>
<td>Investment with EO Rebate and Investment Tax Credit (ITC)</td>
<td>1.09</td>
<td>14.2</td>
<td>10.8</td>
</tr>
</tbody>
</table>

The payback analysis assumes a 25 year life for the solar panels
f. During the August 11th, 2017 MBL&P visit, it was reported that 80% of the 480 solar panels had been sold to residents and businesses at that time.
b. Lansing Board of Water & Light – Solar Project

- 24 MW (AC) Solar Project

- Largest single-axis tracking system in Michigan
  - NexTracker single-Axis tracking supplier
  - Driven pile foundation

- Gro-Solar is the Engineering, Procurement and Construction contractor for the project

- Solar array will be operational by the summer of 2018

- Project was moved to a new site after geotechnical assessment of an earlier selected site found soil conditions not suitable for a solar system project.

- For utility scale solar generation (e.g., > 5MW), a NREL study in 2016 found an installation cost of $1.67/Watt. The solar panel costs were 38% of the total installation costs. For smaller projects (e.g., 200kW), the solar panel costs accounted for approximately 32% of the total project costs.
- The rapid drop in solar panel costs in recent years is primarily responsible for making solar generation a cost competitive source of electricity generation.
- Two domestic solar panel manufacturers (Sunniva and Solar World), two bankrupt companies owned by foreign firms, have claimed serious harm before the US International Trade Commission (ITC) from imported solar panels.
- The ITC will issue their ruling on September 22nd and send recommendations to the President by mid-November.
- A large bi-partisan group has opposed tariffs at the ITC hearing.
- Domestic, utility-scale solar developers have been stockpiling solar panels in anticipation of the ITC ruling, causing recent solar panel price increases.
- The best timing to issue a solar project RFP will likely depend on the ITC decision and the President’s response. Escanaba needs to be prepared with the geotechnical assessment, pile loading and testing, shade analysis and FAA application completed to issue an RFP when the timing is right.
The meeting was called to order by the Honorable Mayor Marc D. Tall at 7:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Ronald J. Beauchamp, Ralph B. Blasier, and Michael R. Sattem.

Absent: Patricia A. Baribeau

Sattem moved, Beauchamp seconded, to excuse Council Member Baribeau.

Also Present: City Manager Patrick S. Jordan, City Department Heads, media, and members of the public.

Pastor Erik Heskin of the Bethany Lutheran Church, gave the invocation and led Council in the Pledge of Allegiance.

Sattem moved, Blasier seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting minutes from September 7, 2017, as submitted.

**ADJUSTMENTS TO THE AGENDA**

Council Member Beauchamp asked to add discussion on a City Manager Performance Review.

Beauchamp moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to approve the Agenda as submitted.

**CONFLICT OF INTEREST DECLARATION** – None

**BRIEF PUBLIC COMMENT** – None

**NEW BUSINESS**

**Update – New Election Equipment – City Clerk Office.**

City Clerk Robert Richards unveiled the new Dominion Election Equipment that will be used for the upcoming November 7, 2017, City Council Election. Clerk Richards advised the City Election equipment was purchased from Help America Vote Act (HAVA) funds. The new equipment would have a life span of 10 years.

**Approval – Pole Agreement.**
Michigan Broadband Services desired to bring high speed internet capability to Downtown Escanaba. They requested Council approval of a City pole agreement that would allow them to hang their fiber cable on City Poles. Administration recommended approval of the Pole Agreement which required Michigan Broadband Services carry proper insurance naming the City of Escanaba as an additional insured, 2) shall pay the City $14.06 per pole per year for each City owned pole Michigan Broad Services is attached to.

Michigan Broadband Services representatives Bruce Moore and Todd Beauchamp were on hand and provided a synopsis of their company and their project to provide high speed fiber connections throughout the downtown area initially and hopefully throughout the community.

After discussion, Blasier moved, Beauchamp seconded, to approve a City Pole Agreement lease with Michigan Broadband Services which included Michigan Broadband Services carrying proper insurance naming the City of Escanaba as an additional insured, 2) shall pay the City $14.06 per pole per year for each City owned pole Michigan Broad Services was attached to.

Upon a call of the roll, the vote was as follows:

Ayes: Blasier, Beauchamp, Sattem, Tall
Nays: None

MOTION CARRIED.

Discussion – City Manager Review

After discussion, Council directed Administration to schedule a City Manager performance review at the October 19th City Council Meeting as per the terms in the City Manager contract.

APPOINTMENT(S) TO CITY BOARDS, COMMISSIONS, AND COMMITTEES

Mayor Tall, with Council consensus, reappointed the following individuals to the Historic District Commission:

- Reappointed to their 4th extended 1 year appointment, Don Curran and Ellie O'Donnell;
- Reappointed to her 3rd extended 1 year appointment, Judith Fouts;
- Reappointed to her 2nd extended 1 year appointment, Suzell Eisenberger;
- Reappointed to her 2nd term, Karen Lindquist term expiring October 1, 2020.

BOARD, COMMISSION, AND COMMITTEE REPORTS
City Council Minutes
September 21, 2017 – cont.

Council Members reviewed City Board and Commission meetings each attended since the last City Council Meeting.

Mayor Tall proclaimed Sunday, October 1, 2017, to be the “Escanaba Area Ecumenical CROP Hunger Walk Day.”

GENERAL PUBLIC COMMENT – None

Hearing no further public comment, the Council adjourned at 7:27 p.m.

Respectfully submitted

Robert S. Richards, CMC
City Clerk

Approved: ______________________

Marc D. Tall, Mayor
MEMORANDUM

TO: Robert Richards, City Clerk
FROM: Melissa Becotte
SUBJECT: Franchise Agreement

The City of Escanaba has a franchise agreement with Charter Communications that will expire October 18, 2017. The current agreement is for a 2% fee which provides the City with roughly $78,000 per year.

In the past, the franchise fee revenue has been deposited into the Office Equipment Fund. We then use those funds for technology purchases, upgrades and maintenance as well as maintaining our equipment for channel 191. We also transfer some of the revenue into the General Fund for the same purposes.

We took part in a survey of 18 communities in the state to see what others are assessing through their franchise agreements. The results of that survey were that the City of Escanaba is on the low end. There are 56% of the communities who are assessing the maximum 5% fee. Escanaba is in the 22% who are assessing 2% or less.

After much discussion, administration is recommending the new franchise agreement to include a fee of 5%.

Please contact me with any questions or concerns.
UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT

THIS UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT ("Agreement") is made, pursuant to 2006 PA 480, MCL 484.3301 et seq. (the "Act") by and between the City of Escanaba, a Michigan municipal corporation (the "Franchising Entity"), and CC VIII Operating, a Delaware Limited Liability Corporation doing business as Charter Communications.

I. Definitions
For purposes of this Agreement, the following terms shall have the following meanings as defined in the Act:

A. "Cable Operator" means that term as defined in 47 USC 522(5).
B. "Cable Service" means that term as defined in 47 USC 522(6).
C. "Cable System" means that term as defined in 47 USC 522(7).
E. "Franchising Entity" means the local unit of government in which a provider offers video services through a franchise.
F. "FCC" means the Federal Communications Commission.
G. "Gross Revenue" means that term as described in Section 6(4) of the Act and in Section VI(D) of the Agreement.
H. "Household" means a house, an apartment, a mobile home, or any other structure or part of a structure intended for residential occupancy as separate living quarters.
I. "Incumbent video provider" means a cable operator serving cable subscribers or a telecommunication provider providing video services through the provider's existing telephone exchange boundaries in a particular franchise area within a local unit of government on the effective date of this act.
J. "IPTV" means Internet protocol television.
K. "Local unit of government" means a city, village, or township.
L. "Low-income household" means a household with an average annual household income of less than $35,000.00 as determined by the most recent decennial census.
M. "METRO Act" means the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act, 2002 PA 48, MCL 484.3101 et seq.
N. "Open video system" or "OVS" means that term as defined in 47 USC 573.
O. "Person" means an individual, corporation, association, partnership, governmental entity, or any other legal entity.
P. "Public rights-of-way" means the area on, below, or above a public roadway, highway, street, public sidewalk, alley, waterway, or utility easements dedicated for compatible uses.
Q. "Term" means the period of time provided for in Section V of this Agreement.
R. "Uniform video service local franchise agreement" or "franchise agreement" means the franchise agreement required under the Act to be the operating agreement between each franchising entity and video provider in this state.
S. "Video programming" means that term as defined in 47 USC 522(20).
T. "Video service" means video programming, cable services, IPTV, or OVS provided through facilities located at least in part in the public rights-of-way without regard to delivery technology, including Internet protocol technology. This definition does not include any video programming provided by a commercial mobile service provider defined in 47 USC 532(d) or provided solely as part of, and via, a service that enables users to access content, information, electronic mail, or other services offered over the public internet.
U. "Video service provider" or "Provider" means a person authorized by the Act to provide video service.
V. "Video service provider fee" means the amount paid by a video service provider or incumbent video provider under Section 6 of the Act and Section VI of this Agreement.
II: Requirements of the Provider

A. An unfranchised Provider will not provide video services in any local unit of government without first obtaining a uniform video service local franchise agreement as provided under Section 3 of the Act (except as otherwise provided by the Act).

B. The Provider shall file in a timely manner with the Federal Communications Commission all forms required by that agency in advance of offering video service in Michigan.

C. The Provider agrees to comply with all valid and enforceable federal and state statutes and regulations.

D. The Provider agrees to comply with all valid and enforceable local regulations regarding the use and occupation of public rights-of-way in the delivery of the video service, including the police powers of the Franchising Entity.

E. The Provider shall comply with all Federal Communications Commission requirements involving the distribution and notification of federal, state, and local emergency messages over the emergency alert system applicable to cable operators.

F. The Provider shall comply with the public, education, and government programming requirements of Section 4 of the Act.

G. The Provider shall comply with all customer service rules of the Federal Communications Commission under 47 CFR 76.309 (c) applicable to cable operators and applicable provisions of the Michigan Consumer Protection Act, 1976 PA 331, MCL 445.901 to 445.922.
   i. Including but not limited to: MCL 445.902; MCL 445.903 (1)(a) through 445.903(1)(cc); MCL 445.903(1)(ff) through (jj); MCL 445.903(2); MCL 445.905; MCL 445.906; MCL 445.907; MCL 445.908; MCL 445.910; MCL 445.911; MCL 445.914; MCL 445.915; MCL 445.916; MCL 445.918.

H. The Provider agrees to comply with in-home wiring and consumer premises wiring rules of the Federal Communications Commission applicable to cable operators.

I. The Provider shall comply with the Consumer Privacy Requirements of 47 USC 551 applicable to cable operators.

J. If the Provider is an incumbent video provider, it shall comply with the terms which provide insurance for right-of-way related activities that are contained in its last cable franchise or consent agreement from the Franchising Entity entered before the effective date of the Act.

K. The Provider agrees that before offering video services within the boundaries of a local unit of government, the video Provider shall enter into a Franchise Agreement with the local unit of government as required by the Act.

L. The Provider understands that as the effective date of the Act, no existing Franchise Agreement with a Franchising Entity shall be renewed or extended upon the expiration date of the Agreement.

M. The Provider provides an exact description of the video service area footprint to be served, pursuant to Section 2(3)(e) of the Act. If the Provider is not an Incumbent video Provider, the date on which the Provider expects to provide video services in the area identified under Section 2(3)(e) of the Act must be noted. The Provider will provide this information in Attachment 1 - Uniform Video Service Local Franchise Agreement.

N. The Provider is required to pay the Provider fees pursuant to Section 6 of the Act.

III. Provider Providing Access

A. The Provider shall not deny access to service to any group of potential residential subscribers because of the race or income of the residents in the local area in which the group resides.

B. It is a defense to an alleged violation of Paragraph A if the Provider has met either of the following conditions:
   i. Within 3 years of the date it began providing video service under the Act and the Agreement; at least 25% of households with access to the Provider's video service are low-income households.
   ii. Within 5 years of the date it began providing video service under the Act and Agreement and from that point forward, at least 20% of the households with access to the Provider's video service are low-income households.

C. [If the Provider is using telecommunication facilities] to provide video services and has more than 1,000,000 telecommunication access lines in Michigan, the Provider shall provide access to its video service to a number of households equal to at least 25% of the households in the provider's telecommunication
service area in Michigan within 3 years of the date it began providing video service under the Act and 
Agreement and to a number not less than 50% of these households within 6 years. The video service 
Provider is not required to meet the 50% requirement in this paragraph until 2 years after at least 
30% of the households with access to the Provider’s video service subscribe to the service for 
6 consecutive months.

D. The Provider may apply to the Franchising Entity, and in the case of paragraph C, the Commission, for a 
waiver of or for an extension of time to meet the requirements of this section if 1 or more of the following 
apply:
   i. The inability to obtain access to public and private rights-of-way under reasonable terms and 
      conditions.
   ii. Developments or buildings not being subject to competition because of existing exclusive service 
      arrangements.
   iii. Developments or buildings being inaccessible using reasonable technical solutions under commercial 
      reasonable terms and conditions.
   iv. Natural disasters
   v. Factors beyond the control of the Provider

E. The Franchising Entity or Commission may grant the waiver or extension only if the Provider has made 
substantial and continuous effort to meet the requirements of this section. If an extension is granted, the 
Franchising Entity or Commission shall establish a new compliance deadline. If a waiver is granted, the 
Franchising Entity or Commission shall specify the requirement or requirements waived.

F. The Provider shall file an annual report with the Franchising Entity and the Commission regarding the 
progress that has been made toward compliance with paragraphs B and C.

G. Except for satellite service, the provider may satisfy the requirements of this paragraph and Section 9 of the 
Act through the use of alternative technology that offers service, functionality, and content, which is 
demonstrably similar to that provided through the provider’s video service system and may include a 
technology that does not require the use of any public right-of-way. The technology utilized to comply with the 
requirements of this section shall include local public, education, and government channels and messages 
over the emergency alert system as required under Paragraph II(E) of this Agreement.

IV. Responsibility of the Franchising Entity

A. The Franchising Entity hereby grants authority to the Provider to provide Video Service in the Video Service 
area footprint, as described in this Agreement and Attachments, as well as the Act.

B. The Franchising Entity hereby grants authority to the Provider to use and occupy the Public Rights-of-way in 
the delivery of Video Service, subject to the laws of the state of Michigan and the police powers of the 
Franchising Entity.

C. The Franchising Entity shall notify the Provider as to whether the submitted Franchise Agreement is complete 
as required by the Act within 15 business days after the date that the Franchise Agreement is filed. If the 
Franchise Agreement is not complete, the Franchising Entity shall state in its notice the reasons the 
Franchise Agreement is incomplete. The Franchising Entity cannot declare an application to be incomplete 
because it may dispute whether or not the applicant has properly classified certain material as “confidential.”

D. The Franchising Entity shall have 30 days after the submission date of a complete Franchise Agreement to 
approve the agreement. If the Franchising Entity does not notify the Provider regarding the completeness 
of the Franchise Agreement or approve the Franchise Agreement within the time periods required under 
Section 3(3) of the Act, the Franchise Agreement shall be considered complete and the Franchise 
Agreement approved.
   i. If time has expired for the Franchising Entity to notify the Provider, The Provider shall send (via mail: 
certified or registered, or by fax) notice to the Franchising Entity and the Commission, using 
Attachment 3 of this Agreement.

E. The Franchising Entity shall allow a Provider to install, construct, and maintain a video service or 
communications network within a public right-of-way and shall provide the provider with open, comparable, 
nondiscriminatory, and competitively neutral access to the public right-of-way.

F. The Franchising Entity may not discriminate against a video service provider to provide video service for any 
of the following:
   i. The authorization or placement of a video service or communications network in public right-of-way.
   ii. Access to a building owned by a governmental entity.
   iii. A municipal utility pole attachment.

G. The Franchising Entity may impose on a Provider a permit fee only to the extent it imposes such a fee on 
incumbent video providers, and any fee shall not exceed the actual, direct costs incurred by the Franchising 
Entity for issuing the relevant permit. A fee under this section shall not be levied if the Provider already has
paid a permit fee of any kind in connection with the same activity that would otherwise be covered by the permit fee under this section or is otherwise authorized by law or contract to place the facilities used by the Provider in the public right-of-way or for general revenue purposes.

H. The Franchising Entity shall not require the provider to obtain any other franchise, assess any other fee or charge, or impose any other franchise requirement than is allowed under the Act and this Agreement. For purposes of this Agreement, a franchise requirement includes but is not limited to, a provision regulating rates charged by video service providers, requiring the video service providers to satisfy any build-out requirements, or a requirement for the deployment of any facilities or equipment.

I. Notwithstanding any other provision of the Act, the Provider shall not be required to comply with, and the Franchising Entity may not impose or enforce, any mandatory build-out or deployment provisions, schedules, or requirements except as required by Section 9 of the Act.

J. The Franchising Entity is subject to the penalties provided for under Section 14 of the Act.

V. Term

A. This Franchise Agreement shall be for a period of 10 years from the date it is issued. The date it is issued shall be calculated either by (a) the date the Franchising Entity approved the Agreement, provided it did so within 30 days after the submission of a complete franchise agreement, or (b) the date the Agreement is deemed approved pursuant to Section 3(3) of the Act, if the Franchising Entity either fails to notify the Provider regarding the completeness of the Agreement or approve the Agreement within the time periods required under that subsection.

B. Before the expiration of the initial Franchise Agreement or any subsequent renewals, the Provider may apply for an additional 10-year renewal under Section 3(7) of the Act.

VI. Fees

A. A video service Provider shall calculate and pay an annual video service provider fee to the Franchising Entity. The fee shall be 1 of the following:
   i. If there is an existing Franchise Agreement, an amount equal to the percentage of gross revenue paid to the Franchising Entity by the incumbent video Provider with the largest number of subscribers in the Franchising Entity.
   ii. At the expiration of an existing Franchise Agreement or if there is no existing Franchise Agreement, an amount equal to the percentage of gross revenue as established by the Franchising Entity of ________% (percentage amount to be inserted by Franchising Entity which shall not exceed 5%) and shall be applicable to all providers.

B. The fee shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.

C. The Franchising Entity shall not demand any additional fees or charges from a provider and shall not demand the use of any other calculation method other than allowed under the Act.

D. For purposes of this Section, "gross revenues" means all consideration of any kind or nature, including, without limitation, cash, credits, property, and in-kind contributions received by the provider from subscribers for the provision of video service by the video service provider within the jurisdiction of the franchising entity.

1. Gross revenues shall include all of the following:
   i. All charges and fees paid by subscribers for the provision of video service, including equipment rental, late fees, insufficient funds fees, fees attributable to video service when sold individually or as part of a package or bundle, or functionally integrated, with services other than video service.
   ii. Any franchise fee imposed on the Provider that is passed on to subscribers.
   iii. Compensation received by the Provider for promotion or exhibition of any products or services over the video service.
   iv. Revenue received by the Provider as compensation for carriage of video programming on that Provider’s video service.
   v. All revenue derived from compensation arrangements for advertising to the local franchise area.
   vi. Any advertising commissions paid to an affiliated third party for video service advertising.

2. Gross revenues do not include any of the following:
   i. Any revenue not actually received, even if billed, such as bad debt net of any recoveries of bad debt.
   ii. Refunds, rebates, credits, or discounts to subscribers or a municipality to the extent not already offset by subdivision (D)(i) and to the extent the refund, rebate, credit, or discount is attributable to the video service.
il. Any revenues received by the Provider or its affiliates from the provision of services or capabilities other than video service, including telecommunications services, information services, and services, capabilities, and applications that may be sold as part of a package or bundle, or functionality integrated, with video service.

iv. Any revenues received by the Provider or its affiliates for the provision of directory or internet advertising, including yellow pages, white pages, banner advertisement, and electronic publishing.

v. Any amounts attributable to the provision of video service to customers at no charge, including the provision of such service to public institutions without charge.

vi. Any tax, fee, or assessment of general applicability imposed on the customer or the transaction by a federal, state, or local government or any other governmental entity, collected by the Provider, and required to be remitted to the taxing entity, including sales and use taxes.

vii. Any forgone revenue from the provision of video service at no charge to any person, except that any forgone revenue exchanged for trades, barter, services, or other items of value shall be included in gross revenue.

viii. Sales of capital assets or surplus equipment.

ix. Reimbursement by programmers of marketing costs actually incurred by the Provider for the introduction of new programming.

x. The sale of video service for resale to the extent the purchaser certifies in writing that it will resell the service and pay a franchise fee with respect to the service.

E. In the case of a video service that is bundled or integrated functionally with other services, capabilities, or applications, the portion of the video Provider’s revenue attributable to the other services, capabilities, or applications shall be included in gross revenue unless the Provider can reasonably identify the division or exclusion of the revenue from its books and records that are kept in the regular course of business.

F. Revenue of an affiliate shall be included in the calculation of gross revenues to the extent the treatment of the revenue as revenue of the affiliate has the effect of evading the payment of franchise fees which would otherwise be paid for video service.

G. The Provider is entitled to a credit applied toward the fees due under Section 6(1) of the Act for all funds allocated to the Franchising Entity from annual maintenance fees paid by the provider for use of public rights-of-way, minus any property tax credit allowed under Section 8 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act (METRO Act), 2002 PA 48, MCL 484.3108. The credits shall be applied on a monthly pro rata basis beginning in the first month of each calendar year in which the Franchising Entity receives its allocation of funds. The credit allowed under this subsection shall be calculated by multiplying the number of linear feet occupied by the Provider in the public rights-of-way of the Franchising Entity by the lesser of 5 cents or the amount assessed under the METRO Act. The Provider is not eligible for a credit under this section unless the provider has taken all property tax credits allowed under the METRO Act.

H. All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.

I. Any claims by a Franchising Entity that fees have not been paid as required under Section 6 of the Act, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.

J. The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under Section 6(1) of the Act, applied against the amount of the subscriber’s monthly bill.

K. The Franchising Entity shall not demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

VII. Public, Education, and Government (PEG) Channels

A. The video service Provider shall designate a sufficient amount of capacity on its network to provide for the same number of public, education, and government access channels that are in actual use on the Incumbent video provider system on the effective date of the Act or as provided under Section 4(14) of the Act.

B. Any public, education, or government channel provided under this section that is not utilized by the Franchising Entity for at least 8 hours per day for 3 consecutive months may no longer be made available to the Franchising Entity and may be programmed at the Provider’s discretion. At such a time as the Franchising Entity can certify a schedule for at least 8 hours of daily programming for a period of 3 consecutive months, the Provider shall restore the previously reallocated channel.

C. The Franchising Entity shall ensure that all transmissions, content, or programming to be retransmitted by a video service Provider is provided in a manner or form that is capable of being accepted and retransmitted by a Provider, without requirement for additional alteration or change in the content by the Provider, over the
particular network of the Provider, which is compatible with the technology or protocol utilized by the Provider to deliver services.

D. The person producing the broadcast is solely responsible for all content provided over designated public, education, or government channels. The video service Provider shall not exercise any editorial control over any programming on any channel designated for public, education, or government use.

E. The video service Provider is not subject to any civil or criminal liability for any program carried on any channel designated for public, education, or government use.

F. If a Franchising Entity seeks to utilize capacity pursuant to Section 4(1) of the Act or an agreement under Section 13 of the Act to provide access to video programming over one or more PEG channels, the Franchising Entity shall give the Provider a written request specifying the number of channels in actual use on the incumbent video provider's system or specified in the agreement entered into under Section 13 of the Act. The video service Provider shall have 90 days to begin providing access as requested by the Franchising Entity. The number and designation of PEG access channels shall be set forth in an addendum to this agreement effective 90 days after the request is submitted by the Franchising Entity.

G. A PEG channel shall only be used for noncommercial purposes.

VIII. PEG Fees

A. The video service Provider shall also pay to the Franchising Entity as support for the cost of PEG access facilities and services an annual fee equal to one of the following options:

1. If there is an existing Franchisee on the effective date of the Act, the fee (enter the fee amount ________) paid to the Franchising Entity by the incumbent video Provider with the largest number of cable service subscribers in the Franchising Entity as determined by the existing Franchise Agreement;

2. At the expiration of the existing Franchisee Agreement, the amount required under (1) above, which is _____% of gross revenues. (The amount under (1) above is not to exceed 2% of gross revenues);

3. If there is no existing Franchisee Agreement, a percentage of gross revenues as established by the Franchising Entity and to be determined by a community need assessment, is _____% of gross revenues. (The percentage that is established by the Franchising Entity is not to exceed 2% of gross revenues); and

4. An amount agreed to by the Franchising Entity and the video service Provider.

B. The fee required by this section shall be applicable to all providers, pursuant to Section 6(9) of the Act.

C. The fee shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.

D. All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.

E. Any claims by a Franchising Entity that fees have not been paid as required under Section 6 of the Act, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.

F. The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under Section 6(8) of the Act, applied against the amount of the subscriber's monthly bill.

G. The Franchising Entity shall not demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

IX. Audits

A. No more than every 24 months, a Franchising Entity may perform reasonable audits of the video service Provider's calculation of the fees paid under Section 6 of the Act to the Franchising Entity during the preceding 24-month period only. All records reasonably necessary for the audits shall be made available by the Provider at the location where the records are kept in the ordinary course of business. The Franchising Entity and the video service Provider shall each be responsible for their respective costs of the audit. Any additional amount due verified by the Franchising Entity shall be paid by the Provider within 30 days of the Franchising Entity's submission of invoice for the sum. If the sum exceeds 5% of the total fees which the audit determines should have been paid for the 24-month period, the Provider shall pay the Franchising Entity's reasonable costs of the audit.

B. Any claims by a Franchising Entity that fees have not been paid as required under Section 6 of the Act, and any claims for refunds or other corrections to the remittance of the provider shall be made within 3 years from the date the compensation is remitted.
X. Termination and Modification

This Franchise Agreement issued by a Franchising Entity may be terminated or the video service area footprint may be modified, except as provided under Section 9 of the Act, by the Provider by submitting notice to the Franchising Entity. The Provider will use Attachment 2, when notifying the Franchising Entity.

XI. Transferability

This Franchise Agreement issued by a Franchising Entity or an existing franchise of an incumbent video service Provider is fully transferable to any successor in interest to the Provider to which it is initially granted. A notice of transfer shall be filed with the Franchising Entity within 15 days of the completion of the transfer. The Provider will use Attachment 2, when notifying the Franchising Entity. The successor in interest will assume the rights and responsibilities of the original provider and will also be required to complete their portion of the Transfer Agreement located within Attachment 2.

XII. Change of Information

If any of the information contained in the Franchise Agreement changes, the Provider shall timely notify the Franchising Entity. The Provider will use Attachment 2, when notifying the Franchising Entity.

XIII. Confidentiality

Pursuant to Section 11 of the Act: Except under the terms of a mandatory protective order, trade secrets and commercial or financial information designated as such and submitted under the Act to the Franchising Entity or Commission are exempt from the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246 and MUST BE KEPT CONFIDENTIAL.

A. The Provider may specify which items of information should be deemed "confidential." It is the responsibility of the provider to clearly identify and segregate any confidential information submitted to the franchising entity with the following information:

"[Insert PROVIDER'S NAME]
[CONFIDENTIAL INFORMATION]"

B. The Franchising Entity receiving the information so designated as confidential is required (a) to protect such information from public disclosure, (b) exempt such information from any response to a FOIA request, and (c) make the information available only to and for use only by such local officials as are necessary to approve the franchise agreement or perform any other task for which the information is submitted.

C. Any Franchising Entity which disputes whether certain information submitted to it by a provider is entitled to confidential treatment under the Act may apply to the Commission for resolution of such a dispute. Unless and until the Commission determines that part or all of the information is not entitled to confidential treatment under the Act, the Franchising Entity shall keep the information confidential.

XIV. Complaints/Customer Service

A. The Provider shall establish a dispute resolution process for its customers. Provider shall maintain a local or toll-free telephone number for customer service contact.

B. The Provider shall be subjected to the penalties, as described under Section 14 of the Act, and the Franchising Entity and Provider may be subjected to the dispute process as described in Section 10 of the Act.

C. Each Provider shall annually notify its customers of the dispute resolution process required under Section 10 of the Act. Each Provider shall include the dispute resolution process on its website.

D. Before a customer may file a complaint with the Commission under Section 10(5) of the Act, the customer shall first attempt to resolve the dispute through the dispute resolution process established by the Provider in Section 10(2) of the Act.

E. A complaint between a customer and a Provider shall be handled by the Commission pursuant to the process as described in Section 10(5) of the Act.

F. A complaint between a Provider and a franchising entity or between two or more Providers shall be handled by the Commission pursuant to the process described in Section 10(6) of the Act.

G. In connection with providing video services to the subscribers, a provider shall not do any act prohibited by Section 10(1)(a-f) of the Act. The Commission may enforce compliance to the extent that the activities are not covered by Section 2(3)(l) in the Act.
XV. Notices

Any notices to be given under this Franchise Agreement shall be in writing and delivered to a Party personally, by facsimile or by certified, registered, or first-class mail, with postage prepaid and return receipt requested, or by a nationally recognized overnight delivery service, addressed as follows:

If to the Franchising Entity:
[must provide street address]

City of Escanaba:

City of Escanaba
410 Ludington St.
Escanaba, MI 49829
Attn: City Manager
Fax No.: 906-786-4755

If to the Provider:
[must provide street address]

Charter Communications
12405 Powerscourt Dr.
St. Louis, MO 63131
Attn: Legal Department
Fax No.: 314-965-6640

Or such other addresses or facsimile numbers as the Parties may designate by written notice from time to time.

XVI. Miscellaneous

A. Governing Law. This Franchise Agreement shall be governed by, and construed in accordance with, applicable Federal laws and laws of the State of Michigan.

B. The parties to this Franchise Agreement are subject to all valid and enforceable provisions of the Act.

C. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

D. Power to Enter. Each Party hereby warrants to the other Party that it has the requisite power and authority to enter into this Franchise Agreement and to perform according to the terms hereof.

E. The Provider and Franchising Entity are subject to the provisions of 2006 Public Act 480.
IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Franchise Agreement.

City of Escanaba, a Michigan Municipal Corporation

By

Print Name

Title
City Manager
Address
410 Ludington St.
City, State, Zip
Escanaba, MI 49829
Phone
906-786-0240
Fax
906-786-4755
Email

CC VIII Operating, a Delaware Limited Liability corporation doing business as Charter Communications

By
Paul Abbott
Print Name
Vice President, Local Government Affairs and Franchising
Title
Address
12405 Powerscourt Dr.
City, State, Zip
St. Louis, MO 63131
Phone
314-965-8793
Fax
Email

FRANCHISE AGREEMENT (Franchising Entity to Complete)

Date submitted:

Date completed and approved:
ATTACHMENT 1

UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT
(Pursuant To 2006 Public Act 480)
(Form must be typed)

Date: August 15, 2017
Applicant's Name: CC VIII Operating, a Delaware Limited Liability Corporation
Address 1: 12405 Powerscourt Dr.
Address 2: Phone: 314-965-0555
City: St. Louis State: Missouri Zip: 63131
Federal I.D. No. (FEIN): 13-4029981

Company executive officers:

Name(s): Thomas M. Rutledge
Title(s): President and Chief Executive Officer

Person(s) authorized to represent the company before the Franchising Entity and the Commission:

Name: Marilyn Passmore
Title: Director, State Government Affairs
Address: 4670 E. Fulton, #102, Ada, MI 49301
Phone: 616-607-2377 Fax: 616-975-1107 Email: marilyn.passmore@charter.com

Describe the video service area footprint as set forth in Section 2(3e) of the Act. (An exact description of the video service area footprint to be served, as identified by a geographic information system digital boundary meeting or exceeding national map accuracy standards.)

The area provided service is the City of Escanaba. Upon request, Charter Communications shall provide route maps showing the locations of the Cable System, to Municipality, access to "as-built" maps, and updated route maps to reflect any changes. Municipality shall give Grantee a minimum of 48 hours notice of the request to view "as-built" maps, unless there exists an emergency situation requiring earlier viewing. Charter Communications' local office and engineering contact information (engineering drawings/"as-built" map address) is listed below. This information also applies to 24 hour emergencies:
Keith Schierbeek- Director of Field Operations
1433 Fulton Street
Grand Haven, MI 49417
Phone: 616-607-2302
email: keith.schierbeek@charter.com
Option A: for Providers that Options B and C are not applicable, a description based on a geographic information system digital boundary meeting or exceeding national map accuracy standards.

Option B: for Providers with 1,000,000 or more access lines in Michigan using telecommunication facilities to provide Video Service, a description based on entire wire centers or exchanges located in the Franchising Entity.

Option C: for an Incumbent Video Service Provider, it satisfies this requirement by allowing the Franchising Entity to seek right-of-way information comparable to that required by a grant under the METRO Act as set forth in its last franchise or consent agreement from the Franchising Entity entered into before the effective date of the Act.

Pursuant to Section 2(3)(d) of the Act, if the Provider is not an incumbent video Provider, provide the date on which the Provider expects to provide video services in the area identified under Section 2(3)(e) (the Video Service Area Footprint).

Date: _____________________________

For All Applications:

Verification (Provider)

I, Paul Abbott, of lawful age, and being first duly sworn, now states: As an officer of the Provider, I am authorized to do and hereby make the above commitments. I further affirm that all statements made above are true and correct to the best of my knowledge and belief.

Name and Title (printed): Paul Abbott, Vice President, Local Government Affairs and Franchising

Signature: _____________________________ Date: 08/10/2017

(Franchising Entity)

City of Escanaba, a Michigan municipal corporation

By _____________________________

Print Name
City Manager
Title
410 Ludington St.
Address
Escanaba, MI 49829
City, State, Zip
Phone
906-786-0240
Fax
906-786-4755
Email
Date

Attachment 1
Uniform Video Service Local Franchise Agreement
Memo

To: Patrick Jordan, City Manager
From: Jeff Lampi, W & WW Supt.
Date: 9/25/17
Re: Engineering Services for Aeration Equipment

Patrick,

For the last couple of years I've been working on upgrading our aeration system. This has not been an easy feat. There are so many interconnected variables that need to be considered, it's very difficult to make an informed and educated decision that will have the most benefit for the City. I fear trying to do this on my own would only result in making a rather costly mistake. To date I've spent a lot of time digging around looking at different options and ideas. Some of these may work, others may not.

This is also very complex due the all the new technology out there today. Each vendor will swear up and down that they have the best of the best. Plans to purchase the most cost effect type of blower, pairing it to a modest flow monitoring system, and then incorporate it into the existing Supervisory Control and Data Acquisition (SCADA) system, is intimidating and time consuming to say the least. Hiring an engineering firm will help us pick our way through the clutter and find the best fit for our needs today and more importantly our plants needs well into the future.

Therefore I would like to hire C2AE to oversee this work of providing engineering services for producing bid documents and specifications, recommendation of Bid Award, DEQ permit application paperwork, along with limited onsite construction observations. C2AE has been conducting the SAW Grant, so they have a very good understanding of our needs. They also bring two of the best engineers for Wastewater Plant Operations; Dave Holmgren and Tom Allbaugh to the table. Both of these men have comprehensive background and experience on wastewater aeration systems. I feel it only makes sense to draw upon their experience and benefit from work they have completed in other municipalities. Complete details for services from C2AE can be found in the proposal attached to this memo.

I would like your authorization along with Council Approval to retain C2AE of Escanaba, MI to conduct the engineering services as written in the proposal dated Aug 30th, 2017; at a cost not to exceed $17,500.00.

Money ($80,000) is available for the purchase of a new blower within the current fiscal year's budget. *Please be aware: If we choose to purchase new blowers this year, the remaining budgeted money will not be great enough to do so, after making payment for engineering fees.

Pc: Melissa Becotte, City Controller
August 30, 2017

Mr. Jeff Lampl, Wastewater Superintendent
City of Escanaba
410 Ludington Street
Escanaba, Michigan 49829

Re: Proposal for Professional Services:
Wastewater Treatment Plant
Aeration Blower Replacement

Dear Mr. Lampl,

Thank you for offering us the opportunity to provide this engineering services proposal to assist with replacement of aeration blowers. It has been rewarding working with the Escanaba WWTP staff to reach this step in the process of upgrading the aeration system.

PROJECT UNDERSTANDING

WWTP staff has expressed concern with aeration blower capacity. The existing blowers are also 40 plus years old. C2AE has worked with the City through the SAW Process Evaluation phase and ultimately provided a recommendation for blower replacement in a memorandum dated July 28, 2017. Based on the memo recommendation and subsequent discussion, we propose to provide engineering assistance for the bidding, installation, and startup of two new aeration blowers. The basis of design will be completed under the current evaluation effort.

The proposed long term aeration blower configuration is four 1350 Cfm units to provide an ultimate available firm blower capacity of 4050 Cfm to meet future growth with modified NPDES permit requiring nitrification. To meet present aeration requirements our recommendation is to install two of the 1350 Cfm positive displacement, rotary screw blowers today. It is understood that ultimately the budget may only allow installation of one new blower. A request has been sent to three blower manufacturers to provide preliminary budgetary proposals for design.

The scope of engineering services under this proposal will include:

- Develop bidding documents for existing blower demolition, complete blower installation, and start up the two installed units.
- Bidding documents will provide for elimination of one of new blowers under a deductible alternate, if necessary to meet the allowed budget.
- Full implementation of dissolved oxygen control of blowers
- Construction assistance

SCOPE

We propose to provide documents for open competitive bidding of the procurement and installation of the two blowers. The proposed scope of service is as follows:

1. Kickoff Meeting. Attend a kickoff meeting to confirm final details of the blower installation and review the information obtained in preliminary submittals.

2. Basis of Design: Revise early basis of design to include final aeration upgrade intentions.
3. **Field Measurements:** Obtain necessary field measurements at proposed demo/installation locations as needed to design the installation of new blowers. Location of the existing blower pad and piping is most important.

4. **Draft Installation Drawings:** Installation drawing will be AutoCAD format and will include:
   a. Necessary demolition and concrete base removal
   b. New concrete base installation
   c. Piping connections.
   d. Control panel location
   e. Dissolved Oxygen monitoring design
   f. Electrical, control, and instrumentation design.

5. **Specifications:** Draft project manual with bidding front end and technical specifications. Front ends and technical specifications will be simplified for the relatively small size of the project. At a minimum the following will be included:
   a. Bid advertisement
   b. Instruction to bidders
   c. Bid form
   d. Agreement
   e. General conditions (Escanaba standard)
   f. Technical specifications for blowers, piping, valves, electrical, and instrumentation.

6. **Blower Control and Instrumentation:** Our design will include new dissolved oxygen monitoring and necessary work to integrate this with WWTP SCADA and local emergency operation. An air meter upgrade is desired. C2AE will provide pros and cons associated with the current orifice technology and thermal mass metering for selection by the Owner.

7. **Draft Plans and Specifications:** Provide draft plans and specs to City and blower suppliers for review.

8. **Construction Permit:** Prepare MDEQ Construction Permit. Work with City to submit on MIWaters.

9. **Recommendation of Award:** C2AE will draft a recommendation of award for council approval.

10. **Preconstruction Meeting:** Organize and conduct a preconstruction meeting at the WWTP.

11. **Shop Drawing Review:** Review shop drawings including blowers, DO sensors, electrical materials, and instrumentation.

12. **Blower Startup:** C2AE will attend the manufacturer's blower startup on site.

13. **Construction Inspection:** Observe construction on two occasions including one inspection when the project is felt to near completion. Provide a punch list based on this pre-final inspection. Assist with execution of a substantial completion form.

14. **Record Drawings:** Provide final engineer's record drawings.

The primary responsible C2AE technical engineer will be Dave Holmgren. Jacob Haapapuro will do much of the detailed engineering with Jill Derouin. Tom Allbaugh will participate in early project planning and engineering QA/QC.