

## MINUTES

### MICHIGAN PIPELINE SAFETY ADVISORY BOARD

Ramada Lansing Hotel and Conference Center  
Regency Ballroom  
7501 West Saginaw Highway  
Lansing, Michigan 48917

February 26, 2018  
1:00 – 3:30 p.m.

Present: Keith Creagh, Co-Chair, Department of Natural Resources  
Heidi Grether, Co-Chair, Department of Environmental Quality (DEQ)  
Anne Armstrong, Michigan Agency for Energy (MAE)  
Craig Hupp, Public Member  
Capt. Chris Kelenske, (*Designee for Col. Kriste Kibbey Etue*), Michigan State Police  
Anthony England, University of Michigan-Dearborn  
Shawn Lyon, Marathon Petroleum  
Homer Mandoka, Nottawaseppi Huron Band of the Potawatomi  
Jennifer McKay, Tip of the Mitt  
Eric Restuccia (*Designee for Attorney General Bill Schuette*), Department of Attorney General (DAG)  
Jeffrey Pillon, National Association of State Energy Officials  
Jerome Popiel, United State Coast Guard (*Coast Guard Liaison, non-voting*)  
Brad Shamla, Enbridge Energy Company  
Michael Shriberg, National Wildlife Federation  
Sally Talberg, Michigan Public Service Commission (MPSC)

Absent: Chris Shepler, Shepler's Mackinac Island Ferry Service

Others: Guy Meadows, Michigan Technological University  
Alex Morese, MAE  
Robert Reichel, DAG  
Holly Simons, DEQ  
Travis Warner, MPSC  
Nate Zimmer, DEQ

#### I. CALL TO ORDER

Heidi Grether, Director, DEQ, called the meeting to order at 1:05 p.m.

#### II. WELCOME AND INTRODUCTIONS

Keith Creagh, Director, DNR, welcomed everyone and introduced Anne Armstrong, Executive Director, MAE, recently appointed as designee after Valerie Brader's departure; Anthony England, Dean, College of Engineering and Computer Science, University of Michigan-Dearborn, recently appointed to represent university's after Guy Meadow's departure; and Eric Restuccia, Chief Legal Counsel, DAG, designee in Laura Moody's absence. Co-Chair Creagh asked board members to introduce themselves to the new members. Co-Chair Creagh also reminded the board that Holly Simons, elected

by the board to be Secretary, will take the minutes for today's meeting and for members of the public wishing to speak to fill out a comment card and submit them to Holly.

III. DECEMBER 11, 2017 MEETING MINUTES

Having reviewed the minutes from the December 11, 2017, meeting, Co-Chair Creagh asked for comments. Discussion took place.

**Shawn Lyon moved, seconded by Craig Hupp, that per the January 26, 2018, letter from the Governor regarding resolutions (Attachment A), the board amend Section XIII, Formal Discussion of Enbridge Agreement, of the December 11, 2017, minutes, by adding the following footnote for historical reference:**

*Under Executive Order 2015-12, Section III.F, "the Board shall act in making its recommendations by a majority vote of its serving members." As of December 9, 2017, there were fifteen serving members of the Board. Since fewer than eight votes were in favor, the action did not carry.*

**The vote was taken on the motion. The motion carried unanimously.**

Co-Chair Creagh requested a motion to approve the amended minutes (Attachment B).

**Brad Shamla moved, seconded by Craig Hupp, that the amended minutes from the December 11, 2017, meeting be approved. The vote was taken on the motion. The motion carried unanimously.**

IV. CORRESPONDENCE RECEIVED

Correspondence received on behalf of the Board since its last meeting was shared with the Board in the pre-meeting packet, including:

*Board Members*

- Jennifer McKay, Tip of the Mitt
- Craig Hupp
- Jeffrey Pillon, National Association of State Energy Officials

*Non-Board Members*

- Grace Bostic
- Katherine Manville
- Deb Hansen, Concerned Citizens of Cheboygan and Emmet County
- Anabel Dwyer
- Joseph Fischer
- Johanna Bogater
- Marilyn Bochoirk
- Richard Booth
- Jackie Byars
- Deborah Gilbert
- Laurie Kaniarz
- Annie McCombs
- Clifford Neumann

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- Constance Saltonstall
- Allen Salyer
- Maureen Sheahan
- Robert Soderstrom
- Barbara Spinniken
- Sharon Stevenson
- G. Berbaum
- Robert Blanchard
- Karen Brandel
- Elena Cangelosi
- K.A. Douglass-Harris
- Richard Frazin
- Kathryn Gavin
- Stephen Hamilton
- Liana Heath
- Bret Huntman
- Joseph Jakubowski
- Mary Keils
- Anna Kornoelje
- Martha Lancaster
- Judy Karandjeff, League of Women Voters
- Clarice J. McKenzie
- Mary Netzký
- Sherry Opalka
- Pauline Reeder
- Carol Shuckra
- Della Smith
- Linda Szurley
- C. D. Tchalo
- Anne Throop
- Lucynda Thrushman
- Carol Trembath
- Cheryl Trine
- James Vanek
- Lisa Williams
- Tracy Zervos
- Marlene Bahr
- Bob Johns
- Merry MacRae
- Kathryn Rosenthal
- Cynthia Sherman-Jones
- Dr. Judy Spitler
- JoAnne Beemon
- Erik Greer
- Dr. Gail B. Griffin
- Aaron Jenkins

- Sally Thornton
- Cindy Cramer
- David Cruse
- Wayne Blomberg
- Susan Wrona Gall
- Steven Trudgen
- Helen Klein
- Ed Czarnecki
- Deon McGehee

V. OLD BUSINESS

- Independent Alternatives Analyses  
Nate Zimmer provided an update. Discussion took place.
- Pipeline Safety Best Practices and Pipeline Siting Subcommittee  
Travis Warner provided an update. Discussion took place.
- PSAB Website  
Alex Morese provided an update. Discussion took place.
- Response From Governor  
Alex Morese provided an update. Discussion took place.
- Resolutions and Advice to Governor  
Co-Chair Grether provided an update. Discussion took place.

**Jeffrey Pillon moved, seconded by Capt. Chris Kelenske, to amend the meeting procedures of the Pipeline Safety Advisory Board as such:**

Section 7: Voting

The chairpersons may call for a vote of the Advisory Board. All voting shall be by a voice vote. A majority vote of ITS SERVING MEMBERS ~~the remaining members~~ will bind. All votes shall be recorded and reflected in the minutes.

Section 11: Agenda

The agenda for each regular meeting shall be prepared by the Advisory Board's Staff Assistant, in consultation with the Chairpersons, on the basis of all materials received by the staff assistant, either written or oral, fourteen (14) days before convening of the next regular meeting and published not less than seven (7) days prior to, or immediately upon, preparation of same. An agenda for special meetings shall be prepared and sent to Advisory Board Members with the notification of the meeting.

ANY RESOLUTIONS OR OTHER MATTERS, AND SUPPORTING MATERIALS, THAT MAY REQUIRE A VOTE BY THE BOARD SHALL BE PROVIDED TO THE MEMBERS OF THE BOARD NOT LESS THAN

SEVEN (7) DAYS PRIOR TO A MEETING OF THE BOARD AT WHICH THE RESOLUTION OR MATTER MAY BE VOTED UPON. THE BOARD BY MAJORITY VOTE MAY SUSPEND THIS REQUIREMENT FOR MORE URGENT MATTERS THAT REQUIRE ACTION.

**The vote was taken on the motion. The motion carried unanimously**

- Enbridge Agreement  
Bob Reichel provided an update. Discussion took place.

VI. INDEPENDENT RISK ANALYSIS UPDATE

Guy Meadows provided a presentation. Discussion took place.

VII. TRIBAL UPDATE

Homer Mandoka provided an update. Discussion took place.

VIII. ORGANIZATIONAL ITEMS

Co-Chair Creagh highlighted the revised 2018 meeting schedule based on discussion at the December meeting and asked the board to review and let Holly know of any conflicts.

IX. PUBLIC PARTICIPATION

- Liz Kirkwood, For the Love of Water (FLOW), shared verbal comments.
- Vince Lumetta shared verbal comments.
- Dale Giddings shared verbal comments.
- Allison LaPlatt, Sierra Club of Michigan, shared verbal comments.
- Anne Woiwode, Sierra Club of Michigan, shared verbal comments.
- Jaynan Montague shared verbal comments.
- Tommy Tacket shared verbal comments.
- Eric Krawczak shared verbal comments.
- Michelle Smith shared verbal comments.
- Lisa Bashert shared verbal comments.
- Judy Woler shared verbal comments.
- Terri Wilkerson shared verbal comments.
- Sean McBrearty, Oil and Water Don't Mix, shared verbal comments.
- Jerilynn Tucker shared verbal comments.

X. ADJOURN

Co-Chair Creagh called the meeting to adjourn at 4:16 p.m.

NEXT MEETING

Monday, May 14, 2018  
Time: 1:00 – 3:30 p.m.  
Location: TBA

# Attachment A



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
EXECUTIVE OFFICE  
LANSING

BRIAN CALLEY  
LT. GOVERNOR

January 26, 2018

Dear Pipeline Safety Advisory Board Members,

Thank you very much for the resolutions sent to me following the December meeting. I appreciate the opportunity to hear the advice of many members of the Pipeline Safety Advisory Board and would like to take this opportunity to respond to all of you regarding the subject matter of the resolutions.

First, I would like to note that the chair was incorrect when she stated that the resolutions passed. I note that under Executive Order 2015-12, Section III.F, "the Board shall act in making its recommendations by a majority vote of its *serving* members." (Emphasis added). As of December 9<sup>th</sup>, there were fifteen serving members of the Board. Since all the resolutions received fewer than eight votes in favor, none of the resolutions were actually actions by the Board. That being said, I appreciate the service of each of you, and would like to address the topics of the resolutions.

The first resolution asks that the State immediately propose an amendment to the November 27, 2017 Agreement with Enbridge that would require it to shut down Line 5 operations in the Straits until all areas of the Dual Pipelines can be inspected for gaps in the external coating and all gaps are repaired. As a practical matter, such further inspections and repairs cannot be completed until the summer of 2018 at the earliest. While the coating gaps remain of key concern and must be addressed, review of the recent hydrotest results of Line 5 though the Straits indicated there is not a risk of imminent failure, and that test was done when these coating gaps existed.

With all respect, I do not believe an immediate and extended shutdown of the pipeline in the middle of the winter is a proper approach that safeguards the health and welfare of Michigan citizens. This month, the Federal Motor Carrier Safety Administration made a Regional Declaration of Emergency under 49 CFR 390.23 in response to anticipated home heating fuel shortages, notably propane, due to Winter Storm Frankie's severe weather. That area included 38 states, of which Michigan is one. An immediate and unexpected shutdown of the pipeline for several months would very likely create a propane supply crisis like Michigan faced in the winter of 2013/2014, potentially jeopardizing the health and safety of Michigan residents.

The resolution appears to attempt to address this issue by proposing that the Agreement also be amended to require Enbridge to supply propane to Michigan markets at a reasonable cost while the pipeline is out of operation. Since Enbridge strongly maintains, based upon the hydrotest and in line inspection results, as well as the operation of cathodic protection, that the gaps in external coating do not present a threat to the integrity of the Dual Pipelines, it is highly unlikely that Enbridge would agree to voluntarily suspend pipeline operation for months, pending further external coating inspections and repairs. I am also unaware of the basis to carry out the recommendation that Enbridge be required to supply propane to the public if the pipeline ceases operation.

Second, I note the resolution asking that the State seek to revise the "Sustained Adverse Weather Conditions" portion of the November 27, 2017 Agreement. As you are aware, there

## Attachment A

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was no requirement for a shutdown due to any weather conditions prior to the November 27, 2017 Agreement. I will simply say I appreciate the points made, but given the amount of negotiating time and effort that went into that specific provision, a request to re-open that provision would be extremely unlikely to result in an agreement to move in the direction envisioned by the resolution.

Third, I turn to the resolution that urges Michigan to undertake a more thorough assessment of Michigan-focused alternatives, including alternative pipeline capacity re-routing options and ways to supply propane and oil to meet Michigan's needs currently met by Line 5. The State is already taking steps to address, in greater detail, the issues of alternative means of supplying propane within Michigan and transporting Michigan produced crude oil to market. Among other ongoing efforts pertaining to this issue, State agency staff are working to independently verify key Michigan-centric data and assumptions contained within the Final Alternatives Analysis Report, setting up consultations with key customers to discuss how a potential shut down of the Dual Pipelines would impact their Michigan operations, and are gathering additional information about the logistical capabilities of major oil and propane terminals in and around Michigan. In addition, the State is considering the possibility of obtaining the services of outside transportation consultants to better define the feasibility and costs of alternatives to meeting Michigan propane and Michigan-produced crude oil transportation needs that would not depend upon Line 5.

With respect to the broader suggestions that the State conduct a detailed analysis "on the public need for Line 5 in Michigan" and "a more robust study of alternative pipeline capacity to re-route the portion of Line 5's flow dedicated to Michigan's needs", the resolution is not clear as to what is being proposed. In particular, it is not clear: (a) who would conduct these analyses, (b) how the scope of the work would be defined, (c) what it would cost, (d) who would pay for it, and (e) how it would be completed by the June 25, 2018 deadline proposed in the resolution. The State would welcome clarification of the suggestion by the proponents of the resolution and comments from other members of the Board.

Finally, given that in discussions with Dr. Meadows, it appears that a final risk analysis may not be completed before September 15, I do plan to reach out and ask Enbridge to modify the date for a final agreement to be reached (or the state will take another path) from August 15, 2018 to September 30, 2018.

Thank you again for your service on the Board. I know each of you has put significant time and effort as Board members, and have done a great deal of work as a service to the State. I appreciate that very much and look forward to further communications from the Board.

Sincerely,



Rick Snyder  
Governor

## Attachment B

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XII. ENBRIDGE AGREEMENT UPDATE

Keith Creagh provided an update. Discussion took place.

XIII. FORMAL DISCUSSION OF ENBRIDGE AGREEMENT

Jennifer McKay provided background on a memorandum and three resolutions seeking action by the board. Discussion took place.

**Jennifer McKay moved, seconded by Michael Shriberg, that the board approve the resolution calling for action by the State to amend the agreement with Enbridge regarding coating gaps (Attachment B). Roll call vote was taken. The motion carried\* with members Hupp, Mandoka, McKay, Shepler, and Shriberg voting in favor; Co-Chair Brader and members Creagh, Kelenske, Lyon, Schneider, Shamla, and Talberg abstaining; and Pillon voting against. Co-Chair Grether was not present for the vote. Jerome Popiel is a non-voting member.**

**Craig Hupp moved, seconded by Jennifer McKay, that the board approve the resolution calling for action by the State to amend the agreement with Enbridge regarding the revision of “sustained adverse weather conditions” (Attachment C). Roll call vote was taken. The motion carried\* with members Hupp, Mandoka, McKay, Shepler, and Shriberg voting in favor; Co-Chair Brader and members Creagh, Kelenske, Lyon, Pillon, Schneider, Shamla, and Talberg abstaining. Co-Chair Grether was not present for the vote. Jerome Popiel is a non-voting member.**

**Jeff Pillon moved, seconded by Craig Hupp, that the board amend the last paragraph of resolution regarding the need for further assessment of Michigan-focused alternatives to Line 5 (Attachment D) as such:**

*NOW, THEREFORE, BE IT RESOLVED, that the State conduct a detailed analysis on the public need for Line 5 in Michigan, a more robust study of alternative pipeline capacity to reroute the portion of Line 5’s flow dedicated to Michigan’s needs, and a more robust study of options to supply propane and oil to meet Michigan’s needs currently met by Line 5, supplied from sources both in and outside the state of Michigan, and to transport of oil to market from northern Michigan. This analysis would be completed by no later than June 25, 2018.*

**The vote was taken on the motion. The motion carried unanimously.**

**Michael Shriberg moved, seconded by Craig Hupp, that the board approve the amended resolution calling for action by the State to amend the agreement with Enbridge regarding the need for further assessment of Michigan-focused alternatives to Line 5 (Attachment D). Roll call vote was taken. The motion carried\* with members Hupp, Pillon, Mandoka, McKay, Shepler, and Shriberg**

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\* Under Executive Order 2015-12, Section III.F, “the Board shall act in making its recommendations by a majority vote of its *serving* members.” As of December 9, 2017, there were fifteen serving members of the Board. Since fewer than eight votes were in favor, the action did not carry.