



**CITY COUNCIL  
WORK SESSION AGENDA  
Monday, August 5, 2013  
6:00 PM – 6:45 PM  
City Hall**

**A. Cronin Building Proposal**

MAEDA staff will present the proposal received for redevelopment of the Cronin Building.

**B. Other Items**

**C. Future Work Sessions**

None scheduled

**D. Future topics**

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Marshall, MI 49068

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[cityofmarshall.com](http://cityofmarshall.com)



# MARSHALL CITY COUNCIL AGENDA

MONDAY – 7:00 P.M.

August 5, 2013

- 1) CALL TO ORDER
- 2) ROLL CALL
- 3) INVOCATION – Scott Loughrige, Cross Roads Church & Ministries
- 4) PLEDGE OF ALLEGIANCE
- 5) APPROVAL OF AGENDA – Items can be added or deleted from the Agenda by Council action.
- 6) PUBLIC COMMENT ON AGENDA ITEMS – Persons addressing Council are required to give their name and address for the record when called upon by the Mayor. Members of the public shall be limited to speaking for a maximum of five (5) minutes on any agenda item.
- 7) CONSENT AGENDA
  - A. City Council Minutes P. 4  
Regular Session..... Monday, July 15, 2013
  - B. City Bills P. 8  
Regular Purchases ..... \$ 1,055,538.83  
Purchased Power..... \$790,364.56  
Weekly Purchases –7/12/13..... \$ 46,725.44  
Weekly Purchases –7/19/13..... \$166,460.90  
Weekly Purchases –7/26/13..... \$10,635.56  
Total ..... \$2,069,725.29
- 8) PRESENTATIONS AND RECOGNITIONS
- 9) INFORMATIONAL ITEMS
- 10) PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION
  - A. Public Hearing - Autocam Corporation IFT Application, 1601 Pratt Avenue P. 16  
City Council will hear public comment on the proposed Industrial Facilities Tax Exemption Certificate application for Autocam Corporation at 1601 Pratt Avenue.
  - B. Public Hearing – Autocam Corporation IFT Application, 1511 George Brown Drive P. 31  
City Council will hear public comment on the proposed Industrial Facilities Tax Exemption Certificate application for Autocam Corporation at 1511 George Brown Drive.
  - C. Public Hearing – Vacate Section of Green Street P. 46  
City Council will hear public comment regarding a vacation of a section of the West Green Street right of way at Kalamazoo Avenue.
  - D. Public Hearing – P.A. 425 Land Transfer with Marshall Township P. 48  
City Council will hear public comment regarding a P.A. 425 Conditional Land Transfer for the parcel at 714 Brewer Street

Mayor:

James Dyer

Council Members:

Ward 1 - David Revore

Ward 2 - Nick Metzger

Ward 3 - Brent Williams

Ward 4 - Jack Reed

Ward 5 - Jody Mankerian

At-Large - Kathy Miller



**11) OLD BUSINESS**

**12) REPORTS AND RECOMMENDATIONS**

**A. Hastings City Bank Land Swap P. 54**

City Council will consider the recommendation to approve the resolution to authorize the Clerk to sign the warranty deed and easement documents with Hastings City Bank.

**B. Low Income Energy Assistance Act P. 63**

City Council will consider the recommendation to approve the changes to the City of Marshall Rate Classifications and Standard Rules and Regulations.

**C. Purchase Power Agreement P. 113**

City Council will consider the recommendation to approve the Resolution Approving Hydro-electric Power Purchase Agreement and Related Matters.

**13) APPOINTMENTS / ELECTIONS**

**A. Airport Board Appointment**

City Council will consider the recommendation to approve the appointment of Scott Blankenship to the Airport Board with a term expiring October 1, 2015.

**14) PUBLIC COMMENT ON NON-AGENDA ITEMS**

Persons addressing Council are required to give their name and address for the record when called upon by the Mayor. Members of the public shall be limited to speaking for a maximum of five (5) minutes on any item not on the agenda.

**15) COUNCIL AND MANAGER COMMUNICATIONS**

**16) ADJOURNMENT**

Respectfully submitted,

A handwritten signature in cursive script that reads "Tom Tarkiewicz".

Tom Tarkiewicz  
City Manager

**CALL TO ORDER**

IN REGULAR SESSION Monday, July 15, 2013 at 7:00 P.M. in the Council Chambers of Town Hall, 323 West Michigan Avenue, Marshall, MI, the Marshall City Council was called to order by Mayor Dyer.

**ROLL CALL**

Roll was called:

Present: Council Members: Mayor Dyer, Mankerian, Miller, Reed, and Revore.

Also Present: City Manager Tarkiewicz.

Absent: Council Members Metzger and Williams.

**Moved** Miller, supported Mankerian, to excuse the absence of Council Members Metzger and Williams. On a voice vote – **MOTION CARRIED.**

**INVOCATION/PLEDGE OF ALLEGIANCE**

Richard Gerten of Family Bible Church gave the invocation and Mayor Dyer led the Pledge of Allegiance.

**APPROVAL OF THE AGENDA**

**Moved** Reed, supported Mankerian, to approve the agenda with the addition item 9A – Xtreme Obstacle Challenge and the removal of item 13A – Planning Commission Appointments. On a voice vote – **MOTION CARRIED.**

**PUBLIC COMMENT ON AGENDA ITEMS**

None.

**CONSENT AGENDA**

**Moved** Miller, supported Reed, to approve the Consent Agenda:

- A. Scheduled a public hearing for August 5, 2013 to hear public comment on the proposed Industrial Facilities Tax Exemption Certificates for Autocam Corporation at 1601 Pratt Avenue and 1511 George Brown Drive;
- B. Approve minutes of the City Council Regular Session and Work Session held on Monday, July 1, 2013;
- C. Approve city bills in the amount of \$ 85,401.72.

On a roll call vote – ayes: Mankerian, Miller, Reed, Revore, and Mayor Dyer; nays: none. **MOTION CARRIED.**

**PRESENTATIONS AND RECOGNITIONS**

**A. Introduction of Full-Time Firefighter:**

Fire Chief Kiessling introduced the new Full -Time Firefighter Brad Hawley.

**B. Ambulance Millage Renewal:**

Director of Marshall Area Firefighters Ambulance Authority, Mark Burke, spoke regarding the operating millage proposal of .5 mills that will be on the August 6, 2013 ballot.

**INFORMATIONAL ITEMS**

**A. Xtreme Obstacle Challenge:**

Karen Hagerty provided Council with information regarding the event, Xtreme Obstacle Challenge.

**PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION**

None.

**OLD BUSINESS**

None.

**REPORTS AND RECOMMENDATIONS**

**A. Special Land Use #SLU13.01 for 1210 Comstock:**

**Moved** Mankerian, supported Miller, to approve Special Land Use #13.01 for 1210 Comstock for a Group Child Day Care. On a roll call vote – ayes: Miller, Reed, Revore, Mayor Dyer, and Mankerian; nays: none. **MOTION CARRIED.**

**B. DPW Contract:**

**Moved** Revore, supported Reed, to approve the contract with Teamsters Local 214, Department of Public Works. On a roll call vote – ayes: Reed, Revore, Mayor Dyer, Mankerian, and Miller; nays: none. **MOTION CARRIED.**

**C. DART Contract:**

**Moved** Reed, supported Miller, to approve the contract with Teamsters Local 214, DART General City Employees. On a roll call vote – ayes: Revore, Mayor Dyer, Mankerian, Miller, and Reed; nays: none. **MOTION CARRIED.**

**D. Personnel Policy Revisions:**

**Moved** Miller, supported Reed, to approve the changes to the City of Marshall

Personnel Manual. On a voice vote – **MOTION CARRIED.**

**E. Schedule Public Hearing – Vacate Section of Green Street:**

**Moved** Revore, supported Reed, to schedule a public hearing for August 5, 2013 to hear public comment regarding a vacation of a section of the West Green Street right of way at Kalamazoo Avenue. On a voice vote – **MOTION CARRIED.**

**F. Purchase of Flynn Property at 714 Brewer Street:**

**Moved** Reed, supported Mankerian, to approve the purchase of the Flynn property at 714 Brewer Street in the amount of \$325,000 and the seller's closing costs and attorney fees in the amount not to exceed \$1,000. On a roll call vote – ayes: Mankerian, Miller, Reed, Revore, and Mayor Dyer; nays: none. **MOTION CARRIED.**

**G. Schedule Public Hearing – P.A. 425 Land Transfer with Marshall Township:**

**Moved** Miller, supported Mankerian, to schedule a public hearing for August 5, 2013 regarding a P.A. 425 Land Transfer for the parcel at 714 Brewer Street. On a voice vote – **MOTION CARRIED.**

**H. Architect Selection for the Marshall Regional Law Enforcement Center:**

**Moved** Reed, supported Mankerian, to approve Redstone Architects Inc. as the professional designer for the Marshall Regional Law Enforcement Center for a bid in the amount of \$714,200. On a roll call vote – ayes: Miller, Reed, Revore, Mayor Dyer, and Mankerian; nays: none. **MOTION CARRIED.**

**I. Marshall Regional Law Enforcement Center Construction Manager:**

**Moved** Reed, supported Revore, to approve the bid from Clark Construction of Lansing as the Construction Manager Representative for the Marshall Regional Law Enforcement Center in the amount of \$401,663. On a roll call vote – ayes: Revore, Mayor Dyer, Mankerian, Miller, and Reed; nays: none. **MOTION CARRIED.**

**APPOINTMENTS / ELECTIONS**

None.

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

Robert Budesky of 501 West Mansion Street spoke regarding the damage to his yard from the construction crews.

**COUNCIL AND MANAGER COMMUNICATIONS**

**ADJOURNMENT**

The meeting was adjourned at 8:05 p.m.

\_\_\_\_\_  
James L. Dyer, Mayor

\_\_\_\_\_  
Trisha Nelson, City Clerk

User: ctanner

DP: Marshall

EXP CHECK RUN DATES 07/26/2013 - 08/08/2013

UNJOURNALIZED OPEN

BANK CODE: MAIN

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	AMOUNT
27234	ABLE HEATING & COOLIN	SERVICE CALL	
9911277023	AIRGAS USA LLC	CYLINDER RENTAL	260.00
SCL10001157	ALEXANDER CHEMICAL CO	DEPOSIT REFUND	97.31
SCL10001156	ALEXANDER CHEMICAL CO	CYLINDER DEPOSIT REFUND	(700.00)
73895	ALL-TRONICS INC	PHONE SYSTEM TIE-IN	(1,400.00)
070113	ALLIANCE ARCHITECTS	2013 APARTMENT MODERNIZATION	227.00
9257	ALPHA PROMOTIONAL PRO	"KANOE" T-SHIRTS	7,400.78
5043647	ALTEC INDUSTRIES INC	TRIP CHARGE	239.55
5043646	ALTEC INDUSTRIES INC	SERVICE CALL	151.00
072213	ARBOR MASTER	L1 AERIAL LIFT RIGGING APPLICATION	408.50
12-517021	ARROW UNIFORM	CUST #010198-02	1,675.00
12-517024	ARROW UNIFORM	CUST #010198-03	54.56
12-509396	ARROW UNIFORM	CUST #010198-02	135.58
12-532246	ARROW UNIFORM	CUST #010198-02	56.06
12-532249	ARROW UNIFORM	CUST #010198-03	54.56
12-524634	ARROW UNIFORM	CUST #010198-02	135.58
12-524637	ARROW UNIFORM	CUST #010198-03	54.56
12-517017	ARROW UNIFORM	CUST #010198-01	135.58
12-517025	ARROW UNIFORM	CUST #010198-05	26.37
12-524638	ARROW UNIFORM	CUST #010198-05	20.00
12-524630	ARROW UNIFORM	CUST #010198-01	20.00
12-524636	ARROW UNIFORM	CUST #010198-04	26.37
12-517023	ARROW UNIFORM	CUST # 010198-04	62.30
12-532248	ARROW UNIFORM	CUST #010198-04	62.30
12-532242	ARROW UNIFORM	CUST #010198-01	62.30
12-532250	ARROW UNIFORM	CUST #010198-05	26.37
388-104139-01	AUSTIN-BATTERIES PLUS	BATTERY REBUILD	20.00
388-104113-01	AUSTIN-BATTERIES PLUS	65 PRO PLATINUM AGM 36	59.99
388-155966	AUSTIN-BATTERIES PLUS	12V LEAD	194.50
225-328303	AUTO VALUE MARSHALL	GLOVES, TESTER, FILTERS, OIL	52.95
225-328315	AUTO VALUE MARSHALL	OIL FILTER	173.31
225-328581	AUTO VALUE MARSHALL	12V 850 CCA	5.26
225-328606	AUTO VALUE MARSHALL	11OZ SMART STRAW	124.99
225-328484	AUTO VALUE MARSHALL	TIE ROD END	7.29
225-324540	AUTO VALUE MARSHALL	12V 700 CCA	112.98
225-322254	AUTO VALUE MARSHALL	SWITCH	98.99
225-327422	AUTO VALUE MARSHALL	FUEL TREATMENT	42.14
225-328618	AUTO VALUE MARSHALL	CORE CREDIT	112.56
225-329322	AUTO VALUE MARSHALL	PUL/INSTL KIT	(16.00)
225-329245	AUTO VALUE MARSHALL	ENGINE DEGREASER	39.95
225-329365	AUTO VALUE MARSHALL	TOUGH PRIME, FLAT BLACK	23.03
85071A	B S & A SOFTWARE	.NET FINANCIAL SOFTWARE BALANCE DUE	14.88
87170A	B S & A SOFTWARE	BUILDING DEPT.NET TRAINING BALANCE DUE	14,402.50
85153A	B S & A SOFTWARE	TRAINING FOR FINANCIAL & PAYROLL.NET BA	1,062.50
86324A	B S & A SOFTWARE	TIMESHEETS.NET TRAINING BALANCE DUE	6,587.50
87098A	B S & A SOFTWARE	BUILDING DEPT.NET BALANCE DUE	425.00
071013	BAKER TOOL RENTAL & S	MINI EX RENTAL	2,700.00
072213	BAKER TOOL RENTAL & S	SHIPPING CHARGES	175.00
070913	BAKER TOOL RENTAL & S	UPS CHARGE	27.38
1	BALKEMA EXCAVATING IN	STORM SEWER IMPROVEMENTS	13.78
1606868942	BLUETARP FINANCIAL IN	NORTHERN TOOL MAIL ORDER - TOOLS	85,441.48
627618	BOSHEARS FORD SALES I	BUSHING	234.19
67142	BOSHEARS FORD SALES I	2010 CROWN VIC	8.00
161865	BOSKER BRICK COMPANY	EXIT DEVICE REPLACED	389.77
100166	BUD'S WRECKER SERVICE	TAURUS TOWED	1,195.00
85866	CARR BROTHERS & SONS	30 YDS SCREENINGS	55.00
2389	CB HALL ELECTRIC COMP	MH REC ROOM	270.00
13-2471	CB HALL ELECTRIC COMP	FOUNTAIN LIGHTS BREAKER SWITCH	75.00
13-2472	CB HALL ELECTRIC COMP	CIRCUIT FOR PLUG-IN IN TRUCK TRIPPING	128.00
13-2473	CB HALL ELECTRIC COMP	CHECK AFTER SURGE	200.00
2013060447	CBINNNOVIS	SCREENING SERVICES	100.00
171683	CITY OF ALBION	WOW INTERNET	13.65
STREETS-2013-0094	CITY OF BATTLE CREEK	QUARTERLY TRAFFIC SIGNAL APR--MAY	127.49
CVC10808	CIVIC SYSTEMS LLC	SEMI-ANNUAL SOFTWARE SUPPORT FEES JULY	469.32
130602-1	CIVIL ENGINEERS INC	HUGHES STREET REHAB	5,286.00
26324	CLASSIC DRY CLEANING&	CLEANING & LAUNDRY	3,162.50
6303	COBAN TECHNOLOGIES	MIC-G3 RECE ONLY	210.40
53170	COGITATE INC	SOFTWARE MAINTENANCE	175.00
38092	COLDWATER BOARD OF	BILLING FOR THE BEAST	155.00
6006185/1	COLE CHRYSLER DODGE J	RPR 1998 JEEP CHEROKEE	713.35
590067	COMMERCIAL OFFICE PRO	STENO BK, PADS, TABS, LABELS, INDEX	351.55
600863	COMMERCIAL OFFICE PRO	TONER, INDEX	84.56
8803	CROSSTOWN COMMUNICATI	EXTERIOR TRANSIT DISPLAY	187.03
56848001	CRYSTAL FLASH ENERGY	FUEL	895.00
736709	CRYSTAL FLASH ENERGY	PROPANE	941.67
115169	D & D MAINTENANCE SUP	JANITORIAL SUPPLIES	22.42
431595	DARLING ACE HARDWARE	CUT WHEEL, BLADE CU <del>0</del> OFF, HOSE	243.34
			29.95

HOLD 98.99

User: ctanner

DB: Marshall

EXP CHECK RUN DATES 07/26/2013 - 08/08/2013

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BANK CODE: MAIN

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	AMOUNT
432186	DARLING ACE HARDWARE	CONDUIT STRAP	4.95
432083	DARLING ACE HARDWARE	CABLE, CONN FLEX	40.89
432091	DARLING ACE HARDWARE	CONN FLEX SCREWS, CONNECTORS	(3.00)
431992	DARLING ACE HARDWARE	NUTS	2.60
432274	DARLING ACE HARDWARE	MURIATIC ACID	27.94
432208	DARLING ACE HARDWARE	3/8IN RS 3/8P .050G	73.95
431955	DARLING ACE HARDWARE	SWITCH, PLUG, & FAN	79.97
431398	DARLING ACE HARDWARE	BATTERIES	4.99
431952	DARLING ACE HARDWARE	PAINT, WASP SPRAY	8.48
431342	DARLING ACE HARDWARE	SMEALL EQUIPMENT FUEL	23.97
431378	DARLING ACE HARDWARE	FOUNTAIN CHEMICALS	99.94
431504	DARLING ACE HARDWARE	PLEXI	22.50
431281	DARLING ACE HARDWARE	BUILDING PAINT	119.96
430993	DARLING ACE HARDWARE	RAID, CLOROX CLEANUP	20.96
430630	DARLING ACE HARDWARE	WEBER GRILL BRUSH, CUP HOOKS	13.97
430855	DARLING ACE HARDWARE	FASTENERS	6.49
5-2075107905	DAVIS CONSTRUCTION IN	2012 WASTEWATER SYSTEM IMPROVEMENTS	599,151.50
071513	DEFOREST BROTHERS CON	22' CONCRETE CURB	1,150.00
870724	DEVON TITLE AGENCY	SEARCH FEE--V/L OLD 27 & NORTH DRIVE	150.00
INV11999	DORNBOS SIGN & SAFETY	SIGNS	4,295.00
32575	DOUGLASS SAFETY SYSTE	HARNESS ASSY	153.21
3069044	EDWARDS INDUSTRIAL SA	BLK NEPTUNE 3000 3/8	115.58
3070739	EDWARDS INDUSTRIAL SA	SWIVEL NUT RUN TEE	10.34
3621850	EJ USA INC	HYDRANT EXTENSION	383.00
21295	ELECTION SOURCE	OPTECH INSIGHT CODING	480.00
12467A	EMERGENCY VEHICLE SER	CAB TILT LIFT ASSY AND REPAIRS	2,065.84
691956	ENVIRONMENTAL RESOURC	PROFICIENCY TESTING	261.59
16252013	ERIC DALE HEATING & A	INSTALL 1 1/4 AIR PURGER	800.00
3528	ERIC DALE HEATING & A	VENT REPAIR	945.00
92680718	ESRI INC	GIS SOFTWARE	3,200.00
MIMA147092	FASTENAL COMPANY	TOILET TISSUE DISPENSER	108.49
MIMA146901	FASTENAL COMPANY	DUST MASKS & SAFETY GLASSES	27.57
MIMA147072	FASTENAL COMPANY	SHOP TOWELS	101.09
MIMA147158	FASTENAL COMPANY	ROLL TOWEL	174.30
MIMA147093	FASTENAL COMPANY	LABEL MAKER	825.21
MIMA146688	FASTENAL COMPANY	SUPPLIES	39.05
MIMA146777	FASTENAL COMPANY	BROOMS	19.15
MIMA146656	FASTENAL COMPANY	JANITORIAL SUPPLIES	140.41
7713	FIRE PROGRAMS	SUPPORT & UPGRADE SERVICE FOR ONE YEAR	675.00
767733	FIRST ADVANTAGE	CUSTOMER ID #138969	68.75
13-2801	FIRST DUE FIRE SUPPLY	SAM BROWN 6.25 FF SHIELD	103.45
1311701	FORUM ARCHITECTS LLC	PHYSICAL NEEDS & 504 REVIEW	1,850.00
131110100600	FREDONIA TOWNSHIP	P/N 13-11-101-006-00 SUMMER TAXES	1,682.43
50	FREDS AUTOMOTIVE REPA	TIRE ROTATION	48.95
11-12817	GARAGE DOORS UNLIMITE	SERVICE CALL DUE TO POWER SURGE	377.90
11-12813	GARAGE DOORS UNLIMITE	SERVICE CALL	651.90
38584	GUILFORD, JIM	PAINTING CHAPEL BUILDING, EAVESTROUGHS	1,720.00
25661/1	HARVESTER FLOWER SHOP	GENAR MESERVEY	40.00
69165	HERMANS MARSHALL HARD	PINS, BOLTS, NUTS	17.15
69063	HERMANS MARSHALL HARD	SPRAY FOAM, GLUE, KEYS & IDENTIFIER	15.04
69254	HERMANS MARSHALL HARD	CHAIN	29.88
69048	HERMANS MARSHALL HARD	SWITCH	4.69
69123	HERMANS MARSHALL HARD	BRUSH CUTTER	21.49
69104	HERMANS MARSHALL HARD	NYLON ROPE	34.99
4	HIGHLAND RIVER ADVENT	BOAT RENTAL	700.00
23523	HOFFMAN AG SERVICE, L	AMINE 24D	105.75
23968	HOFFMAN AG SERVICE, L	ROUNDUP, PRAMITROL	99.60
295480	ITRON INC	SOFTWARE MAINT AUG THRU OCT	562.48
82729	J & K PLUMBING SUPPLY	HOSE ADPT SWIV	9.90
83805	J & K PLUMBING SUPPLY	CONDENSATE PUMP	51.13
83853	J & K PLUMBING SUPPLY	GALV NIPPLE	3.68
83665	J & K PLUMBING SUPPLY	SUPPLIES	6.92
A65217	JACK DOHENY SUPPLIES	IMPACT DRILL	1,025.00
070113	JASON FARMER	SEALED PLAN FOR POLICE/FIRE TEMPORARY R	4,000.00
063013	JIMMY'S JOHNS	JUNE CHARGES FOR COMPOST CNTR	90.00
5229	JS BUXTON	BULK LIME PO FOR FY2014	1,107.51
1141	JUSTICE MARY COLEMAN	1/4 PAGE AD IN FOP PROGRAM BOOK	150.00
162182	K & H CONCRETE CUTTIN	CORE CHARGES	405.00
162225	K & H CONCRETE CUTTIN	SLAB SAWING	214.00
062913	K-MART	JUNE CHARGES	65.81
134946	KAR LABORATORIES INC	BIOSOLIDS ANALYSIS	305.00
135383	KAR LABORATORIES INC	MERCURY ANALYSIS	260.00
135573	KAR LABORATORIES INC	PETROLEUM ANALYSIS	168.75
135385	KAR LABORATORIES INC	CYANIDE ANALYSIS	100.00
134540	KAR LABORATORIES INC	CYANIDE ANALYSIS	100.00
134541	KAR LABORATORIES INC	MERCURY ANALYSIS	260.00
134947	KAR LABORATORIES INC	CYANIDE ANALYSIS	100.00

User: etanner

DB: Marshall

EXP CHECK RUN DATES 07/26/2013 - 08/08/2013

UNJOURNALIZED OPEN

BANK CODE: MAIN

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	AMOUNT
51964	KEBS INC	2012 LOCAL ROAD RESURFACING	398.87
1214	KECK CONSULTING SERVI	ASTM PHASE I MARSHALL REGIONAL LAW ENFO	1,500.00
215658B	KELLOGG COMMUNITY COL	CONSORTIUM MEMBERSHIP FEES	160.00
S101691161.001	KENDALL ELECTRIC INCO	COMM WIRE	74.94
S101753953.001	KENDALL ELECTRIC INCO	STARTER FOR LYON LAKE #2	521.19
5466,359184-01	KITCHEN SHOP OUTLET	07/06/12 INVOICES FOR MH	305.00
2-130103	LAKELAND ASPHALT CORP	NORTH DRIVE OVERAGE	7,068.99
2-130103A	LAKELAND ASPHALT CORP	NORTH DRIVE AND PIERCE DRIVE REHABILITA	6,740.81
26095	LAKELAND ASPHALT CORP	BITUMINOUS AGGREGATES	109.68
26038	LAKELAND ASPHALT CORP	BITUMINOUS AGGREGATES	327.96
102018	LARRY'S FLOOR COVERIN	PAINT	130.03
1303	LAUTENSLAGER-LIPSEY	RPLCD HEATING ELEMENT	134.00
201327.00-2130646	LAWSON-FISHER ASSOCIA	ODSP PREPARATION	1,180.80
1026941	LEGG LUMBER	MORTAR MIX	194.61
1027025	LEGG LUMBER	GRAVEL MIX	42.90
1027288	LEGG LUMBER	1 X 8 PINE	23.04
1027291	LEGG LUMBER	CREDIT FOR 1 X 8 PINE	(19.20)
1027285	LEGG LUMBER	1 X 6 PINE RETURNED, 1 X 8 PINE	6.60
1027257	LEGG LUMBER	1 X 6 PINE	31.80
8452	LEWEY'S SHOE REPAIR	PATCH CHAPS FOR MR. TAYLOR	10.00
1528265-20130630	LEXISNEXIS RISK DATA	APRIL 2013	143.74
12	MAGIC MAIDS	JULY CLEANING	850.00
072313	MARSHALL PUBLIC SCHOO	SPRING GYM USE	54.60
8449	MARSHALL TIRE CITY	LAWN & GARDEN TIRE	440.78
8365	MARSHALL TIRE CITY	ALIGNMENT	45.00
8234	MARSHALL TIRE CITY	TIRES	775.40
8316	MARSHALL TIRE CITY	TIRES	300.00
8147	MARSHALL TIRE CITY	2000 DODGE INTREPID - TIRES	356.64
7983	MARSHALL TIRE CITY	4 TIRES	966.00
13-16-360-003-00 1	MARSHALL TOWNSHIP	P/N 13-16-360-003-00 SUMMER TAXES	1,415.94
6268	MARSHALL WELDING & FA	ANGLE IRON FOR PICNIC TABLE BENCHES	5.00
384184-00	MICHIGAN KITCHEN DIST	COUNTER TOP	50.00
M 06-13	MICHIGAN SOUTH CENTRA	NATURAL GAS PURCHASES - JUNE	5.91
64127	MIDWEST TRANSIT EQUIP	RPLCMNT KIT, ROLLSTOP ACTUATOR	84.15
1212468	MILLER CANFIELD PADDO	GENERAL EMPLOYMENT MATTERS	577.50
36865183	MSC INDUSTRIAL SUPPLY	GLOVES	50.90
30532303	MSC INDUSTRIAL SUPPLY	MARKING PAINT	251.64
13-023	MUNICIPAL ANALYTICS L	WATER, WASTEWATER, AND ELECTRIC RATE AN	1,178.60
13-027	MUNICIPAL ANALYTICS L	WATER, WASTEWATER, AND ELECTRIC RATE AN	1,306.25
INV65751	MUNICIPAL SUPPLY COMP	INVENTORY PARTS	1,150.25
1166568-2013	NAHRO	MEMBERSHIP RENEWAL MARSHALL HOUSE APTS	125.00
715004	NELSON TREE SERVICE I	TREE TRIMMING	4,498.24
714616	NELSON TREE SERVICE I	TREE TRIMMING	6,804.72
714748	NELSON TREE SERVICE I	TREE TRIMMING	5,803.68
715440	NELSON TREE SERVICE I	TREE TRIMMING	6,885.60
90087205	NORFOLK SOUTHERN CORP	R/W OF RICE CREEK TRAIL	450.00
4898	NU-TWIST SCREEN PRINT	BLUES FEST T-SHIRTS	2,329.04
426815	NYE UNIFORM COMPANY	PANTS	237.17
426814	NYE UNIFORM COMPANY	SHIRTS, PANTS	466.85
426455	NYE UNIFORM COMPANY	SHIRT	61.50
32931	OVERHEAD DOOR OF BATT	SERVICE CALL-POWER SURGE	257.00
8	PARRISH EXCAVATING	2012 WATER MAIN IMPROVEMENTS	71,995.72
5748481	POWER LINE SUPPLY	SLEEVE STRAP & BUTTON	16.50
5748357	POWER LINE SUPPLY	WR 189 CONNECTOR	40.59
5748355	POWER LINE SUPPLY	3KV ARRESTER	736.78
5748354	POWER LINE SUPPLY	YC4C4 CRIMPIT	64.00
5748356	POWER LINE SUPPLY	WR 349 CONNECTOR	65.55
5748349	POWER LINE SUPPLY	HELIX ANCHOR	275.53
5748351	POWER LINE SUPPLY	WR 159 H TAP CONNECTOR	76.36
5748352	POWER LINE SUPPLY	RED METER SEAL	210.00
5748353	POWER LINE SUPPLY	CRIMPIT	59.00
5746990	POWER LINE SUPPLY	GLOVE BAG	36.21
5746612	POWER LINE SUPPLY	U-GUARD BULLETS	63.25
5746613	POWER LINE SUPPLY	FOCUS METERS	1,727.25
5746614	POWER LINE SUPPLY	ADAPTER MOULDING	483.00
5746616	POWER LINE SUPPLY	METER SOCKETS	658.35
5746618	POWER LINE SUPPLY	U-GUARD	298.90
5745479	POWER LINE SUPPLY	DRILL BIT	124.00
5746610	POWER LINE SUPPLY	BATTERY	169.00
5748348	POWER LINE SUPPLY	#2 ALUM TRIPLEX	640.00
5750069	POWER LINE SUPPLY	ANCHOR ROD	355.58
5750070	POWER LINE SUPPLY	3/4" EYE NUT	172.00
2697813559-0713	QLT	EXTENSION BELLS	13.20
11734	QUALITY ASPHALT PAVIN	2013 LOCAL ROAD REHABILITATION LESS 10%	47,408.69
5944	QUALITY ENGRAVING SER	RETIREMENT PLAQUE - KIESSLING	55.00
420	QUALITY LAWN CARE	LAWN CARE -- JUNE	519.50
24877	R & M LOCK SHOP	FINANCE DEPT REKEY	122.50

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DB: Marshall

EXP CHECK RUN DATES 07/26/2013 - 08/08/2013

UNJOURNALIZED OPEN

BANK CODE: MAIN

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	AMOUNT
8477	RADIO COMMUNICATIONS	CHECK UNIT	45.00
334285	ROE-COMM., INC	SERVICE CALL	526.40
3658	ROOTERMAN	DRAIN CLEANING	787.00
70485109	ROSE PEST SOLUTIONS	MARSHALL HOUSE	55.00
21063-0713	SPARTAN STORES	JUNE PURCHASES	71.88
27361	STANDARD PRINTING & O	TOWN CRIER	324.97
27516	STANDARD PRINTING & O	DELIVERY CHARGE	7.00
177265	STANLEY LAWN & GARDEN	SPEED FEED SRM HEAD, .095 X 1410 FT	113.97
705350	STANTEC CONSULTING MI	CONSTRUCTION ENGINEERING SERVICES (ROAD	18,959.30
705348	STANTEC CONSULTING MI	CONSTRUCTION ENGINEERING SERVICES (ROAD	20,000.18
703102	STANTEC CONSULTING MI	CONSTRUCTION ENGINEERING SERVICES	26,554.00
705351	STANTEC CONSULTING MI	CONSTRUCTION ENGINEERING SERVICES (ROAD	4,992.50
705347	STANTEC CONSULTING MI	2012 WATER MAIN IMPROVEMENTS	5,940.64
705347A	STANTEC CONSULTING MI	2012 WATER MAIN IMPROVEMENTS	1,575.05
7000706100	STAPLES CONTRACT & CO	CABLE, SURGE PROTECTOR	47.98
7000706099	STAPLES CONTRACT & CO	SPEAKERS, STAPLER	84.48
7000642470	STAPLES CONTRACT & CO	CHAIRMATS	674.91
7000708255	STAPLES CONTRACT & CO	TRIPPLITE SUPPRESSOR	74.97
7000700328	STAPLES CONTRACT & CO	PRINT CARTRIDGES, PENS	121.35
7000644438	STAPLES CONTRACT & CO	COPY PAPER, TONER	281.43
96347034	STATE INDUSTRIAL PROD	SCRUB SKIN CLEANER	153.00
551-396851	STATE OF MICHIGAN	TYLER, JAW SHAWN	16.50
WA353775	STATE OF MICHIGAN - M	AIRPORT WEATHER OBSERVATION & DATA SYS	510.57
AP353679	STATE OF MICHIGAN - M	LOCAL PROGRESS BILLINGS	10,906.54
227043	SUMMIT POINTE	CONTRACT MOWING	1,160.00
22802	SUMMIT POINTE	CONTRACT MOWING	580.00
071613	SUNRISE WINDOW CLEANI	WINDOW CLEANING AT CITY HALL	500.00
351624	SUPERIOR IND. SALES I	GENERATOR WORK AFTER POWER SURGE	1,528.00
D22751	SURVALENT TECHNOLOGY	FREIGHT CHARGE	216.43
1643	TRADEMASTER, INC.	MOBILEEYES FIRE INSPECTION SOFTWARE	1,100.00
J-231920036	TRI-COUNTY INTERNATIO	LINE TRUCK REPAIRS	1,662.80
8762484	TRU GREEN COMMERCIAL	GRUBB AND WEED TREATMENT AT CEMTERY	1,890.00
231236993	U.S. BANK EQUIPMENT F	LEXMARK COPIER CONTRACT	58.56
INV053503	UNITED LABORATORIES	TRIUMPH PINK PACK	207.34
3928	USA BLUEBOOK	NEW SUMP PUMPS	320.53
96918	VALIDITY SCREENING SO	CREDIT REPORT	13.00
P28932	VERMEER OF MICHIGAN,	BLADE SPARPENING	80.00
27416	WEST MICHIGAN LAWN SE	SPRINKLER SYSTEM START-UP	947.14
			1,055,637.82

*Auto Value*

*-98.99*

*\**

1,055,538.83



**MICHIGAN SOUTH CENTRAL POWER AGENCY**

720 HERRING ROAD • LITCHFIELD, MICHIGAN 49252  
 PHONE (517) 542-2346 • FAX (517) 542-3049  
 www.mscca.net

ORIGINAL INVOICE

MARSHALL CITY ELECTRIC DEPARTMENT  
 323 WEST MICHIGAN AVENUE  
 MARSHALL, MICHIGAN 49068  
 Attn: Mr. Tom Tarkiewicz

Invoice Date: 16-Jul-13  
 Due Date: 31-Jul-13  
 Service From: 01-Jun-13  
 To: 30-Jun-13

Peak Demand 20,837 kw  
 Total Energy Received 9,495,795 kWh  
 Hydro Generation 91,748 kWh  
 Net Billing kWh's 9,404,047 kWh

Area	Entitlement %	Operating and Maintenance Costs	Debt Service Costs and Capacity Credits	Total
PROJECT 1-ENDICOTT	24.0%	467,534.61	-	467,534.61
PROJECT 2	18.0%	-	-	-
PROJECT 3	20.2%	-	-	-
PRAIRIE STATE	16.7%	32,205.38	43,020.00	75,225.38
MENOMINEE HYDRO	24.0%	6.65	-	6.65
AFEC	15.6%	119,182.38	29,991.96	149,174.34
AMP CONTRACTS	11.7%	124,954.89	-	124,954.89
CVEC	0.0%	-	-	-
MISO PURCHASES	9.6%	40,105.93	-	40,105.93
MISO SALES	9.2%	(66,946.12)	-	(66,946.12)
TRANSMISSION	30.4%	(31,066.52)	-	(31,066.52)
MISO	18.6%	6,813.50	-	6,813.50
SUBSTATION	34.4%	1,536.48	-	1,536.48
ADMINISTRATION	18.6%	21,778.78	-	21,778.78
MEMBER	15.6%	1,246.63	-	1,246.63
MEMBER HYDRO	0.0%	-	-	-
CAPACITY	15.6%	-	-	-
RATE STABILIZATION		-	-	-
<b>TOTAL COST</b>				
	\$	717,352.60	73,011.96	790,364.56
	\$/kWh	0.07628	0.00776	0.08405
<b>CREDITS</b>				
	\$	-	-	-
	\$/kWh	0.00000	0.00000	0.00000
<b>NET COST</b>				
	\$	717,352.60	73,011.96	790,364.56
	\$/kWh	0.07628	0.00776	0.08405

**Pay this amount \$ 790,364.56**

Any amounts due and not paid by the due date shall bear interest at the rate of 1% per month until paid.

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DB: Marshall

EXP CHECK RUN DATES 07/05/2013 - 07/12/2013

UNJOURNALIZED

OPEN

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	AMOUNT
73894	ALL-TRONICS INC	ADDED T-BOX 7670 TO EXT 1142	227.00
ALLMI550-0713	ALLSTATE WORKPLACE DI	POLICY #ALLMI550	783.23
38404140	CITGO	JUNE CHARGES	14,097.79
070113	CITY OF MARSHALL	PETTY CASH - DRAWER #1	17.00
71313	CITY OF MARSHALL	PETTY CASH - DRAWER #2	7.76
82718	CRT, INC	QUICKBOOKS PRO 2013	935.00
1-016610-11	ELEGERT, AMBER	REFUND UTILITY DEPOSIT	85.50
30-028500-27	ERIN DILLON & ROBYN C	REFUND UTILITY DEPOSIT	48.87
5477259349983218-6	FIRST BANKCARD	5477 2593 4998 3218	57.77
071013	GRABEL, BRETT	ENERGY OPTIMIZATION	25.00
8445A	JAMES TRUDEAU	BOOT ALLOWANCE	100.00
32-049200-29	JANE HORN	REFUND UTILITY OVERPAYMENT	30.64
9-004000-37	KOPULOS, RICHARD	REFUND UTILITY OVERPAYMENT	64.06
3507-0613	MARSHALL COMMUNITY CU	3507 - MCDONALD	285.89
54533851	MCMASTER-CARR	EXHAUST FAN	332.14
S3414068.001	MEDLER ELECTRIC COMPA	ELECTRICAL TAPE	291.98
MRPA	MRPA	ASSOCIATION DUES	369.00
070213	MUNN, JACKIE	A/C & FURNACE ENERGY OPTIMIZATION	300.00
350656	NAPA OF MARSHALL	FUEL FILTER	2.75
4901	NU-TWIST SCREEN PRINT	PENS	710.30
4900	NU-TWIST SCREEN PRINT	SHIRTS	432.70
070313	ROBERT SIEGEL	BOOT ALLOWANCE	101.72
062613	SCHROEDER DEGRAW PLLC	MAEDA JUNE CHARGES	292.50
38-6004708-0613	STATE OF MICHIGAN	38-6004708, #160, JUNE SALES TAX	26,583.70
32-042000-28	TOKARSKI, CHRISTOPHER	REFUND UTILITY DEPOSIT	60.84
070813	TRUDEAU, TERI	REIMBURSEMENT FOR SUPPLIES	16.00
29-013300-08	WOODS, CRYSTAL	REFUND UTILITY DEPOSIT	40.20
070313	ZUCK, RICKY L	REFUND DEPOSIT	382.50
			46,681.84
		Prescription reimbursements	43.60
		Total Cash Disbursements	\$46,725.44

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DB: Marshall

EXP CHECK RUN DATES 07/19/2013 - 07/19/2013

UNJOURNALIZED OPEN

BANK CODE: MAIN

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	AMOUNT
BANK CODE: MAIN			
269781981507-13	A T & T	269 781-9815 267 0	1,850.48
269789467107-13	A T & T	269 789-4671 266 9	201.24
269789463007-13	A T & T	269 789-4630 541 5	333.03
269789280607-13	A T & T	269 789-2806 635 7	63.59
269781444707-13	A T & T	269 781-4447 749 4	133.76
269781907007-13	A T & T	269 781-9070 573 1	44.46
269789261507-13	A T & T	269 789-2615 963 4	70.33
6100458-000-0713	AD-VISOR & CHRONICLE	JUNE CHARGES	2,553.47
287238047810X71120	AT&T MOBILITY	ACCT #287238047810	82.92
7016312710-0813	BLUE CROSS BLUE SHIEL	PPO GROUP #007016312710/0009	12,346.95
7016312/0008-0813	BLUE CROSS BLUE SHIEL	PPO GROUP #007016312/0008	64,570.74
7016312/0007-0813	BLUE CROSS BLUE SHIEL	BCBS GROUP #007016312/0007	51,140.74
7016312/0005-0813	BLUE CROSS BLUE SHIEL	BCBS GROUP #007016312/0005	1,822.89
071313	CLARK, TIM	MEALS	10.00
607819	COMMERCIAL OFFICE PRO	OFFICE SUPPLIES	341.19
25-018600-04	CONNIE CRUSCIEL	REFUND OVERPAYMENT	6.14
71813COM	CRT, INC	EXCHANGE SERVER - 1/2 DOWN	7,047.00
3-93701	CUMMINS BRIDGEWAY	5-YEAR GENERATOR MAINTENANCE AGREEMENT	1,454.86
RIS0000360157	DELTA DENTAL PLAN OF	CUST #MI022820001	4,946.48
7018274-0713	EARTHLINK BUSINESS	ACCT #0007018274	2,214.33
070913	FISHER, CHARLIE	SCHOOL LUNCH	14.04
1054206	GRIFFIN PEST SOLUTION	323 W MICHIGAN AVE	32.00
071213	GUILFORD, JIM	50% DOWN PAYMENT TO PAINTCHAPEL BUILDIN	1,370.00
30-031800-30	HOLLEY, DONNETTA & RO	REFUND UTILITY DEPOSIT	56.33
071813	HUESTIS, NATALIE	TRAVEL REIMBURSEMENT	66.50
31-080400-01	JULIA HOEKSTRA	REFUND UTILITY OVERPAYMENT	30.25
051313	LOPSHIRE, ROBERT	MEDICAL REIMBURSEMENT	83.13
3648-0713	MARSHALL COMMUNITY CU	3648 - KIESSLING	200.00
4570-0713	MARSHALL COMMUNITY CU	4570 - FEDDERS	665.94
4562-0713	MARSHALL COMMUNITY CU	4562 - HUESTIS	241.40
2998-0713	MARSHALL COMMUNITY CU	2998 - DIXON	430.81
3507-0713	MARSHALL COMMUNITY CU	3507 - MCDONALD	360.91
7681-0713	MARSHALL COMMUNITY CU	7681 - TARKIEWICZ	209.93
55154735	MCMASTER-CARR	WRITE-ON SIGN	22.58
55149060	MCMASTER-CARR	PADLOCKS	407.71
S3420548.001	MEDLER ELECTRIC COMPA	ELECTRIC TAPE RETURN	(96.99)
S3420547.001	MEDLER ELECTRIC COMPA	ELECTRICAL TAPE	97.99
S3420348.001	MEDLER ELECTRIC COMPA	LOCKNUT, BUSHING, ELBOW & CONDUIT	837.92
S3420348.002	MEDLER ELECTRIC COMPA	LOCKNUT, ELBOW & BUSHINGS	84.12
071313	MORRIS EVANS	MEAL	10.00
7900044055829307-7	NEOFUNDS BY NEOPOST	7900 0440 5582 9307	3,000.00
22-009700-05	OATES, KENNETH & JOAN	REFUND OVERPAYMENT	100.92
12-004800-00	PERRETT, M M	REFUND OVERPAYMENT	144.87
5000067574	PITT OHIO EXPRESS, LL	FREIGHT CHARGE	61.44
249-003833407	REPUBLIC SERVICES #24	ACCT #3-0249-1022021	857.09
071813	ROBERT E KIESSLING	COFFEE SUPPLIES	90.84
071513	SIMS ELECTRIC	REFUND OVERPAYMENT OF PERMIT FEE	10.00
7-001800-07	TARAH WEESE	REFUND UTILITY OVERPAYMENT	113.37
1475	THOMPSON'S INC.	12-32 SUSPENSION WORK	3,360.00
071013	TICE, LUCAS	SCHOOL LUNCH	20.31
071513	TIMOTHY SKIDMORE	SIDE BY SIDE REFRIGERATOR	25.00
9707517065	VERIZON WIRELESS	ACCT #987146080-00001	76.02
9707675506	VERIZON WIRELESS	ACCT #683169426-00001	90.60
28-055500-02	WINNIE, ERIC	REFUND UTILITY OVERPAYMENT	331.58
32-003100-17	WOODCOCK, CRIS	REFUND UTILITY DEPOSIT	54.10
10040269-0613	WOW! BUSINESS	ACCT #010040269	372.82
10058364-613	WOW! BUSINESS	ACCT #10058364	32.97
10040764-0713	WOW! BUSINESS	ACCT #010040764	1,359.80
TOTAL BANK CODE: MAIN			166,460.90
			166,460.90

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	AMOUNT
ALLMI550-0813	ALLSTATE WORKPLACE DI	GROUP #ALLMI550	713.31
072513	BALLARD, FRANK R	INSPECTOR COMMISSION	
10-009800-00	BRANKOVICH, PETER	REFUND PAYMENT MADE IN ERROR	2,048.85
JUL 2013	CALHOUN COUNTY TREASU	JULY TRAILER FEES	138.62
HUESTIS	CHEMICAL BANK SOUTH	HSA HARDSHIP - NATALIE HUESTIS 25507090	80.00
609263	COMMERCIAL OFFICE PRO	PAPER	562.50
609264	COMMERCIAL OFFICE PRO	OFFICE SUPPLIES	203.15
609696	COMMERCIAL OFFICE PRO	TABS	17.57
1282	CORNERSTONE INSPECTIO	INSPECTION	6.04
072513	DEVENEY, JAMES R	INSPECTOR COMMISSION	40.00
16-001400-04	FORTNER, DEREK	REFUND UTILITY OVERPAYMENT	431.25
072513	GANO, DARYL	INSPECTOR COMMISSION	42.02
1054207	GRIFFIN PEST SOLUTION	900 S MARSHALL AVE	591.25
082513	GRIFFIN PEST SOLUTION	RENEWAL SENTR	44.00
072513	GROSS, JOHN	INSPECTOR COMMISSION	608.00
072513	HALL, TRACY	KIESSLING RETIREMENT PARTY SUPPLIES	347.50
071813	KNICKERBOCKER, SCOTT	TOP FREEZER REFRIGERATOR	50.91
9421-0713	MARSHALL COMMUNITY CU	9421 - SEARS	25.00
2113-0713	MARSHALL COMMUNITY CU	2113 - TRUDEAU	168.88
072213	MARSHALL PUBLIC SCHOO	ENERGY OPTIMIZATION--LIGHTING	620.87
55533923	MCMASTER-CARR	ALUMINUM SIGNS	1,691.00
55529502	MCMASTER-CARR	CABLE TIES, CABLE HOLDER	282.09
83420348.003	MEDLER ELECTRIC COMPA	3" PLASTIC COUPLING	28.04
1306-01	MERS	FULL PROJECTION STUDY	67.50
16-030000-07	OLSEN, LORI	REFUND UTILITY OVERPAYMENT	1,000.00
10-0150000-00	RICHARD BUTLER	REFUND DUPLICATE PAYMENT	97.51
071813	STEWART, ELLEN	ENERGY OPTIMIZATION	185.00
072413	THOMPSON PHELAN GROUP	REFUND HYDRANT DEPOSIT	315.00
			250.00
			10,635.56



**ADMINISTRATIVE REPORT**  
**August 5, 2013 – City Council Meeting**

**REPORT TO:** Honorable Mayor and Council Members

**FROM:** Tom Tarkiewicz, City Manager  
Mike Hindenach, Industrial Manager, MAEDA

**SUBJECT:** Autocam Corporation, 1601 Pratt Avenue,  
Industrial Facilities Tax Exemption

**BACKGROUND:** The City of Marshall has received a request from Autocam Corporation for an Industrial Facilities Tax Exemption Certificate. The requested abatement is to consider a \$6,884,225.00 in real and personal property investment. Autocam Corporation is located in the LDFA district.

**RECOMMENDATION:** After hearing comments at the Public Hearing, as required by the Industrial Facilities Tax Exemption Certificate Application and approve the resolution granting an IFT exemption to Autocam Corporation.

**FISCAL EFFECTS:** If the IFT exemption is granted, the LDFA will forego 50% of the taxes affiliated with the project over the next 10 years.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

Tom Tarkiewicz  
City Manager

Michael D. Hindenach  
Industrial Manager

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com

# Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

**INSTRUCTIONS:** File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

To be completed by Clerk of Local Government Unit	
Signature of Clerk <i>Trisha Nelson</i>	Date received by Local Unit <i>7/22/2013</i>
STC Use Only	
Application Number	Date Received by STC

## APPLICANT INFORMATION

All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) <b>Autocam Corporation</b>		1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) <b>3599</b>	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) <b>1601 Pratt Avenue, Marshall, MI 49068</b>		1d. City/Township/Village (indicate which) <b>Marshall</b>	1e. County <b>Calhoun</b>
2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(1)) <input type="checkbox"/> Research and Development (Sec. 2(9))		3a. School District where facility is located <b>Marshall Public Schools</b>	3b. School Code <b>13110</b>
		4. Amount of years requested for exemption (1-12 Years) <b>10</b>	

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

Autocam Corporation manufactures and sells precision-machined components. This abatement includes real property improvements and new personal property.

6a. Cost of land and building improvements (excluding cost of land)..... * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	▶ <u>\$698,100.00</u> Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures..... * Attach itemized listing with month, day and year of beginning of installation, plus total	▶ <u>\$6,186,125.00</u> Personal Property Costs
6c. Total Project Costs..... * Round Costs to Nearest Dollar	▶ <u>\$6,884,225.00</u> Total of Real & Personal Costs

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements ▶	<u>3/1/14</u>	<u>8/5/15</u>	▶ <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased
Personal Property Improvements ▶	<u>3/31/13</u>	<u>8/5/15</u>	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased

8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption.  Yes  No

9. No. of existing jobs at this facility that will be retained as a result of this project. <b>12</b>	10. No. of new jobs at this facility expected to create within 2 years of completion. <b>8</b>
--	---

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land) .....	_____
b. TV of Personal Property (excluding inventory) .....	_____
c. Total TV .....	_____

12a. Check the type of District the facility is located in:

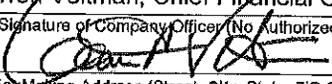
Industrial Development District       Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit) <b>10/16/79</b>	12c. Is this application for a speculative building (Sec. 3(6))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---	---

**APPLICANT CERTIFICATION - complete all boxes.**

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name Warren Veltman	13b. Telephone Number (616) 541-8153	13c. Fax Number (616) 698-6876	13d. E-mail Address wveltman@autocam.com
14a. Name of Contact Person Warren Veltman	14b. Telephone Number (616) 541-8153	14c. Fax Number (616) 698-6876	14d. E-mail Address wveltman@autocam.com
▶ 15a. Name of Company Officer (No Authorized Agents) Warren Veltman, Chief Financial Officer			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number (616) 698-6876	15d. Date 7/19/13
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 4180 40th Street, Kentwood, MI 49512		15f. Telephone Number (616) 541-8153	15g. E-mail Address wveltman@autocam.com

**LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.**

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Denied (Include Resolution Denying)	16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: <b>Check or Indicate N/A if Not Applicable</b> <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit <b>Check or Indicate N/A if Not Applicable</b> <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.	
16c. LUCI Code	16d. School Code 13110
17. Name of Local Government Body City of Marshall	▶ 18. Date of Resolution Approving/Denying this Application 08/05/2013

Attached hereto is an original and one copy of the application and all documents listed in 18b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

19a. Signature of Clerk	19b. Name of Clerk Trisha Nelson	19c. E-mail Address tnelson@cityofmarshall.com
19d. Clerk's Mailing Address (Street, City, State, ZIP Code) 323 W Michigan Ave, Marshall, MI 49068		
19e. Telephone Number (269) 781-5183	19f. Fax Number (269) 781-3835	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

State Tax Commission  
Michigan Department of Treasury  
P.O. Box 30471  
Lansing, MI 48909-7971

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

RESOLUTION

HEREBY, Let it be known that the City Council of Marshall, Michigan, held a public hearing on October 15, 1979, at 7:30 P.M. in the City Council Chambers prior to taking action approving or rejecting the following resolution:

HEREBY, Let it be resolved that the City Council of Marshall, Michigan, on October 15, 1979, at its regularly scheduled meeting does establish an Industrial Development District for Kysor Machine Tool Div. of Kysor Industrial Corp., located at 1601 Pratt Avenue.

RESOLVED, FURTHER, That this District is restricted to the following:

Lots 9 and 10 of L. Alta Brooks Industrial Park No. 2, Section 36, Town 2 South, Range 6 West, and Section 1, Town 3 South, Range 6 West, City of Marshall, Calhoun County, Michigan; Also an adjacent parcel of land described as commencing at the southeast corner of said Lot 10; thence Northerly along the east plat line (north 1 32'50"E 602.70 feet) to the northeast corner of said lot 9; thence south 88 58'10"E 300 feet; thence south 1 32'50"W 605.4 feet; thence north 88 27'10"W 300 feet to the point of ending. Approximately 8.3 acres.

IT IS FURTHER RESOLVED, That this District be known as D-7 and will be kept on file in the City Hall under this reference title.

Upon offering notice at its previous regularly scheduled meeting of a hearing on this date, publishing said notice in the Marshall Evening Chronicle, serving by mail notice of said hearing to those within the District so indicated in this resolution, providing the hearing at its indicated time and place, the City Council of Marshall, Michigan does hereby take the following action upon this resolution.

YEA: COUNCILMEN Schafer, Aikins, Shaw, Stone, Vandy Bogurt and Mayor Brown.

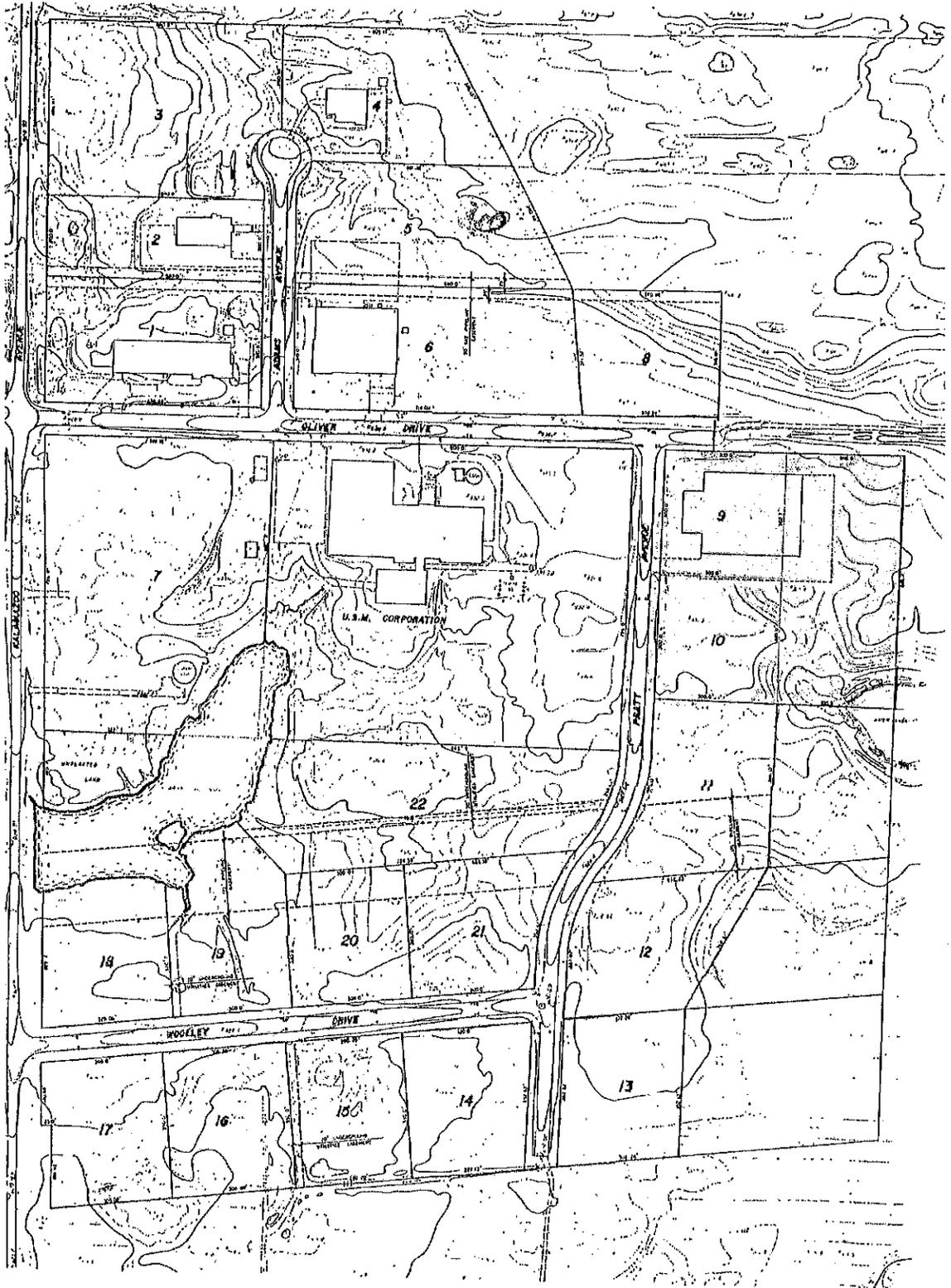
NAY: COUNCILMEN: None

ABSENT: COUNCILMEN: Whitesell

As City Clerk I place my seal and sign my name that this is a true and accurate copy of the action taken by the Marshall City Council.

10/16/79  
Date

  
Richard Watkins  
Clerk-Treasurer



L. ALTA BROOKS  
 INDUSTRIAL PARK  
 □ INDUSTRIAL DEVELOPMENT  
 DISTRICT 7

**RESOLUTION**

Minutes of a regular meeting of the City Council of the City of Marshall held on August 5, 2013, in the Council Chambers of Town Hall located at 323 West Michigan Avenue, Marshall, Michigan.

Present:

Absent:

The following preamble and resolution were offered by Council Member \_\_\_\_\_ and supported by Council Member \_\_\_\_\_.

**RESOLUTION TO APPROVE APPLICATION OF  
AUTOCAM CORPORATION  
1601 PRATT AVENUE, MARSHALL, MI  
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE FOR  
REAL PROPERTY – BUILDING ADDITION**

**WHEREAS**, pursuant to P.A. 198 of 1974, MCL 211.551 et seq., after a duly noticed public hearing held on October 16, 1979, the Council by Resolution established Industrial Development District No. D-7 as requested; and

**WHEREAS**, Autocam Corporation has filed an application for an Industrial Facilities Exemption Certificate with respect to real and personal property improvements within Industrial Development District D-7; and

**WHEREAS**, in accordance with Act 334, P.A. 1993 amending Act 198, P.A. 1974, a written agreement shall be executed between the applicant and the City of Marshall allowing, under specific circumstances, the reduction and/or revocation of the certificate and recapture of the taxes abated; and

**WHEREAS**, before acting on said application, the City of Marshall held a hearing on August 5, 2013 in the Council Chambers of Town Hall, located at 323 West Michigan Avenue, Marshall, Michigan, at 7:00 p.m. at which hearing the applicant, public, Assessor and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

**WHEREAS**, the acquisition and installation of the new equipment, had not begun earlier than six (6) months before July 22, 2013, the date of acceptance of the application for the Industrial Facilities Exemption Certificate; and

**WHEREAS**, the real and personal property investment is calculated to and will, at the time of issuance of the certificate, have the reasonable likelihood to retain, create or prevent the loss of employment in the City of Marshall; and

**WHEREAS**, the granting of said certificate shall not have the effect of substantially impeding the operation of the City of Marshall, or impairing the financial soundness of a taxing unit which levies ad-valorem property taxes in the City of Marshall; and

**WHEREAS**, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Marshall, after granting this certificate, will exceed 5% of an amount equal to the sum of the SEV of the local unit, plus the SEV of personal and real property thus exempted; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Marshall that:

1. The City Council find and determine that the granting of the Industrial Facilities Exemption Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974, shall not have the effect of substantially impeding the operation of the City of Marshall, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Marshall.
2. The application of Autocam Corporation, 1601 Pratt Avenue, for an Industrial Facilities Exemption Certificate, with respect to real property improvements and personal property improvements described as new machinery and equipment to be acquired and installed within the Industrial Development District No. D-7 is hereby approved.
3. The Industrial Facilities Exemption Certificate, when issued, shall be and remain in force and effect for a period of (10) ten years under the rules and regulations of Act 198 of Public Acts of 1974, as amended, for the new machinery and equipment from the date of approval by the State Tax Commission.

AYES:

NAYS:

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Trisha Nelson, Clerk

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Marshall, County of Calhoun, Michigan, at a regular meeting held August 5, 2013.

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Trisha Nelson, Clerk

# IFTEC LETTER OF AGREEMENT

DATE: \_\_\_\_\_  
COMPANY NAME: Autocam Corporation  
FACILITY ADDRESS: 1601 Pratt Avenue, Marshall MI 49068

City Council  
City of Marshall  
323 W. Michigan Avenue  
Marshall, MI 49068

RE: **Industrial Facilities Tax Exemption Certificate between:**  
  
**Autocam Corporation and the City of Marshall**

Dear Members of Council:

Autocam Corporation (the "Company") has submitted the attached Application (the "Application") to you requesting approval of an Industrial Facilities Tax Exemption Certificate ("IFTEC"), pursuant to Michigan Public Act 198 of 1974, as amended, for the property located at 1511 George Brown Drive, Marshall, MI 49068 (the "Facility") (Legal Description of the property where the Facility is located is attached).

To encourage approval of the IFTEC and in recognition of the investments the City of Marshall (the "City") will make toward the economic growth of the Company, which will benefit the City, the Company agrees as follows:

1. **General.** (Check applicable lines consistent with the Application)
  - a. The Company will make the improvements set forth in the Application within two (2) years of the effective date of the IFTEC (the "Effective Date").
  - b. The Company will purchase and/or lease and install the personal property as set forth in the Application within two (2) years of the Effective Date.
  - c. The Company will create 8 new full-time jobs at the Facility within two (2) years of the Effective Date, and/or the Company will retain 12 existing jobs at the Facility within two (2) years of the Effective Date.
  - d. The Company will comply with the requirements imposed by the City as part of the site review prior to issuance of a Certificate of Occupancy.

2. **Compliance with Laws.** The Company agrees that it will operate the Facility in accordance with all applicable Federal, State, and local laws or regulations, including but not limited to zoning, outside storage, industrial waste disposal, air and water quality, utility, noise control, and other environmental regulations.
3. **Continued Operation of the Facility.** The Company further agrees to continue to operate the Facility within the City for the period of the IFTEC in order to retain the benefits of the IFTEC.
4. **Premature Vacation of the Facility.** If the Company vacates, or intends to vacate, the Facility prior to the end of the term of the IFTEC, the Company shall be responsible for the following:
  - a. If the Company intends to vacate the Facility for which the IFTEC has been approved and issued prior to the end of the term of this agreement, the Company agrees to notify the City Assessor in writing of such intent and the reasons for vacating not less than 60 days prior to vacating the facility.
  - b. The Company agrees to make reasonable provisions satisfactory to the City and in compliance with all applicable laws, codes and ordinances to maximize the likelihood of re-occupancy or re-use of the unoccupied building for productive use within a reasonable time period after the Facility is vacated.
  - c. The Company shall, if requested by the City, deposit an amount equal to the amounts anticipated to be due from the Company under this agreement as a result of the Company vacating the Facility prior to the term for which the IFTEC was approved, including but not limited to any reasonable cleanup or maintenance costs, administrative fees, court costs, and attorney fees incurred.
  - d. The Company shall pay any outstanding taxes and shall repay to all affected municipalities an amount equal to the total tax amount abated by the IFTEC (unless recovery of a lesser amount is requested by the City or other taxing authority) within 30 days of the date of an invoice for such taxes.
  - e. If the Company fails to pay the amount of the invoice for abated taxes within 30 days of the date of the City invoice, the Company shall be responsible for any additional costs incurred by the City in recovery of such taxes, including, but not limited to administrative fees, court costs, and attorney fees incurred.
5. **Notice of Completion and Final Cost Report.** The Company will submit to the City, not later than 90 days after the completion date for each property component for which an IFTEC was granted a Notice of Completion and Final Cost Report in a form requested by the City which includes the actual completion date and final cost of each project component for which an IFTEC was originally granted, and an explanation if the final cost of either the real or personal property listed on the Application was greater than the original estimated amount by more than 10%.

6. **Employment Status Report.** In accordance with the initial letter of intention to apply for an IFTEC, the Company will submit to the City, not later than January 10th of the second year after the effective date and every two years thereafter while the IFTEC is in effect, an Employment Status Report in a form requested by the City, which includes the number of actual full-time jobs created and/or retained as a direct result of the project for which the certificate was granted, and an explanation if the jobs actually created was less than the original estimated amount.
7. **Review and Audit: Payment of Costs.** The Company understands that the City may review and audit the information provided by the Company to determine compliance with this agreement and that any costs for such services will be paid by the Company in accordance with a fee schedule approved by the City Council, which may be adjusted from time to time based upon increases in costs to the City.
8. **Remedies for Default for Failure to Satisfy Representations Made in Application.** The Company understands that the City may pass a resolution requesting that the State Tax Commission reduce the term of the IFTEC or revoke the IFTEC to the extent that the construction or expansion of the Facility has not been completed, expenditures made, or employment reached as represented by the Company in the application, by sending a copy of this Agreement along with a copy of the City Council resolution authorizing such action to the State Tax Commission. In addition, the Company acknowledges that the City may take into account any deficiency in job creation, or real or personal property investment made under this application in a subsequent application for an IFTEC filed by the Company.
9. **Consequences of Unsuccessful real or Personal Property Tax Appeal.** The Company acknowledges that if during the term of this Agreement, the Company appeals any real or personal property assessment to the Michigan Tax Tribunal or other court of competent jurisdiction upon which it does not prevail, that the Company shall pay to the City all reasonable costs, expenses, and attorney fees incurred by the City in defending such appeals within thirty (30) days of the date of receipt of an invoice from the City. The Company also acknowledges that the City may consider such appeals in deciding the term of any subsequent certificates granted to the Company.
10. **Unforeseen Events.** By execution of this agreement, it is understood that the Company's investment in the Facility and the City's investment in the granting of the IFTEC are to encourage economic growth within the City. The City acknowledges that in some instances, economic conditions may prevent the Company from complying fully with this agreement and the terms of the Application. The City will give the Company an opportunity to explain the reasons for any variations from the representations contained in the application and will evaluate the Company's situation prior to taking any action authorized by paragraph 4 and 8 of this agreement.
11. **Entire Agreement.** This is the entire agreement of the parties relating to the matters covered by this Agreement, and no prior or subsequent promises, representations or assurances, whether in any other form, shall be used to modify, vary or contradict any provision of this Agreement, except for any written amendment to this Agreement or separate agreement signed following the date of this Agreement by authorized representatives of all parties to this Agreement.

12. **Severability.** The invalidity of any section, subsection, clause or provision of this Agreement shall not affect the validity of the remaining sections, subsections, clauses or provisions thereof, which shall remain in full force and effect to govern the parties' relationship.
13. **Reimbursement of Attorney Fees for Modification of Standard Agreement.** The Company agrees to reimburse the City within 30 days of the date of a receipt of an invoice from the City for all attorney fees incurred by the City in the negotiation or preparation of changes to the standard IFTEC Letter of Agreement.

**ACCEPTED BY: THE COMPANY**

NAME: Warren Veltman, Autocam Corporation

TITLE: Chief Financial Officer

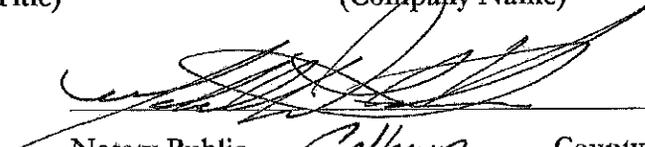
SIGNATURE: 

STATE OF MICHIGAN  
COUNTY OF CALHOUN

The forgoing acceptance was acknowledged this 19<sup>th</sup> day of July, 2013

Warren Veltman, Chief Financial Officer on behalf of Autocam Corporation  
(Name) (Title) (Company Name)

MICHAEL D. HINDENACH  
NOTARY PUBLIC - STATE OF MICHIGAN  
COUNTY OF CALHOUN  
My Commission Expires 01/24/2016  
Acting in the County of Calhoun

  
Notary Public, Calhoun County, MI  
My Commission expires: 1/24/2016

**ACCEPTED BY: THE CITY OF MARSHALL, A  
MICHIGAN MUNICIPAL  
CORPORATION**

**NAME:** James L. Dyer  
**TITLE:** Mayor, City of Marshall  
**SIGNATURE:** \_\_\_\_\_

**NAME:** Trisha Nelson  
**TITLE:** City Clerk  
**SIGNATURE:** \_\_\_\_\_

**STATE OF MICHIGAN  
COUNTY OF CALHOUN**

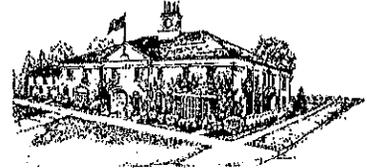
The forgoing acceptance was acknowledged this \_\_\_\_\_ day of \_\_\_\_\_  
by James L. Dyer and Trisha Nelson, Mayor and City Clerk, respectively, on behalf of  
the City of Marshall, a Michigan municipal corporation.

\_\_\_\_\_  
Notary Public, \_\_\_\_\_ County, MI  
My Commission expires: \_\_\_\_\_

**When recorded, return to:**  
City Clerk  
City of Marshall  
323 W. Michigan Ave.  
Marshall, MI 49068

**Drafted by:**  
City of Marshall  
323 W. Michigan Ave.  
Marshall, MI 49068

# City of Marshall



323 West Michigan Avenue - Marshall, MI 49068-1578 - Phone (269) 781-5183 - FAX (269) 781-3835

## INDUSTRIAL FACILITIES EXEMPTION APPLICATION AFFIDAVIT OF FEES

In accordance with State Tax Commission Bulletin no. 3 dated January 16, 1998, the City Of Marshall and Applicant for Industrial Facilities Exemption Certificate do hereby swear and affirm that "no payment of any kind in excess of the fee allowed by Act 198, as amended, has been made or promised in exchange for favorable consideration of an exemption certificate application."

CITY OF MARSHALL:

Signed: \_\_\_\_\_

Witness: \_\_\_\_\_

Print Name: James L. Dyer

Print Name: \_\_\_\_\_

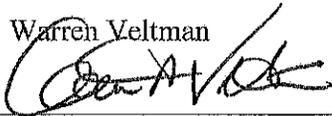
Title: Mayor

Dated: \_\_\_\_\_

APPLICANT:

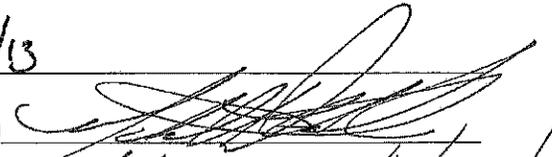
Company Name: Autocam Corporation

Signed by: Warren Veltman

Signature: 

Title: Chief Financial Officer

Dated: 7/19/13

Witness: (signature) 

Witness: (print) Michael D. Hadenreich



NATIONAL HISTORIC LANDMARK DISTRICT

Autocam Corporation  
 Marshall Facility  
 Form 1012-Item 6a & 6b  
 Final

<u>Equipment</u>	<u>Location</u>	<u>Estimated Date of Installation</u>	<u>Property Tax Cost</u>
<b>ITEM 6a</b>			
Erhardt leasehold improvements (see details)	1601 Pratt	3/1/2014	\$ 613,100
Office construction	1601 Pratt	3/1/2014	25,000
Small office	1601 Pratt	3/1/2001	10,000
Security (badge entry & monitoring)	1601 Pratt	9/30/2014	25,000
Fiber Optics	1601 Pratt	3/1/2014	25,000
			<u>\$ 698,100</u>
Re-pave parking lot	1511 George Brown	6/1/2014	\$ 50,000
<b>TOTAL - Item 6a</b>			<b>\$ 748,100</b>
<b>ITEM 6b</b>			
HVAC - Plant area	1601 Pratt	3/1/2014	383,000
HVAC - Lab/Break Room/Locker Room areas	1601 Pratt	3/1/2014	79,000
Air compressor	1601 Pratt	3/1/2014	10,000
GWM S18-6	1601 Pratt	9/30/2013	342,650
GWM S18-6	1601 Pratt	9/30/2014	342,650
Lean Clean Washer	1601 Pratt	3/31/2015	80,000
GWM S18-6	1601 Pratt	3/31/2014	342,650
GWM S18-6	1601 Pratt	9/30/2014	342,650
Blackstone	1601 Pratt	3/31/2014	300,000
GWM S32-8ACF	1601 Pratt	9/30/2013	439,175
GWM S32-8ACF	1601 Pratt	6/1/2014	439,175
GWM S32-8ACF	1601 Pratt	9/30/2014	439,175
Lean Clean Washer	1601 Pratt	12/31/2013	80,000
Saw	1601 Pratt	9/30/2013	50,000
Saw	1601 Pratt	8/30/2014	50,000
Micron MD60011 Angle Head	1601 Pratt	9/1/2013	35,000
Micron MD60011 Angle Head	1601 Pratt	6/30/2014	75,000
Micron MD60011 Angle Head	1601 Pratt	9/30/2014	225,000
Micron MD60011 Angle Head	1601 Pratt	11/1/2014	150,000
Mikron CX24	1601 Pratt	3/31/2013	450,000
Mikron CX24	1601 Pratt	11/1/2014	450,000
Special Bead Blast	1601 Pratt	7/1/2013	250,000
Lean Clean Washer	1601 Pratt	3/31/2014	80,000
Gaging (various)	1601 Pratt	9/30/2013	80,000
Chiller	1601 Pratt	3/1/2014	75,000
Quality gaging	1601 Pratt	12/31/2014	245,000

Office furniture	1601 Pratt	3/1/2014	10,000
RO system	1601 Pratt	3/1/2014	38,000
Material Racks	1601 Pratt	3/1/2014	5,000
Pallet shelves	1601 Pratt	3/1/2014	5,000
Plant maintenance and shipping equipment	1601 Pratt	3/1/2014	43,000
Samsco (water reclamation)	1601 Pratt	3/31/2015	100,000
Chip Spinner/Shredder/Reclaim	1601 Pratt	3/31/2015	150,000
			<u>6,186,125</u>
			\$ 6,186,125

Broach & Deburr Automation	1511 George Brown	6/15/2013	200,000
Ultrasonic Wash Tank	1511 George Brown	5/15/2013	34,704
STS Machine #2	1511 George Brown	3/4/2013	625,000
STS Machine #3	1511 George Brown	6/10/2013	625,000
STS Machine #4	1511 George Brown	7/15/2013	625,000
STS Machine #5	1511 George Brown	3/31/2014	540,000
5-axis measuring mch #2	1511 George Brown	6/30/2013	40,000
Computer room fire suppression	1511 George Brown	13/30/13	10,000
Prab shredder unit	1511 George Brown	9/30/2013	12,000
			<u>2,711,704</u>
			\$ 2,711,704

Total - Item 6b			\$ 8,897,829
Grand Total			\$ 9,645,929

1511 George Brown Drive	Real	\$ 50,000
1511 George Brown Drive	Personal	\$ 2,711,704
	Total	\$ 2,761,704

1601 Pratt	Real	\$ 698,100
1601 Pratt	Personal	\$ 6,186,125
	Total	\$ 6,884,225

Grand Total		\$ 9,645,929
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**ADMINISTRATIVE REPORT**  
**August 5, 2013 – City Council Meeting**

**REPORT TO:** Honorable Mayor and Council Members

**FROM:** Tom Tarkiewicz, City Manager  
Mike Hindenach, Industrial Manager, MAEDA

**SUBJECT:** Autocam Corporation, 1511 George Brown Drive,  
Industrial Facilities Tax Exemption

**BACKGROUND:** The City of Marshall has received a request from Autocam Corporation for an Industrial Facilities Tax Exemption Certificate. The requested abatement is to consider a \$2,711,704.00 in real and personal property investment. Autocam Corporation is located in the LDFA district.

**RECOMMENDATION:** After hearing comments at the Public Hearing, as required by the Industrial Facilities Tax Exemption Certificate Application and approve the resolution granting an IFT exemption to Autocam Corporation.

**FISCAL EFFECTS:** If the IFT exemption is granted, the LDFA will forego 50% of the taxes affiliated with the project over the next 10 years.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

Tom Tarkiewicz  
City Manager

Michael D. Hindenach  
Industrial Manager

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com

# Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

**INSTRUCTIONS:** File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

To be completed by Clerk of Local Government Unit	
Signature of Clerk <i>Trisha Nelson</i>	Date received by Local Unit <i>7/22/2013</i>
STC Use Only	
Application Number	Date Received by STC

**APPLICANT INFORMATION**  
All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) <b>Autocam Corporation</b>		1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) <b>3599</b>	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) <b>1511 George Brown Drive, Marshall, MI 49068</b>		1d. City/Township/Village (Indicate which) <b>Marshall</b>	1e. County <b>Calhoun</b>
2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(1)) <input type="checkbox"/> Research and Development (Sec. 2(9))		3a. School District where facility is located <b>Marshall Public Schools</b>	3b. School Code <b>13110</b>
		4. Amount of years requested for exemption (1-12 Years) <b>10</b>	

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

Autocam Corporation manufactures and sells precision-machined components. This abatement includes real property improvements and new personal property.

6a. Cost of land and building improvements (excluding cost of land) .....	▶ <b>\$50,000.00</b>
* Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures .....	▶ <b>\$2,711,704.00</b>
* Attach itemized listing with month, day and year of beginning of installation, plus total	Personal Property Costs
6c. Total Project Costs .....	▶ <b>\$2,761,704.00</b>
* Round Costs to Nearest Dollar	Total of Real & Personal Costs

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	Begin Date (M/D/Y)	End Date (M/D/Y)		
Real Property Improvements ▶	<u>6/1/14</u>	<u>8/5/15</u>	▶ <input type="checkbox"/> Owned	<input checked="" type="checkbox"/> Leased
Personal Property Improvements ▶	<u>3/4/13</u>	<u>8/15/15</u>	▶ <input checked="" type="checkbox"/> Owned	<input type="checkbox"/> Leased

8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption.  Yes  No

9. No. of existing jobs at this facility that will be retained as a result of this project. <b>16</b>	10. No. of new jobs at this facility expected to create within 2 years of completion. <b>0</b>
--	---

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land) .....	_____
b. TV of Personal Property (excluding inventory) .....	_____
c. Total TV .....	_____

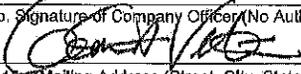
12a. Check the type of District the facility is located in:  
 Industrial Development District       Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit) <b>2/3/97</b>	12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---	---

**APPLICANT CERTIFICATION - complete all boxes.**

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name Warren Veltman	13b. Telephone Number (616) 541-8153	13c. Fax Number (616) 698-6876	13d. E-mail Address wveltman@autocam.com
14a. Name of Contact Person Warren Veltman	14b. Telephone Number (616) 541-8153	14c. Fax Number (616) 698-6876	14d. E-mail Address wveltman@autocam.com
▶ 15a. Name of Company Officer (No Authorized Agents) Warren Veltman, Chief Financial Officer			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number (616) 698-6876	15d. Date 7/19/13
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 4180 40th Street, Kentwood, MI 49512		15f. Telephone Number (616) 541-8153	15g. E-mail Address wveltman@autocam.com

**LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.**

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 18. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Denied (Include Resolution Denying)		16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: <b>Check or Indicate N/A if Not Applicable</b> <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)	
16a. Documents Required to be on file with the Local Unit <b>Check or Indicate N/A if Not Applicable</b> <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.		16c. LUCI Code	
17. Name of Local Government Body City of Marshall		16d. School Code 13110	
		▶ 18. Date of Resolution Approving/Denying this Application 08/05/2013	

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

19a. Signature of Clerk	19b. Name of Clerk Trisha Nelson	19c. E-mail Address tnelson@cityofmarshall.com
19d. Clerk's Mailing Address (Street, City, State, ZIP Code) 323 W Michigan Ave, Marshall, MI 49068		
19e. Telephone Number (269) 781-5183	19f. Fax Number (269) 781-3835	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

**State Tax Commission**  
Michigan Department of Treasury  
P.O. Box 30471  
Lansing, MI 48909-7971

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

**RESOLUTION ESTABLISHING  
INDUSTRIAL DEVELOPMENT DISTRICT D-26**

**WHEREAS**, Pursuant to Act No. 198 of the Public Acts of 1974, as amended, this Council has the authority to establish "Industrial Development Districts" within the City of Marshall; and

**WHEREAS**, the City of Marshall qualifies by the requirements of Section 4 of Act 198 by the levy of an ad valorem tax at a rate together with rates of ad valorem taxes levied by other taxing authorities, which exceeds \$30.00 for each \$1,000.00 of state equalized valuation; and

**WHEREAS**, the City of Marshall wishes to establish an Industrial Development District on its property located in the City of Marshall hereinafter described; and

**WHEREAS**, Written notice has been given by certified mail to all owners of real property located within the district, and to the public by newspaper advertisement in the Marshall Chronicle and/or public posting of the hearing on the establishment of the proposed district; and

**WHEREAS**, February 3, 1997 a public hearing was held at which all of the owners of the real property within the proposed Industrial Development District and all residents and taxpayers of the City of Marshall were afforded an opportunity to be heard thereon; and

**WHEREAS**, the Council deems it to be in the public interest of the City of Marshall to establish the Industrial Development District as proposed;

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Marshall that the following described parcel of land situated in the City of Marshall, County of Calhoun, and State of Michigan, to wit:

A parcel of land in the Southwest 1/4 of Section 36, Town 2 South, Range 6 West, Calhoun County, Michigan described as:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 36, T2S, R6W; THENCE N 00 DEG 05 MIN 00 SEC E ALONG THE WEST LINE OF SAID SECTION 36 A DISTANCE OF 986.41 FEET TO THE NW CORNER OF L. ALTA BROOKS INDUSTRIAL PARK, ACCORDING TO THE PLAT THEREOF AS RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN IN LIBER 18 OF PLATS, PAGE 11; THENCE S 88 DEG 58 MIN 10 SEC E ALONG THE N LINE OF SAID PLAT 1036.17 FEET TO THE NE CORNER OF SAID PLAT AND TRUE PLACE OF BEGINNING; THENCE CONTINUING S 88 DEG 58 MIN 10 SEC E ALONG THE EASTERLY EXTENTION OF SAID N LINE 1604 FEET, MORE OR LESS, TO THE NORTH AND SOUTH 1/4 LINE OF SAID SECTION 36; THENCE SOUTHERLY ALONG N & S 1/4 LINE 986 FEET, MORE OR LESS, TO THE SOUTH 1/4 POST OF SAID SECTION 36; THENCE N 89 DEG 59 MIN 10 SEC W ALONG THE SOUTH LINE OF SAID SECTION 36 A DISTANCE OF 918 FEET TO THE E LINE OF L. ALTA BROOKS INDUSTRIAL PARK NO. 2, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 18 OF PLATS, PAGE 27; THENCE N 01 DEG 32 MIN 50

SEC E ALONG THE E LINE OF SAID PLAT 350.01 FEET TO THE NE CORNER OF LOT 8 OF SAID PLAT OF L. ALTA BROOKS INDUSTRIAL PARK NO. 2; THENCE N 88 DEG 58 MIN 10 SEC W ALONG THE N LINE OF SAID LOT 8 A DISTANCE OF 370.85 FT TO THE NORTHWEST CORNER OF SAID LOT 8; THENCE N 26 DEG 41 MIN 16 SEC E ALONG THE EAST LINE OF SAID PLAT OF L. ALTA BROOKS INDUSTRIAL PARK, 718.82 FEET TO THE PLACE OF BEGINNING. SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

is hereby established as an Industrial Development District pursuant to the provision of Act No. 198 of the Public Acts of 1974 to be known as Industrial Development District D-26.

*Donna Kolodica*

Donna Kolodica, Deputy Clerk

Dated: 2-3-97

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Council of the City of Marshall, County of Calhoun, Michigan, at a regular meeting held on February 3, 1997.

*Donna Kolodica*

Donna Kolodica, Deputy Clerk

**RESOLUTION**

Minutes of a regular meeting of the City Council of the City of Marshall held on August 5, 2013, in the Council Chambers of Town Hall located at 323 West Michigan Avenue, Marshall, Michigan.

Present:  
Absent:

The following preamble and resolution were offered by Council Member \_\_\_\_\_ and supported by Council Member \_\_\_\_\_.

**RESOLUTION TO APPROVE APPLICATION OF  
AUTOCAM CORPORATION  
1511 GEORGE BROWN DRIVE, MARSHALL, MI  
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE FOR  
REAL PROPERTY – BUILDING ADDITION**

**WHEREAS**, pursuant to P.A. 198 of 1974, MCL 211.551 et seq., after a duly noticed public hearing held on February 3, 1997, the Council by Resolution established Industrial Development District No. D-26 as requested; and

**WHEREAS**, Autocam Corporation has filed an application for an Industrial Facilities Exemption Certificate with respect to real and personal property improvements within Industrial Development District D-26; and

**WHEREAS**, in accordance with Act 334, P.A. 1993 amending Act 198, P.A. 1974, a written agreement shall be executed between the applicant and the City of Marshall allowing, under specific circumstances, the reduction and/or revocation of the certificate and recapture of the taxes abated; and

**WHEREAS**, before acting on said application, the City of Marshall held a hearing on August 5, 2013 in the Council Chambers of Town Hall, located at 323 West Michigan Avenue, Marshall, Michigan, at 7:00 p.m. at which hearing the applicant, public, Assessor and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

**WHEREAS**, the acquisition and installation of the new equipment, had not begun earlier than six (6) months before July 22, 2013, the date of acceptance of the application for the Industrial Facilities Exemption Certificate; and

**WHEREAS**, the real and personal property investment is calculated to and will, at the time of issuance of the certificate, have the reasonable likelihood to retain, create or prevent the loss of employment in the City of Marshall; and

**WHEREAS**, the granting of said certificate shall not have the effect of substantially impeding the operation of the City of Marshall, or impairing the financial soundness of a taxing unit which levies ad-valorem property taxes in the City of Marshall; and

**WHEREAS**, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Marshall, after granting this certificate, will exceed 5% of an amount equal to the sum of the SEV of the local unit, plus the SEV of personal and real property thus exempted; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Marshall that:

1. The City Council find and determine that the granting of the Industrial Facilities Exemption Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974, shall not have the effect of substantially impeding the operation of the City of Marshall, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Marshall.
2. The application of Autocam Corporation, 1511 George Brown Drive, for an Industrial Facilities Exemption Certificate, with respect to real property improvements and personal property improvements described as new machinery and equipment to be acquired and installed within the Industrial Development District No. D-26 is hereby approved.
3. The Industrial Facilities Exemption Certificate, when issued, shall be and remain in force and effect for a period of (10) ten years under the rules and regulations of Act 198 of Public Acts of 1974, as amended, for the new machinery and equipment from the date of approval by the State Tax Commission.

AYES:

NAYS:

---

Trisha Nelson, Clerk

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Marshall, County of Calhoun, Michigan, at a regular meeting held August 5, 2013.

---

Trisha Nelson, Clerk

**ACCEPTED BY: THE CITY OF MARSHALL, A  
MICHIGAN MUNICIPAL  
CORPORATION**

NAME: James L. Dyer  
TITLE: Mayor, City of Marshall  
SIGNATURE: \_\_\_\_\_

NAME: Trisha Nelson  
TITLE: City Clerk  
SIGNATURE: \_\_\_\_\_

STATE OF MICHIGAN  
COUNTY OF CALHOUN

The forgoing acceptance was acknowledged this \_\_\_\_ day of \_\_\_\_\_  
by James L. Dyer and Trisha Nelson, Mayor and City Clerk, respectively, on behalf of  
the City of Marshall, a Michigan municipal corporation.

\_\_\_\_\_  
Notary Public, \_\_\_\_\_ County, MI

My Commission expires: \_\_\_\_\_

When recorded, return to:  
City Clerk  
City of Marshall  
323 W. Michigan Ave.  
Marshall, MI 49068

Drafted by:  
City of Marshall  
323 W. Michigan Ave.  
Marshall, MI 49068

# IFTEC LETTER OF AGREEMENT

DATE: \_\_\_\_\_  
COMPANY NAME: Autocam Corporation  
FACILITY ADDRESS: 1511 George Brown Drive, Marshall MI 49068

City Council  
City of Marshall  
323 W. Michigan Avenue  
Marshall, MI 49068

RE: **Industrial Facilities Tax Exemption Certificate** between:

Autocam Corporation and the City of Marshall

Dear Members of Council:

Autocam Corporation (the "Company") has submitted the attached Application (the "Application") to you requesting approval of an Industrial Facilities Tax Exemption Certificate ("IFTEC"), pursuant to Michigan Public Act 198 of 1974, as amended, for the property located at 1511 George Brown Drive, Marshall, MI 49068 (the "Facility") (Legal Description of the property where the Facility is located is attached).

To encourage approval of the IFTEC and in recognition of the investments the City of Marshall (the "City") will make toward the economic growth of the Company, which will benefit the City, the Company agrees as follows:

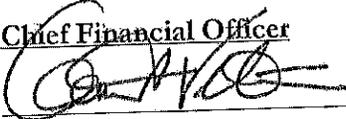
1. **General.** (Check applicable lines consistent with the Application)
- \_\_\_ a. The Company will make the improvements set forth in the Application within two (2) years of the effective date of the IFTEC (the "Effective Date").
  - \_\_\_ b. The Company will purchase and/or lease and install the personal property as set forth in the Application within two (2) years of the Effective Date.
  - \_\_\_ c. The Company will create 0 new full-time jobs at the Facility within two (2) years of the Effective Date, and/or the Company will retain 16 existing jobs at the Facility within two (2) years of the Effective Date.
  - \_\_\_ d. The Company will comply with the requirements imposed by the City as part of the site review prior to issuance of a Certificate of Occupancy.

2. **Compliance with Laws.** The Company agrees that it will operate the Facility in accordance with all applicable Federal, State, and local laws or regulations, including but not limited to zoning, outside storage, industrial waste disposal, air and water quality, utility, noise control, and other environmental regulations.
3. **Continued Operation of the Facility.** The Company further agrees to continue to operate the Facility within the City for the period of the IFTEC in order to retain the benefits of the IFTEC.
4. **Premature Vacation of the Facility.** If the Company vacates, or intends to vacate, the Facility prior to the end of the term of the IFTEC, the Company shall be responsible for the following:
  - a. If the Company intends to vacate the Facility for which the IFTEC has been approved and issued prior to the end of the term of this agreement, the Company agrees to notify the City Assessor in writing of such intent and the reasons for vacating not less than 60 days prior to vacating the facility.
  - b. The Company agrees to make reasonable provisions satisfactory to the City and in compliance with all applicable laws, codes and ordinances to maximize the likelihood of re-occupancy or re-use of the unoccupied building for productive use within a reasonable time period after the Facility is vacated.
  - c. The Company shall, if requested by the City, deposit an amount equal to the amounts anticipated to be due from the Company under this agreement as a result of the Company vacating the Facility prior to the term for which the IFTEC was approved, including but not limited to any reasonable cleanup or maintenance costs, administrative fees, court costs, and attorney fees incurred.
  - d. The Company shall pay any outstanding taxes and shall repay to all affected municipalities an amount equal to the total tax amount abated by the IFTEC (unless recovery of a lesser amount is requested by the City or other taxing authority) within 30 days of the date of an invoice for such taxes.
  - e. If the Company fails to pay the amount of the invoice for abated taxes within 30 days of the date of the City invoice, the Company shall be responsible for any additional costs incurred by the City in recovery of such taxes, including, but not limited to administrative fees, court costs, and attorney fees incurred.
5. **Notice of Completion and Final Cost Report.** The Company will submit to the City, not later than 90 days after the completion date for each property component for which an IFTEC was granted a Notice of Completion and Final Cost Report in a form requested by the City which includes the actual completion date and final cost of each project component for which an IFTEC was originally granted, and an explanation if the final cost of either the real or personal property listed on the Application was greater than the original estimated amount by more than 10%.

6. **Employment Status Report.** In accordance with the initial letter of intention to apply for an IFTEC, the Company will submit to the City, not later than January 10th of the second year after the effective date and every two years thereafter while the IFTEC is in effect, an Employment Status Report in a form requested by the City, which includes the number of actual full-time jobs created and/or retained as a direct result of the project for which the certificate was granted, and an explanation if the jobs actually created was less than the original estimated amount.
7. **Review and Audit: Payment of Costs.** The Company understands that the City may review and audit the information provided by the Company to determine compliance with this agreement and that any costs for such services will be paid by the Company in accordance with a fee schedule approved by the City Council, which may be adjusted from time to time based upon increases in costs to the City.
8. **Remedies for Default for Failure to Satisfy Representations Made in Application.** The Company understands that the City may pass a resolution requesting that the State Tax Commission reduce the term of the IFTEC or revoke the IFTEC to the extent that the construction or expansion of the Facility has not been completed, expenditures made, or employment reached as represented by the Company in the application, by sending a copy of this Agreement along with a copy of the City Council resolution authorizing such action to the State Tax Commission. In addition, the Company acknowledges that the City may take into account any deficiency in job creation, or real or personal property investment made under this application in a subsequent application for an IFTEC filed by the Company.
9. **Consequences of Unsuccessful real or Personal Property Tax Appeal.** The Company acknowledges that if during the term of this Agreement, the Company appeals any real or personal property assessment to the Michigan Tax Tribunal or other court of competent jurisdiction upon which it does not prevail, that the Company shall pay to the City all reasonable costs, expenses, and attorney fees incurred by the City in defending such appeals within thirty (30) days of the date of receipt of an invoice from the City. The Company also acknowledges that the City may consider such appeals in deciding the term of any subsequent certificates granted to the Company.
10. **Unforeseen Events.** By execution of this agreement, it is understood that the Company's investment in the Facility and the City's investment in the granting of the IFTEC are to encourage economic growth within the City. The City acknowledges that in some instances, economic conditions may prevent the Company from complying fully with this agreement and the terms of the Application. The City will give the Company an opportunity to explain the reasons for any variations from the representations contained in the application and will evaluate the Company's situation prior to taking any action authorized by paragraph 4 and 8 of this agreement.
11. **Entire Agreement.** This is the entire agreement of the parties relating to the matters covered by this Agreement, and no prior or subsequent promises, representations or assurances, whether in any other form, shall be used to modify, vary or contradict any provision of this Agreement, except for any written amendment to this Agreement or separate agreement signed following the date of this Agreement by authorized representatives of all parties to this Agreement.

12. **Severability.** The invalidity of any section, subsection, clause or provision of this Agreement shall not affect the validity of the remaining sections, subsections, clauses or provisions thereof, which shall remain in full force and effect to govern the parties' relationship.
13. **Reimbursement of Attorney Fees for Modification of Standard Agreement.** The Company agrees to reimburse the City within 30 days of the date of a receipt of an invoice from the City for all attorney fees incurred by the City in the negotiation or preparation of changes to the standard IFTEC Letter of Agreement.

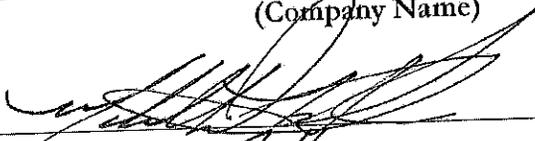
**ACCEPTED BY: THE COMPANY**

NAME: Warren Veltman, Autocam Corporation  
 TITLE: Chief Financial Officer  
 SIGNATURE: 

STATE OF MICHIGAN  
 COUNTY OF CALHOUN

The forgoing acceptance was acknowledged this 19<sup>th</sup> day of July, 2013

Warren Veltman, Chief Financial Officer on behalf of Autocam Corporation  
 (Name) (Title) (Company Name)

  
 Notary Public, Calhoun County, MI  
 My Commission expires: 1/24/2016

MICHAEL D. HINDENACH  
 NOTARY PUBLIC - STATE OF MICHIGAN  
 COUNTY OF CALHOUN  
 My Commission Expires 01/24/2016  
 Acting in the County of Calhoun

# City of Marshall



Marshall Town Hall ca: 1857

323 West Michigan Avenue - Marshall, MI 49068-1578 - Phone (269) 781-5183 - FAX (269) 781-3835

## INDUSTRIAL FACILITIES EXEMPTION APPLICATION

### AFFIDAVIT OF FEES

In accordance with State Tax Commission Bulletin no. 3 dated January 16, 1998, the City Of Marshall and Applicant for Industrial Facilities Exemption Certificate do hereby swear and affirm that "no payment of any kind in excess of the fee allowed by Act 198, as amended, has been made or promised in exchange for favorable consideration of an exemption certificate application."

#### CITY OF MARSHALL:

Signed: \_\_\_\_\_

Witness: \_\_\_\_\_

Print Name: James L. Dyer

Print Name: \_\_\_\_\_

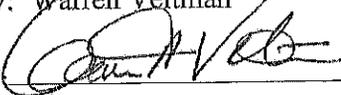
Title: Mayor

Dated: \_\_\_\_\_

#### APPLICANT:

Company Name: Autocam Corporation

Signed by: Warren Veltman

Signature:  \_\_\_\_\_

Title: Chief Financial Officer

Dated: 7/13/13

Witness: (signature)  \_\_\_\_\_

Witness: (print) Michael D. Hurdman



NATIONAL HISTORIC LANDMARK DISTRICT

Autocam Corporation  
 Marshall Facility  
 Form 1012-Item 6a & 6b  
 Final

<u>Equipment</u>	<u>Location</u>	<u>Estimated Date of Installation</u>	<u>Property Tax Cost</u>
<b>ITEM 6a</b>			
Erhardt leasehold improvements (see details)	1601 Pratt	3/1/2014	\$ 613,100
Office construction	1601 Pratt	3/1/2014	25,000
Small office	1601 Pratt	3/1/2001	10,000
Security (badge entry & monitoring)	1601 Pratt	9/30/2014	25,000
Fiber Optics	1601 Pratt	3/1/2014	25,000
			<u>\$ 698,100</u>
Re-pave parking lot	1511 George Brown	6/1/2014	\$ 50,000
			<u>\$ 748,100</u>
<b>ITEM 6b</b>			
HVAC - Plant area	1601 Pratt	3/1/2014	383,000
HVAC - Lab/Break Room/Locker Room areas	1601 Pratt	3/1/2014	79,000
Air compressor	1601 Pratt	3/1/2014	10,000
GWM S18-6	1601 Pratt	9/30/2013	342,650
GWM S18-6	1601 Pratt	9/30/2014	342,650
Lean Clean Washer	1601 Pratt	3/31/2015	80,000
GWM S18-6	1601 Pratt	3/31/2014	342,650
GWM S18-6	1601 Pratt	9/30/2014	342,650
Blackstone	1601 Pratt	3/31/2014	300,000
GWM S32-8ACF	1601 Pratt	9/30/2013	439,175
GWM S32-8ACF	1601 Pratt	6/1/2014	439,175
GWM S32-8ACF	1601 Pratt	9/30/2014	439,175
Lean Clean Washer	1601 Pratt	12/31/2013	80,000
Saw	1601 Pratt	9/30/2013	50,000
Saw	1601 Pratt	8/30/2014	50,000
Micron MD60011 Angle Head	1601 Pratt	9/1/2013	35,000
Micron MD60011 Angle Head	1601 Pratt	6/30/2014	75,000
Micron MD60011 Angle Head	1601 Pratt	9/30/2014	225,000
Micron MD60011 Angle Head	1601 Pratt	11/1/2014	150,000
Mikron CX24	1601 Pratt	3/31/2013	450,000
Mikron CX24	1601 Pratt	11/1/2014	450,000
Special Bead Blast	1601 Pratt	7/1/2013	250,000
Lean Clean Washer	1601 Pratt	3/31/2014	80,000
Gaging (various)	1601 Pratt	9/30/2013	80,000
Chiller	1601 Pratt	3/1/2014	75,000
Quality gaging	1601 Pratt	12/31/2014	245,000

Office furniture	1601 Pratt	3/1/2014	10,000
RO system	1601 Pratt	3/1/2014	38,000
Material Racks	1601 Pratt	3/1/2014	5,000
Pallet shelves	1601 Pratt	3/1/2014	5,000
Plant maintenance and shipping equipment	1601 Pratt	3/1/2014	43,000
Samsco (water reclamation)	1601 Pratt	3/31/2015	100,000
Chip Spinner/Shredder/Reclaim	1601 Pratt	3/31/2015	150,000
			<u>\$ 6,186,125</u>

Broach & Deburr Automation	1511 George Brown	6/15/2013	200,000
Ultrasonic Wash Tank	1511 George Brown	5/15/2013	34,704
STS Machine #2	1511 George Brown	3/4/2013	625,000
STS Machine #3	1511 George Brown	6/10/2013	625,000
STS Machine #4	1511 George Brown	7/15/2013	625,000
STS Machine #5	1511 George Brown	3/31/2014	540,000
5-axis measuring mch #2	1511 George Brown	6/30/2013	40,000
Computer room fire suppression	1511 George Brown	13/30/13	10,000
Prab shredder unit	1511 George Brown	9/30/2013	12,000
			<u>\$ 2,711,704</u>

Total - Item 6b			\$ 8,897,829
Grand Total			<u>\$ 9,645,929</u>

1511 George Brown Drive	Real	\$ 50,000
1511 George Brown Drive	Personal	<u>\$ 2,711,704</u>
	Total	\$ 2,761,704

1601 Pratt	Real	\$ 698,100
1601 Pratt	Personal	<u>\$ 6,186,125</u>
	Total	\$ 6,884,225

Grand Total		\$ 9,645,929
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**ADMINISTRATIVE REPORT**  
**AUGUST 5, 2013 - CITY COUNCIL MEETING**

**REPORT TO:** Honorable Mayor and City Council  
**FROM:** Tom Tarkiewicz, City Manager  
**SUBJECT:** Public Hearing for vacation of a section of the West Green Street right of way at Kalamazoo Avenue

**BACKGROUND:** The proposed fire department addition to City Hall will require the building to extend 10' into the right of way of West Green Street. Green Street has an 82.5' right of way, which is wider than the standard 66' right of way. The street curb will remain in the same location but the sidewalk will be closer to the road.

It is necessary to vacate this section of right of way described as:

*A portion of W. Green Street (82.5 feet wide) dedicated to the public and now being vacated and reverted to adjoining land owners, being described more particularly as: The Northerly 10 feet of W. Green Street, lying East of S. Kalamazoo and West of the West line of Lot 4 as extended of Block 22, plat of the City of Marshall, Lower Village, as recorded in plat of Calhoun County Register of Deeds.*

A public hearing is required and adoption of the attached resolution.

**RECOMMENDATION:** After hearing comments at the public hearing, it is recommended that the City Council adopt the resolution to vacate a section of the West Green Street right of way at Kalamazoo Avenue.

**FISCAL EFFECTS:** None.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

Tom Tarkiewicz  
City Manager

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com

CITY OF MARSHALL, MICHIGAN  
RESOLUTION #2013-

**RESOLUTION TO VACATE A SECTION OF WEST GREEN STREET**

WHEREAS, a request has been received to vacate a portion of the right-of-way of West Green Street between South Kalamazoo Avenue and South Park Avenue in the plat of the Lower Village, City of Marshall, and

WHEREAS, the City has the authority to vacate streets within the City under Article 7, Section 31 of the Michigan Constitution of 1963, and under Section 4h of Michigan's Home Rule City Act, and Section 2.23 of the City of Marshall Charter, as amended, and

WHEREAS, the City has conducted hearings on vacating the said portion of the said street, and has determined that the police and fire departments believe that the vacation will not adversely affect public safety, and

WHEREAS, Notice of the Public Hearing for vacating a portion of West Green Street between South Kalamazoo Avenue and South Park Avenue was published by the City of Marshall on July \_\_\_\_\_, 2013, with a notice of the hearing mailed via first class mail to all property owners of record for any property adjoining the parcel in question; and

WHEREAS, the City has determined that the street right of way recommended for vacation is not needed by the city by Department of Public Services, Department of Public Works, or Public Safety Department.

NOW THEREFORE BE IT RESOLVED, the City of Marshall hereby vacates that portion of West Green Street between South Kalamazoo Avenue and South Park Avenue and more particularly described as:

A portion of West Green Street (82.5 feet wide) dedicated to the public and now being vacated and reverted to adjoining land owners, being described more particularly as: The Northerly 10 feet of W. Green Street, lying East of S. Kalamazoo and West of the West line of Lot 4 as extended of Block 22, plat of the City of Marshall, Lower Village, as recorded in plat of Calhoun County Register of Deeds.

BE IT FURTHER RESOLVED, that the vacated right-of-way shall become part of the adjacent property to the North of West Green Street; and

BE IT FURTHER RESOLVED, that the city Clerk shall be, and hereby is, authorized for and on behalf of the city to execute and deliver any documents necessary or appropriate.

Dated: August \_\_\_\_\_, 2013

IN TESTIMONY WHEREOF, I have hereunto set my hand affixed seal of said City of Marshall, this \_\_\_\_\_ day of August, 2013.

---

Trisha Nelson, City Clerk



**ADMINISTRATIVE REPORT**  
**AUGUST 5, 2013 - CITY COUNCIL MEETING**

**REPORT TO:** Honorable Mayor and City Council  
**FROM:** Tom Tarkiewicz, City Manager  
**SUBJECT:** Public Hearing for a P.A. 425 Conditional Land Transfer with Marshall Township

**BACKGROUND:** The City is purchasing a ten acre parcel from the Flynn family to construct the Marshall Regional Law Enforcement Center at 714 Brewer Street and we are requesting that Marshall Township enter into a Public Act 425 Land Transfer agreement. A PA 425 agreement brings a property into the City to receive City services but gives a portion of the property taxes collected to the Township. Since the property will be owned by the City and used for governmental purposes, no property taxes would be generated but could generate in the future if the police building became private.

In 2006, the City and Marshall Township entered into a Master 425 Development Agreement. The agreement defines the amount of tax given to the Township based on property location and type of development.

PA 425 requires the adoption of the attached resolution. The proposed resolution and contract are attached. Marshall Township will be meeting on August 19<sup>th</sup> to hold their public hearing

**RECOMMENDATION:** It is recommended after hearing public comment, that the Council approve the P.A. 425 Conditional Land Transfer agreement with Marshall Township for the parcel at 714 Brewer Street.

**FISCAL EFFECTS:** None.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

Tom Tarkiewicz  
City Manager

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com

**CITY OF MARSHALL – TOWNSHIP OF MARSHALL  
CONTRACT FOR CONDITIONAL TRANSFER OF PROPERTY**

This Agreement made on the \_\_\_\_ day of August, 2013, between the CITY OF MARSHALL, a Michigan municipal corporation, having offices at 323 West Michigan Avenue, Marshall, Michigan 49068 (the “City”) and the TOWNSHIP OF MARSHALL, a Township duly organized under the laws of the State of Michigan, and existing in Calhoun County, Michigan, having offices at 13551 Myron Avery Drive, Marshall, Michigan 49068 (the “Township”).

WHEREAS, the City and the Township have adopted a Master 425 Agreement dated February 25, 2006 for the purpose of providing sewer and water services which are available in the City to Township properties upon the request of a Township property owner, and

WHEREAS, City of Marshall, the owner of the property described on Schedule 1 attached hereto (“Property”) have requested that the City extend sewer and water services to the Property, and

WHEREAS, the provision of municipal services by the City to the Property would further the economic well-being of both the City and the Township and increase the probability of additional development of the Property, and

WHEREAS, the City has available sewer and water capacity to service the Property, and

WHEREAS, the parties have each conducted a public hearing to receive input on the proposed transfer of property.

NOW, THEREFORE, by authority of Act 425 of the Public Acts of 1984 and pursuant to the Master 425 Agreement entered into between the City and the Township and in consideration of the mutual promises herein set forth, BE IT AGREED AS FOLLOWS:

1. The Township consents to the transfer to the City of the Property.
2. The City agrees to accept the transfer of the Property for all purposes allowed under Public Act 425 of 1984, as amended, to make available municipal services to the Property provided that the Property owner and other users of the utilities extended from the City to the Property shall pay for the cost of the extension.
3. The transfer of the Property contemplated by this agreement shall occur at midnight on September 1, 2013.
4. Following transfer, and during the term of this Agreement, the City shall have full jurisdiction over the Property subject to the following limitations:

Land usages shall be subject to the Joint Municipal Planning Commission pursuant to the provisions of the Master 425 Agreement.

5. The City and Township agree that the City shall have the authority to assess and collect ad valorem taxes, real and personal, on the Property and any improvements thereon during 2014 and for the remainder of the term of this Agreement. The Township shall have the authority to assess and collect ad valorem taxes, real and personal, on the Property and any improvements thereon through calendar year 2013.

The City and Township further agree that commencing in the year 2014 and continuing through the fiftieth (50<sup>th</sup>) full calendar year thereafter, all such taxes which the City collects for its own general operating fund purposes only, and which are attributable to the Property for the term of this Agreement shall be shared between the City and the Township as follows:

A. The Township shall receive the equivalent of 3 mills levied on the taxable value of the Property for the taxable year as established by the City subject to any subsequent adjustments resulting from tax appeals. The City shall transmit the Township's share of such revenues annually on or before 30 days after receipt.

B. Thereafter, all tax revenues from the Property shall be collected and retained by the City.

6. Except as provided in paragraph 7, upon termination, expiration or non-renewal of this Agreement, jurisdiction of the Property shall pass to the City and the Township shall have no further rights or interests in the Property.

7. In the event that the City shall not share tax revenues from the Property as provided in paragraph 5 or shall breach any other provision of this Agreement, the Township shall be entitled to terminate this Agreement, whereupon jurisdiction of the Property shall revert to the Township or the Township may pursue whatever other legal remedies are available to the Township.

8. Any liability the City or the Township incurs to a third party as a result of the performance of duties or the exercise or rights imposed or granted hereunder shall be jointly shared and defended in the same proportion as the taxes are shared as described in paragraph 5.

9. The burden of all tax abatements shall be shared by the City and the Township in the same percentage as the millage is shared. In the event the City reduces its millage, the Township's share of millage shall be proportionately reduced provided no additional taxes are levied by the City to replace the reduction in millage.

10. Sewer and water rates charged to the Property owner shall not be greater than the rates charged in the City for similar users. Property owners shall contribute to repairs and capital improvements to the sewage treatment facilities, water purification plant, well facilities, and distribution systems in the same manner as similar users within the City of Marshall.

11. In the event there is a conflict between this Agreement and the Master 425 Development Agreement, the terms of the Master 425 Development Agreement shall control unless there is a specific reference in the conflicting provision that it is intended to prevail despite the Master 425 Development Agreement.

12. Within fifteen (15) days of execution of this contract, the City Clerk shall file a duplicate original of this contract with the Calhoun County Clerk, the Michigan Secretary of State and the Calhoun County Register of Deeds.

WITNESSES:

CITY OF MARSHALL

\_\_\_\_\_

By:

\_\_\_\_\_  
Tom Tarkiewicz, City Manager

\_\_\_\_\_

By:

\_\_\_\_\_  
Trisha Nelson, Clerk

WITNESSES:

MARSHALL TOWNSHIP

\_\_\_\_\_

By:

\_\_\_\_\_  
Eugene Hamaker, Supervisor

\_\_\_\_\_

By:

\_\_\_\_\_  
Cynthia Sink, Clerk

Prepared by:  
Paul K. Beardslee  
Marshall City Attorney  
206 S. Kalamazoo Ave.  
Marshall, Michigan 49068  
(269) 781-5193

## Schedule 1

### Legal Description of Property

Township of Marshall, County of Calhoun, State of Michigan.

Beginning at a point on the West line of Section 24, Town 2 South, Range 6 West, Marshall Township, distant South  $00^{\circ}05'49''$  West, 1,786.00 feet from the Northwest corner of said Section 24; thence South  $88^{\circ}41'35''$  East, parallel with the North line of said Section 24, 1,329.81 feet to the East line of the West 1/2 of the Northwest 1/4 of said Section 24; thence South  $00^{\circ}09'43''$  East, along the East line, 332.04 feet; thence North  $88^{\circ}41'35''$  West, parallel with said North Section line, 1,331.31 feet to said West Section line; thence North  $00^{\circ}05'49''$  East, along said West Section line, 332.00 feet to the place of beginning.

CITY OF MARSHALL, MICHIGAN  
RESOLUTION #2013-

RESOLUTION AUTHORIZING EXECUTION OF CONTRACT  
FOR CONDITIONAL TRANSFER OF PROPERTY

**WHEREAS**, City of Marshall, owner of property commonly known as 714 Brewer Street, has petitioned the City of Marshall and Marshall Township for a Conditional Transfer of its property from Marshall Township into the City of Marshall; and

**WHEREAS**, on February 25, 2006 the City of Marshall entered into a Master 425 Agreement with the Township of Marshall; and

**WHEREAS**, the Master 425 Agreement facilitates the provision of City services, including municipal sewer, water, police and fire protection to properties currently within Marshall Township according to terms acceptable to both the Township of Marshall and the City of Marshall,

**NOW THEREFORE, BE IT RESOLVED**, that the City Manager and the Clerk are authorized to execute a Contract for Conditional Transfer of Property commonly known at 714 Brewer Street from the Township of Marshall to the City of Marshall.

**IT IS FURTHER RESOLVED**, that the Contract for Conditional Transfer shall be in the form of the attached document, subject to changes in form approved by the City Attorney.

As City Clerk I place my seal and sign my name that this is a true and accurate copy of the action taken by the Marshall City Council on \_\_\_\_\_.

\_\_\_\_\_  
Trisha Nelson, Clerk  
CITY OF MARSHALL

Dated: \_\_\_\_\_



**ADMINISTRATIVE REPORT**  
**August 5, 2013 - CITY COUNCIL MEETING**

**REPORT TO:** Honorable Mayor and Council Members  
**FROM:** Carl Fedders, Director of Public Services  
Tom Tarkiewicz, City Manager  
**SUBJECT:** Hastings City Bank Land Swap

**BACKGROUND:** The City of Marshall was approached by Hastings City Bank (HCB) about the possibility of updating the entryway into the rear of the bank as part of their upcoming renovations. During our discussions, it was determined that the existing sidewalk area was located in the public alley and that a six foot easement existed on the south side of the property that borders Mansion Street.

In order to allow HCB to update their entry way to meet the requirements of the American Disability Act it is proposed that this section be deeded to HCB and to extend the existing easement.

The current configuration will not change as a result of this agreement.

The City Attorney has reviewed the attached documents.

**RECOMMENDATION:** It is recommended that City Council approve the resolution to authorize the Clerk to sign the warranty deed and easement documents with HCB.

**FISCAL EFFECTS:** None.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

Carl Fedders  
Director of Public Services

Tom Tarkiewicz  
City Manager

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com

**CITY OF MARSHALL, MICHIGAN  
RESOLUTION 2013-\_\_\_\_\_**

**WHEREAS**, the City of Marshall is considered the owner of the public alley that connects N. Eagle Street to N. Jefferson Street north of Michigan Avenue; and

**WHEREAS**, Hastings City Bank desires the ability to improve the rear entry of the property located at 124 W. Michigan Avenue to comply with the current barrier free standards; and

**WHEREAS**, Hastings City Bank will extend the existing easement attached to the parcel that borders Mansion Street; and

**WHEREAS**, the City of Marshall will deed a portion of the alley to Hastings City Bank; and

**WHEREAS**, the Marshall City Charter, section 2.20 allows city council to sell real property by resolution; and

**NOW THEREFORE BE IT RESOLVED** that based upon a motion made by \_\_\_\_\_, and supported by \_\_\_\_\_ that the Clerk may execute the warranty deed and easement agreement with Hastings City Bank.

**Voting for:** \_\_\_\_\_

**Voting Against:** \_\_\_\_\_

**Absent:** \_\_\_\_\_

**CERTIFICATION OF CITY CLERK**

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Marshall at a regular meeting held on the 5th day of August, 2013.

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Date

Thompson-Pheasant Group  
 9834 Dixie Highway  
 P.O. Box 105  
 Anchorage, AK 99504

586 725 8402  
 586 725 9839 fax  
 www.thompsonpheasant.com

Project:  
**Hastings City Bank**

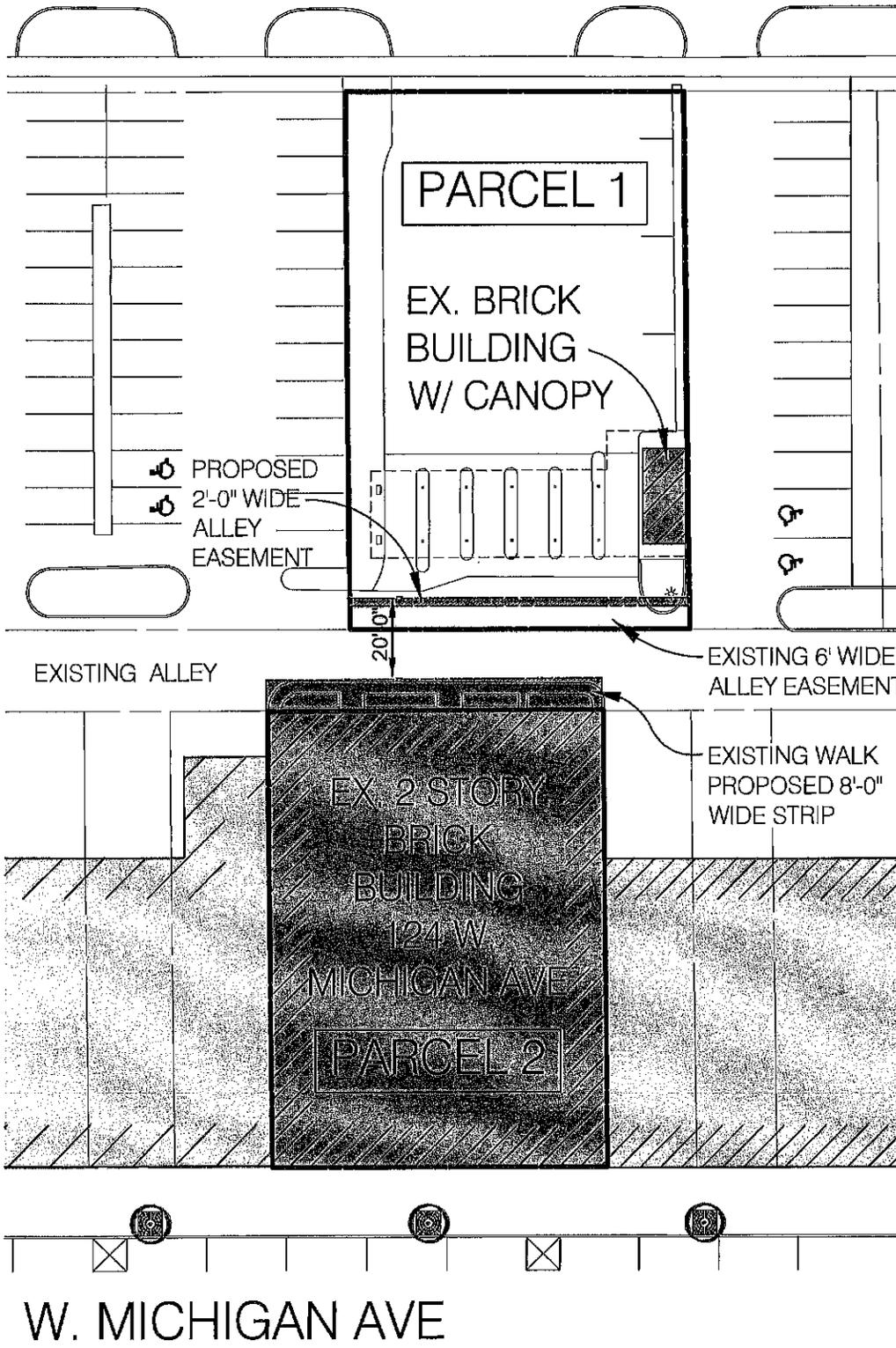
Location:  
 124 W. Michigan  
 Ave.  
 Marshall Michigan  
 City of Marshall  
 Calhoun County

Job No.:  
 212051

Date:  
 07.22.2013

**Exhibit B**

MANSION STREET



**ALLEY EASEMENT**  
To the City of Marshall

For consideration of less than One Hundred Dollars (\$100.00) (exempt from transfer taxes pursuant to MCLA 207.505(a) and MCLA 207.526(a)), **HCB REAL ESTATE HOLDINGS, LLC**, a Michigan limited liability company, whose address is 150 W. Court Street, Hastings, Michigan 49058 (the "**Grantor**"), hereby grants, conveys and warrants to the **CITY OF MARSHALL**, a Michigan municipal corporation, whose address is 323 W. Michigan Ave., Marshall, MI 49068 ("**Grantee**"), a nonexclusive easement (the "**Easement**") two (2) feet wide, for public alley purposes over, across and through a portion of that parcel of property ("**Grantor's Parcel**") located in the City of Marshall, Calhoun County, Michigan, legally described as follows:

Parcel 1:

Commencing at a concrete monument on the North line of Lot 5, Block 13 of the Village (now City) of Marshall, Calhoun County, Michigan according to the recorded plat thereof, said monument being 353.9 feet East of the East line of Eagle Street, thence South parallel with the East line of Eagle Street to the South line of said Lot 5, thence Easterly along the South line of said Lot 5 and 6 of said Block 13 a distance of 84.4 feet, thence Northerly parallel with the East line of Eagle Street to the North line of Lot 6, thence Westerly along the North line of Lots 6 and 5 to the point of beginning.

Parcel 2:

The West 15 feet of Lot 11, Block 13 of the Village (now City) of Marshall, Calhoun County, Michigan, according to the recorded plat thereof. Also, start at a point 15 feet East of the Southwest corner of said Lot 11, Block 13, City of Marshall, thence East 27.5 feet; thence North to North line of said Lot; thence West on North line of property 27.5 feet; thence South to South line of said lot at place of beginning, except a strip of land 20 feet in width off the entire North side. Also, all of the East 40 feet of lot 11 and the West 1 foot of Lot 12, all of Block 13, of the City of Marshall, according to the recorded plat thereof, except a strip of land 20 feet in width off the entire North side.

The portion of the Grantor's Parcel encumbered by the Easement is legally described as follows:

The North 2.0 feet of the South 8.0 feet of part of Lots 5 and 6 of Block 13 of the Village (now City) of Marshall, Calhoun County, Michigan, according to the

recorded plat thereof, described as: Commencing at a concrete monument on the North line of said Lot 5, said monument being 353.9 feet East of the East line of Eagle Street; thence South 00°41'53" East 124.05 feet to a point that is 8.00 feet North of the South line of Lot 5 for THE PLACE OF BEGINNING OF THIS DESCRIPTION; thence North 89°59'13" East 84.40 feet, parallel with the South line of Lots 5 and 6; thence South 00°41'52" East 2.00 feet; thence South 89°59'13" West 84.40 feet; thence North 00°41'52" West 2.00 feet to the place of beginning.

Grantor shall not place buildings, fences, walls, or any type of structure(s) within the Easement area that would interfere with the intended use of this Easement without the prior written consent of the Grantee, its successors or assigns.

This instrument shall be binding upon and inure to the benefit of the parties hereto, their heirs or representatives, successors and assigns.

The Easement granted herein shall terminate at such time as the Easement is no longer utilized for the purposes specified herein.

IN WITNESS WHEREOF, the undersigned has executed this Easement as of \_\_\_\_\_, 2013.

**GRANTOR:**

**HCB REAL ESTATE HOLDINGS, LLC,**  
a Michigan limited liability company

By: HASTINGS CITY BANK  
Its: Sole Member

By: \_\_\_\_\_  
Mark A. Kolanowski,  
President & Chief Executive Officer



**WARRANTY DEED**

THE GRANTOR: CITY OF MARSHALL, a Michigan municipal corporation

WHOSE ADDRESS IS: 323 W. Michigan Avenue  
Marshall, Michigan 49068

CONVEYS AND WARRANTS  
TO THE GRANTEE: HCB REAL ESTATE HOLDINGS, LLC, a Michigan  
limited liability company

WHOSE ADDRESS IS: 150 W. Court Street,  
Hastings, Michigan 49058

the real estate situated in the City of Marshall, County of Calhoun, State of Michigan, more fully described on attached Exhibit A (the "Premises"), together with all improvements, fixtures, easements, hereditaments and appurtenances associated with the Premises, subject to easements, restrictions and reservations of record.

For consideration of less than \$100.00.

This transaction is exempt from state and county transfer tax pursuant to MCL 207.526(a) and 207.505(a).

Dated: \_\_\_\_\_, 2013

CITY OF MARSHALL, a Michigan  
municipal corporation

By: \_\_\_\_\_  
Trisha Nelson, City Clerk

ACKNOWLEDGEMENTS

STATE OF MICHIGAN        )  
  ) ss.  
COUNTY OF CALHOUN     )

Acknowledged before me in Calhoun County, Michigan, on \_\_\_\_\_, 2013, by Trisha Nelson, the City Clerk of the City of Marshall, a Michigan municipal corporation, on behalf of the corporation.

\_\_\_\_\_

\*

Notary Public, Calhoun County, Michigan  
Acting in Calhoun County, Michigan  
My commission expires: \_\_\_\_\_

DRAFTED BY AND WHEN RECORDED RETURN TO:

David T. Caldon  
Law, Weathers  
800 Bridgewater Place  
333 Bridge Street, N.W.  
Grand Rapids, Michigan 49504-5320  
(616) 459-1171

**EXHIBIT A**

**LEGAL DESCRIPTION**

Real property located in the City of Marshall, County of Calhoun, State of Michigan, and more particularly described as:

The South 8.0 feet of the North 20.0 feet of Lot 11 and the South 8.0 feet of the North 20.0 feet of the West 1.0 foot of Lot 12, all in Block 13 of the Village (now City) of Marshall, Calhoun County, Michigan, according to the recorded plat thereof, described as: Commencing at the Southwest corner of said Lot 11; thence North 00°41'52" West 112.04 feet along the West line of said Lot 11 to a point on the South line of the North 20.0 feet of said Lot 11 for THE PLACE OF BEGINNING OF THIS DESCRIPTION; thence North 00°41'52" West 8.00 feet along the West line of said Lot 11; thence North 89°59'13" East 84.34 feet to a point on the East line of the West 1.0 foot of said Lot 12; thence South 00°41'52" East 8.00 feet along said line; thence South 89°59'13" West 84.34 feet to the place of beginning.

15392 (001) 674291.1



**ADMINISTRATIVE REPORT**  
**August 5, 2013 - CITY COUNCIL MEETING**

**REPORT TO:** Honorable Mayor and Council Members

**FROM:** Carl Fedders, Director of Public Services  
Tom Tarkiewicz, City Manager

**SUBJECT:** Low Income Energy Assistance Act

**BACKGROUND:** Governor Snyder recently signed the Low-Income Energy Assistance Public Act 95 of 2013 which requires electric utilities to begin to charge a Low Income Assistance Factor. The funds collected from this fee will be distributed under the guidelines included in the Michigan Energy Assistance Act of 2012 (Public Act 615) by the Department of Human Services (DHS). DHS will ensure that all money collected for the fund from a geographic area is returned, to the extent possible, to that geographic area.

The Low Income Assistance Factor will be applied to all electric rate classifications, except for security light rental.

The actual rate will be determined on an annual basis by the Michigan Public Service Commission but will not exceed \$1.00 per month. This year's factor is \$0.99 per month. The low income assistance funding factor will be listed as a separate line item on each customer's bill. The Michigan Public Service Commission will also determine when the fee will begin to be charged.

The legislation does contain an opt-out clause for a utility that does not turn off residential customers for non-payment between November 1<sup>st</sup> to April 15<sup>th</sup>. During this timeframe last year, the City of Marshall tagged approximately 1,200 customers for non-payment and turned off approximately 100 customers. It is the opinion of the staff, that if the City of Marshall were to opt out of the program, the uncollectable revenue would increase and impact the funds cash flow. In addition, to the potential cash flow problems that could develop, the deposit amount would need to increase to a level that would help the utility to cover a span of nearly six months of electric bills which would triple the current rate.

Also included in the rules and regulation is a small change that allows a tenant/landlord affidavit to be filed at any time during occupancy and clarification on when winter and summer rates begin and end.

**RECOMMENDATION:** It is recommended that City Council approve the changes to the City of Marshall Rate Classifications and Standard Rules and Regulations

**FISCAL EFFECTS:** None.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

Carl Fedders  
Director of Public Services

Tom Tarkiewicz  
City Manager

323 W. Michigan Ave.

Marshall, MI 49068

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cityofmarshall.com

# **City of Marshall Utilities**

## **Rate Classifications**

## **Standard Rules and Regulations**

## **General Shutoff Supplemental Rules**

**Effective August 5, 2013**

The City of Marshall maintains three separate utilities for financial purposes. This document is an accumulation of all three utility's rates, rate classifications, standard rules and regulations.

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City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

**Residential Service Rate "A"**

**Availability:**

Open to any customer desiring service for domestic and farm use, which includes only those purposes which are usual in individual private family dwellings, or separately metered apartments, and such appurtenant buildings as garages, barns, chicken houses and similar buildings. This rate is not available for commercial, institutional or industrial uses, or for resale purposes. Specifically, it is not applicable to homes or dormitories for groups other than private family units, to apartment buildings, or other multiple dwellings, such as beauty shops, filling stations, laundries, retail stores, dairies, hatcheries, greenhouses, welding shops, frozen storage plants, etc., except under the terms and conditions contained in the City of Marshall Utilities Standard Rules and Regulations.

**Nature of Service:**

Alternating current, 60 hertz, single phase, 120/240 nominal volts, 200 amp maximum service.

**Installation Charge:**

See Standard Rules and Regulations.

**Rate:**

Service Charge: \$7.00 per customer per month plus  
Energy Charge: \$0.106 per KWH plus Power Supply Cost Adjustment

Rate subject to the Low Income Assistance Factor.

**Minimum Charge:**

The service charge included in the rate.

**Delayed Payment Charge:**

A delayed payment charge of 5% of the total net bill shall be added to any bill which is not paid on or before the due date shown on the bill.

**Special Taxes:**

Bills shall be increased to offset any specific tax or excise imposed by any governmental authority upon the Electric Utility's generation or sale of Electrical energy.

**Term and Form of Contract:**

Written application required.

**Rules and Regulations:**

Service governed by City of Marshall Utilities Standard Rules and Regulations.

Service for single phase motors may be included under this rate provided the individual capacity of such motors does not exceed 3 HP, nor the aggregate capacity exceed 10 HP, without the specific consent of the Electric Department.

City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

**Residential Rate "A-1"**

**Availability** Open to any customer desiring service for domestic and farm uses, which includes only those purposes which are usual in individual private family dwellings or separately metered apartments, and such appurtenant buildings as garages, barns, chicken houses and similar buildings, provided the customer has permanently installed and uses electric heating equipment as the primary source of space heating. This rate is not available for commercial or industrial service, or for resale purposes. Specifically, it is not applicable to homes or dormitories for groups other than private family units, to apartment buildings, or other multiple dwellings, such as beauty shops, filling stations, laundries, retail stores, dairies, hatcheries, greenhouses, welding shops, frozen storage plants, etc., except under the terms and conditions contained in the City of Marshall Utilities Standard Rules and Regulations.

**Nature of Service:**

Alternating current, 60 cycles, single phase, 120/240 nominal volts.

**Installation Charge:**

See Standard Rules and Regulations.

**Rate:**

Service Charge	\$7.00 per customer per month, plus
Energy Charge:	
Winter	\$0.106 per kWh plus Power Supply Cost Adjustment for the first 600 kWh (October 1 <sup>st</sup> to April 30th)
	\$0.066 per kWh plus Power Supply Cost Adjustment for all over 600 kWh per month (October 1 <sup>st</sup> to April 30th)
Summer	\$0.106 per kWh plus Power Supply Cost Adjustment for all kWh (May 1 <sup>st</sup> to Sept 30 <sup>th</sup> )

Rate subject to the Low Income Assistance Factor.

**Minimum Charge:**

The service charge included in the rate.

**Delayed Payment Charge:**

A delayed payment charge of 5% of the total net bill shall be added to any bill which is not paid on or before the due date shown on the bill.

**Special Taxes:**

Bills shall be increased to offset any specific tax or excise imposed by any governmental authority upon the Electric Utility's generation or sale of Electrical energy.

**Term and Form of Contract:**

Written application required.

**Rules and Regulations:**

Service governed by Utilities Standard Rules and Regulations.

Service for single phase motors may be included under this rate, provided the individual capacity of such motors does not exceed 3 HP, nor the aggregate capacity exceed 10 HP, without the specific consent of the Electric Utility.

City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

**Residential Service Rate-Life Support "LS"**

**Availability:**

Open to any residential customer desiring service for domestic and life support system use, which includes only those purposes which are usual in individual private family dwellings, or separately metered apartments, and such appurtenant buildings as garages. This rate is not available for commercial, institutional or industrial uses, or for resale purposes. Specifically, it is not applicable to homes or dormitories for groups other than private family units, to apartment buildings, or other multiple dwellings, such as beauty shops, filling stations, laundries, retail stores, dairies, hatcheries, greenhouses, welding shops, frozen storage plants, etc., except under the terms and conditions contained in the City of Marshall Utilities Standard Rules and Regulations.

A signed certificate must be provided by a licensed physician stating that a member of the household is dependent on electric energy for the operation of a life support device. For application of this rate, life support systems are considered to be such devices as a respirator, iron lung or kidney dialysis machine. This certificate must be renewed every 12 months to continue eligibility for this rate.

**Nature of Service:**

Alternating current, 60 hertz, single phase, 120/240 nominal volts, 200 amp maximum service.

**Installation Charge:**

See Standard Rules and Regulations.

**Rate:**

Service Charge: \$4.00 per customer per month plus,  
Energy Charge: \$0.096 per kWh plus Power Supply Cost Adjustment

Rate subject to the Low Income Assistance Factor.

**Minimum Charge:**

The service charge included in the rate.

**Delayed Payment Charge:**

A delayed payment charge of 5% of the total net bill shall be added to any bill which is not paid on or before the due date shown on the bill.

**Special Taxes:**

Bills shall be increased to offset any specific tax or excise imposed by any governmental authority upon the Electric Utility's generation or sale of Electrical energy.

**Term and Form of Contract:**

Written application required.

**Rules and Regulations:**

Service governed by City of Marshall Utilities Standard Rules and Regulations.

Service for single phase motors may be included under this rate provided the individual capacity of such motors does not exceed 3 HP, nor the aggregate capacity exceed 10 HP, without the specific consent of the Electric Department.

City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

**Commercial/Industrial Secondary Service "B"**

**Availability:**

Open to any customer desiring lighting and/or secondary power service for any usual commercial, institutional or industrial use. It is also available for temporary use and for seasonal use in resort areas under special terms and conditions contained in the Utilities Standard Rules and Regulations. Not available for auxiliary or stand-by service.

**Nature of Service:**

Alternating current, 60 cycles and, at the Electric Department's option either:

Three phase, 3-wire, 240 or 480 nominal volts, or

Three phase, 4-wire, 120/240 delta or 240/480 delta or 120/208 wye or 277/480 wye, or

Single phase, 120/240 nominal volts.

**Installation Charge:**

See Standard Rules and Regulations.

**Rate:**

Service Charge: \$15.00 per customer per month, plus

Energy Charge: \$0.107 per kWh plus Power Supply Cost Adjustment for all kWh used per month

Rate subject to the Low Income Assistance Factor.

**Minimum Charge:**

The service charge included in the rate.

**Delayed Payment Charge:**

A delayed payment charge of 5% of the total net bill shall be added to any bill which is not paid on or before the due date shown on the bill.

**Special Taxes:**

Bills shall be increased to offset any specific tax or excise imposed by any governmental authority upon the Electric Utility's generation or sale of Electrical energy.

**Term and Form of Contract:**

Written application required. See Standard Rules and Regulations.

**Rules and Regulations:**

Service governed by City Utilities Standard Rules and Regulations.

Where service is combined on one meter and the supply is single phase, the individual motor capacity shall not exceed 3 HP, or the aggregate capacity exceed 10 HP, without the specific consent of the City Electric Department. If the supply is three phase, 3 wire; incidental lighting may be included, provided the customer furnishes all transformation facilities required for such purpose, and so arranges the lighting circuits as to avoid excessive unbalance of the three phase load, and further provided the connected load in lighting equipment does not exceed 30% of the connected load in power equipment without the specific consent of the City Electric Department.

The City Electric Department, at its option, may require the customer to provide space, suitable to the City Electric Department, for the installation and operation of transformers.

City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

**Commercial/Industrial Secondary Service "C"**

**Availability:**

Open to any customer desiring lighting and/or secondary power service for 5 kW or more. This rate is not available for street lighting service or for resale purposes.

**Nature of Service:**

Alternating current, 60 cycles and, at the Electric Department's option either:

- Three phase, 3-wire, 240 or 480 nominal volts, or
- Three phase, 4-wire, 120/240 delta or 120/208 wye, or
- Single phase, 120/240 nominal volts.

**Installation Charge:**

See Standard Rules and Regulations.

**Rate:**

Service Charge	\$15.00 per meter per month, plus
Capacity Charge:	\$10.35 per kW for all billing demand per month, plus
Energy Charge:	\$0.064 per kWh plus Power Supply Cost Adjustment

Rate subject to the Low Income Assistance Factor. **Minimum Charge:**

The capacity charge included in the rate.

**Delayed Payment Charge:**

A delayed payment charge of 5% of the total net bill shall be added to any bill which is not paid on or before the due date shown on the bill.

**Special Taxes:**

Bills shall be increased to offset any specific tax or excise imposed by any governmental authority upon the Electric Utility's generation or sale of Electrical energy.

**Determination of Maximum Demand:**

The maximum demand, or rate of use of Electric energy, for each month shall be the greatest average load in kilowatts during any 15-minute period of such month, as registered on suitable instruments installed by the City Electric Department to make such determination.

**Adjustment of Maximum Demand:**

The City Electric Department may measure or test the power factor of the customer's load during periods of maximum energy use, and if the power factor is so found to be less than 85% lagging, the maximum kW demand shall be increased by the ratio that 85% bears to the power factor of the customer's load.

**Determination of Billing Demand:**

## City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

The billing demand shall be the maximum demand for each month (after power factor adjustment and valley hour exclusions, if any), but not less than 60% of the highest billing demand of the preceding 11 months; provided, however, that should resistance type welders, or other equipment which creates high demands of momentary duration be included in the customer's installation. The City Electric Department reserves the right to make such special determination of the billing demand or minimum charge as the circumstances in each case may justify. Billing demand determination, by whatever method used, shall be to the nearest 1/10 kW, up to, and including 10 kW, and to the nearest full kilowatt above 10 kW, but in no case shall the billing demand be less than 5 kW.

### **Term and Form of Contract:**

Written application or contract required. See Standard Rules and Regulations. Customers electing this option rate shall, in the absence of bona fide discontinuance of service, remain thereon for at least twelve (12) months.

### **Rules and Regulations:**

Service governed by the City Utilities Standard Rules and Regulations.

Where service is combined on one meter and the supply is single phase, the individual motor capacity shall not exceed 5 HP, or the aggregate capacity 10 HP, without the specific consent of the City Electric Department. If the supply is three phase, 3-wire, incidental lighting may be included, provided the customer furnishes all transformation facilities required for such purposes, and so arranges the lighting circuits as to avoid excessive unbalance of the three phase load, and further provided the connected load in lighting equipment does not exceed 30% of the connected load in power equipment without the specific consent of the City Electric Department.

Where the total billing demand is 25 kW or more, lighting and power service may be combined without limit as to either class, provided, however, that the customer's wiring shall be so arranged that the service can be measured through a single watt-hour meter, or adjacent watt-hour meters, and a single demand indicator. The City Electric Department may elect to measure the supply for both classes of service on the primary side of the transformers, in which case 3% shall be deducted from the demand and energy measurements thus made.

The City Electric Department, may at its option, require the customer to provide space, suitable to the City Electric Department, for the installation and operation of transformers.

City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

**Commercial/Industrial Secondary Service "B1"**

**Availability:**

Open to any customer desiring electric heating and/or air-conditioning service. To qualify for this rate, the only acceptable load is electric heating or air conditioning and must be separately metered. Furthermore, the service shall be three phase only and the load on each phase shall be balanced as much as possible.

**Nature of Service:**

Alternating current, 60 cycles and, at the Electric Department's option either:

- Single phase, 120/240 nominal volts
- Three phase, 3-wire, 240 or 480 nominal volts, or
- Three phase, 4-wire, 120/240 delta or 120/208 wye

**Installation Charge:**

See Standard Rules and Regulations.

**Rate:**

Service Charge:	\$15.00 per meter per month, plus
Energy Charge: Winter	\$0.067 per kWh plus Power Supply Cost Adjustment (October 1 <sup>st</sup> to April 30 <sup>th</sup> )
Summer	\$0.107 per kWh plus Power Supply Cost Adjustment (May 1 <sup>st</sup> to September 30 <sup>th</sup> )

Rate subject to the Low Income Assistance Factor.

**Minimum Charge:**

The capacity charge included in the rate.

**Delayed Payment Charge:**

A delayed payment charge of 5% of the total net bill shall be added to any bill which is not paid on or before the due date shown on the bill.

**Special Taxes:**

Bills shall be increased to offset any specific tax or excise imposed by any governmental authority upon the Electric Utility's generation or sale of Electrical energy.

**Term and Form of Contract:**

Written application or contract required. See Standard Rules and Regulations. Customers electing this option rate shall, in the absence of bona fide discontinuance of service, remain thereon for at least twelve (12) months.

**Rules and Regulations:**

Service governed by the City Utilities Standard Rules and Regulations.

The individual motor capacity shall not exceed 30 Amps, or the aggregate capacity 10 HP on a single phase service, without the specific consent of the City Electric Department. If the supply is three phase, the customer is to arrange the circuits as to avoid excessive unbalance of the three phase load without the specific consent of the City Electric Department.

The City Electric Department, may at its option, require the customer to provide space, suitable to the City Electric Department, for the installation and operation of transformers.

**Industrial Primary Service "D"**

**Availability:**

Open to any customer desiring power and incidental lighting service for commercial or industrial use where service is supplied at primary voltages and the billing demand is 25 kW or more. This rate is not available for street lighting or resale purposes.

**Nature of Service:**

Alternating current, 60 cycles, three phase, 2,400 nominal volts or more, the supply voltage in each case to be determined by the Electric Department.

**Installation Charge:**

See Standard Rules and Regulations.

**Rate:**

Service Charge: \$100.00 per meter per month, plus  
Capacity Charge: \$9.15 per kW for all billing demand per month ( Minimum 25 kW ), plus  
Energy Charge: \$0.076 per kWh plus Power Supply Cost Adjustment

Rate subject to the Low Income Assistance Factor.

**Minimum Charge:**

The capacity charge included in the rate.

**Time of Use Rate Provision**

For customers of this rate with a time-differentiated demand meter installed, the measured kW demand will be the greater of the maximum kW demand in the on-peak period or 50% of the maximum kW demand during the off-peak period. The on-peak period is defined as the period 7a.m. and 11 p.m. local standard time on all non-holiday weekdays. All other time is defined as off-peak. Holidays are New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. In the event New Years Day, Independence Day, or Christmas Day fall on a Sunday, the Monday following that Sunday will be considered to be an off-peak day.

**Delayed Payment Charge:**

Any bill which is not paid on or before the due date shown thereon shall have a delayed payment charge of 5% added to its net amount.

**Special Taxes:**

Bills shall be increased to offset any specific tax or excise imposed by any governmental authority upon the Electric Utility's generation or sale of Electrical energy.

**Determination of Maximum Demand:**

The maximum demand, or rate of use of Electric energy, shall be the greatest average load in kilowatts during any 15-minute period during each month, as determined by instruments installed by the Electric Department for that purpose.

**Adjustment of Maximum Demand:**

The City Electric Department may measure or test the power factor of the customer's load during periods of maximum energy use, and if the power factor is so found to be less than 85% lagging, the maximum kW demand shall be increased by the ratio that 85% bears to the power factor of the customer's load.

**Determination of Billing Demand:**

Billing demands shall be determined from maximum demands, after excluding permitted valley hour demands, in accordance with the following methods, as they may apply.

1. The billing demand each month shall be the maximum demand for such month, but not less than 60% of the highest billing demand of the preceding 11 months, and in no case less than 25 kW.
2. When a customer guarantees a billing demand of 2,500 kW or more, the billing demand each month shall be the average of the four maximum weekly demands for such month (the period after the first 21 days of each month being considered to be the fourth week), provided that no billing demand shall be less than 60% of the highest billing demand of the preceding 11 months, and in no case less than 2,500 kW.

**Term and Form of Contract:**

Written application or contract required. See Standard Rules and Regulations. Customers electing this option rate shall, in the absence of bona fide discontinuance of service, remain thereon for at least twelve (12) months.

**Rules and Regulations:**

Service governed by the Utilities Standard Rules and Regulations.

Where service is supplied at a nominal voltage of 12,470 or less, the customer shall furnish and maintain all necessary transforming, controlling and protective equipment.

Where service is supplied at a nominal voltage of more than 12,470, the Electric Department may elect to measure the supply at the supply voltage, in which case 2% will be deducted, for billing purposes, from the demand and energy measurements thus made.

Where the Electric Department elects to measure the service at a nominal voltage of less than 12,470 volts, 3% will be added for billing purposes.

City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

**Industrial Primary Service Rate "D-2"**

**Availability:**

Open to any customer desiring power and incidental lighting service for commercial or industrial use where service is supplied at primary voltages and the billing demand is 1000 kW or more. This rate is not available for street lighting or resale purposes.

**Nature of Service:**

Alternating current, 60 cycles, three phase, 2,400 nominal volts or more, the supply voltage in each case to be determined by the Electric Department.

**Installation Charge:**

See Standard Rules and Regulations.

**Rate:**

Service Charge: \$100.00 per meter per month, plus  
Capacity Charge: \$9.15 per kW for all billing demand per month (Minimum 1000 kW ), plus  
Energy Charge: \$0.076 per kWh plus Power Supply Cost Adjustment

Rate subject to the Low Income Assistance Factor.

**Minimum Charge:**

The capacity charge included in the rate.

**Time of Use Rate Provision**

For customers of this rate with a time-differentiated demand meter installed, the measured kW demand will be the greater of the maximum kW demand in the on-peak period or 50% of the maximum kW demand during the off-peak period. The on-peak period is defined as the period 7a.m. and 11 p.m. local standard time on all non-holiday weekdays. All other time is defined as off-peak. Holidays are New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. In the event New Years Day, Independence Day, or Christmas Day fall on a Sunday, the Monday following that Sunday will be considered to be an off-peak day.

**Delayed Payment Charge:**

Any bill which is not paid on or before the due date shown thereon shall have a delayed payment charge of 5% added to its net amount.

**Special Taxes:**

Bills shall be increased to offset any specific tax or excise imposed by any governmental authority upon the Electric Utility's generation or sale of Electrical energy.

**Determination of Maximum Demand:**

The maximum demand, or rate of use of Electric energy, shall be the greatest average load in kilowatts during any 15-minute period during each month, as determined by instruments installed by the Electric Department for that purpose.

## City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

### **Adjustment of Maximum Demand:**

The City Electric Department may measure or test the power factor of the customer's load during periods of maximum energy use, and if the power factor is so found to be less than 85% lagging, the maximum kW demand shall be increased by the ratio that 85% bears to the power factor of the customer's load.

### **Determination of Billing Demand:**

Billing demands shall be determined from maximum demands, after excluding permitted valley hour demands, in accordance with the following methods, as they may apply.

1. The billing demand each month shall be the maximum demand for such month, but not less than 60% of the highest billing demand of the preceding 11 months, and in no case less than 1000 kW.
2. When a customer guarantees a billing demand of 2,500 kW or more, the billing demand each month shall be the average of the four maximum weekly demands for such month (the period after the first 21 days of each month being considered to be the fourth week), provided that no billing demand shall be less than 60% of the highest billing demand of the preceding 11 months, and in no case less than 2,500 kW.

### **Term and Form of Contract:**

Written application or contract required. See Standard Rules and Regulations. Customers electing this option rate shall, in the absence of bona fide discontinuance of service, remain thereon for at least twelve (12) months.

### **Rules and Regulations:**

Service governed by the Utilities Standard Rules and Regulations.

Where service is supplied at a nominal voltage of 12,470 or less, the customer shall furnish and maintain all necessary transforming, controlling and protective equipment.

Where service is supplied at a nominal voltage of more than 12,470, the Electric Department may elect to measure the supply at the supply voltage, in which case 2% will be deducted, for billing purposes, from the demand and energy measurements thus made.

Where the Electric Department elects to measure the service at a nominal voltage of less than 12,470 volts, 3% will be added for billing purposes.

City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

**Economic Development Rate "E"**

**Availability:**

Open to any new full requirements customer or any existing full requirements customer having measurable load growth where service is supplied at primary voltage and the new load is greater than 200 kW. This rate is not available for street lighting or resale purposes.

**Nature of Service:**

Alternating current, 60 cycles, three phase, 2,400 nominal volts or more, the supply voltage in each case to be determined by the Electric Department.

**Installation Charge:**

See Standard Rules and Regulations.

**Rate:**

Rates will be subject to negotiation with the City, taking into consideration the customer's load and energy requirements and usage characteristics, the facilities and investment required to serve the customer and other matters relating to the service. Rate subject to the Low Income Assistance Factor. **Minimum Charge:**

To be negotiated with the City.

**Delayed Payment Charge:**

Any bill which is not paid on or before the due date shown thereon shall have a delayed payment charge of 5% added to its net amount.

**Special Taxes:**

Bills shall be increased to offset any specific tax or excise imposed by any governmental authority upon the Electric Utility's generation or sale of Electrical energy.

**Determination of Maximum Demand:**

For new customers, the maximum demand, or rate of use of electric energy shall be the greatest average load in kilowatts during any 15-minute period during each month, as determined by instruments installed by the Electric Department for that purpose.

For existing customers, unless the new load is separately metered, the maximum demand shall be the greatest average load in kilowatts during any 15-minute period during each month, less the average maximum demand for the twelve months prior to establishing service under this rate.

**Adjustment of Maximum Demand:**

The City Electric Department may measure or test the power factor of the customer's load during periods of maximum energy use, and if the power factor is so found to be less than 85% lagging, the maximum kW demand shall be increased by the ratio that 85% bears to the power factor of the customer's load.

**Determination of Billing Demand:**

## City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

The billing demand each month shall be the maximum demand for such month, but not less than 60% of the highest billing demand of the preceding 11 months, and in no case less than 200kW.

### **Term and Form of Contract:**

Service shall be provided under a written contract which will include the rates, terms and conditions of service and be subject to City Council approval.

### **Rules and Regulations:**

Service governed by the Utilities Standard Rules and Regulations.

City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

Monthly Security Light Rental Rate

Availability:

Available for outdoor lighting to any City of Marshall Electric customer.

7000 Lumen (175 W)	Mercury Vapor Lamp Suburbanair Fixture	\$9.00 per month per fixture
19100 Lumen (400 W)	Mercury Vapor Lamp	\$15.00 per month per fixture
47200 Lumen (1000 W)	Mercury Vapor Lamp	\$18.00 per month per fixture

Terms:

One year minimum with signed agreement.

General:

The City of Marshall Electric Department will, at its own cost, install, furnish the current and maintain its standard outdoor lighting equipment. Facilities shall consist of fixture, with photo-Electric switch control and a 4-foot maximum support mounted on an existing pole or building at which 120 or 240 volt service is available. Cost of any additional facilities required shall be paid for by the customer.

The above facilities shall be owned and maintained by the City of Marshall Electric Department.

The City of Marshall Electric Department will replace burned out lamps and otherwise maintain the equipment during regular working hours, as soon as practical, following notification by the customer.

Lamp burning hours shall be from dusk until dawn, aggregating approximately 4000 hours per year. Credit will not be allowed for normal lamp outages.

Customer shall obtain proper approval for lights to be located on public thoroughfares.

Rental charges will be applied to customer's electrical bill and added as a single charge.

## City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

### Temporary Electric Service:

Customer desiring lighting and/or secondary power service for a short time only, such as for construction jobs, which service requires the installation of a temporary service connection, meters or other facilities of a temporary nature, shall pay cost of installing and removing all facilities necessary to supply such service. Service connection charge will be a minimum \$35.00, payment to be made in advance of installation. Temporary service will also be subject to minimum monthly charge for KWh consumed, as determined by General Secondary Rate B, and no case less than \$9.00 as determined by Watt-hour meter installed on the job.

For temporary service connection of more than 100 amps, there will be a charge of \$1.50 per amp.

The customer may be required to make a deposit with the City an amount to cover the estimated cost of installing and removing the necessary facilities plus the estimated cost of service under the terms of the rate set forth above. Meters may be read daily and the deposit modified as the energy used may justify such modification.

For temporary services other than service connections, customer should apply at the City Hall, City of Marshall, 323 W. Michigan Ave., Marshall, MI 49068.

**Power Supply Cost Adjustment Applicable to City Electric Rate Schedules**

**Applicability**

The Power Supply Cost Adjustment set forth herein shall apply to all of City's Electric Rate Schedules, except for the Monthly Security Light Rental Rate. The applicable adjustment shall be applied to the total kWh billed to customers for the meter reading period that City determines as most nearly corresponding to the meter reading period(s) set forth in City's purchased power billings from its supplier(s).

**Base Power Supply Cost**

The rates and charges set forth in City's Electric Rate Schedules are based on the cost of City's power supply requirements as furnished by Michigan South Central Power Agency (MSCPA). The Base Power Supply Cost included as City's Electric Rate Schedules is \$0.065 per kWh.

**Monthly Determination of Power Supply Cost Adjustment**

Each month City's Power Supply Cost Adjustment shall be determined as follows:

- A. The City's Running 6-Month Power Supply Cost per kWh shall be determined to 4 decimal places by dividing (1) the sum of the past 6 months power supply cost, including the most recent months billing, by (2) the sum of the past 6 months net energy delivered to the City, including the most recent months billing.
- B. The Base Power Supply Cost of \$0.065 per kWh shall then be subtracted from the Running 6-Month Power Supply Cost per kWh determined in (a) above.
- C. The Monthly Power Supply Cost Adjustment per kWh shall be determined by multiplying the positive differential derived in (b) by 1.08 to compensate for City's Distribution System Losses. If the differential derived in (b) is negative, the monthly power supply cost adjustment shall be \$0.000 per kWh.

**Low Income Assistance Factor**

**Applicability**

The Low Income Assistance Factor, as required by Public Act 95 of 2013, shall apply to all of City's Electric Rate Schedules, except for the Monthly Security Light Rental Rate.

**Annual Determination of Low Income Assistance Factor**

The Michigan Public Service Commission may, after an opportunity for public comment, annually approve a low-income energy assistance funding factor no later than July 31 of each year for the subsequent fiscal year. The low income assistance funding factor shall be the same across all customer classes and shall not exceed \$1.00. The amount used by the public service commission to calculate a low-income energy assistance funding factor during each fiscal year shall not exceed \$50,000,000 minus both the amount appropriated from the general fund in that fiscal year for home energy assistance and the amount remaining in the fund from the prior fiscal year.

The low income assistance funding factor will be listed as a separate line item on each customer's bill.

**Distribution of Funds**

Funds will be distributed under the guidelines included in the Michigan Energy Assistance Act of 2012 (Public Act 615) by the Department of Human Services (DHS). DHS shall ensure that all money collected for the fund from a geographic area is returned, to the extent possible, to that geographic area.

## WATER AND SEWER RATES AND FEES

### CHAPTER 53: RATES

**§ 53.01 WATER RATES.**

(A) All metered water shall be charged to a two-part rate consisting of a readiness to serve charge plus a commodity charge.

(B) Water Readiness to Serve Charge shall be billed by meter size. The effective rates are included in the table below:

Meter Size	Readiness to Serve Charge As of: July 1, 2012	Readiness to Serve Charge As of: July 1, 2013
5/8"	\$ 15.40	\$ 17.82
3/4"	\$ 15.40	\$ 17.82
1"	\$ 15.40	\$ 17.82
1.5"	\$ 48.00	\$ 48.00
2"	\$ 86.50	\$ 86.50
3"	\$ 195.00	\$ 195.00
4"	\$ 365.00	\$ 365.00
6"	\$ 785.00	\$ 785.00

(1) The Readiness to Serve Charge outside the corporate limits of the City of Marshall shall be 200% of the rate as established for use within the corporate limits of the City of Marshall, Michigan.

(2) When a battery of more than one meter is used in the place of a large single meter, then the readiness to serve charge shall be the charge of the single sized meter times the number of meters composing the battery.

(3) The "Readiness to Serve Charge" covers the cost necessary to keep the Water Works in good operating condition, and other fixed costs as designated by Council and is the amount of the minimum bill.

(C) Water Commodity Charges shall be based on actual consumption. The effective rates are included in the table below:

City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

	Cubic Foot	Commodity Charges As of: July 1, 2012 (per 100cft)	Commodity Charges As of: July 1, 2013 (per 100 cft)
Up to	1,000	\$ 2.06	\$ 2.14
Next	2,000	\$ 1.88	\$ 2.14
Next	12,000	\$ 1.62	\$ 1.71
Next	385,000	\$ 1.11	\$ 1.28
Over	400,000	\$ 1.11	\$ 1.28

(I) Commodity Charge outside the corporate limits of the City of Marshall shall be: 200% of the rate as established for use within the corporate limits of the City of Marshall, Michigan.

(D) Automatic sprinkler services or hose connections for fire protection services only will be charge the following rates:

Connection Size	Charge per Annum
6" or smaller	\$120
8"	\$220
10"	\$340
12"	\$500

(E) The City may provide a fire hydrant connection for Circuses, Tent Shows, Carnivals, Exhibitions, and for Construction purposes. Fees and charges shall be established by resolution. The Meter Security Deposit will be returned when the hydrant meter is returned without damage. Any loss or damage to the reducing connection, valve, hydrant, meter or operating wrench will be charged to the person making application for the use of the hydrant. On large construction projects, the Water Department may require the setting of an appropriate meter and to charge for water and service as for regular service supply.

(F) All service taps to water mains shall be made by the Water Department except when approved by the Water Superintendent. The charge for the water main tapping shall be paid by the customer and shall include all materials, equipment, and contracted costs incurred by the City.

(G) The City may provide meter testing. The meter testing fees shall be established by resolution. If, after testing, the meter is found to be in error above allowable percent, which is two percent (2%) plus or minus, then the amount deposited will be refunded, but if the water meter is found to be registering within the test limits, then the amount deposited will be retained to cover the cost of the testing.

(H) A turn-on fee for the restoration of service during business hours or after business hours will be charged to a customer in order to reconnect his service if service has been interrupted. A turn-on fee shall be established by resolution.

(I) Anyone seeking to make a connection to any public water main within the City of Marshall shall first obtain a permit to make such connection from the offices of the City of Marshall. Prior to the issuance of said permit, the applicant must pay to the City a Water

Effective 8/5/2013

City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

Connection Fee representing the cost of construction of that portion of the City-wide water system attributable to the proportionate benefit to be received by the applicant's property.

(I) The Water Connection Fee shall be based on a unit factor system wherein each single-family residence shall be classified as one unit. Other occupational uses shall be charged on multiples of units as may be determined by resolution of the City Council from time to time. Said units and multiples thereof will be established and computed on the same basis as for the Sanitary Sewer Connection Fee contained further in this Section and the number of units charged to a premise shall be the same for both water and sanitary sewer. The Water Connection Fee shall be established by resolution. The fee for premises connected from outside the corporate limits of the City of Marshall shall be 1.5 times the in-city rate.

(J) Designated irrigation meters will only be billed between the months of May to September.

(K) The Charges for water services set forth in this ordinance and furnished to any premises are a lien on the premises to which this service is provided and those charges which are delinquent for six (6) months or more shall be certified by the City Treasurer to the City Assessor who shall enter the charges on the next tax roll against the premises to which the services have been rendered. Said charges shall be a lien as of the date services are provided and shall be enforced in the same manner as provided for by the collection of the taxes assessed upon the tax roll and the enforcement of the lien for taxes. The City Treasurer may certify all charges delinquent for six (6) months or more at any time prior to the date on which the City tax roll is approved.

**§ 53.02 SEWER RATES.**

(A) Monthly Rates for sewer service inside the corporate limits of the City of Marshall shall be:

Water Meter Size	Service Charge As of January 1, 2012	Service Charge As of January 1, 2013
1" or smaller	\$ 13.60	\$ 14.45
1 1/2"	\$ 17.75	\$ 20.00
2"	\$ 21.50	\$ 25.00
3"	\$ 28.00	\$ 35.00
4"	\$ 48.00	\$ 55.00
6"	\$ 70.00	\$ 80.00

(B) Monthly Rates for sewer service outside the corporate limits of the City of Marshall shall be:

Water Meter Size	Service Charge As of January 1, 2012	Service Charge As of January 1, 2013
1" or smaller	\$ 15.10	\$ 15.95
1 1/2"	\$ 19.25	\$ 21.50
2"	\$ 23.00	\$ 26.50
3"	\$ 29.50	\$ 36.50

City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

(C) The Sewer commodity charge shall be:

	Commodity Charge per 100 cft As of January 1, 2012	Commodity Charge per 100 cft As of January 1, 2013
Within the City of Marshall	\$ 2.90	\$ 3.10
Outside the City of Marshall	\$ 4.35	\$ 4.65

(D) Flat rate customer shall pay the following rates in addition to appropriate service charge:

Flat Rate As of January 1, 2012	Flat Rate As of January 1, 2013
\$ 35.10	\$ 37.50

(E) The sewer commodity may be reduced for residential customers because of lawn sprinkling. The procedure and policy for the sewer discount will be part of the Rules and Regulations.

(F) Anyone seeking to make a connection to any sanitary sewer system within the City of Marshall shall first obtain a permit to make such connection from the offices of the City of Marshall. Prior to the issuance of said permit, the applicant must pay to the City a Sanitary Sewer Connection Fee representing the cost of construction of that portion of the City-wide sewer system attributable to the proportionate benefit to be received by the applicant's property.

(1) The Sanitary Sewer Connection Fee shall be based on a unit factor system wherein each single-family residence shall be classified as one unit. Other occupational uses shall be charged on multiples of units as may be determined by resolution of the City Council from time to time. The Sanitary Sewer Connection Fee shall be established by resolution. The fee for premises connected from outside the corporate limits of the City of Marshall shall be 1.5 times the in-city rate.

(G) The Charges for waste water services set forth in this ordinance and furnished to any premises are a lien on the premises to which this service is provided and those charges which are delinquent for six (6) months or more shall be certified by the City Treasurer to the City Assessor who shall enter the charges on the next tax roll against the premises to which the services have been rendered. Said charges shall be a lien as of the date services are provided and shall be enforced in the same manner as provided for by the collection of the taxes assessed upon the tax roll and the enforcement of the lien for taxes. The City Treasurer may certify all charges delinquent for six (6) months or more at any time prior to the date on which the City tax roll is approved.

## STANDARD RULES AND REGULATIONS

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## City of Marshall Utilities Rate Classifications and Standard Rules and Regulations

### 1. Definitions

- City - The City of Marshall Water, Wastewater and Electrical Utility or its authorized representatives.
- Customer - Any person, firm, corporation, association, partnership, municipality, or governmental agency to be served by or legally using water, wastewater and electrical energy supplied by the City.
- Service Line - A pipe connecting the City water main with the plumbing system of a water user.
- Water Main - A pipe or conduit for conveying potable water which is maintained by the City.

### 2. Character of Service

The City will endeavor, but does not guarantee, to furnish a continuous supply of electric energy and to maintain voltage and frequency within reasonable limits.

The City will endeavor, but does not guarantee, to furnish a continuous supply of water and/or wastewater services.

The City shall not be liable for interruptions in the service, phase failure or reversal, or variations in the service characteristics, or for any loss of damage of any kind or character occasioned thereby, due to causes or conditions beyond the City's reasonable control, and such causes or conditions shall be deemed to specifically include, but not be limited to, the following: acts or omissions of customers or third parties; operation of safety devices except when such operation is caused by the negligence of the City's employees; absence of an alternate supply of service; failure, malfunction, breakage, necessary repairs or inspection of machinery, facilities or equipment the City has carried on a program of maintenance consistent with the general standards prevailing in the industry; acts of God; war; action of the elements; storm or flood; fire; riot; labor dispute or disturbances; or the exercise of authority or regulation by governmental or military authorities.

Before purchasing equipment, installing plumbing, or installing wiring, the customer should secure from the City, the characteristics of the service available.

No ownership rights in any facilities provided by the City shall pass to any person as a result of any contribution or deposit made under these rules. No deposits or contributions made by customers shall be refundable unless expressly so provided in these rules.

Notwithstanding any other provision of these rules, the City may interrupt, curtail or suspend electric service to all or some of its customers in accordance with the provision of Emergency Electrical Procedures rule and the City shall be under no liability with respect to any such interruption, curtailment or suspension.

### 3. General Provisions of Service

The City shall have complete control of all City water mains and sewers. All water mains and sewers connecting directly or indirectly with City water mains and sewers shall be constructed in accordance with City standards and specifications.

Where suitable service is available, the City will install overhead service connections from its distribution lines to a suitable point of attachment on the customer's premises designated by the City.

All residential customers shall install three-wire service entrance connections of not less than 100 ampere capacity, except as required with pre-manufactured mobile homes. All such service entrances shall comply with the National

## City of Marshall Utility Rate Classifications and Standard Rules and Regulations

Electric Code and / or local electrical codes, whichever governs. Any poles, wires or other equipment required beyond the customer's meter shall be furnished, installed and maintained by the customer. The customer may have to provide a deposit and/or contribution if the service he requires cannot be provided from available distribution lines.

Should it become necessary for any cause beyond the City's control to change the location of the point of attachment of service connections, the entire cost of any necessary changes in the customer's wiring shall be borne by the customer.

The customer may be required to provide, at no expense to the City, space for the City's transformer installations on the customer's premises.

### 4. Unusual Facility Requirements

The City reserves the right to make special contractual arrangements as to the provisions of necessary service facilities, duration of contract, minimum bills, or other service conditions with respect to customers whose capacity requirements exceed 1,000 kW or whose establishments are remote from the City's existing suitable facilities or whose service requirements otherwise necessitate unusual investments by the City in service facilities or where the maintenance of the service is questionable.

### 5. Pole Attachment

The City Council may approve the attachment and insertion of other wire, cables and appurtenances to City owned poles or conduits through a pole attachment agreement. The attaching company shall pay for any engineering and "make ready" cost incurred by the City. The attaching company will be required to remove their wire, cables and appurtenances, in a timely fashion, if the City removes their pole. The attaching company will be required to reattach their wire, cables and appurtenances, in a timely fashion, if the City replaces their pole. From time to time, the City Council may reestablish the pole attachment fee schedule.

### 6. Use of Service

The City reserves the right to deny or terminate service to any customer whose plumbing, wiring or equipment shall constitute a hazard to the City's equipment or its service to others. However, it disclaims any responsibility to inspect the customer's plumbing, wiring or equipment and shall not be held liable for any injury or damage resulting from the condition thereof.

The customer shall so use the service as not to disturb the City's service to other customers. When such interference does occur, the customer may be required to alleviate such condition, and upon his failure so to do, the City may discontinue service.

The City shall not be obligated to furnish service in the case of gaseous or other lighting devices having low power factor whether newly installed, reconnected or moved to another location, unless the customer provides, at his own expense, suitable equipment for improving the power factor of such devices to at least eighty-five per cent (85%).

### 7. Access to Customer's Premises

The City shall have access to the customer's premises at all reasonable hours, to install, inspect, read, repair or remove its meters and other property and to inspect and determine the connected load in lamps, appliances, motors, etc. Neglect or refusal on the part of the customer to provide reasonable access shall be sufficient cause for discontinuance of service by the City and assurance of access may be required before service is restored.

## City of Marshall Utility Rate Classifications and Standard Rules and Regulations

In cases of rental properties, it shall be the responsibility of the property owner to effect proper entrance for City personnel to discontinue some services. Failure to provide access may result in such services being continued with the property owners' liable for payment from the date of the tenant's service being discontinued.

Meters not accessible to read shall be estimated. See "Service Connections" section for details.

### 8. Application of Rates

#### A. General:

Copies of the City's rates for water, sewer, and electric service are available at City Hall and are open to public inspection.

The rates specified in this schedule are predicated upon the delivery of each class of service to a single metering point for the total requirements of each separate premises of the customer, unless otherwise provided for in the rate schedule. In no case may service be shared with another or transmitted off the premises at which it is delivered. Service at different points and at different premises shall be separately measured and separately billed.

#### B. Combined Residence and Commercial or Industrial Service:

Where one building is used by a customer as a commercial or industrial establishment and also as a residence, the wiring shall be so arranged that the business part and residence part may be metered separately and each class of service billed on the appropriate rate. If separation is not effected, the combined service shall be billed under the appropriate General City Service Rate.

#### C. Choice of Rates:

In some cases the customer is eligible to take service under any one of two or more rates. Upon request, the city will advise the customer in the selection of the rate which will give him the lowest cost of service, based on the information at hand, but the responsibility for the selection of the rate lies with the customer. Once a rate is selected, the customer will not be permitted to change to another rate until at least twelve months have elapsed. No refund will be made of the difference in charges under different rates applicable to the same class of service.

#### D. Special Minimum Charges:

Where the customer is billed on Rate "B", and the resistance type welders or other equipment which creates high demands of momentary duration is used, and the City continuously maintains transformers and distribution facilities primarily for the customer's use, the sum of the net monthly bill shall not be less than the following minimum charge for each contract year or any part thereof:

- i. \$7.00 per kVA for the first 10 kVA or less of transformer capacity, plus
- ii. \$2.00 per kVA for all over 10 kVA or transformer capacity.

If the customer provides and maintains the necessary transformers and other distribution facilities beyond the point of delivery, the minimum yearly charge shall be 50% of that specified above. In this event the City may elect to measure the supply of service on the primary side of the transformers, in which case 3% shall be deducted from the energy measurements thus made.

When, in any contract year, the customer's net monthly bills aggregate less than the annual minimum charge calculated as above, the deficiency for at the end of such contract year.

Customers subject to the above Special Minimum Charges shall sign a contract for at least one year.

E. Resale:

Except as to customers served under rates expressly made available for resale purposes, no customer shall resell his service to others except as permitted under this rule.

The owner or operator of an office building, apartment building, mobile home park or similar structure, whose combined requirements exceed 50 kW, may purchase energy from the City for resale to the tenants of the building on condition that service to each tenant shall be separately metered, that the tenants shall be charged for such service on the appropriate rate in the City's schedule available for similar service under like conditions, and that all the energy used in such building shall be purchased from the City. If any of these provisions should be violated, the City may refuse or discontinue service. In order to avail himself of the privilege or reselling to his tenants, the building owner's or operator's service contract shall provide for such resale privilege. The City will not furnish or maintain meters or other facilities for the resale of service by landlords to tenants.

The owner or operator of an office building, apartment building, mobile home park or similar structure, may purchase water from the City for resale to the tenants of the building on condition that service to each tenant shall be separately metered, that the tenants shall be charged for such service on the appropriate rate in the City's schedule available for similar service under like conditions, and that all the energy used in such building shall be purchased from the City. If any of these provisions should be violated, the City may refuse or discontinue service. In order to avail themselves of the privilege or reselling to his tenants, the building owner's or operator's service contract shall provide for such resale privilege. The City will not furnish or maintain meters or other facilities for the resale of service by landlords to tenants.

F. Apartment Buildings and Multiple Dwellings:

When service is supplied through a single meter to a building containing more than one apartment, the customer may have the option of being billed under either the Residence Service Rate or any General Light and Power Service Rate. Not more than one choice in rate will be permitted, as to any customer, within any 12-month period.

For the purpose of billing under the Residential Service Rate, the initial charge, the kilowatt hour blocks and the minimum charge shall be multiplied by the number of apartments served through one meter, less one. Any apartment building or multiple dwelling containing less than nine rooms, however will be billed on a single customer basis.

To determine the number of apartments served through one meter, only those rooms, suites, or groups of rooms having individual cooking and kitchen sink accommodations within the unit shall be counted.

G. Unusual Facility Requirements:

The City reserves the right, with respect to customers whose capacity requirements exceed 1,000 kW, or whose establishments are remote from the City's existing suitable facilities, or whose load characteristics otherwise require unusual investments by the City in service facilities, to make special contractual arrangements as to the provision of necessary service facilities, duration of contract, minimum bills, or other service conditions.

9. Service Connections

The customer shall provide, free of expense to the City and close to the point of service entrance, suitable space for the installation of the necessary metering equipment. The customer shall permit only authorized agents of the City or other persons lawfully authorized so to do, to inspect, test or remove the same. If the meters or metering equipment are damaged or destroyed through the neglect of the customer, the cost of necessary repairs or replacements shall be paid by the customer.

Water meters shall be set horizontally in a clean and suitable place, easily accessible to City personnel. No person shall tamper with any meter or remove or break any seal placed on any meter. No curb box shall be opened and no curb stop shall be operated either to turn on or turn off a water supply by anyone other than a City employee. The City shall maintain the water service from the water main to the curb box. It will be the customer's responsibility to

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maintain the water service connection from the curb box to the building.

The City tests its meters at intervals for the mutual protection of the customer and the City, but the City will also test any meter upon request of the customer, provided the City is not required to make a test more often than once in six (6) months. Costs for customer requested meter testing shall be established by resolution.

Whenever a meter fails to register, the customer shall pay for service furnished during such period, an estimated amount based either upon the results of a test, upon the use during a similar period, upon both these methods, or by other known factors. If the duration of the meter error is not known, it shall be assumed to have existed for a period of half the time between the discovery of the error and the latest preceding meter test, but not for a period of more than six (6) months, and bills shall be re-computed on this basis.

Whenever other errors occur, the customer shall pay for service furnished during such period. If the duration of the error is known, bills shall be re-computed based on this duration but not to exceed 12 months.

### 10. Billing Policy

#### I. Billing and Payment Standards

Bills for utility service will be on approximately a monthly basis and shall be due and payable on or before the due date shown on each bill. The City will schedule meters to be read each month. In monthly periods intervening between actual meter readings, the bills shall (under ordinary conditions) be based on past service records. If, in any instance, the past service records are not available or practicable for use, then such billing shall be based upon such service data as is available. All accounts will be adjusted as necessary each time the actual meter readings are obtained.

#### II. Interest Policy

The City of Marshall Utility Department does not charge interest on amounts owed by its customers. Nor does the Utility Department pay interest on amounts owed to its customers.

#### III. Information

Periodically, the Utility Department receives requests for the status of customer accounts for the sale of property. All requests shall be made on a Request for Information form obtained from the Utility Department. The Utility Department shall have up to five business days to process such requests. All requests will be subject to any fees related to the dissemination of such information.

#### IV. Establishing New Service

##### A. Outstanding Utility Bills

The City may refuse making utility services available to anyone, regardless of current account status, who has outstanding or delinquent accounts with the City of Marshall.

##### B. Application for Service

Residential and/or business accounts must provide the following documentation to establish a new account: name; address; phone number; date of birth; United States government or state government issued photo ID, driver's license, military ID or passport; and copy of mortgage or purchase or lease agreement. Driver's license or other photo ID's, except passports, issued by

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a foreign government are not acceptable.

The City of Marshall has established an Identity Theft Prevention Program designed to detect, prevent and mitigate identity theft in connection with the opening of a covered account or an existing covered account and to provide for continued administration of the program in compliance with the Federal Trade Commission's Red Flags Rule (Part 681 of Title 16 of the Code of Federal Regulations) implementing sections 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA) of 2003.

C. Landlord/Tenant Policy

- i. A Landlord must provide a copy of the lease agreement and a Landlord/Tenant Affidavit before a tenant moves in. The lease must contain language that the tenant is responsible for the utility bills. Upon the filing of a lease agreement and affidavit, the tenant shall be responsible for a \$150.00 utility deposit, which is held until the account is terminated and applied to the final bill. Any unpaid amount may be turned over to a third party for collection.
- ii. If no affidavit is filed, then pursuant to City Ordinance, any utilities delinquent for six months or more may be placed as a lien on the premises to which the service is provided and charged on the next property tax bill for the premises. In this case, the tenant must pay a \$100.00 utility deposit payable at the time service is established. Once the tenant finalizes the account, the deposit will be applied to the tenant's final bill for that premise, with any excess amount being refunded to the tenant.
- iii. Service may be established in the landlord's name. When a tenant is applying for service on a rental property, a written lease agreement shall be required to ensure that the applicant is the legal tenant of the property. All tenants on such agreement shall be included as responsible parties on the utility account. If no lease is provided, then the landlord/property owner is responsible for the utilities.

D. Deposit Required

- i. The City of Marshall may require a deposit by the customer. No interest is accrued or paid on deposits held. Deposit is applied to the final bill of any account if customer is leaving the City of Marshall utility service. Deposit may be transferred to new service location if customer remains in the City of Marshall utility service area. Deposit amounts and restrictions thereto are as follows:

ii. Residential Customers

\$50 deposit for unoccupied properties, on the market waiting to be sold.  
\$100 or \$150 deposit required for tenant occupied premises\*

Upon receipt of regular payments on or before required due date for 12 consecutive months, deposit will be applied to the next regular utility billing.

\*check Landlord/Tenant Policy if applicable.

iii. Commercial and Industrial Customers

\$150 deposit required at time of application for service. After minimum six months

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usage and at any time thereafter, City of Marshall may require additional deposit up to one month average charges for all utilities provided.

- iv. Deposit is held as long as utility service is provided. Deposit will be applied to final billing upon termination of service.
- v. Any account that had been submitted to a collection agency or had a bad debt with the City shall require a deposit in an amount to be determined by the City to establish a new account.
- vi. Customers may request that service deposits be transferred when changing service from one location to another. However, all amounts in arrears on the original account (including the most recent billing if past the established due date) must be paid. This payment takes effect at the time of a change of service. Failure to pay all arrears may require deposits being applied to the original account and a new service deposit for the new location.
- vii. In cases of bankruptcies, deposits will be credited to any outstanding account balances as of the court file date. New deposits may be required for post-petition balances according to the above and in conformance with bankruptcy laws.
- viii. Additional service deposits may be required from any City customer who writes two no-account or NSF checks in any twelve-month period.
- ix. Additional service deposits may also be required before restoring service to any customer whose service has been disconnected in order to ensure the credit worthiness of the account. The additional deposit shall be based on the credit history of the account and the average monthly billed amount.

### V. Customer Payment Responsibilities

- A. Bills are due approximately 18 days after they are issued. Payments received by mail are considered on time when received in the office on or before the printed "Due" date. When bills are not paid on or before the due date, the bill will be considered delinquent. Within two business days following the due date, a late fee of 5% of the total delinquent amount will be charged to the account. Additional tag fees and reconnection fees may also apply.
- B. The City accepts checks, money orders, credit cards, debit cards and cash. Any loose coins over \$5.00 must be rolled and initialed. Customers may also make payments using their checking/savings account, credit card or debit card by an automated payment Service. The automated payment Service information is available Online at [www.cityofmarshall.com](http://www.cityofmarshall.com), then clicking the Utility Billing Department page.

### VI. Automated Payment Plan

- A. The City will make available to its customers an automated payment plan for payment of utilities. The initial request from a service holder shall be in the form of a written agreement. The payment plan may be established for an indefinite period or for a specified period of time. Any account which incurs two returned electronic funds transfer transactions in a twelve-month period may be removed from the plan and may be ineligible for reinstatement. Automated payment plans will terminate upon payment of final bill.
- B. Automated payment plans can be terminated at any time upon the written request of the

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customer. The City reserves the right to terminate from this plan any and all parties who do not comply with the terms of the plan agreement.

### VII. Budget Billing

The City will make available to qualified customers a budget payment plan for payment of utilities. The budget payment plan will be available only when a history of usage and payments, for any service location, for a period of not less than twelve months has been established. To enroll in the budget payment plan, (1) the account must be current at the time of the agreement; and (2) the account must be enrolled in our automatic payment plan to ensure the agreed amount is paid monthly. All customers will receive an information sheet and must submit a signed form in order to enroll in Budget Billing. The budget payment plan will be reviewed periodically but at least annually. Adjustments to budget payment plan payments may be made as deemed necessary. The City reserves the right to terminate from the plan any and all parties who do not comply with the terms of the plan agreement.

### VIII. Payment Arrangements

- A. A customer will be allowed to have payment arrangements not extending beyond their most current billing due date. Only one payment plan in effect at any given time.
- B. If a customer breaks their payment arrangement, they shall be required to pay the arrears plus a turn-on fee in order to have their service reestablished.
- C. If a customer breaks their arrangement three times, they will be required to pay their account in full, including any turn-on fees, before their service will be reestablished. Additional deposit may be required as well, per "Deposit Required" section.
- D. Payment plans may require a signature. The utility may accept other arrangements at their discretion.
- E. Arrangements can only be made by the customer whose name appears on the account. Identification may be required.

### IX. Returned Check

If customer payment (check) is returned to the City of Marshall by the bank for any reason, customer will be notified by first class mail. Said notice will require payment in the form of cash, cashier's check or money order within seven (7) days of notification of returned check any processing fees. Failure to make required payment as indicated by the written notice may result in a utility service turn off. If service is discontinued due to a returned check, customer shall be required to pay the account balance in full, including any turn-on fees and an additional deposit, before their service will be reestablished. The City of Marshall reserves the right to accept or decline personal checks.

### X. Late Billing Process

All City of Marshall utility customers shall be notified of their current billing status by means of an invoice mailed on the billing date of each cycle. Bills are due approximately 18 days after they are

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issued. Should a balance forward exist on a customer's account, a **disconnect notice will print on the current billing**. If two billing periods become unpaid and delinquent, the customer's door is tagged with notice of pending shut off and charged \$25. If payment is not received, shut-off may take place within 48 hours, pursuant to Section XI contained herein.

The City of Marshall takes no responsibility for lost, delayed, damaged or misdirected mail, either to the customer or to the City of Marshall.

XI. Physical Shutoff of Service

A. Time of Shutoff

1. Shutoff will occur only between the hours of 8:00 a.m. and 3:30 p.m., Monday through Friday.

B. Manner of Shutoff

1. The employee performing the shutoff will have in their possession a copy of the delinquent account or arrangement.
2. The employee performing the shutoff is allowed to accept payment from the customer. A \$20.00 collection fee plus the total amount owed will be required to avoid shut-off. If an arrangement is needed, the Customer Service Manager will be contacted and if approved, will need a signature by 12:00 p.m. the following day or the customer will be turned off again.
3. If payment is made to collection serviceman, only checks and money orders will be accepted.
4. If the customer is not at the premises, the employee may shut off service.
5. After shutoff has been completed, a neon green tag will be placed on the customer's door to inform them that their power has been disconnected and explain the process to reconnect their service.

C. Medical Emergency Shutoff

1. Shutoff will be postponed for a reasonable time, but no longer than 30 days, if the customer presents a certificate or doctor's notice stating that without the utility the existing medical emergency of the customer or a family member of the customer, living at the residence where the utility is supplied would be aggravated.
2. Postponement can reoccur if a doctor's notice or certificate is presented each time, but shall not exceed a total of 90 days in a calendar year.

D. Restoration of Service

1. Service will be restored as soon as possible after the customer has made acceptable payment.
2. The customer will be charged a turn-on fee as set forth in Section XIII.

E. Winter Turn-off Policies (November 15 through March 15)

1. Customers will still be responsible for their utility bills in the winter months.
2. The customer will not be turned off if it is 35°F or below.
3. Arrangements during this time can be made at City Hall between 9:30 a.m. –

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5:00 p.m., Monday through Friday. They may also be placed in the City drop box at any time.

F. Removal/Tampering of City Equipment

- I. The removal of any City equipment including meter seals or the disconnecting of any City wire will result in a \$100.00 fine, and/or immediate shut-off until further notice.

\*All of the previous are misdemeanor offenses.

ALL CUSTOMERS WITH LIFE-SUPPORTING EQUIPMENT WILL NEED TO NOTIFY THE CITY OF MARSHALL UTILITY DEPARTMENT AT (269) 781-3967 TO PREVENT A POSSIBLE INTERRUPTION OF SERVICE.

XII. After-Hours Service

The green tag, as set forth in X - "Late Billing Process", will instruct the customer to call the after-hours emergency telephone number to re-establish their service after-hours.

- A. After-hours is defined as any time outside of the hours of 8:00 a.m. and 3:30 p.m. Monday through Friday (except holidays).
- B. In addition to delinquent amounts owed, the customer will be responsible for a \$115.00 turn-on fee.
- C. Instructions will be given over the telephone for payment to be in money-order form, and a time shall be scheduled for the Meter Technician to come to service location to receive payment and restore service.
- D. The Meter Technician will make sure the correct amount is paid with a money order and then restore service. If proper payment is not received by the Meter Technician at the service location at the scheduled time, service will not be restored, and the customer shall still be charged the \$115.00 fee.

XIII. Turn-on Fees

The charge for reconnecting a service that has been shut-off for 1) non-payment of a delinquent account, including NSF check; 2) failure to pay the deposit when required; or 3) failure to comply with the Standard Rules and Regulations will be as follows:

\$25.00 -- 8:00 a.m. - 3:30 p.m. Monday through Friday (except holidays)  
\$115.00 -- All other times

XIV. Delinquent Accounts

The City of Marshall Utility Department will perform due diligence in collecting amounts owed by its customers. Ultimately, the person(s) under whom the account has been established will be responsible for payment except as indicated in Section II. Every effort will be made to collect amounts owed up to and including Civil Litigation.

In order to collect money owed, the City reserves the right to apply any payment on one or more account balance if the payee can be identified on the account as applicant or co-applicant. This shall apply to all account balances regardless of status (i.e. delinquent or current).

The charges for services furnished to a premises, which under the provisions of Act 94, Public Acts of 1933, of the state, as amended, are made a lien on the premises to which furnished, and those

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charges delinquent for 6 months or more on April 1<sup>st</sup> may be certified annually to the proper tax assessing officer or agency who shall enter the lien on the next tax roll against the premises to which the services have been rendered, and the charges shall be collected and the lien shall be enforced in the same manner as provided for the collection of taxes assessed upon the roll and the enforcement of the lien for the taxes.

However, in a case when a tenant is responsible for the payment of the charges and the governing body is so notified in writing, the notice to include a copy of the lease of the affected premises, if there is one, then the charges shall not become a lien against the premises after the date of the notice. In the event of filing of the notice, the City shall render no further service to the premises until a cash deposit is made as security for the payment of the charges.

In addition to any other lawful enforcement methods, the payment of charges for services to a premises may be enforced by discontinuing the services to the premises.

### 11. Overhead Extension Policy

The City will not extend or allow the extension of City water mains and sanitary sewers to service parcels outside of the City limits without an agreement between the City and the Township. Parcels outside the City may be served if water mains and sanitary sewers exist, by approval of the City Manager or their designee.

Proposed extensions of the City water or sanitary sewerage systems must be approved and a construction permit issued by the Michigan Department of Environmental Quality.

When application is made for electric service which requires the extension of the City's existing distribution lines, the City will make such extensions at its own cost when the estimated annual revenue, probably stability of the business and prospective load growth reasonable warrant the capital expenditure required.

Under the above rule, the City will ordinarily make such pole and wire line extensions at its own cost:

- A. When the length of such extensions (as measured from pole to pole) to serve residential customers does not exceed 2400 lineal feet for each permanent year-around residence and 300 lineal feet for each permanent private resort dwelling to be immediately served when the extension is completed, or
- B. When the cost of such extensions to serve commercial lighting and/or secondary power customers does not exceed three times the amount of the estimated annual revenue to accrue from the permanent customer(s) to be immediately served when the extension is completed, or
- C. When the cost of such extensions to serve primary power customers does not exceed three times the amount of the estimated annual revenue to be received from the permanent customer(s) to be immediately served when the extension is completed.

Where the length (or cost) of the line extension is greater than that specified above, the City will charge the applicant, the actual cost associated with the extension.

### 12. Underground Extension Policy

#### A. General

This policy sets forth the conditions under which the City will install underground electric distribution systems in residential subdivisions, and underground service connections from overhead or underground electric distribution systems for single dwellings and for multiple or

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apartment dwellings containing not more than nine apartments.

The City will provide, own, maintain and specify the location of all underground cables, service connections, surface mounted transformers, power terminal pedestals, meters, and associated equipment used in such installations, and no ownership rights therein shall pass to applicants or customers by reason of any contribution required hereunder.

Prior to installation of any such residential underground electric distribution system or service connection, the applicant(s) shall enter into a written contract with the City describing the proposed installation and setting forth the respective agreements of the applicant(s) and the City in regard to such installation.

Street lighting, if any, will be served underground in areas served directly by residential underground electric distribution systems. The character and location of the street lights and cables shall conform to specifications prepared by the City. Any additional cost incurred because of the use of special street lighting posts and/or luminaries shall be borne by the sub-divider with credit allowed for standard construction using wood poles and 2500 lumen luminaries and brackets.

The following fees may be waived if trench of proper depth (primary: 42" minimum and 54" maximum; secondary: 24" minimum and 36" maximum) meeting the City of Marshall specifications is provided and backfilled by the customer.

Underground Residential Electric Distribution and Services may be charged a rate of \$6.00 per foot and will constitute an in-aid-of-construction fee representing the difference in cost between overhead and underground.

Underground Commercial and Industrial Distribution and Services may be charged a rate of \$8.00 per foot and will constitute an in-aid-of-construction fee representing the difference in cost between overhead and underground.

### B. Underground Distribution Systems

#### i. General

Prior to the installation of a residential underground electric distribution system, the applicant(s) shall furnish, at no expense to the City, recordable easements, in form and substance satisfactory to the City granting rights of way suitable for the installation and maintenance of the residential underground electric distribution system and the street lighting cables as designed by the City for present and future service to the subdivision.

#### ii. Original Installations

At the request of any applicant(s), the City will, if feasible, install an underground electric distribution system in a residential subdivision for a group of 10 or more lots which are separated, if at all, only by streets or alleys.

The applicant(s) shall provide, at no expense to the City, rough grading (within 6 inches of finished grade) of the area covered by the rights of way so that the underground electric distribution system and the street lighting cables, if any, can be properly installed in relation to the finished grade. Permanent survey stakes indicating property lines must be installed and maintained by the applicant(s) at no expense to the City, after rough grading.

## City of Marshall Utility Rate Classifications and Standard Rules and Regulations

If temporary overhead service is installed for the convenience of the applicant(s) for residential construction purposes, the applicant(s) shall be required to pay the in-and-out costs of such overhead facilities in the underground area.

### iii. Conversion of Existing Overhead Distribution Systems

At the request of any applicant(s), the City will, if feasible, convert an existing overhead electric distribution system to an underground distribution system.

In the case of an underground service connection from an overhead distribution system, the service cable shall be measured from the point of connection of the underground service with the Marshall Utilities overhead conductors to the meter, if the meter is mounted on the exterior of a building wall on the customer's premises, or to the point of service entrance if the meter is not mounted on the exterior of a building wall on the customer's premises; provided, however, that if it is necessary for the Marshall Utilities to extend the underground service connection under a street or road in order to comply with the customer's request, the contribution for that portion of the service cable installed under the traveled portion of the street or road shall be the estimated cost thereof.

In the case of an underground service connection from an underground distribution system the service cable shall be measured from the Marshall Utilities surface mounted transformer or power terminal pedestal, of which will be located on or as near as practicable to the customer's property line, to the meter if the meter is mounted on the exterior of a building wall on the customer's premises, or to the point of service entrance if the meter is not mounted on the exterior of a building wall on the customer's premises.

In the case of an overhead service connection to an overhead distribution system, all conversions to an underground service connection will be paid for entirely by the customer.

Winter premium trenching fees may be charged.

### 13. Inspection

Service will not be supplied to any new or any remodeled installation until such installation has been inspected and approved by the City and such installation is in accordance with the City's Standard Rules and Regulations in force at the time of inspection.

### 14. Fire Hydrant Use

Only City personnel or others specifically authorized shall operate fire hydrants. Requests to use water from fire hydrants may be granted by the City when proper backflow prevention is furnished. A fire hydrant meter shall be used and the appropriate fees and rates charged.

### 15. Retail Customer Demand Response

Retail customers shall be prohibited from participating in any demand response program except one provided by the City of Marshall, Michigan. This authority is provided by the Federal Energy Regulatory Commission Order No. 719 of 2008 and a resolution adopted by the City of Marshall, Michigan City Council on January 20, 2009.

### 16. Non Emergency turn off

## City of Marshall Utility Rate Classifications and Standard Rules and Regulations

A customer may request to have their water and/or electric utilities disconnected for non emergency purposes. The utility will assess a \$20 fee for the disconnect services and an additional \$20 to reconnect.

### 17. Lawn Sprinkling Sewer Commodity Reduction

The sewer commodity charge will be reduced automatically during the months of June, July, August, and September to residential customers. The credit calculation average will be based on the water usage during the months of January, February, and March. If there is no use on the account for those months, credit will not be given. The credit calculation average is to be no less than 100 cubic feet per month.

### 18. Net Metering Program

#### Eligibility

Customers must meet the following criteria to be eligible for net metering:

- (1) An applicant must be a City of Marshall electric customer.
- (2) Only qualified renewable energy sources are eligible to participate in the Net Metering Program. These sources are solar, wind, biomass, hydro, geothermal, or other approved renewable resources.
- (3) The nameplate capacity of the renewable generator must be less than 30 kilowatts (kW).
- (4) The renewable generator may not be sized to exceed the customer's annual electrical energy needs.
- (5) Customers using biomass may not blend it with any type of fossil fuel.

#### Enrollment

Customers who wish to participate in the Net Metering Program must meet the **Customer Owned Generation Interconnection Policy** as well as the Electric Generator Interconnection Requirements for projects with aggregate generator output less than 30 kW. The Generator Interconnection Requirements document outlines the process, requirements, and agreements used to install or modify generation projects with aggregate capacity ratings less than 30 kW and designed to operate in parallel with the utility electric system. Technical requirements (data, equipment, relaying, telemetry and metering) are defined according to type of generation and location of the interconnection. The process is designed to provide an expeditious interconnection to the utility's electric system that is both safe and reliable.

To start the Net Metering application process, the customer must complete the Interconnection Application. After the City of Marshall has reviewed the application a interconnection study may be required. The customer is responsible for any costs associated with the interconnection study and the cost of the construction of the interconnection.

#### Generator and Generator Interconnection Requirements

Generator Requirements - The customer's electric generator must be fueled by a qualified renewable energy source; solar, wind, biomass, hydro, geothermal or other approved renewable resources.

The generator must be located on the customer's premises and serving only the customer's premises. For non-dispatchable generators, the nameplate rating of the generator shall be less than 30 kW in aggregate and the generator's annual output may not exceed the customer's annual energy needs, measured in kWh. The customer is

## City of Marshall Utility Rate Classifications and Standard Rules and Regulations

required to provide the company with a capacity rating in kW for the generating unit and a projected monthly kilowatt-hour output of the generator unit when completing the City of Marshall Interconnection Application.

Interconnection Requirements - Customers must meet approved interconnection requirements before participating in this program.

### **Metering Requirements**

City of Marshall's Net Metering Program requires that the customer have an electronic bi-directional billing meter. This meter will ensure that the customer receives the proper credits for electric generation in excess of their consumption. All metering equipment must meet the City of Marshall's standard specifications and requirements and will be furnished, installed, read, maintained, and owned by the City of Marshall.

### **Billing**

Participating customers will be billed based on the net difference between the amount of electrical energy used and electrical energy generated. If the amount of electrical energy generated exceeds the amount consumed the bill will include a generation credit. Net Excess Generation (NEG) Credits for the electrical energy generated above the current month's consumption will be carried over to the next billing period.

The Net-Metering Program applies to customers on Rate A, A-1, LS, B, C, B-1, D, and D-2

No refunds will be made for any customer contribution under this tariff or for any other costs incurred by the customer in connection with the Net Metering Program

### **Net Excess Generation Credits**

Net Excess Generation (NEG) Credit is the amount of electrical energy generated by a Net Metering participant using a renewable energy source, in excess of the customer's own electric metered use in any billing month.

One NEG Credit equals the Energy Charge for one kilowatt-hour of electrical energy as shown on the customer's rate schedule.

Any negative credits that exist at the end of each program year will be forfeited. NEG Credits are nontransferable.

If a customer terminates participation in the Net Metering Program, NEG Credits will be applied to the customer's final bill. Any remaining credits will be forfeited.

### **Program Availability**

The Net Metering Program is voluntary and is available on a first-come, first-serve basis until the nameplate capacity of all participating generators is equal to the maximum program limit of 1.0% of the City of Marshall's system peak demand for all customers during the previous calendar year.

### **Program Termination**

## City of Marshall Utility Rate Classifications and Standard Rules and Regulations

City of Marshall may terminate a customer's participation in the Net Metering Program if the customer's facilities are causing a safety concern or if the customer's facilities are not in compliance with the Generator Interconnection Standards.

Customers may terminate their participation in the Net Metering Program at any time for any reason on sixty days' notice.

### **Customer Owned Generation Interconnect Policy**

Intent:

It is the intent of the City of Marshall to allow the electrical interconnection of qualified renewable energy sources to the City of Marshall distribution system in accordance with the provisions of this article.

Guidelines:

#### 1. City of Marshall

- a. Will ensure the interconnection is in compliance with Public Utility Regulatory Policies Act (PURPA) and Federal Energy Regulatory Commission (FERC) rules and regulations, as applicable.
- b. Will inform potential power producers that they have the responsibility to comply with all federal, state, and local regulations.
- c. Will, upon completion of a satisfactory Interconnection Study, provide interconnection service to any electric consumer installing a less than 30 kW generation unit. Service is evaluated and provided on a case-by-case basis and will require a separate Interconnection and Operating Agreement.
- d. Will, upon completion of a Satisfactory Interconnection Study, provide interconnection service to any electric consumer installing less than a 30 kW generating unit in which the primary energy source must be solar, biomass, waste, wind, geothermal, or approved renewable energy sources.
- e. Will own the meters utilized for billing.

#### 2. The Customer

- a. Shall install and own conductors and equipment up to the service point as specified in the City of Marshall Overhead Extension Policy and Underground Service Connections.
- b. If the City of Marshall determines that an Interconnection Study is needed the study will be conducted at the customer's expense.
- c. Shall make application to the City of Marshall for the proposed installation, obtain approval of the location, equipment, and design before starting installation, and pay any City of Marshall construction fees for system improvements as specified in the City of Marshall Overhead Extension Policy and Underground Service Connections.
- d. Shall submit a plan view drawing of the installation and shop drawings of switchgear to the City of Marshall for approval prior to finalizing orders for service equipment to avoid delays and unnecessary expense to the customer and the City of Marshall.

## City of Marshall Utility Rate Classifications and Standard Rules and Regulations

- e. The interconnection and parallel operation of generation equipment shall be in conformance with prudent utility practices, shall maintain the integrity of the City of Marshall distribution system and ensure no adverse impacts upon the quality of service to other City of Marshall customers.
- f. Protection, safety, and interconnect equipment must meet standards of accepted good design, engineering, electric safety practices, and all applicable local, state, and federal electrical installation and safety codes.
- g. A suitable disconnect, interconnection breaker, and interconnect relay shall be installed to automatically disconnect and isolate the generation facility from the City of Marshall distribution system in the event of a service interruption. The automatic disconnect equipment shall receive its voltage and frequency reference from the City of Marshall service lines. Such equipment must be capable of preventing the generation facility from energizing the City of Marshall's service lines during a service interruption.
- h. Electrical parameters such as fault protection, voltage levels, synchronization, grounding, harmonics, power factor, voltage regulation, flicker, and frequency regulation shall comply with the latest edition of The Institute of Electrical and Electronic Engineers "Standard for Interconnecting Distributed Resources with Electric Power Systems" (IEEE Standard 1547-2008).
- i. Any exceptions to the above requirements must be specifically approved by the City of Marshall.

City of Marshall Utility Rate Classifications and Standard Rules and Regulations

Revisions (Effective November 1, 2009)

October 19, 2009	12.III.D	Remove letter color.
October 19, 2009	12.VI	Increase turn on fees from \$20.00 to \$25.00 and \$75.00 to \$115.00.
October 19, 2009	15.C.i, ii, & iv.	Underground installation fee increase from \$4.00 to \$4.50 and \$6.00 to \$6.50 per foot.

Revisions (Effective October 3, 2011)

October 3, 2011	Electric Rates	Updated utility rates to align with adopted ordinance
October 3, 2011	Water Rates	Updated Water rate to align with adopted ordinance
October 3, 2011	Sewer Rates	Updated Sewer rate to align with adopted ordinance
October 3, 2011	Residential Rates A-1	Required written application
October 3, 2011	Residential Rates – Life Support	Required written application
October 3, 2011	Temporary Services	Consolidated temporary service regulations
October 3, 2011	Water rates and fees -Section 12	Designated irrigation services exempt from service charge between May through September.

Standard Rules and Regulations

October 3, 2011	Section 3	Deleted electric extension language that was not in agreement with extension policy.
October 3, 2011	Section 10	Allows billing errors to be corrected for up to 12 months.
October 3, 2011	Section 11. II A	Language added to allow staff to turn unpaid amounts to a third party for collections.
October 3, 2011	Section 11. III	Minimum amount to begin late billing process set at \$25.
October 3, 2011	Section 11. IV A 1	Change shut off days to include Friday.
October 3, 2011	Section 11. IV D 1	Eliminated service restoration due to arrangement.
October 3, 2011	Section 11. IV F 1	Eliminated limiter device tampering and increase fine to \$100 for tampering with city equipment.
October 3, 2011	Section 11. V C & D	Police dispatch will no longer will take utility payments.
October 3, 2011	Section 11. VII E	Allows the utility to accept other payment arrangements at their discretion.
October 3, 2011	Section 11. VII F	Identification for arrangements will be required.
October 3, 2011	Section 11. IX	Added language consistent with Act 94 PA of 1933
October 3, 2011	Section 11. X A	Budget sheet replaces pamphlet.
October 3, 2011	Section 11 XI	Changes payment of returned check to within 7 days
of notice.		Allows Utility to require the next three payments be made by cash, cashier check, or money order after returned check.
October 3, 2011	Section 16	Hydrant use will be approved only when proper backflow prevention is furnished.
October 3, 2011	Section 18	Adds Non-emergency turn off and restoration fee of \$20 respectively.
August 20, 2012	Section 13	City will charge the actual cost associated with and electric extension.
August 20, 2012	Section 14	Updated underground extension and conversion policy.
August 20, 2012	Section 19	Added Lawn Sprinkling Sewer Commodity Reduction
August 20, 2012	Section 20	Added net metering policy.

Effective 8/5/2013

City of Marshall Utility Rate Classifications and Standard Rules and Regulations

August 20, 2012	Water and Sewer Rates	Replaced approved rate ordinance.
December 17, 2012	Section 7	Added access to rental property shall be the responsibility of the property owner.
December 17, 2012	Billing Policy	Revised for flow and clarification.
December 17, 2012	Section 10.IV	Added "Establishing New Service".
December 17, 2012	Section 10.IV.C	Revised Landlord-Tenant Policy.
December 17, 2012	Section 10.IV.D	Revised deposit requirements.
December 17, 2012	Section 10.V	Added "Customer Payment Responsibilities", however shortened billing-cycle time-frame to 18 days.
December 17, 2012	Section 10.VII	Added auto payment plan requirement to budget-billing.
December 17, 2012	Section 10.VIII	Removed signature requirement for payment plans.
December 17, 2012	Section 10.IX	Removed three-month waiting period to resume accepting personal checks after a check is returned unpaid.
December 17, 2012	Section 10.X	While shortening the billing-cycle time-frame to 18 days, we've loosened our collection procedures by waiting until a bill becomes delinquent by two bills, rather than one bill, before service is interrupted. Also, disconnect notices will print on bills. Finally, added mail disclaimer.
December 17, 2012	Section 10.XII	Revised to include after-hours service at the service location.
August 5, 2013	Electric Rates	Added Low Income Assistance Factor
August 5, 2013	Landlord/Tenant Policy	Changed language to allow affidavit to be filed anytime after tenant moves in.
August 5, 2013	Summer/Winter	Defined Dates for Summer and Winter rates.

**CITY OF MARSHALL UTILITY RATE CLASSIFICATIONS AND STANDARD RULES  
AND REGULATIONS  
SUPPLEMENTAL RULE TO SECTION 12 BILLING POLICY  
GENERAL SHUTOFF RULES  
EFFECTIVE NOVEMBER 1, 2009**

1. City of Marshall shall not use an electric service limiter
2. City of Marshall shall refund any late fees, fines, or payments related to a shutoff or resumption of service if those late fees, fines, or payments were improperly assessed because of the failure to provide a shutoff notice as required by these Rules.
3. Notwithstanding other requirements of this Rule, service may be shut off temporarily for reasons of health or safety or in a state or national emergency. When service is shut off for reasons of health or safety, a reasonable attempt shall be made to leave a notice at the premises if feasible.
4. City of Marshall may shut off or terminate service to a residential customer for any of the following reasons:
  - A. The customer has not paid a delinquent account that accrued within the last six (6) years.
  - B. The customer has failed to provide a deposit or guarantee as required.
  - C. The customer has engaged in unauthorized use of the utility's service.
  - D. The customer has failed to comply with the terms and conditions of a payment plan.
  - E. The customer has refused to arrange access at reasonable times for the purpose of inspection, meter reading, maintenance, or replacement of equipment that is installed upon the premises or for the removal of a meter.
  - F. The customer misrepresented his or her identity for the purpose of obtaining service or put service in another person's name without permission of the other person.
  - G. The customer has violated any rules of City of Marshall so as to adversely affect the safety of the customer or other persons or the integrity of the system.
  - H. A person living in the customer's residence meets both of the following:
    - (i) Has a delinquent account for service with City of Marshall within the past three (3) years that remains unpaid.
    - (ii) The customer lived in the person's residence when all or part of the debt was incurred. City of Marshall may transfer a prorated amount of the debt to the customer's account, based upon the length of time that the customer resided at the person's residence. This subdivision does not apply if the customer was a minor while living in the person's residence.
  - I. The customer has not paid for service at a premises occupied by another person, and it is not feasible to provide service to the occupant as a customer without a major revision, as determined by the utility, of existing distribution facilities.

City of Marshall Utility Rate Classifications and Standard Rules and Regulations

5. Subject to applicable third-party consent, a customer will be permitted to designate a third party to receive bill notifications, including shutoff notices, on the customer's behalf. Such notices may be provided to both the designated third party and the customer.
6.
  - A. City of Marshall shall supply information regarding the following to customers at least two (2) times a year:
    - (i) The energy assistance telephone line number at the Michigan Department of Human Services or an operable 2-1-1 system telephone number.
    - (ii) Medical emergency and critical care protections provided in these Rules.
    - (iii) Military shutoff protections pursuant to MCL 460.9c.
    - (iv) Low income protections provided in these Rules.
    - (v) Senior citizen protections provided in these Rules.
  - B. The information required under Subsection (A) may be supplied in or on a customer's bill, in a bill insert, in a newsletter issued to customers, a public forum, newspaper announcement, an electronic communication, or in any other manner approved by the governing body of the utility.
7. City of Marshall shall, at least once per year, attempt to identify senior citizen customers by at least one (1) of the following methods:
  - A. Conducting customer interviews.
  - B. Obtaining information from a consumer reporting agency or consumer reporting service.
  - C. A personal or automated telephone call where direct contact is made with a member of the customer's household or a message is recorded on an answering machine or voice mail.
  - D. First class mail.
  - E. A personal visit to the customer.
  - F. A written notice left at or on the customer's door.
  - G. On a bill or in a bill insert.
8. Service shall not be shut off unless a notice is sent to the customer by first class mail or is personally served not less than ten (10) days before the date of the proposed shutoff. A record of the date the notice was sent shall be maintained.
9. A notice of shutoff shall contain all of the following information:
  - A. The name and address of the customer, and the address at which service is provided, if different.
  - B. A clear and concise statement of the reason for the proposed shutoff of service.
  - C. The date on or after which service may be shut off unless the customer takes appropriate action.
  - D. The telephone number and address where the customer may make inquiry or file a complaint.

City of Marshall Utility Rate Classifications and Standard Rules and Regulations

10. For an involuntary shut off, at least one attempt, in addition to the notice provided in Section 8, shall be made one or more days before the shutoff of the service to contact the customer by one (1) or more of the following methods:
  - A. A personal or automated telephone call where direct contact is made with a member of the customer's household or a message is recorded on an answering machine or voice mail.
  - B. First class mail.
  - C. A personal visit to the customer.
  - D. A written notice left at or on the customer's door.
11. All attempts to contact the customer under Section 10 shall be documented.
12. Service may be shut off to a customer on the date specified in the notice of the shutoff or within ten (10) days following that date. If service is not shut off and a subsequent notice is sent, then service shall not be shut off before the date specified in the subsequent notice. Shut off shall occur only between the hours of 8 a.m. and 3 p.m., but not later than 2 hours before the close of business.
13. Service shall not be shut off on a day, or a day immediately preceding a day, when services cannot be restored.
14. Not later than two hours before the close of the utility's business on the day service is shut off, a notice shall be left at the customer's residence stating that service has been shut off and providing the address and telephone number where the customer may arrange to have service restored. Alternatively, a contact by telephone may be made with an adult who identifies himself or herself as a person living at the residence providing the same information within the same time frame.
15. No later than three (3) business days after shutting off service to an eligible senior citizen customer, City of Marshall shall make at least two attempts to contact that customer to advise the customer of the actions that the customer must take to have his or her service restored.
  - A. The following notification methods may be used to contact the customer:
    - (i) A personal or automated telephone call where direct contact is made with a member of the customer's household or a message is recorded on an answering machine or voice mail.
    - (ii) First-class mail.
    - (iii) A personal visit to the customer.
    - (iv) A written notice left at or on the customer's door.
    - (v) Any other method approved by the governing body of the utility.
  - B. A communication described in Subsection (A)(iii) or (iv) made on the day of disconnection meets the requirements of this Rule.
  - C. A message left on an answering machine or voice mail or a written notice left at or on a customer's door must include a toll free or local telephone number indicating that it may be used to contact a representative of City of Marshall regarding restoration of service.

City of Marshall Utility Rate Classifications and Standard Rules and Regulations

- D. The notice requirement of this section may be met with regard to a senior citizen customer by, within three (3) business days of shutting off service, making a documented referral of that customer to a social service or government agency.
- 16. Reasonable efforts shall be made to restore service on the day the customer requests restoration. Except for reasons beyond the control of City of Marshall, the service shall be restored not later than the first working day after the customer's request.
- 17. A charge may be assessed for restoring service.

**COOLING SEASON SHUTOFFS**

- 18. Each morning, the temperature forecast in the (local newspaper or another other index) will be reviewed. If the temperature forecast for the current day OR the following day is 95 degrees or greater, eligible senior citizen customers will not be disconnected on the current day. For Fridays, customers will not be disconnected if the forecast is for 95 degrees or greater for Friday, Saturday or Sunday.

**HEATING SEASON SHUTOFFS**

- 19. City of Marshall shall not shut off service to a customer during the heating season for nonpayment of a delinquent account if the customer is an eligible senior citizen customer or if an eligible low income customer enters into a winter protection payment plan to pay to the utility a monthly amount equal to 7% of the estimated annual bill for the eligible low income customer or the eligible low income customer and the utility mutually agree upon a winter protection payment plan with different terms and the eligible low income customer demonstrates, within 14 days of requesting shutoff protection, that he or she has applied for state or federal heating assistance. If an arrearage exists at the time an eligible low income customer applies for protection from shut off of service during the heating season, the customer should be permitted to pay the arrearage in equal monthly installments between the date of application and the start of the subsequent heating season.
- 20. If an eligible low income customer fails to comply with the terms and conditions of a winter protection payment plan, or if the customer fails to pay a monthly installment on a preexisting arrearage, service may be shut off after giving the customer a notice, by personal service, or first class mail, that contains all of the following information:
  - A. That the customer has defaulted on a winter protection payment plan or has failed to pay a monthly installment on a preexisting arrearage.
  - B. The nature of the default.
  - C. That unless the customer makes the payments that are past due within ten (10) days of the date of mailing, service will be shut off.
  - D. The date on or after which service will be shut off, unless the customer takes appropriate action.
  - E. That the customer may dispute the claim in writing before the date of the proposed shutoff of service.
  - F. That the utility will not shut off service pending the resolution of a dispute.
  - G. The telephone number and address where the customer may make inquiry or file a complaint.
  - H. That the customer should contact a social services agency immediately if the customer believes he or she might be eligible for emergency economic assistance.

City of Marshall Utility Rate Classifications and Standard Rules and Regulations

- I. That the shut off will be postponed if a medical emergency exists at the customer's residence.
- J. That a deposit and restoration charge may be required if the utility shuts off service for nonpayment of a delinquent account.

**SHUTOFF OF CRITICAL CARE OR MEDICAL EMERGENCY CUSTOMERS**

- 21. Shutoff shall be postponed for not more than 21 days if the customer or a member of the customer's household is a critical care customer or has a certified medical emergency. The customer's certification shall identify any medical or life-supporting equipment being used, and the specific time period during which the shutoff of service will aggravate the medical emergency. Shut off may be extended for further periods of not more than 21 days, not to exceed a total postponement of shutoff of service of 63 days, only if the customer provides additional certification that the customer or a member of the customer's household remains a critical care customer or has a certified medical emergency. If shutoff of service has occurred without any postponement being obtained, the service shall be restored for not more than 21 days, and shall continue for further periods of not more than 21 days, not to exceed a total of 63 days in any 12-month period per household member. Annually, shutoff extensions totaling more than 126 days per household will not be given.
- 22. As used in these Rules:
  - A. "Critical care customer" means a customer who requires, or has a household member who requires, home medical equipment or a life support system, and who has provided appropriate documentation from a physician or medical facility to the City of Marshall identifying the medical equipment or life-support system and certifying that an interruption of service would be immediately life threatening.
  - B. "Electric Service Limiter: means an electric meter or device used in conjunction with an electric meter that automatically interrupts all electric service to a customer without intervening direction from the City of Marshall when a utility-imposed peak usage limit is exceeded.
  - C. "Eligible low income customer" means a customer whose household income does not exceed 150% of the poverty level, as published by the United States Department of Health and Human Services, or who receives any of the following:
    - (i) Assistance from a state emergency relief program.
    - (ii) Food stamps.
    - (iii) Medicaid.
  - D. "Eligible senior citizen customer" means a customer who is 65 years of age or older and who advises the City of Marshall of his or her eligibility.
  - E. "Heating season" means November 1 through March 31.
  - F. "Medical Emergency" means the existence of a medical condition of the customer or a member of the customer's household,, certified by a physician or public health official on official stationery, which will be aggravated by the lack of utility service.
  - G. "Senior Citizen Customer" means a customer of City of Marshall who is 65 years of age or older.

City of Marshall Utility Rate Classifications and Standard Rules and Regulations

23. These Rules shall be part of the terms and conditions of the contract for service between City of Marshall and the customer.
24. These rules apply only to residential customers.



**ADMINISTRATIVE REPORT**  
**AUGUST 5, 2013 - CITY COUNCIL MEETING**

**REPORT TO:** Honorable Mayor and City Council

**FROM:** Tom Tarkiewicz, City Manager

**SUBJECT:** Purchase Power Agreement (PPA)

**BACKGROUND:** Michigan South Central Power Agency has been offered 3.64 MW of hydroelectric power from a generating plant in Oconto County, Wisconsin from N.E.W. Hydro LLC. The City of Marshall will be allocated 24% of this fixed priced power for 2013 – 2022 of \$47.00/MWh and for 2023 – 2033 of \$48.00/MWh which can be counted as Renewable Energy in Michigan. The 24% is based on the allocation of the Litchfield coal plant. A memo from Glen White, MSCPA General Manager is attached. Also attached is a resolution of approval.

**RECOMMENDATION:** It is recommended that the City Council approve the Resolution Approving Hydro-electric Power Purchase Agreement and Related Matters.

**FISCAL EFFECTS:** This power purchase will have a stable effect on the City's future power supply cost.

**ALTERNATIVES:** As suggested by the Council.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Tarkiewicz", written in a cursive style.

Tom Tarkiewicz  
City Manager

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com

POWER PURCHASE AGREEMENT

BETWEEN

MICHIGAN SOUTH CENTRAL POWER AGENCY

AND

N.E.W. HYDRO, LLC

DATED AS OF JUNE 6, 2013

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## **POWER PURCHASE AGREEMENT**

THIS POWER PURCHASE AGREEMENT ("Agreement") is entered into as of June 6, 2013 (the "Effective Date"), by and between Michigan South Central Power Agency, a Michigan public body corporate and joint agency existing under Michigan PA 448 of 1976, as amended, with headquarters at 720 Herring Road Litchfield, MI 49252 ("Buyer"), and N.E. W. Hydro, LLC., a Wisconsin corporation with offices at 116 N. State Street, Neshkoro, WI 54960 ("Seller"). Each of Buyer and Seller is referred to individually in this Agreement as a "Party" and together as the "Parties".

### **RECITALS**

WHEREAS, Seller has agreed to sell to Buyer, and Buyer has agreed to purchase from Seller, the Facility Energy and the associated Environmental Attributes and Capacity Rights (as each term is defined below); and

WHEREAS, the Parties desire to set forth the terms and conditions pursuant to which such sales and purchases shall be made.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the Parties hereto agree as follows:

### **ARTICLE I.**

#### **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions.** The following capitalized terms in this Agreement and the appendices hereto shall have the following meanings:

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person or is a director or officer of such Person or of an Affiliate of such Person. As used in this Agreement, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in the preamble.

"Ancillary Documents" means all other instruments, agreements, certificates and documents executed or delivered by or on behalf of Buyer or Seller pursuant to or in connection with this Agreement. A list of Ancillary Documents is included as Appendix D.

"Authorized Auditors" means representatives of either Party who are authorized by that Party to conduct audits on behalf of that Party

"Business Day" means any calendar day that is not a Saturday, a Sunday, or a day on which commercial banks are authorized or required to be closed in Detroit, Michigan.

"Buyer" has the meaning set forth in the preamble.

"Capacity Rights" means the rights, whether in existence as of the Effective Date or arising hereafter during the Term, to capacity, resource adequacy, associated attributes or reserves or any of the foregoing associated with the electric generating capability of the Facility, including the right to resell such rights with the meaning, terms and conditions as set forth in Section 5.4.

"Carbon Offsets" means any avoided emissions of any gas, chemical or other substance into the air, soil or water attributable to the Facility or the generation, purchase, sale, or use of energy therefrom, such as carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases or chemical compounds, particulate matter, soot or mercury, that are subject to regulation or monitoring under any Law (including those involving or administered by the United States Environmental Protection Agency), any current or future international treaty or Law implementing the United Nations Framework Convention on Climate Change (the "UNFCCC"), the Kyoto Protocol to the UNFCCC, or any similar current or future international, foreign, federal, state or local program. Carbon Offsets may be banked, sold or traded via arm's length contracts or through an exchange, and may be verified or certified to comply with any standards adopted by any present or future international, foreign or domestic emissions trading program or Law.

"Commencement Date" means the date Facility Energy is first delivered to Buyer under this agreement, which shall be no earlier than <sup>September</sup> July 1, 2013 and no later than <sup>September</sup> July 31, 2013. 

"Confidential Information" has the meaning set forth in Section 11.16(a).

"Contract Year" means (a) the twelve-month period beginning on the Commencement Date and ending on the day preceding the first anniversary of the Commencement Date, and (b) each succeeding period of twelve consecutive months following the period described in the preceding clause (a).

"Damages" has the meaning set forth in Section 11.14(a).

"Default" has the meaning set forth in Section 10.1.

"Defaulting Party" has the meaning set forth in Section 10.1.

"Defending Party" has the meaning set forth in Section 11.14(a).

"Disclosing Party" has the meaning set forth in Section 11.16(a).

"Dispute" has the meaning set forth in Section 11.2(a).

"Dispute Notice" has the meaning set forth in Section 11.2(a).

"Effective Date" has the meaning set forth in the preamble.

"Energy" means electrical energy, including Facility Energy.

"Energy Price" means the then-current price of Facility Energy set forth in Appendix C.

"Environmental Attribute" means all current or future fuel, emissions, air quality, or other environmental characteristic, credit, benefit, reduction, offset, and allowance, howsoever entitled, named, registered, created, measured, allocated, validated, now or hereafter recognized or deemed of value (or both) by Buyer, under any applicable Law, or any voluntary program of any Governmental Authority or other Person resulting from the use of generation or the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water attributable to the Facility during the Term or the generation, purchase, sale, or use of energy from or by the Facility during the Term, and all Carbon Offsets and all Environmental Attribute Reporting Rights, including all evidence (if any) thereof, such as RECs, but specifically excluding all Tax Credits (except for Tax Credits that must be retained with RECs for a Person to be able to realize the value of the RECs).

"Environmental Attribute Reporting Rights" means all rights to report ownership of the Environmental Attributes to any Person, under Section 1605(b) of the Energy Policy Act of 1992, as amended from time to time or any successor statute, or any other current or future Law.

"Facility" has the meaning set forth in the Appendix A.

"Facility Energy" means all Energy actually generated by the Facility, less station load and transmission losses to the Facility's Point of Delivery, notwithstanding the normal nameplate rating of the Facility and any modifications that may be made thereto.

"FERC" means the Federal Energy Regulatory Commission or any successor agency thereto.

"Force Majeure" has the meaning set forth in Section 11.4(b).

"Force Majeure Notice" has the meaning set forth in Section 11.4(a).

"Forced Outage" means any condition that requires or results in unplanned removal of the Facility, or some part thereof, from service, including (a) the removal of service availability of all or any portion of the Facility for emergency reasons, or (b) conditions in which the Facility, or any portion thereof, is unavailable due to unanticipated failure, including, in either case, as a result of Force Majeure.

"Governmental Authority" means any federal, state, regional, city or local government, any intergovernmental association or political subdivision thereof, or other governmental, regulatory or administrative agency, court, commission, administration, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority, or any Person duly acting as a delegate or agent of any Governmental Authority.

"Indemnified Party" has the meaning set forth in Section 11.14(a).

"Indemnifying Party" has the meaning set forth in Section 11.14(a).

"Interest Rate" means the lesser of (a) the prime rate of interest as then in effect (as quoted by The Wall Street Journal) plus 3% and (b) the maximum rate permitted by applicable Law.

"Laws" means current and future federal, state and local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any federal, state, local or other Governmental Authority (including those pertaining to electrical, building, zoning, environmental and occupational safety and health requirements).

"Lien" means any mortgage, deed of trust, lien, security interest, retention of title or lease for security purposes, pledge, charge, encumbrance, equity, attachment, claim, easement, right of way, covenant, condition or restriction, leasehold interest, purchase right, license or other right of any kind, including an option, of any other Person in or with respect to any real or personal property.

"MISO" means the Midwest Independent Transmission System Operator or any successor regional transmission organization.

"MISO Interconnection Agreement" means the Interconnection Agreement executed by and between the Asset Owner (N.E.W. Hydro Inc. and successors for the Oconto Falls generating assets) and the Local Balancing Authority (LBA) designated by MISO for the Oconto Falls interconnection (Wisconsin Electric Power Company).

"MW" means megawatt.

"MWh" means megawatt-hours.

"M-RETS" means the Midwest Renewable Energy Tracking System or any successor system thereto.

"MIRECS" means the Michigan Renewable Energy Certification System, or any successor system thereto.

"NERC" means the North American Electric Reliability Council and any successor thereto.

"Non-Defaulting Party" has the meaning set forth in Section 10.2.

"Non-Defending Party" has the meaning set forth in Section 11.14(a).

"Notifying Party" has the meaning set forth in Section 11.2(a).

"Permits" means all applications, permits, licenses, franchises, certificates, concessions, consents, authorizations, approvals, registrations, orders, filings, entitlements and similar

requirements of whatever kind and however described which are required to be obtained or maintained by any Person with respect to the ownership, possession, operation, or maintenance of the Facility, the production and delivery of Facility Energy, Capacity Rights and Environmental Attributes, or any other transactions or matter contemplated by this Agreement (including those pertaining to electrical, building, zoning, environmental and occupational safety and health requirements).

"Permitted Encumbrances" means any of the following, which, in each case and in the aggregate, does not and will not impair or adversely affect any rights of or benefits to Buyer hereunder: (i) any Lien permitted by this Agreement, for which the Seller has provided notice to Buyer in writing at least 30 days prior to the creation of such Lien, which notice expressly identifies the Lien as a Permitted Encumbrance; (ii) Liens for Taxes not yet due or for Taxes being contested in good faith by appropriate proceedings promptly instituted and diligently conducted; (iii) suppliers', vendors', mechanics', workman's, repairman's, employees' or other like Liens arising in the ordinary course of business for work or service performed or materials furnished in connection with the Facility for amounts the payment of which is either not yet delinquent or is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted; (iv) easements, rights of way, use rights, exceptions, encroachments, reservations, restrictions, conditions or limitations listed on Appendix E hereto and (v) any other Liens which do not materially adversely affect the output of Energy from the Facility or the transmission thereof to the Point of Delivery.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, governmental entity or any agency, instrumentality or political subdivision of governmental entity.

"Point of Delivery" means the physical address where MSCPA installs the revenue meters at the Oconto Falls Plant located at 344 North Maple Ave, Oconto Falls, WI 54154.

"Prudent Utility Practices" means those practices, methods, and acts, that are commonly used by a significant portion of the small (less than 30MW) hydroelectric powered electric generation industry in prudent engineering and operations to operate electric equipment lawfully and with safety, dependability, efficiency, and economy, including any required practices, methods, acts, standards and criteria of FERC, NERC, the RRO, and all applicable Laws. Prudent Utility Practices is not intended to refer exclusively to the optimal practices, methods, acts, standards and criteria to the exclusion of all others.

"REC" means a tradable environmental commodity that represents proof that one (1) MWh of electricity was generated from an eligible renewable energy resource. RECs can be sold and traded, and the owner of a REC can claim to have purchased renewable energy. RECs are also commonly known as renewable energy credits and green tags.

"Receiving Party" has the meaning set forth in Section 11.16(a).

"Recipient Party" has the meaning set forth in Section 11.2(a).

"RRO" means the regional reliability organization that has jurisdiction over the Facility.

"Schedule" or "Scheduling" means the actions of Seller, Buyer and their Transmission Providers of notifying, requesting and confirming to each other the quantity of energy to be delivered at the Point of Delivery during the Term.

"Scheduled Outage" means any outage with respect to the Facility other than a Forced Outage.

"Scheduled Outage Projection" has the meaning set forth in Section 6.6(d).

"Scheduler" means the Person conducting Scheduling for a Party. The contact information for Buyer's Scheduler and Seller's Scheduler as of the Effective Date is set forth in Appendix B.

"Seller" has the meaning set forth in the preamble.

"Site" means the real property (including all related intangible property and fixtures and appurtenances thereto) owned or leased by Seller and upon which the Facility is located, including any easements, rights-of-way or contractual rights held or to be held by Seller for transmission lines or roadways servicing the Site or the Facility.

"Successor Entity" has the meaning set forth in Section 10.1(i).

"Tax" or "Taxes" means each federal, state, county, local and other (a) net income, gross income, gross receipts, sales, use, ad valorem, business or occupation, transfer, franchise, profits, withholding, payroll, employment, excise, property or leasehold tax, or (b) governmentally imposed customs, duty or other fee, assessment or charge of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amount with respect thereto.

"Tax Credits" means all state, local or federal production tax credits, investment tax credits, or tax deductions specific to the production of renewable energy or the investment in renewable energy facilities, and any cash grants in lieu of any of the foregoing.

"Term" has the meaning set forth in Section 2.1.

"Transmission Provider" means the Person providing the applicable Transmission Services.

"Transmission Services" means the transmission and other services required to transmit Energy to or from the Point of Delivery.

"Transmission System" means the facilities utilized to provide Transmission Services.

"Unpaid Amounts" has the meaning set forth in Section 8.1(b).

"WE Interconnection Agreements" means the agreement to be entered into between N.E.W. Hydro, INC and Wisconsin Electric Power Company as listed in Appendix D.

1.2 Interpretation. In this Agreement, unless a clear contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) reference to any Person includes such Person's successors and assigns but, in case of a Party hereto, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;
- (c) reference to any gender includes the other;
- (d) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;
- (e) reference to any Article, Section, or Appendix means such Article of this Agreement, Section of this Agreement, or Appendix to this Agreement, as the case may be, and references in any Article or Section or definition to any clause means such clause of such Article or Section or definition;
- (f) "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or Section or other provision hereof or thereof;
- (g) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;
- (h) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including";
- (i) reference to (i) time shall refer to the prevailing time in the Eastern Time Zone, (ii) a "day" shall mean a calendar day, (iii) a "month" shall mean a calendar month, and (iv) a "year" shall mean a calendar year unless otherwise indicated; and
- (j) the word "or" is not exclusive.

## ARTICLE II.

### EFFECTIVE DATE, TERM, AND EARLY TERMINATION

2.1 Term. This Agreement shall have a term commencing on 12:00 a.m. on the Effective Date, and ending on the twentieth (20<sup>th</sup>) anniversary of the Commencement Date, unless sooner terminated in accordance with the terms of this Agreement (the "Term").

2.2 Survivability. The provisions of this Article II and Article XI shall survive the termination or expiration of this Agreement. The provisions of Article III, Article IV, Article VIII, and Article X shall continue in effect after termination or expiration to the extent necessary to provide for final billing and adjustments related to the period prior to termination or expiration of this Agreement.

2.3 Condition Precedent. The obligations of the Seller and the Buyer under this Agreement shall not become effective unless and until the Seller shall have entered into the [MISO Interconnection Agreement] and the [WPS Interconnection Agreements] and all conditions under such agreements shall have been satisfied.

### ARTICLE III.

#### PURCHASE AND SALE OF POWER

3.1 Purchases by Buyer. During the Term, Seller shall sell and deliver, and Buyer shall purchase and receive, all Facility Energy for the Energy Price.

3.2 Facility's Point of Delivery. Seller shall deliver all Facility Energy to Buyer, and Buyer shall receive all Facility Energy from Seller, at the Facility's Point of Delivery.

3.3 Energy to Come Exclusively from Facility. In no event shall Seller have the right to procure energy from sources other than the Facility for sale and delivery pursuant to this Agreement.

### ARTICLE IV.

#### ENVIRONMENTAL ATTRIBUTES

4.1 Transfer of Environmental Attributes. For and in consideration of Buyer entering into this Agreement, and in addition to the agreement by Buyer and Seller to purchase and sell Facility Energy and Capacity Rights on the terms and conditions set forth herein, Seller shall transfer to Buyer, and Buyer shall receive from Seller, all right, title, and interest in and to any Environmental Attributes associated with the Facility and any Facility Energy. Seller agrees to transfer and make any such Environmental Attributes available to Buyer to the fullest extent allowed by applicable Law and Seller represents and covenants that it has not assigned, transferred, conveyed, encumbered, sold or otherwise disposed of and shall not in the future assign, transfer, convey, encumber, sell or otherwise dispose of all or any portion of any such Environmental Attributes to any Person other than Buyer. The consideration for the transfer of Environmental Attributes is contained within the Energy Price.

4.2 Availability and Value of Capacity Rights and Environmental Attributes. Seller makes no representation, warranty, or guarantee regarding the availability of Capacity or regarding the value of the Capacity or Environmental Attributes. Seller shall have no obligation to transfer any Capacity or Environmental Attributes if the Facility is not generating Facility Energy for any reason, other than a failure of Seller to fulfill its obligations under Section 6.4 hereof.

4.3 Documentation of Transfer of Environmental Attributes. Upon Buyer's request, at Seller's cost and expense, Seller shall take all reasonable actions and execute all documents or instruments necessary under applicable Law, bilateral arrangements or other voluntary Environmental Attribute programs of any kind, as applicable, to maximize the attribution, accrual, realization, generation, production, recognition and validation of Environmental Attributes throughout the Term. As part of maximizing such Environmental Attributes, Seller

shall, among other things, assist Buyer in (a) conducting all studies to calculate, demonstrate, register, certify and validate Environmental Attributes (or any combination of the foregoing); (b) obtaining all necessary and appropriate Governmental Authority or third party certifications, verifications, validations and authorizations required by applicable Law, Prudent Utility Practices or other prevailing voluntary Environmental Attribute program; and (c) maintaining and recording all necessary holding accounts or registries for all accrued Environmental Attributes. In furtherance and not in limitation of this Section, Seller shall use MIRECS to evidence the transfer of any Environmental Attributes considered RECs under applicable Michigan Law or any voluntary program and shall register the Facility with MIRECS.

## ARTICLE V.

### CAPACITY RIGHTS

5.1 Purchase and Sale of Capacity Rights. For and in consideration of Buyer entering into this Agreement, and in addition to the agreement by Buyer and Seller to purchase and sell Facility Energy and Environmental Attributes on the terms and conditions set forth herein, Seller hereby transfers to Buyer, and Buyer hereby accepts from Seller, all of the Capacity Rights for the Term. The consideration for the transfer of any Capacity Rights is contained within the relevant prices for Facility Energy and as set forth in Article 5.4 herein. In no event shall Buyer have any obligation or liability whatsoever for any debt or any other obligations of Seller or any Affiliate of Seller pertaining to the Facility by virtue of Buyer's ownership of any Capacity Rights or otherwise.

5.2 Representation Regarding Ownership of Capacity Rights. Seller represents and covenants that it has not assigned, transferred, conveyed, encumbered (other than Permitted Encumbrances), sold or otherwise disposed of and shall not in the future assign, transfer, convey, encumber (other than Permitted Encumbrances), sell or otherwise dispose of any of the Capacity Rights to any Person other than Buyer during the Term. Seller shall not report to any Person that any of the Capacity Rights belong to any Person other than Buyer. Buyer may report to any Person that the Capacity Rights belong to it.

5.3 Further Assurances. Seller shall execute and deliver such documents and instruments and take such other action as Buyer may reasonably request to effect recognition and transfer of the Capacity Rights to Buyer. Seller shall bear the costs associated therewith.

5.4 Notwithstanding the above or other provisions of this Agreement, the Buyer and Seller agree to share equally the amount by which the Capacity Value assigned by MISO is in excess of \$4.00/KW/Month.

The Buyer and Seller agree to work together to achieve the highest Capacity Value attributable to the sales from Seller to Buyer regardless of which MISO Zone or LBA is utilized to achieve such maximum Capacity value. Unless agreed upon otherwise, the Capacity Value shall be the arithmetic average of the capacity value established for the two zones of operation as shown on the MISO Map attached as Appendix F to this Agreement.

The Buyer will pay Seller on a monthly basis the amount of fifty percent (50%) of the amount that the Capacity Value or payment from MISO exceeds \$4.00/KW/Month.

5.5 In order to comply with MISO regulations regarding Hydro Power Capacity, the Seller will provide the Buyer with information relating to historic production from the Facility for the months of June, July and August in hourly increments for the hours between and including 1500 and 1700 Central Standard Time. The Seller will provide this information for the historic periods as required by applicable MISO rules and regulations. The Buyer and Seller will agree upon the compliance calculation before such information is submitted to MISO.

## ARTICLE VI.

### OWNERSHIP, OPERATION AND MAINTENANCE OF THE FACILITY

6.1 Ownership of the Facility. The Facility shall be owned by Seller during the Term. Without the prior written consent of Buyer, which consent shall not be unreasonably withheld, Seller may not sell or otherwise dispose of or create, incur, assume or permit to exist any Lien (other than Permitted Encumbrances) on any portion of the Facility, other than in connection with a transaction permitted by section 6.8.

6.2 Assignment. Neither Party shall assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, provided that either Party may, without consent of the other Party, (i) transfer, sell, pledge, encumber or assign this Agreement or the revenues from it in connection with any financing in accordance with Section 6.3, (ii) subject, in the case of the Seller, to Section 6.8, transfer or assign this Agreement to any Person succeeding to all or substantially all of the assets of such Party or, subject to Section 6.1, to any Person to whom the ownership of the Facility is transferred or assigned, or (iii) transfer or assign this Agreement to an Affiliate. In each case, the assignee shall agree in writing to be bound by the terms and conditions of this Agreement and shall have the same or similar experience and the same or similar credit rating as the assignor. In addition, in the case of dissolution of Buyer in accordance with law, Buyer may transfer its rights, duties and obligations under this Agreement proportionately to its constituent member municipalities, in the percentages set forth in Appendix F.

6.3 Mortgages. Upon not less than thirty (30) days' prior written notice to Buyer, Seller may collaterally assign, encumber, pledge or mortgage its rights under this Agreement for security of any debt or obligation in favor of any party providing financing for the benefit of the Seller, Seller's affiliates or the Facility and, upon providing written notice to Buyer, the mortgagee shall be entitled to exercise and perform all rights, duties, obligations and remedies Seller may have under this Agreement. Seller shall require each mortgagee to include in its real property mortgage an undertaking that in the case of a foreclosure upon the Facility (or deed in lieu of foreclosure), the mortgagee will require the successor owner of the Facility to assume this Agreement and be bound by its terms. Upon request by Seller, Buyer agrees to execute and deliver consent within thirty (30) days or other agreement with debt or equity financing parties containing customary terms and conditions and to reasonably cooperate with the due diligence

efforts of any such financing parties, but no such consents or terms shall materially adversely affect the rights of or benefits to Buyer under this Agreement. Seller shall provide the notice information for any party providing financing for the benefit of the Facility.

#### 6.4 Use, Operations and Maintenance.

(a) Seller shall, at its sole expense, use, operate and maintain the Facility (i) in accordance with Prudent Utility Practices, the requirements of this Agreement, the Permits, all applicable Laws, (ii) in a manner reasonably designed to maximize the output of Energy and Environmental Attributes from the Facility and result in a useful life of the Facility of not less than the Term, and (iii) with due regard for the safety, security, and reliability of the interconnected facilities and the Transmission System.

(b) Seller shall (i) except in the case of a Force Majeure for which insurance proceeds required by Section 11.14(b) are not available, where commercially practicable, promptly repair or replace, at its option, any component of the Facility that may be damaged or destroyed or otherwise not operating properly and efficiently and shall at all times exercise commercially reasonable efforts to undertake in a timely manner all updates or modifications to the Facility, its equipment and materials, including procedures, programming and software required by FERC, Facility permits or any applicable law, (ii) utilize qualified and trained personnel for managing, operating and maintaining the Facility and (iii) comply in all material respects with the operating and maintenance standards recommended or required by vendors or suppliers of Facility equipment.

#### 6.5 Operating Committee and Operating Procedures.

(a) Seller and Buyer shall each appoint one representative and one alternate representative to act in matters relating to each Parties' performance of its' respective obligations under this Agreement and to develop operating coordination arrangements for the generation, delivery and receipt of Facility Energy hereunder. Such representatives (or, in the case a representative is not available, the alternate representative) shall constitute the Operating Committee. The Parties shall notify each other in writing of such appointments and any changes thereto. The Operating Committee shall have no authority to modify the terms or conditions of this Agreement.

(b) Within two (2) months of the Effective Date, the Operating Committee shall develop mutually agreeable written operating coordination procedures which shall include: method of day to day communications; compliance with applicable regulatory requirements; metering, telemetering, telecommunications, and data acquisition procedures; key personnel list for the Facility; operations and maintenance scheduling, reporting and budgets; notice procedures for any Forced Outages; Environmental Attributes reports; unit operations log; and such other matters as may be mutually agreed upon by the Parties. In addition, the Operating Committee shall establish, maintain and modify as needed from time to time a mutually agreeable schedule for Scheduled Outages/de-ratings.

#### 6.6 Scheduling of Energy and Scheduled Outages.

(a) No later than forty-five (45) days before the anticipated Commencement Date, and no later than forty-five (45) days before the beginning of each subsequent twelve month period, Seller shall provide, or cause to be provided, a non-binding forecast of Facility Energy for the following twelve (12) months. Seller shall provide Buyer with a copy of any updates to such forecast indicating a change in forecasted Facility Energy from the then-current forecast. Seller shall also provide its formula for conducting forecasts to Buyer.

(b) No later than ten (10) Business Days before the anticipated Commencement Date and no later than ten (10) days before the beginning of each subsequent month, Seller shall provide, or cause to be provided, a non-binding forecast of each day's average deliveries of Facility Energy, for the following month.

(c) On the Business Day immediately preceding any date of delivery of Facility Energy, and when available, Seller shall, if requested by Buyer, provide Buyer with a copy of a non-binding estimate of deliveries of Facility Energy through the immediately succeeding Business Day.

(d) Seller shall cooperate in good faith with Buyer's maintenance scheduling requests. No later than ninety (90) days prior to the anticipated Commencement Date and within ninety (90) days prior to the commencement of each twelve-month period thereafter, Seller shall provide Buyer with its non-binding written projection of all Scheduled Outages for such twelve-month period (the "Scheduled Outage Projection"). Seller shall notify Buyer of any change in the Scheduled Outage Projection as soon as practicable, but in no event later than thirty (30) days prior to the originally scheduled date of the Scheduled Outage.

6.7 Access to Facility; Effect of Review. Appropriate representatives of Buyer shall at all reasonable times, including weekends and nights, and with reasonable prior notice, have access to the Site, the Facility, and the premises on which the meters are located to read the meters and to perform all inspections, maintenance, service and operational reviews as may be reasonably appropriate to facilitate the performance of this Agreement. While on the Site, such representatives shall observe such reasonable safety precautions as may be required by Seller and provided to Buyer and shall conduct themselves in a manner that will not unreasonably interfere with the operation of the Facility. Any review by Buyer conducted pursuant to this Section 6.7 or otherwise is solely for the information of Buyer. Buyer shall have no obligation to share the results of any such review with Seller, nor shall any such review or the results thereof (whether or not the results are shared with Seller) or any failure to conduct any such review prejudice Buyer or relieve Seller from any of its obligations under this Agreement. By making any such review, Buyer makes no representation as to the economic and technical feasibility, operational capability or reliability of the Facility. Seller shall in no way represent to any third party that any such review by Buyer of the Facility, including, but not limited to, any review of the design, construction, operation or maintenance of the Facility by Buyer, is a representation by Buyer as to the economic and technical feasibility, operational capability or reliability of the Facility. Seller is solely responsible for the economic and technical feasibility, operational capability and reliability thereof.

6.8 Transfer. Seller may transfer the Facility and its rights and obligations under this Agreement in connection with the consolidation, merger or sale of all or substantially all of its

assets to or with a third party; provided, however that the successor or transferee pursuant to such action (a) assumes in writing all obligations and duties of seller hereunder and (b) has the same or similar experience and the same or higher credit rating as Seller immediately prior to such consolidation, merger or sale.

## ARTICLE VII.

### TRANSMISSION AND SCHEDULING; TITLE AND RISK OF LOSS

7.1 In General. Seller shall arrange and be responsible to deliver Facility Energy to the Point of Delivery and shall Schedule or arrange for Scheduling services to so deliver the Facility Energy to the Point of Delivery. Buyer shall arrange and be responsible for Transmission Services at and from the Point of Delivery and shall Schedule or arrange for Scheduling services with its Transmission Providers to receive Facility Energy at the Point of Delivery, including uploading hourly metering representing the CP node into the MISO via the MISO Meter Data Management Agent process or any process subsequently established in replacement therefor. Each Party shall designate an authorized Scheduler to Schedule all Energy. All Scheduling and arrangement of Transmission Services shall be conducted in accordance with applicable NERC, RRO, and MISO policies and criteria. Seller and Buyer agree to abide by the terms and conditions of the Seller's Agreement for Wholesale Distribution and Balancing Authority Service with Wisconsin Electric Power Company including but, not limited to daily and monthly energy reporting requirements, MISO settlement reconciliations, notifications, outage reporting, and metering calibration.

7.2 Costs. Seller shall be responsible for any costs or charges imposed on or associated with the delivery of Facility Energy up to the Point of Delivery. Buyer shall be responsible for any costs or charges imposed on or associated with the delivery of Facility Energy at and from the Point of Delivery. The buyer agrees to reimburse the seller for monthly fixed charge distribution service costs from Wisconsin Electric Power Company as they may be adjusted from time to time for the duration of the Agreement.

7.3 Title; Risk of Loss. As between the Parties, Seller shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of all Facility Energy prior to the Point of Delivery, and Buyer shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of all Facility Energy at and from the Point of Delivery. Seller shall deliver all Facility Energy and Environmental Attributes to Buyer free and clear of all Liens created by any Person other than Buyer. Title to and risk of loss as to all Facility Energy and Environmental Attributes shall pass from Seller to Buyer at the Point of Delivery.

7.4 Allocation of Taxes. Seller shall pay or cause to be paid all Taxes on or with respect to the Facility or on or with respect to the delivery and sale of Facility Energy and Environmental Attributes to Buyer that are imposed on the delivery of Energy up to and including at the Point of Delivery. Buyer shall pay or cause to be paid all Taxes on or with respect to the delivery and sale of Energy and Environmental Attributes to Buyer that are imposed after the delivery of the Energy to Buyer at the Point of Delivery. If a Party (X) is required to remit or pay Taxes that are the responsibility hereunder of the other Party (Y), Y shall

promptly reimburse X for such Taxes. Both Parties shall use reasonable efforts to administer this Agreement and implement the provisions in accordance with their intent to minimize Taxes.

7.5 Scheduling and Energy Market Settlement. Buyer shall be responsible for all MISO Energy Market scheduling, offers and settlements of the Facility Energy at the Point of Delivery during the Term pursuant to the Transmission Provider's rules and procedures for scheduling, offers and settlements. Buyer shall be responsible for the payment of all charges associated with such MISO Energy Market scheduling, offers and settlements, including, without limitation, any imbalance, congestion or operating reserve charges, costs, losses, fines or penalties.

## ARTICLE VIII.

### BILLING; PAYMENT; AUDITS; METERING; ATTESTATIONS; POLICIES

#### 8.1 Calculation of Energy Delivered; Invoices and Payment.

(a) Invoice. Not later than the tenth (10th) day of each month, commencing with the month following the month in which the Commencement Date occurs, Seller shall deliver to Buyer an invoice showing the amount of Facility Energy delivered by Seller to the Point of Delivery during the preceding month and Seller's computation of the amount due Seller in respect thereof. Monthly invoices shall be sent to the address set forth in Appendix B or such other address as Buyer may provide to Seller.

(b) Payment. Not later than the fifteenth (15th) day after receipt by Buyer of Seller's monthly invoice (or the next succeeding Business Day, if such fifteenth day is not a Business Day) Buyer shall pay to Seller, by ACH or wire transfer of immediately available funds to an account specified by Seller or by any other means agreed to by the Parties from time to time, the amount set forth as due in such monthly invoice, subject to Section 8.2. Amounts not disputed pursuant to Section 8.2 and that are not paid to Seller when due ("Unpaid Amounts"), shall be paid together with interest thereon at the Interest Rate calculated from the date payment of the Unpaid Amounts was due until the date paid.

8.2 Disputed Invoices. If any portion of any invoice is disputed, the undisputed amount shall be paid when due. The Party disputing a payment shall promptly notify the other Party of the basis for the dispute. Disputes shall be resolved in accordance with Section 11.2. Upon resolution of any dispute, (a) if all or part of the disputed amount is determined to have been due, then the Party owing such payment shall, within ten (10) days after delivery of an invoice from the other Party, pay the applicable amount plus interest thereon at the Interest Rate from the original due date until the date of payment and (b) if a disputed amount was paid but upon resolution of the dispute it is determined the disputed amount was not due, the Party which received the disputed amount shall refund such amount to the other Party plus interest thereon at the Interest Rate from the date the payment was originally received until the date the refund is made. Buyer may dispute an invoice at any time, provided that Buyer provides Seller with a notification of such dispute, setting forth the details of such dispute with reasonable specificity.

8.3 Right of Setoff. Each Party shall have the right to set off against any amount owed by it under this Agreement any amount otherwise payable by the other Party to it under this Agreement. The Party setting off any amount under this Section 8.3 shall promptly notify the other Party of such action.

8.4 Records and Audits. Each Party shall maintain all records pertaining to its performance pursuant to this Agreement (including all invoices, costs, metering, Capacity Rights and Environmental Attributes). All records shall be retained and shall be subject to examination and audit by the Authorized Auditors for a period of not less than four (4) years following final payment made by Buyer hereunder or the expiration date of this Agreement, whichever is later.

8.5 Metering of Facility Energy.

(a) Buyer shall own, install, and maintain revenue quality meters and equipment to measure the amount of Facility Energy generated by the Facility and delivered to the Point of Delivery under this Agreement and to monitor and coordinate in real time the operation of the Facility.

(b) Buyer shall inspect and test all meters upon installation and at least annually thereafter. Buyer shall provide Seller with reasonable advance notice of, and permit a representative of Seller to witness and verify such inspections and tests. Upon request by Seller, Buyer shall perform reasonable additional inspections or tests of any meter and shall permit a qualified representative of Seller to inspect or witness such inspections or tests, provided that the actual expense of any such requested additional inspection or testing shall be borne by Seller, unless upon such inspection or testing a meter is found to register inaccurately by more than the allowable limits established in Section 8.7 of this Agreement, in which case the expense of the requested additional inspection or testing shall be borne by Buyer.

8.6 Back-Up Metering. Seller may elect to install and maintain, at its own expense, backup metering devices in addition to those installed and maintained by Buyer, which installation and maintenance shall be performed in a manner acceptable to Buyer.

8.7 Adjustment for Inaccurate Meters. If Buyer's meter fails to register, or if the measurement made by a meter is found upon testing to be inaccurate by more than one percent (1.0%), an adjustment shall be made correcting all measurements by the inaccurate meter for both the amount of the inaccuracy and the period of the inaccuracy, in the following manner:

(a) In the event that the Buyer's meter is found to be defective or inaccurate, the Parties shall use the Seller's backup meter, if installed, to adjust the amount of Facility Energy deemed delivered if Seller's meter has been tested and maintained in accordance with the provisions of this Agreement. In the event that Seller did not install backup metering or such metering is also found to be inaccurate by more than one percent (1.0%), the Parties shall estimate the amount of the necessary adjustment on the basis of Facility compliance logs during the period in question or on the basis of best available data, which may include deliveries of Facility Energy during periods of similar operating conditions when the meter was registering accurately. The adjustment shall be made for the period during which inaccurate measurements were made.

(b) In the event that the Parties cannot agree on the actual period during which the inaccurate measurements were made, the period during which the measurements are to be adjusted shall be the shorter of (i) the last one-half of the period from the last previous test of the meter to the test that found the meter to be defective or inaccurate, or (ii) the one hundred eighty (180) days immediately preceding the test that found the meter to be defective or inaccurate.

(c) To the extent that the adjustment period covers a period of deliveries for which payment has already been made by Buyer, Buyer shall use the corrected measurements as determined in accordance with this Agreement to re-compute the amount due for the period of the inaccuracy and shall subtract the previous payments by Buyer for this period from such recomputed amount. If the difference is a positive number, the difference shall be paid by Buyer to Seller; if the difference is a negative number, that difference shall be paid by Seller to Buyer, or at the discretion of Buyer, may take the form of an offset to payments due Seller by Buyer. Payment of such difference by the owing Party shall be made not later than thirty (30) days after the owing Party receives notice of the amount due, unless Buyer elects payment via an offset, in which case the difference would be reflected in the subsequent invoice or invoices sent to Buyer.

## ARTICLE IX.

### REPRESENTATIONS, WARRANTIES AND COVENANTS

9.1 Representations and Warranties of Buyer. Buyer makes the following representations and warranties to Seller as of the Effective Date:

(a) Buyer is a Michigan public body corporate and joint agency under Michigan PA 448 of 1976, as amended, duly organized, validly existing, and in good standing under the Laws of Michigan and has the legal power and authority to carry on its business as now being conducted, enter into this Agreement and each Ancillary Document to which Buyer is a party, carry out the transactions contemplated hereby and thereby, and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement and all such Ancillary Documents.

(b) The execution, delivery and performance by Buyer of this Agreement and each Ancillary Document to which Buyer is a party have been duly authorized by all necessary action, and do not and will not require any consent or approval of Buyer's governing body or any other Person, other than those which have been obtained.

(c) This Agreement and each of the Ancillary Documents to which Buyer is a party constitutes the legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar Laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(d) The execution and delivery of this Agreement and each Ancillary Document to which Buyer is a party, the consummation of the transactions contemplated hereby and thereby and the performance of and compliance with the provisions of this Agreement and

Ancillary Documents, do not and will not conflict with or constitute a breach of or a default under any of the terms, conditions or provisions of any applicable Law, or any organizational document, agreement, deed of trust, mortgage, loan agreement, other evidence of indebtedness or instrument to which Buyer is a party or by which it or any of its property is bound, result in a breach of or a default under any of the foregoing, or result in or require the creation or imposition of any Lien upon any of the properties or assets of Buyer, except, in each case described in this clause (d), which would not, in the aggregate, have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement.

(e) There is no pending, or to the knowledge of Buyer, threatened action or proceeding against Buyer before any Governmental Authority that questions the legality, validity or enforceability of this Agreement or any of the Ancillary Documents.

(f) Buyer is not in violation of any Law, which violation, individually or in the aggregate with other such violations, would reasonably be expected to result in a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects of Buyer, or the ability of Buyer to perform any of its obligations under this Agreement or any Ancillary Document.

(g) Buyer has not entered into this Agreement or any Ancillary Document with the actual intent to hinder, delay or defraud any creditor and has received reasonably equivalent value in exchange for its obligations under this Agreement and the Ancillary Documents. No petition in bankruptcy has been filed against Buyer, and neither Buyer nor any of its respective constituent Persons have ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for its benefit as a debtor.

9.2 Representations, Warranties and Covenants of Seller. Seller makes the following representations, warranties and covenants to Buyer:

(a) Seller is a limited liability company duly formed, validly existing, and in good standing under the Laws of Wisconsin, is qualified to do business in the State of Michigan, and has the legal power and authority to own and lease its properties, including the Facility, carry on its business as now being conducted, enter into this Agreement and each Ancillary Document to which it is a party, carry out the transactions contemplated hereby and thereby, and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement and all such Ancillary Documents.

(b) The execution, delivery and performance by Seller of this Agreement and each Ancillary Document to which Seller is a party have been duly authorized by all necessary action, and do not and will not require any consent or approval of Seller's governing body or any other Person other than those which have been obtained.

(c) This Agreement and each of the Ancillary Documents to which Seller is a party constitutes the legal, valid and binding obligation of Seller enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar Laws relating to or affecting the enforcement of creditors' rights generally or by

general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(d) The execution and delivery of this Agreement and each Ancillary Document to which Seller is a party, the consummation of the transactions contemplated hereby and thereby and the performance of and compliance with the provisions of this Agreement and the Ancillary Documents, do not and will not conflict with or constitute a breach of or a default under any of the terms, conditions or provisions of any applicable Law, or any organizational document, agreement, deed of trust, mortgage, loan agreement, other evidence of indebtedness or instrument to which Seller is a party or by which it or any of its property is bound, result in a breach of or a default under any of the foregoing, or result in or require the creation or imposition of any Lien upon any of the properties or assets of Seller (except as contemplated hereby), except which in each case would not, in the aggregate, have a material adverse effect on the ability of Seller to perform its obligations under this Agreement or any Ancillary Document. Seller has obtained or shall timely obtain all Permits required for the performance of its obligations hereunder and under the Ancillary Documents and operation of the Facility in accordance with Prudent Utility Practices, the requirements of this Agreement, the Ancillary Documents and applicable Law.

(e) There is no pending, or to the knowledge of Seller, threatened action or proceeding affecting Seller before any Governmental Authority, that questions the legality, validity or enforceability of this Agreement or any of the Ancillary Documents.

(f) Seller is not in violation of any Law, which violation, individually or in the aggregate with other such violations, would reasonably be expected to result in a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects of Seller, or the ability of Seller to perform any of its obligations under this Agreement or any Ancillary Document.

(g) Seller has not entered into this Agreement or any Ancillary Document with the actual intent to hinder, delay or defraud any creditor and has received reasonably equivalent value in exchange for its obligations under this Agreement and the Ancillary Documents. No petition in bankruptcy has been filed against Seller, and neither Seller nor any of its respective constituent Persons have ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for its benefit as a debtor.

(h) All Tax returns and reports of Seller required to be filed by it have been timely filed, and all Taxes shown on such Tax returns to be due and payable and all assessments, fees and other governmental charges upon Seller and upon its properties, assets, income, business and franchises that are due and payable have been paid when due and payable, in each case the failure of which would have a material adverse effect on Seller or its business, assets, operations or condition (financial or otherwise) or on its ability to perform its obligations under this Agreement. Seller does not know of any proposed Tax assessment against it that is not being actively contested by it in good faith and by appropriate proceedings.

(i) Seller is and shall at all times be the lessee or owner of the Site under real property documents that permit Seller to perform its obligations under this Agreement and shall

keep, perform, observe and comply with, or cause to be kept, performed, observed and complied with, all covenants, agreements, conditions and other provisions required to be kept, performed, observed and complied with by or on behalf of Seller from time to time related to the Site, and Seller shall not do or permit anything to be done, the doing of which, or refrain from doing anything, the omission of which would reasonably be expected to impair the rights of Seller to the Site. Seller shall give Buyer prompt notice of any default under an instrument or document conveying to Seller any interest in the Site or the commencement of any action or proceeding or arbitration pertaining to the same. Buyer, at its option, may take any action (but shall not be obligated to take any action) from time to time deemed necessary or desirable by Buyer to prevent or cure, in whole or in part, any such default by Seller.

(j) The Facility has been certified as being in compliance with all requirements under MIRECS, and Seller will take all commercially reasonable actions necessary to maintain such compliance.

(k) Seller has registered the Facility with MISO for purposes of establishment of Capacity Rights within the MISO system, and will take all commercially reasonable actions necessary to maintain such Capacity Rights at their maximum feasible level.

## ARTICLE X.

### DEFAULT; TERMINATION AND REMEDIES; PERFORMANCE DAMAGE

10.1 Default. Each of the following events or circumstances shall constitute a "Default" by the responsible Party (the "Defaulting Party"):

(a) Payment Failure. Failure by a Party to make any payment to the other Party required under this Agreement within thirty (30) days after the date on which such payment becomes due and owing;

(b) Inability to Pay Debts. The inability or admission in writing by a Party of its inability to pay its debts generally as they become due, or the making of an assignment for the benefit of, or entry into any composition or arrangement with, its creditors;

(c) Filing of Petition in Bankruptcy. The authorization or filing in writing by a Party of a voluntary petition in bankruptcy or commencement by a Party of proceedings relating thereto under any bankruptcy, reorganization, readjustment of debts, insolvency, dissolution, liquidation, or other similar Law, or the indication by such Party in any such proceedings of its approval thereof, consent thereto, or acquiescence therein;

(d) Adjudication as Bankrupt. The adjudication of a Party as bankrupt or insolvent on a petition in bankruptcy or insolvency proceedings filed against such Party, or the filing of a petition against a Party in a bankruptcy or insolvency proceeding and the failure of such Party to have such petition discharged within 90 days of the date of its filing;

(e) Appointment of Receiver. The commencement of any proceeding against a Party seeking the appointment of a receiver, trustee or liquidator for such Party of all or

substantially all of its assets, or its dissolution, with or without its authorization, consent or application;

(f) Material Breach. A material breach by a Party (i.e., a breach which materially and adversely affects the rights of or benefits to the other Party under this agreement) of any of its duties or obligations under this Agreement that is not cured within ninety (90) days after notice thereof from the other Party; or

(g) Breach of Representation and Warranty. Inaccuracy in any material respect at the time made or deemed to be made of any representation, warranty, or certification made by a Party herein or in any Ancillary Document that is not cured within ninety (90) days after the earlier of (i) the date notice thereof is received from the other Party, or (ii) the date a responsible officer of the Party otherwise has knowledge of such inaccuracy.

10.2 Default Remedies. Upon the occurrence of a Default by a Party, the remedies available to the Party not in Default (the "Non-Defaulting Party") shall be (i) commencement of an action for equitable relief, including injunction, declaratory judgment or specific performance, (ii) commencement of an action for damages, (iii) termination of this Agreement, or (iv) any other remedy available at law or in equity. The pursuit by the Non-Defaulting Party of any specific remedy shall not be deemed to be an election of that remedy to the exclusion of any other remedies, whether provided hereunder or at law, in equity, by statute, or otherwise. Upon termination of this Agreement, an accounting shall occur and any payment thereby determined to be due to either Party shall be made within ninety (90) days after the date of such termination. This Section is subject to the provisions of Section 11.14(c).

10.3 Duty to Mitigate Damages. Each Party agrees that it has a duty to mitigate its damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's non-performance of this Agreement.

## ARTICLE XI.

### MISCELLANEOUS

11.1 Notices. With the exception of invoices and Scheduling notices, all notices, consents, and other communications that are required or permitted to be given to the Parties under this Agreement shall be sufficient in all respects if given in writing and delivered in person or by electronic mail, telecopy, overnight courier, or certified mail, postage prepaid, return receipt requested, to the applicable individual at the address, email address, or facsimile number set forth in Appendix B, or to such other address, email, or facsimile number as the receiving Party may have given to the other by notice pursuant to this Section. Notices, consents, and other communications shall be deemed given, delivered, or provided on the date of delivery, in the case of personal delivery, electronic mail, or telecopy, or on the delivery or refusal date, as specified on the return receipt in the case of certified mail or on the tracking report in the case of overnight courier.

11.2 Dispute Resolution.

(a) In the event of any claim, controversy or dispute between the Parties arising out of or relating to or in connection with this Agreement (including any dispute concerning the validity of this Agreement or the scope and interpretation of this Section 11.2) (a "Dispute"), either Party (the "Notifying Party") may deliver to the other Party (the "Recipient Party") notice of the Dispute with a detailed description of the underlying circumstances of such Dispute (a "Dispute Notice"). The Dispute Notice shall include a schedule of the availability of the Notifying Party's senior officers (having a title of general manager or senior vice president (or equivalent title) or higher) duly authorized to settle the Dispute during the thirty (30) day period following the delivery of the Dispute Notice.

(b) The Recipient Party shall within five (5) Business Days following delivery of the Dispute Notice, provide to the Notifying Party a parallel schedule of availability of the Recipient Party's senior officers (having a title of general manager, senior vice president (or equivalent title) or higher) duly authorized to settle the Dispute. Following delivery of the respective senior officers' schedules of availability, the senior officers of the Parties shall meet and confer as often as they deem reasonably necessary during the remainder of the thirty (30) day period in good faith negotiations to resolve the Dispute to the satisfaction of each Party.

(c) In the event a Dispute is not resolved pursuant to the procedures set forth in Section 11.2(a) and Section 11.2(b) by the expiration of the thirty (30) day period set forth in Section 11.2(a), then either Party may pursue any legal remedy available to it under this Agreement.

11.3 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take all further action not inconsistent with the provisions of this Agreement that may be reasonably necessary to effectuate the purposes and intent of this Agreement.

11.4 Force Majeure.

(a) A Party shall not be considered to be in default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure; provided, the Party has given a written detailed description of the full particulars of the Force Majeure to the other Party reasonably promptly after becoming aware thereof (and in any event within fourteen (14) days after the initial occurrence of the claimed Force Majeure) (the "Force Majeure Notice"), which Force Majeure Notice shall include information with respect to the nature, cause and date and time of commencement of the Force Majeure, and the anticipated scope and duration of the delay. The Party providing the Force Majeure Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If Seller is unable to deliver, or Buyer is unable to receive, Energy due to a Force Majeure, Buyer shall have no obligation to pay Seller for the Energy not delivered or received by reason thereof. In no event shall either Party be obligated to compensate the other Party or any other Person for any losses, expenses or liabilities that any Party or such other Person may sustain as a consequence of any Force Majeure.

(b) The term "Force Majeure" means any event beyond the reasonable control of a Party that prevents or impedes a Party from performing its obligation hereunder such as but not limited to: act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, or any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities that (i) prevents one Party from performing any of its obligations under this Agreement, (ii) could not reasonably be anticipated as of the date of this Agreement, (iii) is not within the reasonable control of, or the result of negligence, willful misconduct, breach of contract, intentional act or omission or wrongdoing on the part of the affected Party (or any subcontractor or Affiliate of that Party, or any Person under the control of that Party or any of its subcontractors or Affiliates, or any Person for whose acts such subcontractor or Affiliate is responsible), and (iv) by the exercise of due diligence the affected Party is unable to overcome or avoid or cause to be avoided; provided, nothing in this clause (iv) shall be construed so as to require either Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or labor dispute in which it may be involved. Any Party rendered unable to fulfill any of its obligations by reason of a Force Majeure shall exercise due diligence (including expending proceeds of insurance) to remove such inability with reasonable dispatch within a reasonable time period and mitigate the effects of the Force Majeure. The relief from performance shall be of no greater scope and of no longer duration than is required by the Force Majeure. Without limiting the generality of the foregoing, a Force Majeure does not include any of the following: (1) any requirement to meet a renewable portfolio standard or any change (whether voluntary or mandatory) in any renewable portfolio standard that may affect the value of the Energy purchased hereunder; (2) events arising from the failure by Seller to construct, operate or maintain the Facilities in accordance with this Agreement unless such failure is caused by Force Majeure; (3) any increase of any kind in any cost; (4) failure of third parties to provide goods or services essential to a Party's performance, unless such failure is caused by a Force Majeure; (5) delays in or inability of a Party to obtain financing or other economic hardship of any kind; (6) Seller's ability to sell any Energy at a price in excess of those provided in this Agreement; (7) curtailment or other interruption of any Transmission Service; (8) Buyer ability to purchase any Energy at a price below those provided in this Agreement; (9) Facility or equipment failure of any kind; (10) any changes in the financial condition of Buyer or Seller or any other Person affecting the affected Party's ability to perform its obligations under this Agreement; (11) any failure or inability to pay any monies owed; and (12) any inability of Buyer to receive Energy because of unavailability of Transmission Service for any Energy at any time.

(c) Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment or other interruption or unavailability of Transmission Service for any Energy at any time.

(d) If a Force Majeure continues for a period of one hundred twenty (120) or more consecutive days, or if one or more Force Majeure events affect a Party for an aggregate of two hundred twenty five (225) or more non-consecutive days in a Contract Year, either Party shall have the right to terminate this Agreement effective upon notice to the other Party. Upon such termination, neither Party shall have any further liability to the other Party, other than to pay any amounts accrued prior to the date of such termination.

11.5 Ambiguity. The Parties acknowledge that this Agreement was jointly prepared by them, by and through their respective legal counsel, and any uncertainty or ambiguity existing herein shall not be interpreted against either Party on the basis that the Party drafted the language, but otherwise shall be interpreted according to the application of the rules on interpretation of contracts.

11.6 Entire Agreement. This Agreement (including all Appendices) contains the entire understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, discussions or agreements between the Parties, or any of them, concerning that subject matter, whether written or oral, except as expressly provided for herein. This is a fully integrated document. Each Party acknowledges that no other party, representative or agent, has made any promise, representation or warranty, express or implied, that is not expressly contained in this Agreement that induced the other Party to sign this document. This Agreement may be amended or modified only by an instrument in writing signed by each Party.

11.7 Governing Law. This Agreement shall be governed by, interpreted and enforced in accordance with the Laws of the State of Michigan without regard to conflict of Laws principles.

11.8 Venue. All litigation arising out of, or relating to this Agreement, shall be brought in a State or Federal court in the State of Michigan. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of Michigan and waive any defense of forum non convenience.

11.9 Execution in Counterparts. This Agreement may be executed in counterparts and upon execution by each signatory, each executed counterpart shall have the same force and effect as an original instrument and as if all signatories had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signature thereon, and may be attached to another counterpart of this Agreement identical in form hereto by having attached to it one or more signature pages.

11.10 Effect of Section Headings. Section headings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.

11.11 Waiver. The failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions hereof, or to take advantage of any of its rights hereunder, shall not constitute a waiver or relinquishment of any such terms, conditions or rights, but the same shall be and remain at all times in full force and effect. Notwithstanding anything expressed or implied herein to the contrary, nothing contained herein shall preclude either Party from pursuing any available remedies for breaches not rising to the level of a Default, including recovery of damages caused by the breach of this Agreement and specific performance or any other remedy given under this Agreement or now or hereafter existing in law or equity or otherwise. Each Party acknowledges that money damages may not be an adequate remedy for violations of this Agreement and that either Party may, in its sole discretion, seek and obtain from a court of competent jurisdiction specific performance or injunctive or such other relief as such court may deem just and proper to enforce this Agreement or to prevent any

violation hereof. Each Party hereby waives any objection to specific performance or injunctive relief. The rights granted herein are cumulative.

11.12 Relationship of the Parties. This Agreement shall not be interpreted to create an association, joint venture or partnership between the Parties hereto or to impose any partnership obligation or liability upon either such Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

11.13 Third Party Beneficiaries. This Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or any duty, obligation or undertaking established herein.

11.14 Indemnification; Insurance; Limit of Liability.

(a) Indemnification. Each Party (the "Indemnifying Party") shall, to the extent permitted by law, indemnify and hold harmless the other Party and such Party's officers, directors, partners, employees, or subcontractors (as applicable, the "Indemnified Party") from and against all losses, costs, expenses, liabilities, damages, fines, or penalties, including court costs, reasonable attorneys' fees and expenses, and other litigation or settlement expenses (collectively, "Damages") sustained or incurred as a result of a claim, demand, or action against an Indemnified Party (a "Claim") made by a third party (including a Governmental Authority) to the extent arising out of the Indemnifying Party's willful misconduct, grossly negligent acts or omissions, or actions in breach of this Agreement. If a Claim is made against an Indemnified Party that could reasonably be expected to result in Damages or if an Indemnified Party discovers any inquiry or investigation that the Indemnified Party believes may involve or expect to lead to a Claim that could reasonably be expected to result in Damages, the Indemnified Party shall promptly give the Indemnifying Party notice of such Claim, inquiry or investigation, except that any delay in providing notice shall not serve as a bar to indemnification hereunder except to the extent that the Indemnifying Party's ability to defend against, reduce the amount of or avoid Claims has been prejudiced by such delay. The Indemnifying Party shall promptly (and in any event no later than thirty (30) days after delivery of notice of a Claim) decide whether to assume control of the defense of a Claim, and if the Indemnifying Party does not elect to control such defense, then the Indemnified Party may assume control of the defense, and the Indemnifying Party shall reimburse the Indemnified Party as expenses are incurred in connection with such defense. The Party that is defending the Claim (the "Defending Party") shall use counsel that is reasonably approved in writing by the other Party. The Party that is not controlling the defense of a Claim (the "Non-Defending Party") may have its own counsel present at its own cost to monitor proceedings related to the Claim and shall cooperate as reasonably requested with the Defending Party in defending the Claim. The Defending Party shall not settle or compromise any Claim without the prior consent of the Non-Defending Party, which consent shall not be unreasonably withheld, delayed, or conditioned.

(b) Insurance. Seller shall obtain and maintain in full force and effect a policy or policies of general comprehensive public liability insurance naming Seller as the insured to insure against injury to property, person, or loss of life arising out of the ownership, use occupancy or maintenance of the Facility. The minimum amounts of such insurance shall be as

follows: primary coverage limits for bodily injury or property damage not less than \$1,000,000 for each occurrence and in the aggregate per year. The entire cost of said insurance shall be borne by Seller. In addition, Seller shall obtain and maintain in full force and effect full replacement value insurance against fire and other casualties in a manner consistent with prudent insurance practices for similar facilities to the Facility.

(c) Limitation of Liability. Except to the extent included in the indemnification obligations related to third party claims, (i) neither Party hereunder shall be liable for special, incidental, exemplary, indirect, punitive or consequential damages arising out of a Party's performance or non-performance under this Agreement, whether based on or claimed under contract, tort (including such Party's own negligence) or any other theory at law or in equity, and (ii) neither Party shall be liable to the other Party in connection with the performance of any professional services.

11.15 Severability. In the event any of the terms, covenants or conditions of this Agreement, or the application of any such terms, covenants or conditions, shall be held invalid, illegal or unenforceable by any court having jurisdiction, all other terms, covenants and conditions of this Agreement and their application not adversely affected thereby shall remain in force and effect, provided that the remaining valid and enforceable provisions materially retain the essence of the Parties' original bargain.

11.16 Confidentiality.

(a) Confidential Information. "Confidential Information" means, with respect to both Parties, the terms of this Agreement, and with respect to a Party making a disclosure (the "Disclosing Party"), all: (i) non-public documents and information designated by the Disclosing Party as "Proprietary" or "Confidential" or that the other Party (the "Receiving Party") knows or has reason to know the Disclosing Party treats as confidential, (ii) business and investment opportunities disclosed by the Disclosing Party, (iii) proprietary information of the Disclosing Party disclosed in oral or other media form that is identified in writing as confidential within thirty (30) days following the disclosure, and (iv) business plans and methods, customer information, engineering, and operating and technical data of the Disclosing Party. "Confidential Information" of a Disclosing Party shall not include information that (a) was in the public domain, or that subsequently becomes part of the public domain, except by the wrongful disclosure hereunder by the Receiving Party, (b) , was in the Receiving Party's possession prior to receipt of the same hereunder and was not acquired from a third Party under any obligation of confidentiality known to the Receiving Party with respect to such information, (c) was received from a third Party other than a third Party under any obligation of confidentiality known to the Receiving Party with respect to such information, or (d) can be proven to have been independently developed by the Receiving Party.

(b) Confidentiality Obligations. Subject to Sections 11.16(c) and (d), the Receiving Party shall (i) keep the Confidential Information of the Disclosing Party in strict confidence (in no event exercising less care than the degree of care used to protect its own confidential information), (ii) not use (except for the purpose of performance under this Agreement or as requested or directed by the Disclosing Party), publish or disclose to third Parties the Disclosing Party's Confidential Information without the Disclosing Party's prior

consent, and (iii) upon the request of the Disclosing Party, promptly return to the Disclosing Party or destroy all written copies of the Confidential Information, except that the Receiving Party may retain one copy of all Confidential Information in its legal files solely as a record of the Confidential Information it has received.

(c) Disclosure to Advisors. The Receiving Party may disclose Confidential Information to its third party professional advisors (including auditors, accountants, attorneys, financial and other advisors) that are acting solely for the Receiving Party or the Receiving Party's Affiliates' benefit and that have a need to know such information in order to provide advice or services to the Receiving Party, provided that such advisors agree to not disclose the Confidential Information to any third Party without the Disclosing Party's prior consent.

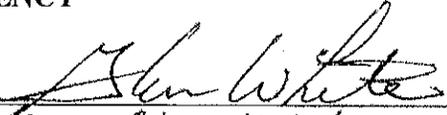
(d) Disclosure Compelled by Law. If a Receiving Party is compelled to produce Confidential Information of the Disclosing Party by Law, professional standard, subpoena or other legal process, the Receiving Party shall give the Disclosing Party prompt notice of such legal process and shall reasonably cooperate with the Disclosing Party in seeking a protective order or other appropriate protection. If a protective order or other appropriate protection is not obtained, or if the Disclosing Party waives its right to seek a protective order or other appropriate protection, the Receiving Party shall (i) furnish only that portion of the Confidential Information that, upon the advice of legal counsel, it is legally required to disclose, and (ii) exercise reasonable efforts to obtain assurance that confidential treatment shall be afforded such Confidential Information.

11.17 Fixed-Rate Contract: Mobile-Sierra Clause. Absent the Parties' written agreement, (a) this Agreement shall not be subject to change by application of either Party pursuant to Section 205 or 206 of the Federal Power Act, and (b) the standard of review for any changes to this Agreement, whether proposed by a Party, a non-party, or FERC acting sua sponte, shall be the "public interest" standard of review set forth in *United States Pipe Line v. Mobile Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956).

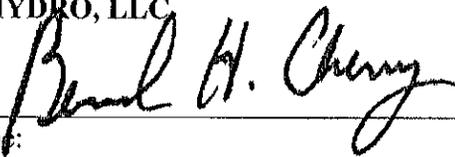
[Signature page follows]

The Parties hereto have executed this Agreement as of the date set forth at the beginning of this Agreement.

**MICHIGAN SOUTH CENTRAL POWER  
AGENCY**

By:   
Name: *Glen White*  
Title: *General Manager*

**N.E.W. HYDRO, LLC**

By:   
Name:  
Title:

**Appendix A**

to Power Purchase Agreement,

between

Michigan South Central Power Agency

and

N.E.W. Hydro, LLC

**Oconto Falls Hydroelectric Project located on the Oconto River in Oconto County, Wisconsin. N.E.W. Hydro, Inc. (NEW) currently holds the licenses (No. P-2689 and P-2523) issued by the Federal Energy Regulatory Commission (FERC) for the operation of these two hydroelectric facilities consisting of two generating stations located on the Oconto River having a combined total nameplate capacity of 3,640 KW, three phase, and hydroelectric type.**

**Appendix B**

to Power Purchase Agreement,

between

Michigan South Central Power Agency

and

N.E.W. Hydro, LLC

**BUYER AND SELLER INVOICE, NOTIFICATION**

**AND SCHEDULING CONTACT INFORMATION**

1. Invoices and payments pursuant to Section 8.1(a) shall be sent to the address, email address, or facsimile number specified below:

If to Buyer:

Michigan South Central Power Agency  
Attn: General Manager  
720 Herring Rd.  
Litchfield, MI 49252  
(517) 542-3049

If to Seller:

N.E.W. Hydro, LLC  
P.O. Box 167  
116 N. State Street  
Neshkoro, WI 54960  
920-293-8087  
customers@nahydro.com

2. All notices and other communications (other than Scheduling notices and invoices) required under the Agreement shall be sent to the address, email address, or facsimile number specified below.

If to Buyer:

Michigan South Central Power Agency  
Attn: General Manager  
720 Herring Rd.  
Litchfield, MI 49252  
(517) 542-3049

If to Seller:

N.E.W. Hydro, LLC  
P.O. Box 167  
116 N. State Street  
Neshkoro, WI 54960  
920-293-8087  
customers@nahydro.com

3. All notices related to Scheduling shall be sent to the address, email address, or facsimile number specified below:

If to Buyer:

Michigan South Central Power Agency  
Attn: General Manager  
720 Herring Rd.  
Litchfield, MI 49252  
(517) 542-3049

If to Seller:

N.E.W. Hydro, LLC  
P.O. Box 167  
116 N. State Street  
Neshkoro, WI 54960  
920-293-8087  
customers@nahydro.com

**Appendix C**

to Power Purchase Agreement,

between

Michigan South Central Power Agency

and

N.E.W. Hydro, LLC

**ENERGY, CAPACITY\* and REC PRICE**

<b>Year</b>	<b>Price</b>
2013	\$47
2014	\$47
2015	\$47
2016	\$47
2017	\$47
2018	\$47
2019	\$47
2020	\$47
2021	\$47
2022	\$47
2023	\$48
2024	\$48
2025	\$48
2026	\$48
2027	\$48
2028	\$48
2029	\$48
2030	\$48
2031	\$48
2032	\$48
2033	\$48

**\*Plus Adjustments to Capacity payments as described in Section 5.4.**

## **Appendix D**

### List of Ancillary Documents

- 1 One Line drawing including interconnection point, metering point, and CP Node.
- 2 MISO Interconnection Agreement with N.E.W. Hydro, LLC.
- 3 Agreement for Wholesale Distribution and Balancing Authority Service between Wisconsin Electric Power Company and N.E.W. Hydro, LLC.

Appendix E

EXISTING PERMITTED ENCUMBRANCES

Appendix F

MICHIGAN SOUTH CENTRAL POWER AGENCY  
MEMBERS' PROPORTIONAL INTERESTS

<u>Member</u>	<u>Entitlement Share</u>
Village of Clinton	6.5%
City of Coldwater	40%
City of Hillsdale	25.5%
City of Marshall	24%
Village of Union City	4%

## DIRECT AGREEMENT

This DIRECT AGREEMENT (as amended, modified or supplemented from time to time, this "Consent"), dated as of June 6, 2013, is executed by Michigan South Central Power Agency, a Michigan public body corporate and joint agency existing under Michigan PA 448 of 1976, as amended ("Contracting Party"), N.E.W. HYDRO, LLC, a Wisconsin limited liability company ("Assignor"), and ING CAPITAL LLC, as Collateral Agent (in its capacity as collateral agent for the Secured Parties, as defined below, "Collateral Agent") for the Secured Parties (as defined below).

A. Assignor has entered into that certain Credit and Guaranty Agreement (as may be amended, restated, supplemented or modified from time to time, the "Credit Agreement"), dated as of September 14, 2012 the date hereof, by and among Assignor, as borrower, certain subsidiaries of Assignor, as guarantors, the lenders party thereto from time to time (the "Secured Parties"), and Collateral Agent, as administrative agent, collateral agent, and lead arranger, pursuant to which the Secured Parties have agreed to provide financing secured by a portfolio of hydroelectric projects, including the one commonly known as Oconto Falls (the "Project").

B. Assignor has entered into that certain Power Purchase Agreement, dated as of June 6, 2013 (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the "Agreement") with Contracting Party;

C. As collateral security for all obligations of Assignor to the Secured Parties under the Credit Agreement and related documents, Assignor has granted to Collateral Agent a first-priority security interest in all of its right, title and interest in, to and under the Agreement (the "Assigned Interest") pursuant to that certain Pledge and Security Agreement, dated as of the date hereof (as amended, modified or supplemented from time to time, the "Security Agreement"), made by Assignor in favor of Collateral Agent for the benefit of the Secured Parties.

D. It is a requirement under the Credit Agreement that Contracting Party and the other parties hereto shall have executed this Consent.

NOW THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree, notwithstanding anything in the Agreement to the contrary, as follows:

1. Consent and Agreement, Contracting Party:
  - a. consents to the assignment of the Assigned Interest as collateral security to Collateral Agent;

b. acknowledges the right (but not the obligation) of Collateral Agent in the exercise of its rights and remedies under the Security Agreement to, upon notice to Contracting Party that an Event of Default has occurred and is continuing under the Credit Agreement, make all demands, give all notices, take all actions and exercise all rights of Assignor under the Agreement, and agrees to accept any such exercise; provided, however, that, insofar as Collateral Agent exercises any of its rights under the Agreement or makes any claims with respect to payments or other obligations under the Agreement, the terms and conditions of the Agreement applicable to such exercise of rights or claims shall apply to Collateral Agent to the same extent as to Assignor;

c. agrees not to (i) cancel or terminate the Agreement or suspend performance of its services thereunder, except as provided in the Agreement or by operation of law and, in any event, except as in accordance with Section 4 of this Consent; (ii) consent to or accept any cancellation or termination of the Agreement by Assignor without the prior written consent of the Collateral Agent, except as provided in the Agreement and in accordance with Section 4 of this Consent; or (iii) except as specifically permitted by the Agreement, sell, assign or otherwise dispose (by operation of law or otherwise) of any part of its right, title or interest in the Agreement, in each case without the prior written consent of Collateral Agent (such consent not to be unreasonably withheld);

d. agrees not to amend, supplement or modify the Agreement in any material respect (which, for the avoidance of doubt, excludes immaterial change orders or amendments) without the prior written consent of Collateral Agent (such consent not to be unreasonably withheld or delayed); and

e. agrees to promptly deliver to Collateral Agent copies of all notices of default, suspension or termination delivered by Contracting Party under the Agreement.

2. Assignor's Acknowledgement. Assignor acknowledges and agrees that Contracting Party is permitted to perform its obligations under the Agreement upon Collateral Agent's exercise of Assignor's rights in accordance with this Consent, and that Contracting Party shall bear no liability to Assignor solely as a result of performing its obligations under the Agreement upon such exercise by Collateral Agent.

3. Transferees. Contracting Party agrees that if Collateral Agent shall notify Contracting Party in writing that as a result of foreclosure (whether judicial or nonjudicial), deed-in-lieu-of-foreclosure or other sale or transfer of the Assigned Interest, Collateral Agent or any other applicable purchaser, successor, assignee or designee (in each case, a "Transferee") is to succeed to Assignor's rights in the Assigned Interest, then the Transferee shall be substituted for Assignor under the Agreement and Contracting Party shall (a) recognize the Transferee as its counterparty under the Agreement and (b) continue to perform its obligations under the Agreement in favor of the Transferee; provided, however, that such Transferee has assumed in writing all of Assignor's obligations under the Agreement (including the obligation to cure any then-existing payment defaults within the time permitted in the Agreement subject to Section 4), other than any obligations which by their nature are incapable of being cured and as to which failure to perform does not materially and adversely affect Contracting Party, and has the ability, experience and financial condition necessary to perform under the Agreement (which ability,

experience and financial condition shall be deemed sufficient if no worse than Assignor's immediately prior to the transfer from Assignor). If Collateral Agent or an entity controlled by Collateral Agent or one or more of the Secured Parties is the initial Transferee, such initial Transferee shall have the right to assign all of its interest in the Agreement to any subsequent Transferee, provided such subsequent Transferee has assumed in writing all of the initial Transferee's obligations under the Agreement (including the obligation to cure any then-existing payment defaults within the time permitted in the Agreement subject to Section 4), other than any obligations which by their nature are incapable of being cured and as to which failure to perform does not materially and adversely affect Contracting Party, and has the ability, experience and financial condition necessary to perform under the Agreement (which ability, experience and financial condition shall be deemed sufficient if no worse than Assignor's immediately prior to the transfer from Assignor). Upon such assignment, the initial Transferee shall be released from any further liability under the Agreement.

4. Right to Cure. In the event of a default or breach by Assignor in the performance of any of its obligations under the Agreement, or upon the occurrence or non-occurrence of any event or condition under the Agreement which would immediately or with the passage of any applicable grace period or the giving of notice, or both, enable Contracting Party to terminate the Agreement or suspend its performance thereunder (a "Default"), Contracting Party shall not terminate the Agreement or suspend its performance thereunder until it first gives written notice of the Default to Collateral Agent and affords Collateral Agent (a) a period of 30 days from receipt of such notice to cure such Default if such Default is the failure to pay amounts to Contracting Party which are due and payable under the Agreement or (b) with respect to any other Default, a reasonable opportunity, but no more than 90 days from receipt of such notice, to cure such other Default (provided that during such cure period Collateral Agent or Assignor continues to diligently attempt to cure such Default). If (i) possession of the Project is necessary to cure any Default, and Collateral Agent commences foreclosure or any other proceedings necessary to take possession of the Project, or (ii) Collateral Agent is prohibited by any court order or bankruptcy or insolvency proceedings from curing the Default or from commencing or prosecuting such proceedings, and provided all monetary obligations on Assignor's part under the Agreement have been performed, then in either case the cure period in clause (b) of the previous sentence shall be extended for a reasonable period, but no longer than one year from the date of the notice referred to above, to allow Collateral Agent to complete such proceedings and Collateral Agent or the applicable Transferee to effect the cure.

5. Replacement Agreement. In the event that the Agreement is rejected or terminated as a result of any bankruptcy or insolvency proceeding, Contracting Party shall, at the option of Collateral Agent exercised within 45 days after such rejection or termination, enter into a new agreement with Collateral Agent or a designated entity controlled by Collateral Agent or one or more of the Secured Parties, having identical terms as the Agreement (subject to any conforming changes necessitated by the substitution of parties and other changes as the parties may mutually agree, the "Replacement Agreement"); provided that the term under such Replacement Agreement shall be no longer than the remaining balance of the term specified in the Agreement and the party (other than the Contracting Party) entering into the Replacement Agreement shall have the ability, experience and financial condition necessary to perform under the Replacement Agreement (which ability, experience and financial condition shall be deemed sufficient if no worse than Assignor's immediately prior to the rejection or termination of the

Agreement). Collateral Agent (or such designee, as the case may be) shall have the right to assign all of its interest in the Replacement Agreement to any person, provided such assignee has assumed in writing all of Collateral Agent's or such designee's obligations under the Agreement. Upon an assignment as discussed in the immediately preceding sentence, Collateral Agent or such designee shall be released from any further liability under the Agreement.

6. No Liability. Contracting Party acknowledges and agrees that unless Collateral Agent has become a Transferee under Section 3, or a party to a Replacement Agreement under Section 5, Collateral Agent (a) shall not have any liability or obligation under the Agreement until, if ever, Collateral Agent expressly assumes such obligations in writing and (b) has no obligation to cure any Default. Notwithstanding anything to the contrary herein, the sole recourse of Contracting Party in seeking the enforcement of any obligations under the Agreement or a Replacement Agreement shall be to a Transferee or the party to a Replacement Agreement.

7. Payment of Monies. Contracting Party hereby agrees to make all payments required to be made by it under the Agreement in U.S. dollars and in immediately available funds to such Person and/or at such address or account as the Collateral Agent may from time to time specify in writing to Contracting Party, and absent any such instruction, as Assignor directs. Assignor hereby instructs Contracting Party, and Contracting Party accepts such instructions, to make all payments due and payable to Assignor under the Agreement as set forth in the immediately preceding sentence.

8. Representations and Warranties. Contracting Party hereby represents and warrants to Assignor and Collateral Agent as of the date of this Consent as follows:

a. Contracting Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation/incorporation and has all requisite power and authority to execute, deliver and perform its obligations under the Agreement and this Consent.

b. The execution, delivery and performance by Contracting Party of the Agreement and this Consent have been duly authorized by all necessary action, and do not and will not require any further consents or approvals which have not been obtained, or violate any provision of any law, regulation, order, judgment, injunction or similar matters or breach any agreement presently in effect with respect to or binding on Contracting Party.

c. Assuming validity of and enforceability against the other parties thereto, this Consent and the Agreement are legal, valid and binding obligations of Contracting Party, enforceable against Contracting Party in accordance with their respective terms except as enforceability may be limited by bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights in general and except to the extent that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought.

d. Assuming the Agreement is the valid, binding and enforceable agreement of Assignor, the Agreement is in full force and effect and any amendment, supplement or

modification thereto since the date of execution of the Agreement is reflected in the definition of "Agreement" set forth above.

e. To the best of Contracting Party's knowledge, Assignor has fulfilled all of its obligations under the Agreement required as of the date hereof, and there are no breaches, Defaults or unsatisfied conditions presently existing (or which would exist after the passage of time and/or giving of notice) that would allow Contracting Party to terminate the Agreement or suspend its performance thereunder.

f. There is no litigation, action, suit, proceeding or investigation pending or (to the best of Contracting Party's knowledge) threatened against Contracting Party before or by any court, administrative agency, arbitrator or governmental authority, body or agency which, if adversely determined, individually or in the aggregate, could adversely affect the performance by Contracting Party of its obligations hereunder or under the Agreement.

g. The Agreement and this Consent are the only agreements between Assignor and Contracting Party with respect to the Project, and all of the conditions precedent to effectiveness under the Agreement have been satisfied or waived.

h. No excusable delay, force majeure, or the like, has occurred under the Agreement.

9. Collateral Agent, for and on behalf of itself and the Secured Parties, acknowledges and agrees that any and all rights of the Collateral Agent and the Secured Parties in the Agreement, included, but not limited to rights as mortgagees or secured parties under the Credit Agreement or related documents, are subject to the rights of Contracting Party under the Agreement, except as specifically modified by this Consent. In addition, so long as no event of default on the part of Contracting Party under the Agreement shall exist which shall entitle Assignor, Collateral Agent or a Secured Party to terminate the Agreement, or if such an event of default shall exist, so long as Contracting Party's time to cure the default shall not have expired, the term of the Agreement shall not be terminated or modified in any respect whatsoever by Collateral Agent or a Secured Party and Contracting Party's rights arising out of the Agreement will all be fully recognized by Collateral Agent and Secured Parties, and Contracting Party's rights under the Agreement shall not be disturbed, cancelled, terminated or otherwise affected by any action or proceeding instituted by Collateral Agent or a Secured Party in respect of the Agreement.

10. Notices. Any communications between the parties hereto or notices provided herein to be given, may be given to the following addresses:

If to Contracting Party:	Michigan South Central Power Agency Attention: General Manager 720 Herring Rd. Telephone: Litchfield, MI 49252 Fax: 517-542-3049 Email:
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If to Collateral Agent:                   ING CAPITAL LLC  
1325 Avenue of the Americas  
New York, NY 10019  
Attention: [Manager, Utilities - Project Finance]  
Telephone: (646) 424-6000  
Fax: (646) 424-6440  
Email:

If to Assignor:                            N.E.W. HYDRO, LLC  
P.O. Box 167  
(Overnight mail 116 N. State Street)  
Attention: Mike Bollinger  
Telephone: (920) 293-4628  
Fax: (920) 293-8087  
Email: [mike.bollinger@nahydro.com](mailto:mike.bollinger@nahydro.com)

With a Copy to:

Eagle Creek Renewable Energy, LLC  
65 Madison Ave  
Morristown, New Jersey 07960  
Fax: (973) 998-8401  
Attention: Bernard H. Cherry

All notices hereunder shall be in writing and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service, (c) if mailed by first class mail, postage prepaid, registered or certified with return receipt requested or (d) if sent by telecopy, confirmed by telephone. Notice so given shall be effective upon receipt by the addressee, except that communication or notice so transmitted by telecopy or other direct written electronic means shall be deemed to have been validly and effectively given on the day (if a business day and, if not, on the next following business day) on which it is transmitted if transmitted before 4:00 p.m., recipient's time, and if transmitted after that time, on the next following business day; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Any party shall have the right to change its address for notice hereunder by giving of written notice to the other parties in the manner set forth herein above.

11. Binding Effect; Amendments; Confirmation. This Consent shall be binding upon and benefit the successors and assigns of Contracting Party, Assignor and Collateral Agent and the Secured Parties and their respective successors, transferees and permitted assigns (including without limitation, any entity that refinances all or any portion of Assignor's obligations under the Credit Agreement). No termination, amendment, variation or waiver of any provisions of this Consent shall be effective unless in writing and signed by Contracting Party, Collateral Agent and Assignor; provided, that all rights and obligations of Collateral Agent and the Secured Parties hereunder shall terminate upon payment in full of the

obligations of Assignor under the Credit Agreement without the requirement for any such writing.

12. Governing Law. This Consent shall be governed by the laws of the State of New York without reference to conflicts of laws rules thereof (other than Section 5-1401 of the New York General Obligations Law); provided, however, that the legal authority of and the procedures for the Contracting Party to enter into this Consent shall be governed by the laws of the State of Michigan. To the fullest extent permitted by applicable law, **CONTRACTING PARTY, ASSIGNOR, AND COLLATERAL AGENT HEREBY SUBMIT TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND OF ANY NEW YORK STATE COURT SITTING IN NEW YORK CITY FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS CONSENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF CONTRACTING PARTY, ASSIGNOR AND COLLATERAL AGENT IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.**

**EACH OF CONTRACTING PARTY, ASSIGNOR AND COLLATERAL AGENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS CONSENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

13. Counterparts. This Consent may be executed in one or more duplicate counterparts, and when executed and delivered by all the parties listed below, shall constitute a single binding agreement.

IN WITNESS WHEREOF, the undersigned, by its officer thereunto duly authorized, has duly executed this Consent as of the date first above written.

Michigan South Central Power Agency

By:   
Name: Glen White  
Title: General Manager

Accepted and agreed:

ING CAPITAL LLC,  
as Collateral Agent

By:   
Name: David Barrick  
Title: Managing Director

  
**SCOTT HANCOCK**  
**DIRECTOR**

Accepted and agreed:

N.E.W. HYDRO, LLC,  
a Wisconsin limited liability company

By: Brend H. Cherry  
Name:  
Title:

**CITY OF MARSHALL  
COUNTY OF CALHOUN**

**RESOLUTION APPROVING HYDRO-ELECTRIC POWER PURCHASE  
AGREEMENT AND RELATED MATTERS**

WHEREAS, the City of Marshall (hereinafter "Municipality") owns and operates an electric utility system for the benefit of the Municipality, its citizens and taxpayers; and

WHEREAS, the Michigan South Central Power Agency (the "Agency") has been formed as a Joint Agency by its members, the Cities of Coldwater, Hillsdale and Marshall, and the Villages of Clinton and Union City (the "Members"), under and pursuant to 1976 Public Acts of Michigan, 448 (the "Act"); and

WHEREAS, the Agency and each of its Members have agreements in place under which the Agency is to supply to the Member and the Member is to purchase from the Agency, all bulk power needs of the Member related to its municipal electric utility system; and

WHEREAS, the Agency, and the Members endeavor to arrange for reliable, reasonably priced supplies of electric power and energy for ultimate delivery to their customers; and

WHEREAS, the Agency and N.E.W. Hydro, LLC ("Hydro") have negotiated a Power Purchase Agreement (the "Agreement") under which Hydro will agree to sell and the Agency will agree to purchase energy and capacity rights, and associated environmental attributes, generated at and arising from hydro-electric generating facilities identified in the Agreement (collectively, the "Project"); and

WHEREAS, the Agency has caused to be performed the engineering studies and reports with respect to the Project, in compliance with Section 40 of the Act; and

WHEREAS, it is intended that the Project shall constitute an additional "Project" under the Power Sales Contract (the "Contract"), dated as of September 15, 1979, as amended, between the Agency and each of its Members, with each Member's Entitlement Share in the Project being the same as that set forth in the Contract as that Member's Entitlement Share in Project I; and

WHEREAS, it is necessary in connection with the execution and delivery of the Agreement that the Agency also execute and deliver the related Direct Agreement (the "Direct Agreement") by and among the Agency, Hydro and ING Capital, LLC, as Collateral Agent; and

WHEREAS, the proposed forms of the Agreement and the Direct Agreement have each been reviewed by this body and this body has been advised on the same; and

WHEREAS, it is necessary and desirable the City Council approve the execution and delivery of the Agreement and the Direct Agreement by the Agency and the designation of the Project as an additional Project under the Contract and the allocation of its Entitlement Share in the Project.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARSHALL:

1. The actions of the Agency, for the benefit of its Members, in the purchase of hydro-electric capacity and energy, and related environmental attributes, as provided in the Agreement are hereby approved.
2. The forms of the Agreement and the Direct Agreement, in each case as on file with the City Clerk, and the execution and delivery of the Agreement and the Direct Agreement by the General Manager of the Agency, are hereby approved.
3. The designation of the Project as an additional Project under the Contract is hereby approved, and the Entitlement Share, as defined in the Contract, of the Municipality in the Project shall be same as the Entitlement Share of the Municipality in Project I under the Contract, namely 24.0%
4. This Resolution shall be effective at the earliest time permitted by law.

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Marshall, County of Calhoun, Michigan, at a regular meeting held on August 5, 2013, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

I further certify that the motion to adopt the foregoing resolution was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ and that the following Council members voted Aye on the motion: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_;

and the following Council members voted No on the motion: \_\_\_\_\_  
\_\_\_\_\_.

\_\_\_\_\_  
Trisha Nelson  
City Clerk  
City of Marshall

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