

# Board of Public Utilities

## Regular Meeting Agenda

Monday, March 28, 2016  
4:00 p.m., DPW Conference Room  
1199 8<sup>th</sup> Avenue



City of South Haven

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes for the Record
  - A. January 25, 2016 Regular Meeting Minutes
5. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

### REPORTS

#### 6. Cost of Energy from Indiana-Michigan Power Company (AEP)

- A. 2016 Billings – All Charges
- B. 2015 Billings – All Charges

#### 7. Financial Reports

- A. Electric Fund – Financial Statement
- B. Electric Fund – Cashflow Statement
- C. Electric Fund – Review of Percentage Billed
- D. Water Fund – Financial Statement
- E. Water Fund – Cashflow Statement
- F. Water Fund – Review of Percentage Billed
- G. Sewer Fund – Financial Statement
- H. Sewer Fund – Cashflow Statement

#### 8. SAW Project Update

### NEW BUSINESS

9. Board will be requested to review the Customer Deposit Policy.

**10. Board will be requested to approve the contract award for the Peterson Ravine Manhole Rehabilitation Project to Culy Contracting, Inc. of Winchester, Indiana in the amount of \$37,407.00.**

**11. Board will be requested to approve the sale of real property located at 13777 Blue Star Highway in South Haven Charter Township.**

**12. City Engineer Comments**

**13. Board Member Comments**

**14. Adjourn**

RESPECTFULLY SUBMITTED,

A handwritten signature in cursive script, appearing to read "Larry Halberstadt".

Larry Halberstadt, PE  
City Engineer

# Board of Public Utilities

## Regular Meeting Minutes

Monday, January 25, 2016  
4:00 p.m., DPW Conference Room  
1199 8<sup>th</sup> Avenue



City of South Haven

### 1. Call to Order by Stickland at 4:00 p.m.

### 2. Roll Call

Present: Burr, Henry, Overhiser, Roberts, Stein, Winkel, Stickland

Absent: Rose

### 3. Approval of Agenda

Motion by Henry, second by Roberts to approve the January 25, 2016 Regular Meeting

Agenda as presented.

All in favor. Motion carried.

### 4. Approval of Minutes for the Record

A. November 30, 2015 Regular Meeting Minutes

B. December 21, 2015 Special Meeting Minutes

Motion by Henry, second by Burr to approve the November 30, 2015 Regular Meeting Minutes and the December 21, 2015 Special Meeting Minutes as written.

All in favor. Motion carried.

### 5. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

None at this time.

## REPORTS

### 6. Cost of Energy from Indiana-Michigan Power Company (AEP)

A. 2015 Billings – All Charges

B. 2014 Billings – All Charges

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BPU  
Regular Meeting Minutes  
DRAFT

Burr noted the price increase was 3.24% from the last year which was covered by the last rate increase. Consumption went down by 1%.

## 7. Financial Reports

- A. Electric Fund Project Status
- B. Electric Fund – Financial Statement
- C. Electric Fund – Cashflow Statement
- D. Electric Fund – Review of Percentage Billed

Hochstedler referred to the electric fund projects, noting that she does not have a figure for the Core City Secondary. Halberstadt needs to get that figure to her.

Burr asked if we could start with Depreciation for the calendar year. Discussion ensued regarding whether our depreciation equaled our capital investment.

Halberstadt explained how he puts projects into the budget. Hochstedler explained budget setting and the 5-year plan, suggesting certain projects could be identified with their estimated cost and the remaining amount put up to depreciation as unidentified. Stickland said at budget time we can look at what we have gotten done and put what we have not done into the next year's budget. Burr would like to know if we are facing a year with a loss.

Halberstadt said he thinks there are two more years with projects in the 5-year plan. Discussion ensued regarding upcoming projects. Halberstadt will get the information to Hochstedler for future planning. Burr requested a reality check so the board knows where we are.

Halberstadt updated the board on Phases 3 and 4, noting that engineering is currently being done.

Henry asked who does the 5-year planning to which Halberstadt responded that it is contracted out with staff input. Discussion ensued regarding whether the city will be using GRP for future projects. In response to a question by Henry, Halberstadt said he hasn't had any real problem with them, but they are a small firm and sometimes it takes them a while to get a project ready to go out for bid. Discussion ensued regarding the level of detail being lacking in Phases 1 & 2. There were some adjustments that had to be made, according to Halberstadt. There were overages because tree-trimming and other things were not included in the project. Discussion ensued regarding whether it is necessary to prod GRP; about Kent Power being the low bidder recently and that there are a limited number of contractors who can work high voltage.

In the course of discussion regarding starting the next phase after Labor Day, Halberstadt noted that now will be a good time to go out for bid. Roberts asked whether any projects that might be in the 5-year plan would be available.

Burr questioned how we made money on electric sales when we didn't sell more kwh and rates weren't increased. Roberts suggested it might be PJM charges and Halberstadt said he will find out. Halberstadt noted PJM charges in January. Burr stated at that time we should do a 100% pass-through on transmission charges.

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 DRAFT

Discussion ensued regarding the retirement fund and the change in the accounting rule. We used to be funded to one hundred seven (107) percent; then it came down to ninety-seven (97) percent, but now there is a new rule and the assumption that it will not increase in twenty (20) years.

Henry explained that nothing has really changed but net value will look lower and it is because of that accounting rule adding that this is because the economy is tanking. Roberts added that it is a paper value.

- E. Water Fund – Financial Statement
- F. Water Fund – Cashflow Statement
- G. Water Fund – Review of Percentage Billed
- H. Sewer Fund – Financial Statement
- I. Sewer Fund – Cashflow Statement

Burr commented on the final amount at the end of the year, capital outlay and no projects pending. Kalamazoo Street and the ravines are where that is going. Discussion ensued regarding the Monroe Boulevard and Indian Grove lift station projects.

#### **Quarterly Outage Report, Fourth Quarter 2015**

It was noted that animal contact is down and the overall number of incidents is down. Discussion ensued regarding ways to lower the number of outages. Burr suggested looking into failed devices. It was suggested that staff have Jim Pezutto, Electric Supervisor, come in and tell the board what he finds in that category.

#### **NEW BUSINESS**

##### **8. City Engineer Comments**

Board Members are invited to attend a joint workshop of the City Council, Casco Township Board, and South Haven Charter Township Board to discuss the sanitary sewer and wastewater treatment plant planning efforts and the proposed regional water/sewer authority. The meeting will be held on January 27, 2016 at 6:00 pm at Lake Michigan College, 125 Veterans Blvd, Room 141.

Discussion ensued regarding how difficult it will be for the various municipalities to be on the same page.

##### **9. Board Member Comments**

No meeting in February due to lack of a quorum.

Burr noted we are meeting with the Energy Optimization people next week; we are owed a refund.

Stickland had questions about lead in the water.

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**10. Adjourn**

Motion by Winkel, second by Roberts to adjourn at 5:26 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom  
Recording Secretary

CITY OF SOUTH HAVEN																					
Cost of Electric Energy from Indiana-Michigan Power Company (AEP)																					
2016																					
Date	ACTUAL				BILLING			COST				PJM Open Access Transmission Tariff						Total Cost	cts/ KWHR		
	KW Demand	KVAR Demand	KVA	Power Factor	KW Demand	KVAR Demand	KWHR	\$ KW Demand	\$ KWHR	\$ Fuel Charge	\$ Fuel Adjust	Actual Fuel True-up	Sch 1A \$ KWHRS	\$ Network	RTO Start-up \$	Other	Credits			Total PJM	
Main	10,991	2,028	11,177	0.9834	10,991	2,028	6,302,889	\$195,606.20	\$71,349.97												
Welder	139	282	314	0.4416	139	282	149,844	\$2,466.66	\$1,696.27												
Phoenix	8,486	1,133	8,561	0.9912	8,486	1,133	4,734,776	\$151,024.72	\$53,598.62												
<b>Feb-16</b>	<b>19,616</b>	<b>3,443</b>	<b>19,915</b>	<b>0.9849</b>	<b>19,616</b>	<b>3,443</b>	<b>11,187,510</b>	<b>\$349,097.59</b>	<b>\$126,644.85</b>	<b>\$165,208.19</b>	<b>\$509.03</b>	<b>\$28,825.21</b>	<b>\$1,097.90</b>	<b>\$65,961.70</b>	<b>\$152.12</b>	<b>\$12,663.84</b>	<b>(\$782.56)</b>	<b>\$79,093.00</b>	<b>\$749,377.87</b>	<b>6.698</b>	
Main	11,894	2,299	12,114	0.9818	11,894	2,299	7,171,623	\$211,677.84	\$81,184.21												
Welder	290	355	458	0.6323	290	355	147,920	\$5,152.23	\$1,674.49												
Phoenix	8,211	1,158	8,292	0.9902	8,211	1,158	4,864,669	\$146,129.60	\$55,069.02												
<b>Jan-16</b>	<b>20,394</b>	<b>3,812</b>	<b>20,748</b>	<b>0.9830</b>	<b>20,394</b>	<b>3,812</b>	<b>12,184,212</b>	<b>\$362,959.67</b>	<b>\$137,927.72</b>	<b>\$179,926.69</b>	<b>(\$7,579.80)</b>	<b>\$39,241.29</b>	<b>\$1,195.71</b>	<b>\$70,559.06</b>	<b>\$162.61</b>	<b>\$12,616.31</b>	<b>(\$892.92)</b>	<b>\$83,640.77</b>	<b>\$796,116.34</b>	<b>6.534</b>	

Year to Date 2016:

23,371,722

\$1,545,494

6.613

	2015		
	Previous	New	% Change
\$/kW	16.236	17.797	9.6%
\$/Kwh	0.010649	0.01132	6.3%

CITY OF SOUTH HAVEN																				
Cost of Electric Energy from Indiana-Michigan Power Company (AEP)																				
2015																				
Date	ACTUAL				BILLING			COST					PJM Open Access Transmission Tariff						Total Cost	cts/ KWH
	KW Demand	KVAR Demand	KVA	Power Factor	KW Demand	KVAR Demand	KWHR	\$ KW Demand	\$ KWHR	\$ Fuel Charge	\$ Fuel Adjust	Actual Fuel True-up	Sch 1A \$ KWHR	\$ Network	RTO Start-up \$	Other	Credits	Total PJM		
Main	11,156	2,209	11,373	0.9810	11,156	2,209	6,860,829	\$198,542.89	\$77,665.96											
Welder	349	382	518	0.6741	349	382	159,204	\$6,209.37	\$1,802.23											
Phoenix	7,894	1,041	7,962	0.9914	7,894	1,041	4,570,729	\$140,489.07	\$51,741.57											
Dec-15	19,399	3,633	19,736	0.9829	19,399	3,633	11,590,763	\$345,241.33	\$131,209.75	\$171,163.10	(\$8,297.83)	\$11,919.42	\$1,137.47	\$70,352.03	\$164.28	\$12,752.68	(\$623.03)	\$83,783.43	\$735,019.20	6.341
Main	11,068	2,425	11,331	0.9768	11,068	2,425	6,293,125	\$196,977.28	\$71,239.43											
Welder	181	286	339	0.5351	181	286	132,027	\$3,224.82	\$1,494.57											
Phoenix	7,300	1,514	7,455	0.9792	7,300	1,514	4,259,114	\$129,912.85	\$48,214.03											
Nov-15	18,549	4,225	19,024	0.9750	18,549	4,225	10,684,266	\$330,114.95	\$120,948.03	\$157,776.69	(\$25,887.98)	(\$90,836.20)	\$1,048.51	\$68,082.61	\$158.98	\$12,668.23	(\$612.76)	\$81,345.57	\$573,461.06	5.367
Main	10,620	2,347	10,876	0.9764	10,620	2,347	6,545,989	\$189,003.52	\$74,101.90											
Welder	178	85	197	0.9024	178	85	164,183	\$3,160.75	\$1,858.58											
Phoenix	7,555	1,683	7,740	0.9761	7,554	1,683	4,478,667	\$134,460.81	\$50,699.41											
Oct-15	18,352	4,115	18,808	0.9758	18,352	4,115	11,188,839	\$326,611.08	\$126,659.89	\$165,227.82	\$70.49	(\$40,328.39)	\$1,098.03	\$70,352.03	\$164.28	\$13,846.37	(\$632.33)	\$84,828.38	\$663,069.27	5.926
Main	16,160	5,527	17,079	0.9462	16,160	5,527	7,094,090	\$287,599.52	\$80,306.52											
Welder	331	255	418	0.7914	331	255	145,444	\$5,881.91	\$1,646.46											
Phoenix	12,043	4,319	12,794	0.9413	12,043	4,319	5,202,369	\$214,336.39	\$58,891.85											
Sep-15	28,534	10,101	30,269	0.9427	28,534	10,101	12,441,903	\$507,817.82	\$140,844.83	\$183,732.07	\$80,689.47	\$107,943.97	\$1,221.00	\$68,082.61	\$158.98	\$13,966.53	(\$648.11)	\$82,781.01	\$1,103,809.17	8.872
Main	17,342	5,937	18,330	0.9461	17,342	5,937	8,238,251	\$308,635.57	\$93,258.65											
Welder	318	242	400	0.7958	318	242	137,863	\$5,663.01	\$1,560.64											
Phoenix	12,746	4,697	13,583	0.9383	12,746	4,697	5,963,548	\$226,831.66	\$67,508.56											
Aug-15	30,406	10,876	32,292	0.9416	30,406	10,876	14,339,662	\$541,130.24	\$162,327.85	\$211,756.66	\$60,418.73	(\$1,064.60)	\$1,407.24	\$70,352.03	\$164.28	\$13,955.91	(\$809.79)	\$85,069.67	\$1,059,638.55	7.390
Main	17,582	5,888	18,542	0.9482	17,582	5,888	8,397,922	\$312,906.41	\$95,066.15											
Welder	417	345	541	0.7700	417	345	163,144	\$7,414.23	\$1,846.82											
Phoenix	12,979	4,722	13,812	0.9397	12,979	4,722	6,116,077	\$230,992.16	\$69,235.21											
Jul-15	30,978	10,955	32,858	0.9428	30,978	10,955	14,677,143	\$551,312.80	\$166,148.19	\$216,740.31	\$7,241.70	\$17,316.18	\$1,440.36	\$70,352.03	\$164.28	\$12,941.71	(\$862.12)	\$84,036.26	\$1,042,795.44	7.105
Main	13,385	3,245	13,773	0.9718	13,385	3,245	6,937,553	\$238,212.76	\$78,534.49											
Welder	357	279	453	0.7885	357	279	160,005	\$6,353.53	\$1,811.29											
Phoenix	10,017	2,509	10,326	0.9700	10,017	2,509	5,043,423	\$178,268.90	\$57,092.55											
Jun-15	23,759	6,033	24,513	0.9692	23,759	6,033	12,140,981	\$422,835.19	\$137,438.33	\$179,288.29	\$72,219.41	\$52,206.29	\$1,590.72	\$61,771.70	\$158.98	\$11,074.79	(\$566.12)	\$74,030.07	\$938,017.58	7.726
Main	12,069	2,877	12,407	0.9727	12,069	2,877	6,509,754	\$195,952.20	\$69,324.33											
Welder	352	256	435	0.8087	352	256	157,517	\$5,713.45	\$1,677.45											
Phoenix	9,449	2,710	9,829	0.9613	9,449	2,710	4,695,229	\$153,407.39	\$50,000.91											
May-15	21,870	5,843	22,636	0.9661	21,869	5,843	11,362,501	\$355,073.04	\$121,002.68	\$202,133.20	(\$26,051.94)	\$190,579.23	\$1,488.72	\$63,830.75	\$164.28	\$10,490.61	(\$563.53)	\$75,410.83	\$918,147.04	8.081
Main	10,537	1,286	10,615	0.9926	10,537	1,286	6,040,137	\$171,083.21	\$64,323.23											
Welder	390	310	498	0.7831	390	310	195,761	\$6,336.10	\$2,084.71											
Phoenix	7,096	851	7,147	0.9929	7,096	851	4,174,049	\$115,215.53	\$44,450.69											
Apr-15	18,023	2,446	18,189	0.9909	18,024	2,446	10,409,946	\$292,634.84	\$110,858.64	\$185,187.73	(\$1,746.79)	\$69,775.22	\$1,363.92	\$61,771.70	\$158.98	\$10,490.59	(\$618.08)	\$73,167.11	\$729,876.75	7.011
Main	11,515	1,311	11,589	0.9936	11,515	1,311	6,754,204	\$186,957.70	\$71,927.55											
Welder	332	28	333	0.9965	332	28	206,604	\$5,390.35	\$2,200.19											
Phoenix	8,000	1,092	8,074	0.9908	8,000	1,092	4,651,132	\$129,883.29	\$49,531.29											
Mar-15	19,847	2,430	19,995	0.9926	19,847	2,430	11,611,940	\$322,231.35	\$123,659.03	\$206,570.61	(\$8,109.78)	(\$5,469.59)	\$1,521.40	\$63,830.75	\$164.28	\$10,490.61	(\$872.04)	\$75,135.00	\$714,016.62	6.149
Main	12,184	1,570	12,285	0.9918	12,178	1,570	7,974,908	\$197,728.02	\$84,927.19											
Welder	408	367	548	0.7432	408	367	175,313	\$6,616.17	\$1,866.96											
Phoenix	8,257	1,195	8,343	0.9897	8,253	1,195	3,492,559	\$133,997.33	\$37,193.31											
Feb-15	20,849	3,132	21,083	0.9889	20,839	3,132	11,642,780	\$338,341.52	\$123,987.46	\$207,119.25	(\$51,728.87)	(\$41,147.55)	\$1,525.44	\$57,653.58	\$148.38	\$10,490.61	(\$1,135.22)	\$68,682.79	\$645,254.60	5.542
Main	12,325	1,739	12,447	0.9902	12,325	1,739	7,443,979	\$200,108.62	\$79,273.16											
Welder	331	309	453	0.7313	331	309	160,777	\$5,374.12	\$1,712.17											
Phoenix	8,581	1,288	8,677	0.9889	8,581	1,288	5,041,513	\$139,316.16	\$53,688.58											
Jan-15	21,237	3,336	21,497	0.9879	21,237	3,336	12,646,269	\$344,798.90	\$134,673.91	\$224,970.80	\$16,637.43	\$100,270.82	\$1,656.92	\$63,830.75	\$164.28	\$10,490.61	(\$994.22)	\$75,148.34	\$896,500.20	7.089

Year to Date 2015: 144,736,992 \$10,019,605 6.923

	Previous	New	% Change
\$/kW	16.236	17.797	9.6%
\$/Kwh	0.01065	0.0113	6.3%

City of South Haven  
 Electric Fund - Fund 582  
 For the period ended February 29, 2016

Col 6 & 11

Revenues:	Month Actual	Monthly Budget	Prior year MTD	MTD Variance to Budget	MTD Variance to Prior Year	YTD Actual	YTD Budget	Prior YTD Actual	Variance to Budget	Variance to Prior Year	2015-16 Adopted Budget	% of Annual Budget
Electric Sales	\$ 1,180,178	\$ 1,229,276	\$ 1,181,441	\$ (49,097)	\$ (1,263)	\$ 8,887,141	\$ 9,834,205	\$ 8,644,731	\$ (947,063)	\$ 242,410	\$ 14,751,307	60%
Charges for Service	\$ 2,650	\$ 12,500	\$ 6,500	\$ (9,850)	\$ (3,850)	\$ 80,336	\$ 100,000	\$ 58,753	\$ (19,664)	\$ 21,583	\$ 150,000	54%
Interest Income	\$ 4	\$ 2,500	\$ 958	\$ (2,496)	\$ (954)	\$ 27,033	\$ 20,000	\$ 44,358	\$ 7,033	\$ (17,324)	\$ 30,000	90%
Other Revenue	\$ 23,231	\$ 3,333	\$ 3,483	\$ 19,897	\$ 19,748	\$ 44,814	\$ 26,667	\$ 21,747	\$ 18,147	\$ 23,067	\$ 40,000	112%
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
<b>Total Revenues</b>	<b>\$ 1,206,063</b>	<b>\$ 1,247,609</b>	<b>\$ 1,192,382</b>	<b>\$ (41,546)</b>	<b>\$ 13,681</b>	<b>\$ 9,039,324</b>	<b>\$ 9,980,871</b>	<b>\$ 8,769,589</b>	<b>\$ (941,547)</b>	<b>\$ 269,735</b>	<b>\$ 14,971,307</b>	

Expenses	Month Actual	Monthly Budget	Prior year MTD	MTD Variance to Budget	MTD Variance to Prior Year	YTD Actual	YTD Budget	Prior YTD Actual	Variance to Budget	Variance to Prior Year	2015-16 Adopted Budget	% of Annual Budget
Purchased Power	\$ 749,378	\$ 833,333	\$ 645,255	\$ (83,955)	\$ 104,123	\$ 6,723,287	\$ 6,666,667	\$ 6,730,811	\$ 56,620	\$ (7,524)	\$ 10,000,000	67%
Other Operating Expenses	\$ 163,072	\$ 153,285	\$ 152,201	\$ 9,787	\$ 10,871	\$ 1,280,979	\$ 1,226,278	\$ 1,135,540	\$ 54,701	\$ 145,439	\$ 1,839,417	70%
Property Tax Equivalents	\$ 60,700	\$ 60,700	\$ 59,557	\$ 0	\$ 1,143	\$ 485,599	\$ 485,599	\$ 476,457	\$ 0	\$ 9,142	\$ 728,399	67%
Energy Optimization Costs	\$ 8,734	\$ 23,467	\$ 23,314	\$ (14,733)	\$ (14,580)	\$ 125,645	\$ 187,733	\$ 184,902	\$ (62,088)	\$ (59,257)	\$ 281,600	45%
Capital Outlay	\$ -	\$ 26,346	\$ 402,339	\$ (26,346)	\$ (402,339)	\$ 214,152	\$ 210,767	\$ 3,001,679	\$ 3,386	\$ (2,787,527)	\$ 316,150	68%
Transfer Out	\$ 14,066	\$ 14,066	\$ 14,025	\$ -	\$ 41	\$ 112,526	\$ 112,526	\$ 112,201	\$ -	\$ 325	\$ 168,789	67%
Depreciation	\$ 55,917	\$ 55,917	\$ 39,510	\$ -	\$ 16,406	\$ 447,333	\$ 447,333	\$ 316,083	\$ -	\$ 131,251	\$ 671,000	67%
Administrative Expenses	\$ 50,236	\$ 65,110	\$ 51,943	\$ (14,875)	\$ (1,707)	\$ 506,360	\$ 520,883	\$ 499,277	\$ (14,523)	\$ 7,084	\$ 781,325	65%
<b>Total Expenses</b>	<b>\$ 1,102,101</b>	<b>\$ 1,232,223</b>	<b>\$ 1,388,144</b>	<b>\$ (130,122)</b>	<b>\$ (286,043)</b>	<b>\$ 9,895,882</b>	<b>\$ 9,857,787</b>	<b>\$ 12,456,949</b>	<b>\$ 38,095</b>	<b>\$ (2,561,067)</b>	<b>\$ 14,786,680</b>	

Net Fund Change \$ 103,961 \$ 15,386 \$ (195,762) \$ 88,576 \$ 299,724 \$ (856,558) \$ 123,085 \$ (3,687,360) \$ (979,643) \$ 2,830,802 \$ 184,627

**AS OF JUNE 30, 2015**

Retained Earnings	\$ 16,823,115
Less Net Capital Assets	\$ (14,267,710)
Net Undesignated Reserves	\$ 2,555,405

**Breakdown:**

Cash/Investments	\$ 2,373,971
Current Assets	\$ 2,478,330
Current Liabilities	\$ (2,296,896)
<b>Net Working Capital</b>	<b>\$ 2,555,405</b>

**AS OF CURRENT MONTH END**

Retained Earnings-FYE	\$ 16,823,115
Less Net Capital Assets	\$ (14,267,710)
Net Undesignated Reserves	\$ 2,555,405
Net Income Per Income Statement Revenue > Expenses	\$ (856,558)
Add back Non-cash Depreciation Expense	\$ 447,333
	\$ 2,146,180

**Breakdown:**

Cash/Investments	\$ 2,276,771
Current Assets	\$ 1,664,860
Current Liabilities	\$ (1,795,451)
<b>Net Working Capital</b>	<b>\$ 2,146,180</b>

**PROJECTED BALANCE AT JUNE 30, 2016** Based on AMENDED Annual Budget

Beginning Retained Earnings-July 1, 2015	\$ 16,823,115
Less Projected Net Capital Assets	\$ (13,912,860)
Net Income Per Income Statement Revenue > Expenses	\$ 184,627
	\$ 3,094,882

**Net Working Capital** \$ 3,094,882 Projected thru 6/30/16

The Net Working Capital is shown here for June 30, 2015, Current Month Ended, and Projected at June 30, 2016. The amounts represent what is left over after all of the short-term obligations have been met and represents the relatively liquid portion of the Utility's retained earnings or reserves that can be used for future expenditures.

**ELECTRIC FUND**  
**STATEMENT OF CASHFLOWS**  
**FOR THE MONTH ENDED FEBRUARY 29, 2016**

	Month Activity	Year-to-Date
<b>Cash flows from operating activities:</b>		
Receipts from customers & users	1,088,900.51	9,761,409.04
Payments to and on behalf of employees	(108,816.48)	(983,941.13)
Payments to suppliers - AEP	(796,116.34)	(6,911,926.79)
Payments to suppliers - other	(122,638.50)	(1,257,832.54)
<b>Net cash provided by (used in) operating activities</b>	<b>61,329.19</b>	<b>607,708.58</b>
<b>Cash flows from non-capital financing activities:</b>		
Due to other funds	-	-
Property tax equivalents	(60,699.92)	(485,599.36)
Transfers out	(14,065.75)	(112,526.00)
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>(74,765.67)</b>	<b>(598,125.36)</b>
<b>Cash flows from capital and related financing activities:</b>		
Proceeds from sale of capital assets	-	-
Interest Expense	-	-
Contribution in aid of construction	2,650.00	80,335.84
Principal paid on bonds and notes	-	-
Acquisitions of capital assets	-	(214,152.27)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>2,650.00</b>	<b>(133,816.43)</b>
<b>Cash flows from investing activities</b>		
Interest income	3.67	27,033.23
<b>Net cash provided by (used in) investing activities</b>	<b>3.67</b>	<b>27,033.23</b>
<b>Net increase (decrease) in cash &amp; pooled investments</b>	<b>(10,782.81)</b>	<b>(97,199.98)</b>
<b>Cash and pooled investments, beginning of period</b>	<b>2,287,553.84</b>	<b>2,373,971.01</b>
<b>Cash and pooled investments, end of period</b>	<b>2,276,771.03</b>	<b>2,276,771.03</b>
<b>Cash flows from operating activities:</b>		
Operating income (loss)	(216,978.98)	(365,801.67)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>		
Depreciation	55,916.67	447,333.36
Change in operating assets and liabilities which provided (used) cash		
Receivables	246,278.96	800,103.22
Due from other governmental units	-	-
Prepaid expenses	(5,193.93)	13,366.25
Capital assets	0.00	214,152.27
Accounts payable-AEP	(46,738.47)	(188,639.71)
Accounts payable-other	86.12	(305,723.19)
Accrued liabilities	(4,306.00)	(36,432.66)
Customer deposits	32,264.82	29,350.71
Deferred revenue	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>61,329.19</b>	<b>607,708.58</b>

CITY OF SOUTH HAVEN  
ELECTRIC FUND  
KWH COMPARISONS  
ROLLING TWELVE MONTHS

		KWH	KWH	KWH	STREET LTS	TOTAL KWH	PERCENTAGE	PERCENTAGE	
		PURCHASED	BILLED	STREET LTS	12 MO AVE.	BILLED AND	TO PURCHASED	TO PURCHASED	
						STREET LTS	(ROLLING 12 MOS)	CURRENT MONTH	
<b>FISCAL 2014</b>									
July	2013	14,702,976	12,364,189	37,740	52,213	12,401,929	94.64%	84.35%	31
August	2013	13,559,712	13,582,248	42,342	52,126	13,624,590	94.42%	100.48%	31
September	2013	11,670,399	12,462,283	48,796	52,143	12,511,079	95.03%	107.20%	30
October	2013	10,945,398	10,453,792	54,475	52,125	10,508,267	94.91%	96.01%	31
November	2013	10,657,150	9,502,492	58,511	51,866	9,561,003	94.96%	89.71%	30
December	2013	11,962,287	10,244,088	71,063	52,032	10,315,151	94.68%	86.23%	31
January	2014	12,608,593	10,959,716	65,878	51,791	11,025,594	94.12%	87.45%	31
February	2014	11,410,071	12,066,200	59,636	51,790	12,125,836	94.72%	106.27%	29
March	2014	11,773,033	10,878,414	54,626	51,925	10,933,040	94.54%	92.87%	31
April	2014	10,374,016	10,020,033	48,541	51,953	10,068,574	94.63%	97.06%	30
May	2014	11,203,732	10,614,984	44,334	51,971	10,659,318	94.97%	95.14%	31
June	2014	12,746,940	11,082,867	39,220	52,097	11,122,087	93.90%	87.25%	30
		<u>143,614,306</u>	<u>134,231,306</u>	<u>625,162</u>		<u>134,856,468</u>			
<b>FISCAL 2015</b>									
July	2014	13,717,651	12,578,551	38,129	52,129	12,616,680	96.41%	91.97%	31
August	2014	14,486,040	12,740,027	42,644	52,154	12,782,671	94.07%	88.24%	31
September	2014	11,824,906	13,323,234	48,696	52,146	13,371,930	94.64%	113.08%	30
October	2014	11,327,065	11,109,952	55,667	52,245	11,165,619	95.09%	98.57%	31
November	2014	11,400,971	10,662,987	62,443	52,573	10,725,430	94.71%	94.07%	30
December	2014	12,007,610	11,126,842	67,163	52,248	11,194,005	95.06%	93.22%	31
January	2015	12,646,269	11,962,202	63,831	52,078	12,026,033	95.27%	95.10%	31
February	2015	11,642,781	11,272,243	59,367	52,055	11,331,610	95.05%	97.33%	29
March	2015	11,611,940	10,475,991	55,391	52,119	10,531,382	94.93%	90.69%	31
April	2015	10,409,946	10,889,321	49,374	52,188	10,938,695	95.50%	105.08%	30
May	2015	11,362,501	10,551,097	43,678	52,134	10,594,775	95.38%	93.24%	31
June	2015	12,140,981	10,457,881	38,776	52,097	10,496,657	95.29%	86.46%	30
		<u>144,578,660</u>	<u>137,150,328</u>	<u>625,159</u>		<u>137,775,487</u>			
<b>FISCAL 2016</b>									
July	2015	14,677,143	13,243,711	38,312	52,112	13,282,023	93.91%	90.49%	31
August	2015	14,339,662	13,784,516	43,194	52,158	13,827,710	93.48%	96.43%	31
September	2015	12,441,903	13,414,247	48,002	52,100	13,462,249	94.04%	108.20%	30
October	2015	11,188,839	11,094,437	54,768	52,025	11,149,205	94.43%	99.65%	31
November	2015	10,684,266	9,455,848	61,411	51,939	9,517,259	94.57%	89.08%	30
December	2015	11,590,762	9,764,754	67,711	51,985	9,832,465	94.49%	84.83%	31
January	2016	12,184,212	11,882,513	62,508	51,855	11,945,021	94.16%	98.04%	31
February	2016	11,187,510	10,966,030	59,563	51,849	11,025,593	94.39%	98.55%	29
		<u>98,294,297</u>	<u>93,606,056</u>	<u>435,469</u>		<u>94,041,525</u>			
Prior Year-to-date		99,053,293	94,776,038	437,940		95,213,978			
Two Years Prior		97,516,585	91,635,008	438,441		92,073,449			

City of South Haven  
Water Fund - Fund 591  
For the period ended February 29, 2016

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Revenues:	Month Actual	Monthly Budget	Prior year MTD	MTD Variance to Budget	MTD Variance to Prior Year	YTD Actual	YTD Budget	Prior YTD Actual	Variance to Budget	Variance to Prior Year	2015-16 Adopted Budget	% of Annual Budget
Sales	\$ 272,437	\$ 318,092	\$ 268,702	\$ (45,654)	\$ 3,735	\$ 2,304,589	\$ 2,544,732	\$ 2,308,071	\$ (240,143)	\$ (3,482)	\$ 3,817,098	60%
Charges for Service	6,180	5,833	3,768	347	2,412	47,504	46,667	32,416	837	15,088	70,000	68%
Interest Income	1,003	167	66	836	936	9,018	1,333	4,378	7,685	4,640	2,000	451%
Special Assessment Revenue	-	7,015	-	(7,015)	-	-	56,123	12	(56,123)	(12)	84,185	0%
Other Revenue	3,742	2,917	844	825	2,897	31,627	23,333	43,201	8,293	(11,574)	35,000	90%
<b>Total Revenues</b>	<b>\$ 283,362</b>	<b>\$ 334,024</b>	<b>\$ 273,381</b>	<b>\$ (50,662)</b>	<b>\$ 9,981</b>	<b>\$ 2,392,737</b>	<b>\$ 2,672,189</b>	<b>\$ 2,388,077</b>	<b>\$ (279,452)</b>	<b>\$ 4,660</b>	<b>\$ 4,008,283</b>	

Expenses:	Month Actual	Monthly Budget	Prior year MTD	MTD Variance to Budget	MTD Variance to Prior Year	YTD Actual	YTD Budget	Prior YTD Actual	Variance to Budget	Variance to Prior Year	2015-16 Adopted Budget	% of Annual Budget
Operating Expenses	\$ 99,773	\$ 126,019	\$ 125,951	\$ (26,246)	\$ (26,178)	\$ 943,005	\$ 1,008,151	\$ 901,897	\$ (65,146)	\$ 41,108	\$ 1,512,227	62%
Property Tax Equivalents	16,701	16,701	16,107	-	594	133,610	133,610	128,856	-	4,754	200,415	67%
Capital Outlay	7,980	32,377	-	(24,397)	7,980	27,781	259,018	5,386	(231,237)	22,395	388,527	7%
Debt Service	-	126,651	-	(126,651)	-	730,941	1,013,208	732,323	(282,267)	(1,381)	1,519,812	48%
Transfers Out	-	63	333	(63)	(333)	-	504	2,667	(504)	(2,667)	756	0%
Depreciation	50,833	50,833	16,307	-	34,526	406,667	406,667	130,456	-	276,211	610,000	67%
Administrative Expenses	18,715	20,534	17,585	(1,819)	1,129	164,461	164,268	171,236	193	(6,776)	246,402	67%
<b>Total Expenses</b>	<b>\$ 194,002</b>	<b>\$ 373,178</b>	<b>\$ 176,284</b>	<b>\$ (179,176)</b>	<b>\$ 17,719</b>	<b>\$ 2,406,465</b>	<b>\$ 2,985,426</b>	<b>\$ 2,072,821</b>	<b>\$ (578,961)</b>	<b>\$ 333,644</b>	<b>\$ 4,478,139</b>	

Net Fund Change                    \$    89,360    \$    (39,155)    \$    97,097    \$    128,514    \$    (7,737)    \$    (13,728)    \$    (313,237)    \$    315,256    \$    299,510    \$    (328,984)    \$    (469,856)

**AS OF JUNE 30, 2015**

Retained Earnings	\$ 7,773,667
Less Net Capital Assets, minus related LT debt	\$ (5,915,344)
Less Restricted Cash-Debt	\$ (60,723)
Net Undesignated Reserves	\$ 1,797,600

**Breakdown:**

Cash/Investments	\$ 2,077,613
Current Assets	\$ 966,012
Current Liabilities	\$ (1,246,024)
<b>Net Working Capital</b>	<b>\$ 1,797,600</b>

**AS OF CURRENT MONTH END**

Retained Earnings-FYE	\$ 7,773,667
Less Net Capital Assets, minus related LT debt	\$ (5,915,344)
Less Restricted Cash-Debt	\$ (60,743)
Net Undesignated Reserves	\$ 1,797,580
Net Income Per Income Statement Revenue > Expenses	\$ (13,728)
Add back Non-cash Depreciation Expense	\$ 406,667
	\$ 2,190,519

**Breakdown:**

Cash/Investments	\$ 2,704,729
Current Assets	\$ 685,165
Current Liabilities	\$ (1,199,375)
<b>Net Working Capital</b>	<b>\$ 2,190,519</b>

**PROJECTED BALANCE AT JUNE 30, 2016**                    **Based on Adopted Annual Budget**

Beginning Retained Earnings-July 1, 2015	\$ 7,773,667
Less Projected Net Capital Assets, minus related LT debt	\$ (5,693,871)
Less Restricted Cash-Debt	\$ (60,743)
Net Income Per Income Statement Revenue < Expenses	\$ (469,856)
	\$ 1,549,197

**Net Working Capital**    **\$ 1,549,197**    Projected thru 6/30/16

The Net Working Capital is shown here for June 30, 2015, Current Month Ended, and Projected at June 30, 2016. The amounts represent what is left over after all of the short-term obligations have been met and represents the relatively liquid portion of the Utility's retained earnings or reserves that can be used for future expenditures.

**WATER FUND**  
**STATEMENT OF CASHFLOWS**  
**FOR THE MONTH ENDED FEBRUARY 29, 2016**

	Month Activity	Year-to-Date
Cash flows from operating activities:		
Receipts from customers & users	293,490.30	2,671,878.75
Payments to and on behalf of employees	(53,794.52)	(563,368.06)
Payments to suppliers - other	(65,102.99)	(598,060.29)
Net cash provided by (used in) operating activities	174,592.79	1,510,450.40
Cash flows from non-capital financing activities:		
Due to other funds	-	-
Property tax equivalents	(16,701.25)	(133,610.00)
Transfers out	-	-
Net cash provided by (used in) non-capital financing activities	(16,701.25)	(133,610.00)
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	-	-
Interest Expense	-	(440,941.26)
Contribution in aid of construction	-	-
Principal paid on bonds and notes	-	(290,000.00)
Acquisitions of capital assets	(7,980.00)	(27,780.99)
Net cash provided by (used in) capital and related financing activities	(7,980.00)	(758,722.25)
Cash flows from investing activities		
Interest income	1,002.51	9,018.01
Net cash provided by (used in) investing activities	1,002.51	9,018.01
<b>Net increase (decrease) in cash &amp; pooled investments</b>	<b>150,914.05</b>	<b>627,136.16</b>
<b>Cash and pooled investments, beginning of period</b>	<b>2,614,557.68</b>	<b>2,138,335.57</b>
<b>Cash and pooled investments, end of period</b>	<b>2,765,471.73</b>	<b>2,765,471.73</b>
<b>Cash flows from operating activities</b>		
Operating income (loss)	39,756.48	551,805.63
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	50,833.33	406,666.64
Change in operating assets and liabilities which provided (used) cash		
Receivables	75,112.62	264,199.65
Due from other governmental units		
Prepaid expenses	-	16,647.26
Capital assets	7,980.00	27,780.99
Accounts payable	(409.64)	(52,515.86)
Accrued liabilities	-	(18,093.91)
Customer deposits	1,320.00	23,960.00
Add back principal payment	-	290,000.00
<b>Net cash provided by (used in) operating activities</b>	<b>174,592.79</b>	<b>1,510,450.40</b>

CITY OF SOUTH HAVEN  
WATER FUND  
CuFt COMPARISONS  
ROLLING TWELVE MONTHS

		GALLONS PUMPED TO MAINS	CuFt PUMPED TO MAINS	CuFt PLANT TAP UNBILLED	CuFt WATER QUALITY FLUSHING	CuFt BILLED	PERCENTAGE BILLED PLUS PLANT TAP TO PUMPED TO MAINS (ROLLING 12 MOS)	PERCENTAGE BILLED PLUS PLANT TAP TO PUMPED TO MAINS CURRENT MONTH
<b>FISCAL 2014</b>								
July	2013	70,321,000	9,401,203	62,968	127,844	6,705,606	88.48%	72.00%
August	2013	62,517,000	8,357,888	48,003	196,427	8,322,168	88.81%	100.15%
September	2013	52,536,000	7,023,529	43,984	192,916	7,118,311	89.52%	101.98%
October	2013	35,699,000	4,772,594	41,176	182,891	5,303,775	90.51%	111.99%
November	2013	28,029,000	3,747,193	37,834	99,473	3,426,297	90.79%	92.45%
December	2013	28,262,000	3,778,342	37,166	178,083	2,904,054	90.43%	77.84%
January	2014	36,931,000	4,937,299	40,642	145,998	3,089,262	89.82%	63.39%
February	2014	36,711,000	4,907,888	36,230	128,741	3,454,550	89.24%	71.13%
March	2014	36,506,000	4,880,481	37,567	40,914	3,251,264	89.19%	67.39%
April	2014	29,869,000	3,993,182	33,957	57,952	3,321,979	89.46%	84.04%
May	2014	40,638,000	5,432,888	31,283	70,598	4,278,590	89.10%	78.75%
June	2014	53,611,000	7,167,246	37,032	100,575	5,543,066	85.86%	77.34%
		<u>511,630,000</u>	<u>68,399,733</u>	<u>487,843</u>	<u>1,522,412</u>	<u>56,718,922</u>		
<b>FISCAL 2015</b>								
July	2014	64,316,000	8,598,396	38,503	126,739	6,932,597	89.25%	81.07%
August	2014	66,789,000	8,929,011	42,246	34,492	7,841,235	88.61%	88.29%
September	2014	44,601,000	5,962,701	36,096	100,277	6,663,068	89.65%	112.35%
October	2014	33,430,000	4,469,251	34,492	117,932	4,619,497	90.26%	104.13%
November	2014	29,363,000	3,925,535	34,091	102,686	3,359,059	90.37%	86.44%
December	2014	28,908,000	3,864,706	35,294	67,388	3,125,243	90.02%	81.78%
January	2015	31,306,000	4,185,294	35,561	83,432	4,170,131	90.74%	100.49%
February	2015	28,322,000	3,786,364	34,091	81,219	4,470,432	91.70%	118.97%
March	2015	31,937,000	4,269,652	34,091	40,910	3,087,632	91.99%	73.11%
April	2015	29,525,000	3,947,193	31,551	56,153	3,393,749	92.42%	86.78%
May	2015	39,633,000	5,298,529	35,963	54,549	3,758,939	91.60%	70.94%
June	2015	47,141,000	6,302,273	30,749	60,965	4,655,896	90.38%	73.88%
		<u>475,271,000</u>	<u>63,538,904</u>	<u>422,727</u>	<u>926,742</u>	<u>56,077,478</u>		
<b>FISCAL 2016</b>								
July	2015	61,946,000	8,281,551	38,503	78,614	6,437,314	84.12%	78.20%
August	2015	62,360,000	8,336,898	36,364	94,657	7,097,043	83.07%	85.56%
September	2015	46,519,000	6,219,118	31,150	94,659	6,645,302	83.99%	107.35%
October	2015	35,558,000	4,753,743	29,947	93,054	4,625,971	84.62%	97.94%
November	2015	29,110,000	3,891,711	28,743	89,845	3,606,818	85.68%	93.42%
December	2015	28,456,000	3,804,278	28,743	91,450	2,847,372	85.91%	75.60%
January	2016	29,466,000	3,939,305	15,775	93,053	3,223,960	86.57%	82.24%
February	2016	27,269,000	3,645,588	18,717	94,657	2,991,478	86.56%	82.57%
		<u>320,684,000</u>	<u>42,872,193</u>	<u>227,941</u>	<u>729,989</u>	<u>37,475,258</u>		
Prior Year-to-date		327,035,000	43,721,257	290,374	714,165	41,181,262		
Two Years Prior		351,006,000	46,925,936	348,003	1,252,373	40,324,023		

City of South Haven  
Sewer Fund - Fund 592  
For the period ended February 29, 2016

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Revenues:	Month Actual	Monthly Budget	Prior year MTD	MTD Variance to Budget	MTD Variance to Prior Year	YTD Actual	YTD Budget	Prior YTD Actual	Variance to Budget	Variance to Prior Year	2015-16 Adopted Budget	% of Annual Budget
Sales	\$ 173,044	\$ 199,392	\$ 170,537	\$ (26,348)	\$ 2,507	\$ 1,420,669	\$ 1,595,133	\$ 1,414,104	\$ (174,465)	\$ 6,565	\$ 2,392,700	59%
IPP Revenues	250	8,750	8,940	(8,500)	(8,690)	62,239	70,000	68,163	(7,761)	(5,924)	105,000	59%
Interest Income	2	208	2	(207)	0	5,066	1,667	1,208	3,399	3,858	2,500	203%
Special Assessment Revenue	-	8,457	-	(8,457)	-	-	67,655	17	(67,655)	(17)	101,483	0%
Grant Revenue	-	514	-	(514)	-	157,304	4,114	-	153,190	157,304	6,171	2549%
Other Revenue	-	1,000	-	(1,000)	-	8,908	8,000	7,602	908	1,306	12,000	74%
<b>Total Revenues</b>	<b>\$ 173,296</b>	<b>\$ 218,321</b>	<b>\$ 179,479</b>	<b>\$ (45,026)</b>	<b>\$ (6,183)</b>	<b>\$ 1,654,186</b>	<b>\$ 1,746,569</b>	<b>\$ 1,491,093</b>	<b>\$ (92,383)</b>	<b>\$ 163,093</b>	<b>\$ 2,619,854</b>	

Expenses	Month Actual	Monthly Budget	Prior year MTD	MTD Variance to Budget	MTD Variance to Prior Year	YTD Actual	YTD Budget	Prior YTD Actual	Variance to Budget	Variance to Prior Year	2015-16 Adopted Budget	% of Annual Budget
Operating Expenses	\$ 140,647	\$ 121,297	\$ 98,723	\$ 19,350	\$ 41,924	\$ 993,526	\$ 970,377	\$ 742,618	\$ 23,149	\$ 250,908	\$ 1,455,566	68%
Property Tax Equivalents	8,733	8,733	8,104	0	629	69,863	69,863	64,835	0	5,029	104,795	67%
Capital Outlay	82,014	37,082	466	44,932	81,548	166,242	296,657	21,451	(130,415)	144,792	444,986	37%
Transfers Out	16,667	16,735	17,000	(68)	(333)	133,333	133,881	136,000	(547)	(2,667)	200,821	66%
Depreciation	29,583	29,583	20,379	-	9,205	236,667	236,667	163,030	-	73,637	355,000	67%
Administrative Expenses	26,129	27,906	24,054	(1,777)	2,075	222,277	223,247	222,818	(970)	(541)	334,870	66%
<b>Total Expenses</b>	<b>\$ 303,772</b>	<b>\$ 241,337</b>	<b>\$ 168,726</b>	<b>\$ 62,436</b>	<b>\$ 135,046</b>	<b>\$ 1,821,909</b>	<b>\$ 1,930,692</b>	<b>\$ 1,350,751</b>	<b>\$ (108,783)</b>	<b>\$ 471,157</b>	<b>\$ 2,896,038</b>	

Net Fund Change \$ (130,476) \$ (23,015) \$ 10,753 \$ (107,461) \$ (141,230) \$ (167,723) \$ (184,123) \$ 140,342 \$ 16,400 \$ (308,065) \$ (276,184)

**AS OF JUNE 30, 2015**

Retained Earnings	\$ 7,192,829
Less Net Capital Assets (Net of related Debt)	\$ (5,741,834)
Net Undesignated Reserves	\$ 1,450,995

**Breakdown:**

Cash/Investments	\$ 1,313,018
Current Assets	\$ 603,376
Current Liabilities	\$ (465,399)
<b>Net Working Capital</b>	<b>\$ 1,450,995</b>

**AS OF CURRENT MONTH END**

Retained Earnings-FYE	\$ 7,192,829
Less Net Capital Assets	\$ (5,741,834)
Net Undesignated Reserves	\$ 1,450,995
Net Income Per Income Statement Revenue > Expenses	\$ (167,723)
Add back Non-cash Depreciation Expense	\$ 236,667
	\$ 1,519,938

**Breakdown:**

Cash/Investments	\$ 1,451,801
Current Assets	\$ 418,325
Current Liabilities	\$ (350,187)
<b>Net Working Capital</b>	<b>\$ 1,519,938</b>

**PROJECTED BALANCE AT JUNE 30, 2013**

Based on Adopted Annual Budget

Beginning Retained Earnings-July 1, 2015	\$ 7,192,829
Less Projected Net Capital Assets, minus related LT debt	\$ (5,831,820)
Net Income Per Income Statement Revenue < Expenses	\$ (276,184)
	\$ 1,084,825

**Net Working Capital** \$ 1,084,825 Projected thru 6/30/16

The Net Working Capital is shown here for June 30, 2015, Current Month Ended, and projected at June 30, 2016. The amounts represent what is left over after all of the short-term obligations have been met and represents the relatively liquid portion of the Utility's retained earnings or reserves that can be used for future expenditures.

**SEWER FUND  
STATEMENT OF CASHFLOWS  
FOR THE MONTH ENDED FEBRUARY 29, 2016**

	Month Activity	Year-to-Date
Cash flows from operating activities:		
Receipts from customers & users	174,630.65	1,826,338.10
Payments to and on behalf of employees	(52,783.86)	(453,651.63)
Payments to suppliers - other	(113,981.80)	(869,530.12)
<b>Net cash provided by (used in) operating activities</b>	<b>7,864.99</b>	<b>503,156.35</b>
Cash flows from non-capital financing activities:		
Due to other funds	-	-
Property tax equivalents	(8,732.92)	(69,863.36)
Transfers out	(16,666.67)	(133,333.36)
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>(25,399.59)</b>	<b>(203,196.72)</b>
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	-	-
Interest Expense	-	-
Contribution in aid of construction	-	-
Principal paid on bonds and notes	-	-
Acquisitions of capital assets	(82,013.80)	(166,242.35)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(82,013.80)</b>	<b>(166,242.35)</b>
Cash flows from investing activities		
Interest income	1.68	5,066.06
<b>Net cash provided by (used in) investing activities</b>	<b>1.68</b>	<b>5,066.06</b>
<b>Net increase (decrease) in cash &amp; pooled investments</b>	<b>(99,546.72)</b>	<b>138,783.34</b>
<b>Cash and pooled investments, beginning of period</b>	<b>1,551,347.93</b>	<b>1,313,017.87</b>
<b>Cash and pooled investments, end of period</b>	<b>1,451,801.21</b>	<b>1,451,801.21</b>
<b>Cash flows from operating activities</b>		
Operating income (loss)	(153,883.18)	30,407.64
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	29,583.33	236,666.64
Change in operating assets and liabilities which provided (used) cash		
Receivables	50,141.39	177,218.31
Due from other governmental units	-	-
Prepaid expenses	-	7,833.00
Capital assets	82,013.80	166,242.35
Accounts payable	9.65	(100,845.51)
Accrued liabilities	-	(14,366.08)
Customer deposits	-	-
Deferred revenue	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>7,864.99</b>	<b>503,156.35</b>



City of South Haven

## Agenda Item #9

### Customer Deposit Policy

#### Background Information:

According to the City's Utility policy, a customer must maintain good credit on their account for the entire time their account is open. If at any time, the customer has received two or more penalties in the past twelve months, the City can request a security deposit be placed on the account, or if the security deposit is deemed inadequate, the customer can be required to make additional deposits. The deposit is equal to twice the amount of the highest bill for the last year, with a minimum of \$100 for each service provided. If the requested security deposit is not paid, services can be shut off.

While this policy had not been actively enforced prior to 2014, changes that occurred to the shut off policy that year forced staff to begin actively enforcing this policy. During the winter months, each year, accounts have been reviewed and sent Deposit Due Notices if the customer had three or more penalties in the most recent year of service and had no or insufficient security deposit on file. This year was the most extensive review of accounts and yielded the most deposit due letters. Approximately 600 letters were sent to customers during the January billing cycle.

If a customer contacts us regarding the deposits, staff has been instructed to review each account and, if eligible, offer them two alternatives to paying the deposit:

1. Customers are given an opportunity to sign up for our Automatic Bill Payment Plan. If the customer signs up and stays on for one year with no returned payments, the deposit is waived.
2. Customers are given an opportunity to sign up for the Budget Plan with Automatic Bill Payment. On this plan we bill them equal monthly payments throughout the year, which will be scheduled to be withdrawn from their checking or savings account on the due date each month. The amount is based on an average of the last years' billing history. The customer must make all budget payments for a year to waive the deposit.

The customers are given the deadline listed on their letter to submit the necessary paperwork for the alternatives to waive the deposit. Typically, customers were given a minimum of three weeks to respond. If the customer fails to contact our office or does not sign up for one of the options by the deadline, the deposit is placed on their next bill. After that, all payments are applied to the deposit first. Once the deposit was billed to the account, the alternatives would no longer waive the deposit because the customers were given specific deadlines to discuss the deposit issue and return paperwork. Approximately 440 customers failed to respond within the time frame required and were billed deposits while approximately 150 customers were signed up for automatic payment.

After letters were sent, we were contacted by many customers with concerns regarding the policy. Following are some of the concerns raised by customers:

1. A large portion of our customers are on fixed incomes and they only received income one time each month. The timing of their receipt of funds often fell past the due date of their bill, forcing them to be late every month making payments. These particular customers were not able to sign up for Automatic Payment.
  - a. Based on the concerns raised over this particular issue, BPU and City Council amended the Utility Policy to allow for a 5-day grace period. While it didn't eliminate the deposit requirement based on last year's payment history, it will aid in establishing a good payment record for next year's account review. Should those customers pay their bills late less than two times over the next year, they will be eligible to receive their deposit back as a credit on their account.
2. Customers felt that the deposit amounts were too much.
3. Customers were concerned that no other utility companies had such stringent deposit requirements.
4. Customers who were also property owners did not feel they should have to pay the deposit.
5. Customers who had their account for many years and had never paid a deposit did not feel that we should be requiring one now.

There are several customers that will be asking the BPU to review their concerns with the deposit requirement as it specifically relates to their utility account. For each, staff followed the procedure as listed above.

**Recommendation:**

Staff is requesting that the BPU to review the Utility Policy regarding Security Deposits.

**Attachments:**

Section of the Utility Policy Regarding Security Deposits  
Internal Policy Regarding Sending Deposit Due Notices

**MULTIPLE RESIDENTIAL, COMMERCIAL & INDUSTRIAL:** See section under Extension Policy for each type of service, water, sewer or electric.

**SECURITY DEPOSITS**

Metered rate services are established upon order of the customer, without prepayment thereof, except that the City may, at its option, require:

1. A service deposit for new residential customers, regardless if the service already exists.
2. A service deposit for any customer that has not had an active account with the City of South Haven utilities for at least two (2) years. (Exception: see item 7 below)
3. A service deposit for current or previous customers that have been disconnected due to late or non-payment within previous 12 months, or if the customer has had two, or more, late penalties in the past year of service.
4. A typical residential deposit will be the greater of: a) the amount equal to twice the amount of the highest bill for any and all services being requested over the last calendar year that the service was provided or b) \$100.00 for electric and \$100.00 for water/sewer.
5. A typical commercial or industrial customer deposit will be the greater of: a) the amount equal to twice the amount of the highest bill for any an all services being requested over the last calendar year that the service was provided or b) \$250.00 for electric and \$100.00 for water/sewer.
6. A customer may have the security deposit waived if they sign up for the automatic payment program. A customer may provide an acceptable credit reference from another utility, provided that the customer presents a utility service history as recent as within the past two (2) years. If the customer is a bona fide business, an acceptable credit reference from another utility must be in the business' name. A cash deposit may be required until receipt of the credit reference. Upon receipt of a satisfactory credit reference, the deposit will be returned in accordance with the City's refund policy.
7. If the service address is relocated, all past due amounts must be paid in full, plus an additional deposit, if required, before a new account at the new location will be placed in the customer's name.
8. For customers that have their second (2<sup>nd</sup>) returned check for payment, cash payments (cashier's check and/or money order) will be required for the following year.

After twelve (12) consecutive months, if service is not cut-off for the reasons listed below, the customer's deposit will be returned as a credit to the account. Service may be cut-off for the following reasons:

- 1) Non-payment of a delinquent account;
- 2) two (2) or more returned checks were written on the account; or

3) two (2) or more penalties within the calendar year were on the account.

Security deposits will be returned as an account credit, unless otherwise requested. When service is terminated, deposits will be credited to the closing bill and any excess will be refunded to the customer.

In case of bankruptcies, deposits will be credited to any outstanding account balances as of the court file date. New deposits will be required for post-petition balances according to the above and in conformance with Bankruptcy laws.

If at any time, the City deems any service deposit to be inadequate, in view of customer's credit history, the customer may be required to make additional deposits. Upon failure to do so, the City shall have the right to terminate service to such customer.

### **RESALE OF SERVICE**

No customer shall resell the service of utilities, provided by the City, to others. Rental properties, with the cost of utility service included in the rental as an incident of tenancy, will not be considered a resale of such services as defined herein. If resale of utilities is occurring, the Public Works Director may design a main extension to the affected services as a special assessment project.

### **CITY LIABILITY**

The City makes no guarantee or promise of uninterrupted service. Electric, Water, and Wastewater services are subject to shutdowns, variations and interruptions necessitated by improvements, repairs and/or operation of the system, either planned or unplanned. Whenever possible, notice of intent to temporarily interrupt service will be given to the customer.

### **DISCONNECTING SERVICE**

Property owners, residents, and authorized parties may request the City to temporarily shut off utility service, for reasons of repair and/or maintenance. Temporary shut off of water service will not terminate the charge for the monthly basic stand-by service fees.

The City is empowered at its option to remove all meters and to shut off all electricity, water and/or wastewater service to any customer at the expiration of its agreement with that customer, whenever any account of that customer is in arrears, or upon violation of these rules and regulations, or upon violation of building, plumbing, or electrical codes. Disconnections will be made during normal business hours.

The customer is responsible for the payment of all bills rendered for their account until he or she has ordered their service terminated and the City has had a reasonable time to affect such termination.

If a final bill is not paid in full within thirty (30) days, from the date of billing, and a customer has another account in the same name, all payments received will be credited to past due accounts.

Any service account with a delinquent balance equal to or exceeding \$75.00, shall receive a shut off notice. Unless payment in full is issued, or satisfactory arrangements have been reached, the account will be terminated.

**CITY OF SOUTH HAVEN CUSTOMER SERVICE DIVISION  
POLICIES & PROCEDURES HANDBOOK**

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**OPERATIONAL POLICIES & PROCEDURES**

**WINTER DEPOSIT DUE NOTICES**

Each year, typically during the winter months, the Customer Service Manager will review customer credit histories to determine if a security deposit is required. Notices will be sent out one week after a billing is mailed.

The customer will have until the next billing is generated to contact the office with questions and/or concerns regarding the notice. If no contact is made, or the customer does not complete the process to sign up for an acceptable alternative (listed below), the amount of the security deposit will be placed on the customer's bill. The bill will be set up to apply any payments toward the security deposit first.

Following are acceptable alternatives to paying a deposit.

Automatic Payment Plan

The security deposit can be waived if the customer signs up for the Automatic Payment Plan and stays on the plan for one year with no more than one returned payment.

The customer must complete an Automatic Payment Plan Enrollment Form and include a voided check. If a check is not available, a statement from the bank with the account holder name, account number, type of account and routing number can be provided.

The name on the utility account must match the name on the bank account or the payment will be declined.

CSRs may use their best judgment in determining if this option is available to a customer on a case by case basis, based on their account history and/or their personal knowledge of this person as a current/previous customer.

This option is not available to any customer that has ever had a Delinquent Utility Bill sent to CBCS or taxes.

Completed Automatic Payment Plan Forms should be stamped with the date received and given to the Customer Service Manager for processing.

Budget & Automatic Payment Plan

For customers that have established a 12-month usage history on their account, the security deposit can be waived if the customer signs up for the Budget Billing & Automatic Payment Plan. They must stay on the plan for one year with no more than one returned payment.

The customer must complete a Budget Billing & Automatic Payment Plan Enrollment Form and include a voided check. If a check is not available, a statement from the bank

with the account holder name, account number, type of account and routing number can be provided.

The name on the utility account must match the name on the bank account or the payment will be declined.

CSRs may use their best judgment in determining if this option is available to a customer on a case by case basis, based on their account history and/or their personal knowledge of this person as a current/previous customer.

This option is not available to any customer that has ever had a Delinquent Utility Bill sent to CBCS or taxes.

Completed Budget Billing & Automatic Payment Plan Forms should stamped with the date received and given to the Utility Billing Administrator for processing.



City of South Haven

## Agenda Item #10

### Peterson Ravine Manhole Rehabilitation

#### Background Information:

In July of 2015, the City of South Haven submitted a State Revolving Fund (SRF) project plan to the Michigan Department of Environmental Quality. This plan includes recommendations for numerous sanitary sewer improvements throughout the City.

One of the projects identified in the project plan is rehabilitation of manholes within the Peterson Ravine area. The Peterson County Drain enters the city limits at Aylworth Avenue and continues to an outlet in the Black River. At the time that South Haven was originally developed, it was decided to lay trunk sewers along the ravines adjacent to the open creek. While this resulted in a lower initial cost of construction, it places the sewers and appurtenant manholes in an area that is susceptible to occasional flooding and high ground water.

During the preparation of the SRF project plan, Abonmarche identified infiltration at some of the manholes in the Peterson Ravine. In addition, the elevation and condition of the manhole tops and covers can lead to direct inflow during creek flooding.

In order to address this source of inflow and infiltration, Abonmarche has prepared plans that include a variety of rehabilitation activities. The work primarily includes grout injection to stop infiltration through cracks or joints in the manhole walls and reconstruction of the manhole tops and covers to provide a watertight assembly.

This project was estimated to cost \$74,054 and funding was included in the 2015-16 fiscal year budget. On February 19, 2016, the City opened bids for the rehabilitation. The low bid amount is \$37,407.00.

#### Recommendation:

Approve a recommendation that City Council award the Peterson Ravine Manhole Rehabilitation project to Culy Contracting, Inc. of Winchester, IN in the amount of \$37,407.00.

#### Attachments:

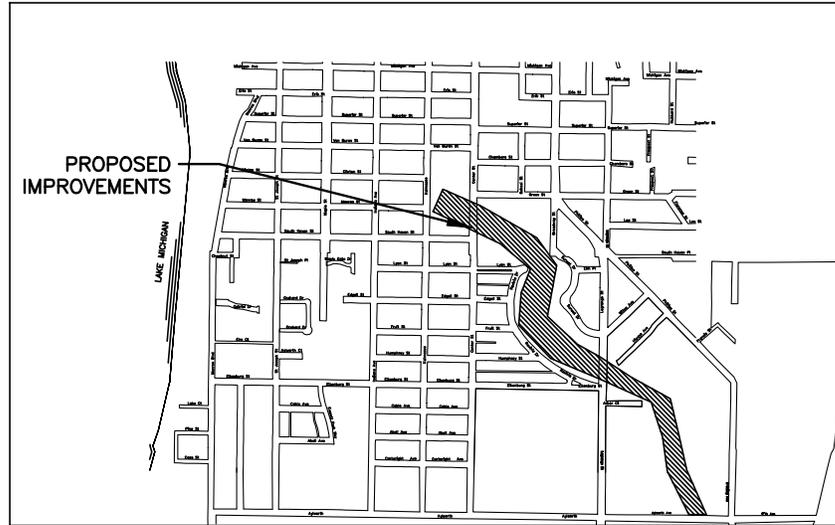
Project Drawings  
Recommendation of Award Letter

CITY OF SOUTH HAVEN  
 PETERSON RAVINE MANHOLE REHABILITATION PROJECT

**CALL MISS DIG**

1-800-482-7171 OR 811

FOR PROTECTION OF THE UNDERGROUND UTILITIES, THE CONTRACTOR SHALL CALL MISS DIG A MINIMUM OF THREE FULL WORKING DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND HOLIDAYS PRIOR TO BEGINNING CONSTRUCTION OPERATIONS. MEMBERS WILL THUS BE ROUTINELY NOTIFIED. THIS DOES NOT RELIEVE THE CONTRACTOR OF THE RESPONSIBILITY OF NOTIFYING UTILITY OWNERS WHO MAY NOT BE PART OF THE "MISS DIG" ALERT SYSTEM.



JAN. 2016

**MDOT STANDARD DETAILS – NOT PRINTED**

R-96 SERIES SOIL EROSION & SEDIMENTATION CONTROL MEASURES

\* SPECIAL DETAILS

**CONTRACT FOR:**

CLEANING, LINING, GROUTING, SEALING MANHOLES, MANHOLE COVER REPLACEMENT, AND REHABILITATION OF MANHOLES ALONG THE PETERSON RAVINE FROM CENTER STREET TO AYLWORTH AVENUE.

PREPARED UNDER SUPERVISION OF

EXCEPT WHERE OTHERWISE INDICATED ON THESE PLANS OR IN THE PROPOSAL AND SUPPLEMENTAL SPECIFICATIONS CONTAINED HEREIN ALL MATERIALS AND WORKMANSHIP SHALL BE IN ACCORDANCE WITH THE MICHIGAN DEPARTMENT OF TRANSPORTATION 2012 STANDARD SPECIFICATIONS FOR CONSTRUCTION.

CITY OF SOUTH HAVEN APPROVAL

BRIAN DISSETTE – CITY MANAGER

DATE

LARRY HALBERSTADT, PE – CITY ENGINEER

DATE

REGISTERED PROFESSIONAL ENGINEER  
 DANIEL A. DOMBOS II, P.E.  
 REGISTRATION NUMBER: MI 55193

DATE



95 West Main Street  
 Benton Harbor, MI 49022  
 T 269.927.2295  
 F 269.927.1017

Manistee, MI  
 South Haven, MI  
 South Bend, IN  
 Portage, IN

Engineering  
 Architecture  
 Land Surveying  
 Marina/Waterfront  
 Community Planning  
 Landscape Architecture  
 Development Services

**PREPARED FOR:**

PETERSON RAVINE  
 CITY OF SOUTH HAVEN  
 VAN BUREN COUNTY, MI

SCALE: N/A

JOB #: 15-0644

SHEET SHT 1 OF 8

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**GENERAL NOTES:**

MDOT STANDARD SPECIFICATIONS FOR CONSTRUCTION, 2012 EDITION SHALL PREVAIL, UNLESS INDICATED OTHERWISE.

THREE WORKING DAYS PRIOR TO CONSTRUCTION THE CONTRACTOR SHALL REQUEST THE LOCATIONS OF ALL UTILITIES BY CALLING MISS DIG.

ANY EXCESS/UNSUITABLE MATERIAL SHALL BECOME THE PROPERTY OF THE CONTRACTOR AND THEY SHALL BE RESPONSIBLE FOR THE PROPER DISPOSAL OF THIS MATERIAL.

DEWATERING, IF REQUIRED, SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR AND NO EXTRA PAYMENT SHALL BE MADE THEREFORE.

THE CONTRACTOR SHALL PROVIDE THE ENGINEER WITH ''AS-RECORDED'' DRAWINGS OF THE SEWERS UPON COMPLETION OF THE PROJECT.

TREES NOT DESIGNATED FOR REMOVAL SHALL BE PROTECTED BY THE CONTRACTOR. DAMAGED TREES SHALL BE RESTORED TO THE ORIGINAL CONDITION AT THE CONTRACTORS EXPENSE. ALL TREES DAMAGED BEYOND SAVING AS DETERMINED BY THE ENGINEER SHALL BE REMOVED AND REPLACED WITH A NURSERY GROWN TREE AS SPECIFIED BY THE ENGINEER.

REMOVED MANHOLE COVERS AND RIMS SHALL BECOME THE PROPERTY OF THE CITY OF SOUTH HAVEN AND SHALL BE DELIVERED TO THE CITY DEPT. OF PUBLIC WORKS.

REMOVAL OF ABANDONED CONFLICTING UTILITIES SHALL BE CONSIDERED INCLUDED WITH THE ITEM BEING CONSTRUCTED, INCLUDING BULKHEADING ALL PIPES 12'' DIA. OR LESS (PIPES IN EXCESS OF 12'' DIA. SHALL BE PAID FOR AS A SEWER BULKHEAD).

**SANITARY SEWER:**

ACCESS TO PETERSON RAVINE SHALL BE LIMITED TO FOOT TRAFFIC, ALL-TERRAIN VEHICLE OR PICKUP TRUCK. NO FILL OR TEMPORARY CULVERTS WILL BE PERMITTED FOR CONSTRUCTION OF CREEK CROSSINGS.

LIMIT EARTH DISTURBANCE TO AREAS IN THE IMMEDIATE VICINITY OF THE SANITARY MANHOLES WHERE REHABILITATION OR STRUCTURE ALTERATION IS SPECIFIED. RESTORE DISTURBED AREAS WITH TOPSOIL, SEED, AND MULCH BLANKET IN ACCORDANCE WITH THE SPECIFICATIONS. THE COST FOR ADDITIONAL RESTORATION BEYOND A 10'X10' AREA AROUND THE EXISTING MANHOLES SHALL BE BORNE BY THE CONTRACTOR.

SANITARY SEWERS SHALL BE REMAIN IN SERVICE DURING THE WORK. BYPASS PUMPING IS NOT PERMITTED UNLESS AUTHORIZED IN WRITING BY THE CITY ENGINEER.

WHERE NEW CASTINGS ARE SHOWN, REMOVE EXISTING CASTINGS AND DELIVER TO CITY OF SOUTH HAVEN DEPARTMENT OF PUBLIC WORKS.

REMOVE AND SALVAGE EXISTING CASTING INSERTS FROM EXISTING MANHOLE COVERS. INSTALL SALVAGED CASTING INSERTS IN NEW MANHOLE CASTINGS WHERE REPLACEMENT IS SHOWN ON THE PLANS.

DRAINAGE STRUCTURE AND SANITARY MANHOLE COVERS SHALL BE PAID AS DRAINAGE STRUCTURE COVER. MANHOLE CASTINGS SHALL DENOTE STORM SEWER, SANITARY SEWER OR WATER AND SHALL BEAR THE CITY STANDARD LOGO.

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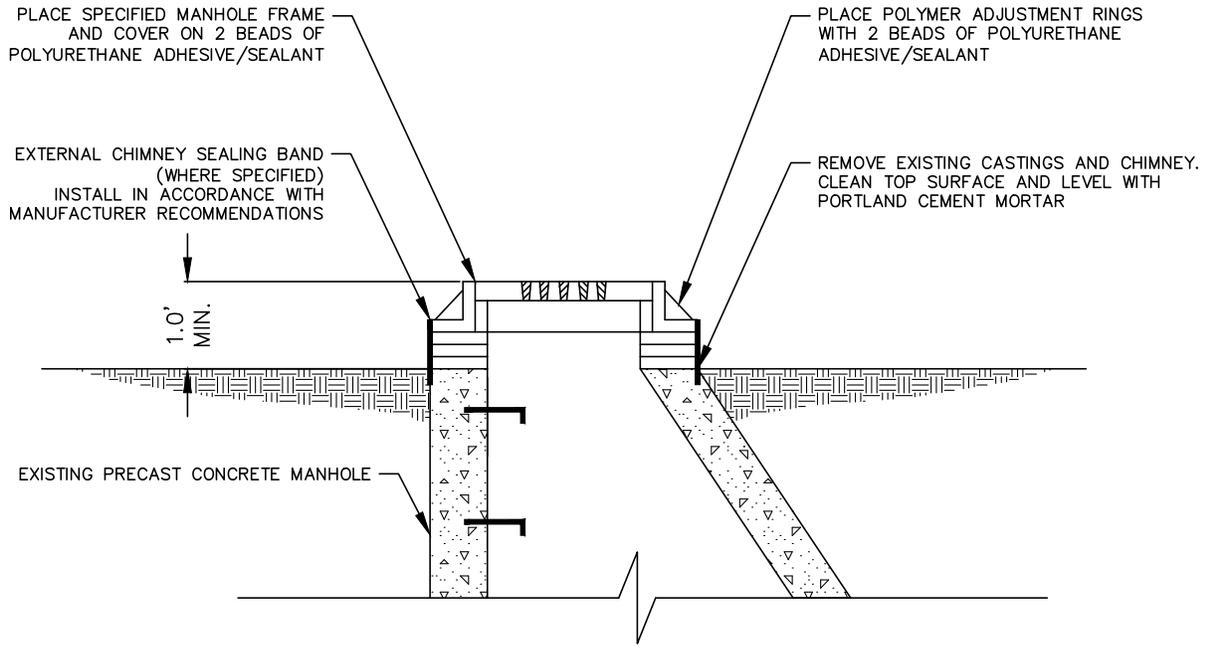
95 West Main Street  
Benton Harbor, MI 49022  
T 269.927.2295  
F 269.927.1017

Manistee, MI  
South Haven, MI  
South Bend, IN  
Portage, IN

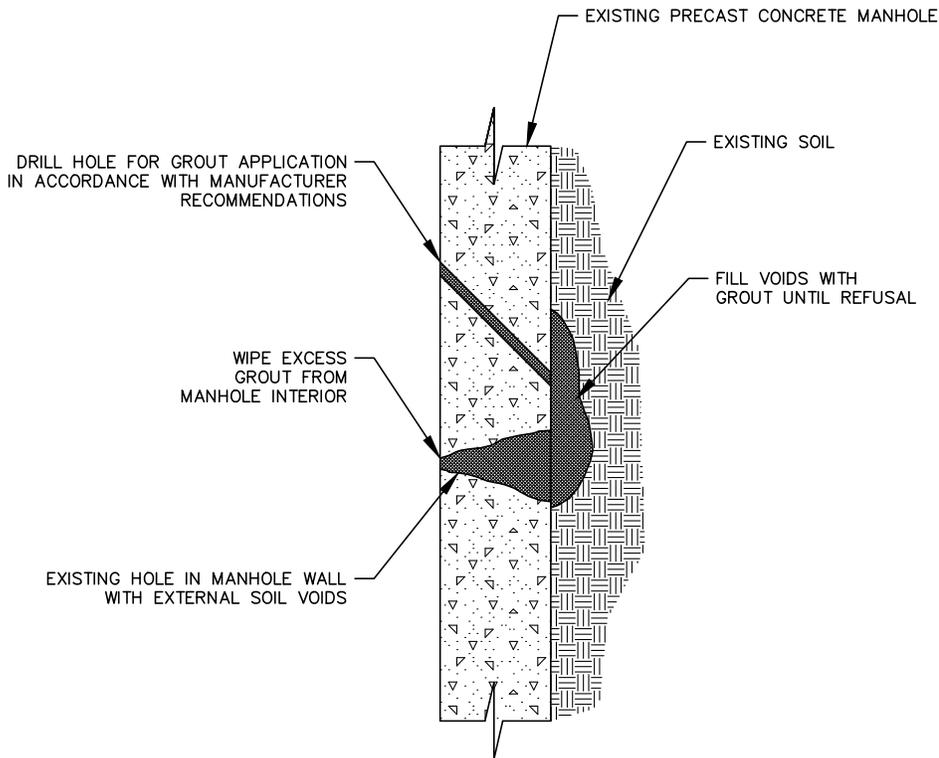
Engineering  
Architecture  
Land Surveying  
Marina/Waterfront  
Community Planning  
Landscape Architecture  
Development Services

PREPARED FOR:  
PETERSON RAVINE  
CITY OF SOUTH HAVEN  
VAN BUREN COUNTY, MI  
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SCALE: N/A
JOB #: 15-0644
SHEET 2 OF 8



**MANHOLE ADJUSTMENT AND INFILTRATION/INFLOW COUNTERMEASURES**  
NOT TO SCALE



**GROUT REPAIR OF INFILTRATION THROUGH MANHOLE WALL**  
NOT TO SCALE



95 West Main Street  
Benton Harbor, MI 49022  
T 269.927.2295  
F 269.927.1017

Manistee, MI  
South Haven, MI  
South Bend, IN  
Portage, IN

Engineering  
Architecture  
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Marina/Waterfront  
Community Planning  
Landscape Architecture  
Development Services

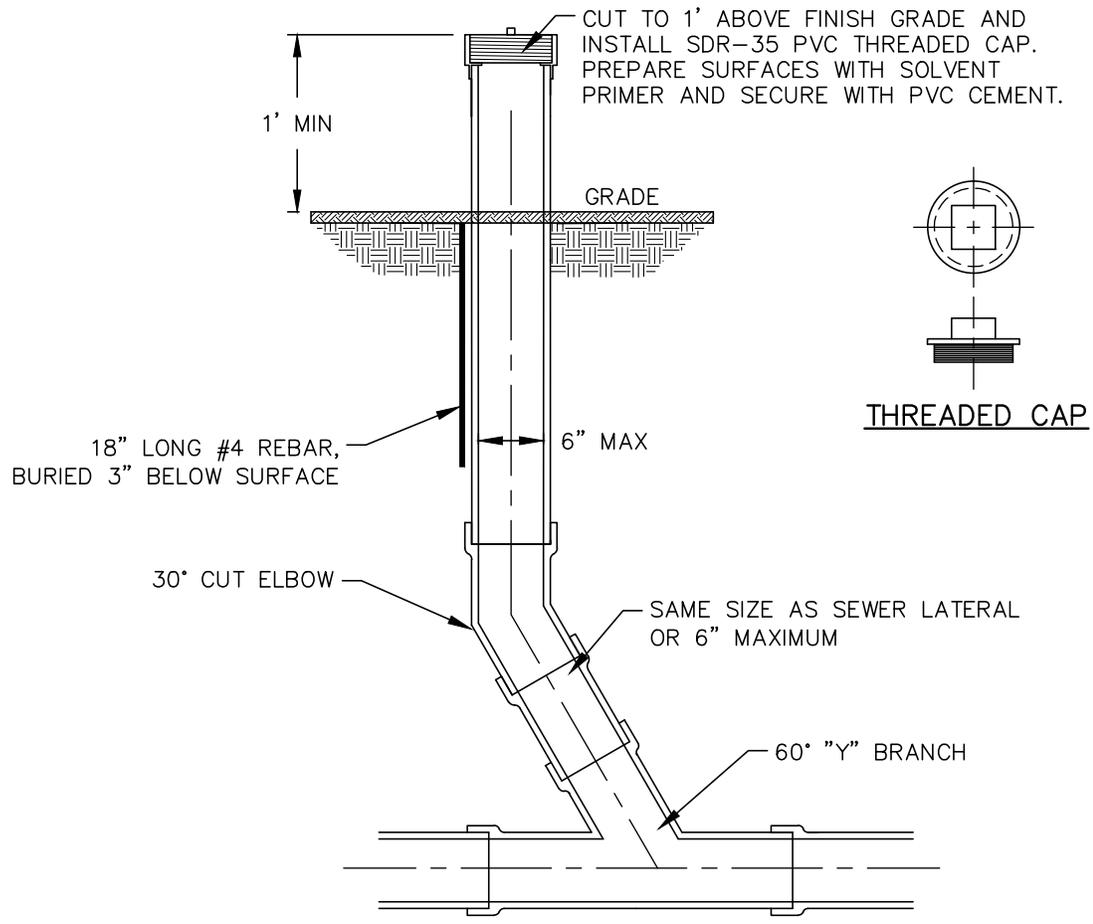
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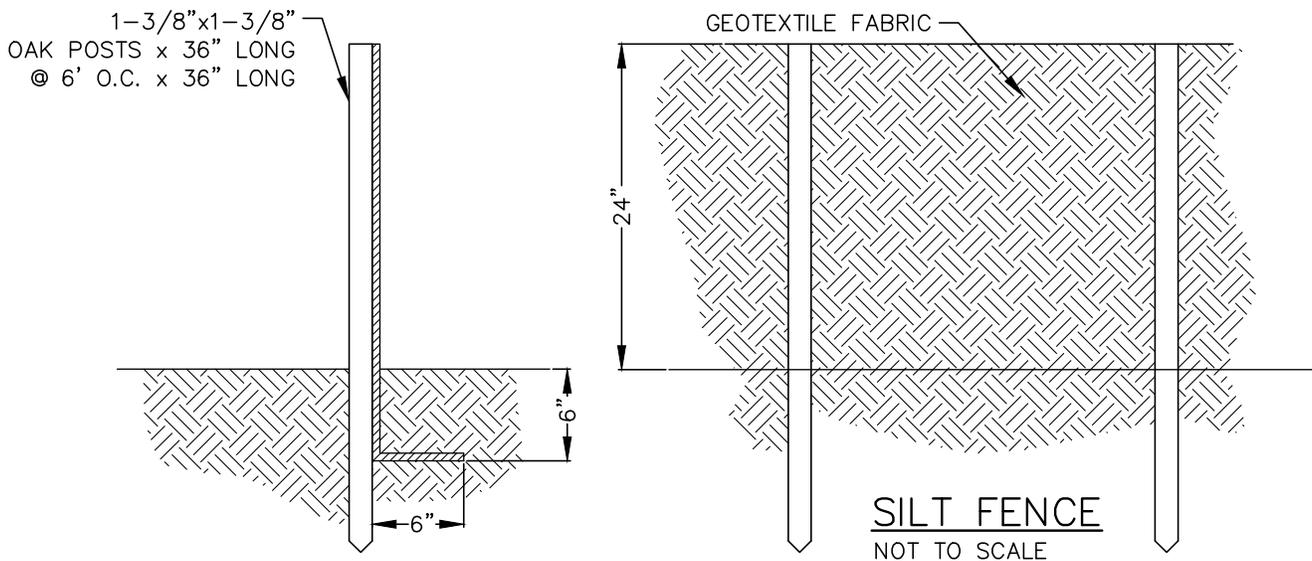
SCALE: N/A

JOB #: 15-0644

SHEET 3 OF 8



**CLEANOUT ADJUSTMENT DETAIL**  
NOT TO SCALE



95 West Main Street  
Benton Harbor, MI 49022  
T 269.927.2295  
F 269.927.1017

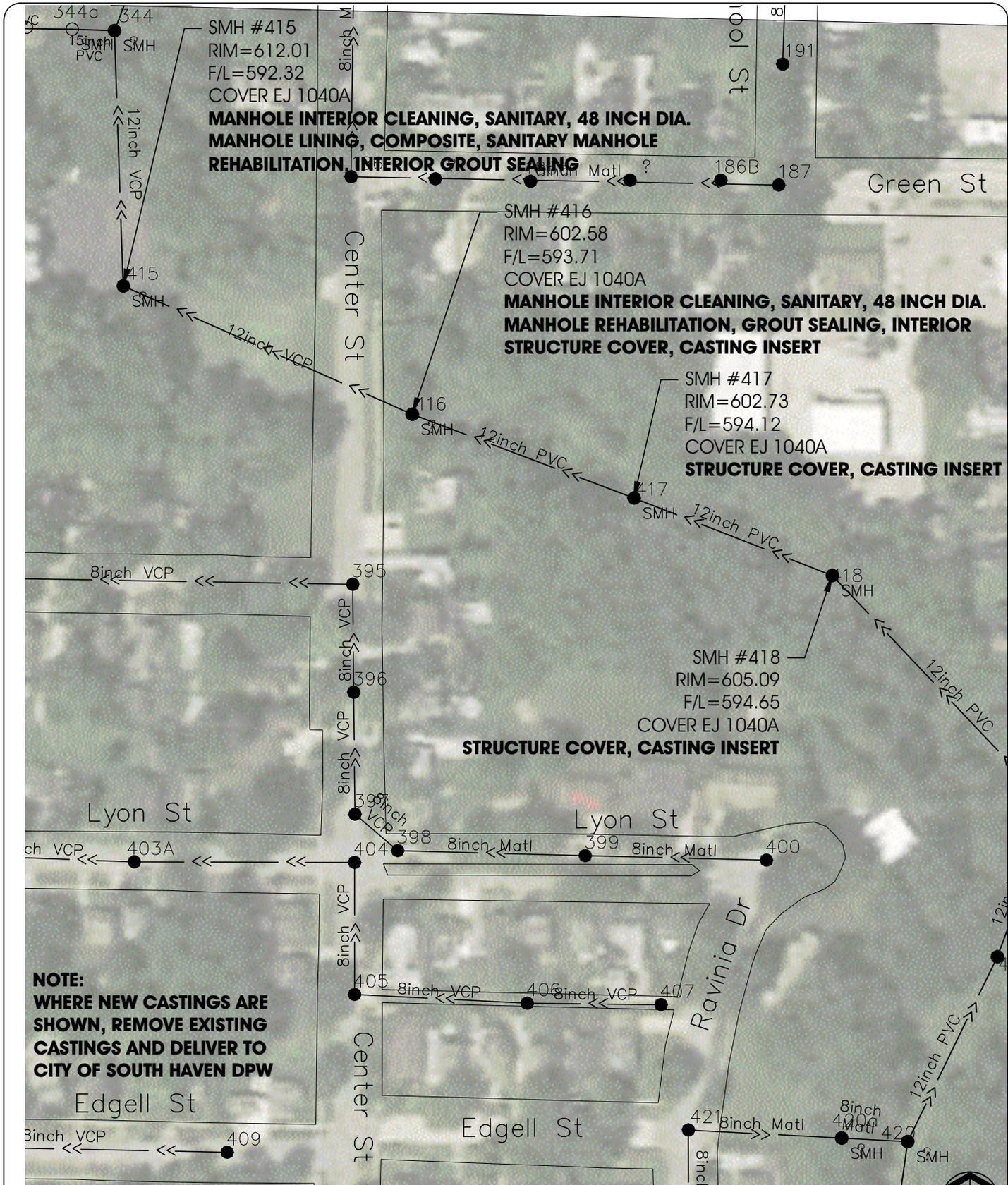
Manistee, MI  
South Haven, MI  
South Bend, IN  
Portage, IN

Engineering  
Architecture  
Land Surveying  
Marina/Waterfront  
Community Planning  
Landscape Architecture  
Development Services

PREPARED FOR:  
PETERSON RAVINE  
CITY OF SOUTH HAVEN  
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SCALE: N/A
JOB #: 15-0644
SHEET 4 OF 8

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**NOTE:**  
 WHERE NEW CASTINGS ARE SHOWN, REMOVE EXISTING CASTINGS AND DELIVER TO CITY OF SOUTH HAVEN DPW



95 West Main Street  
 Benton Harbor, MI 49022  
 T 269.927.2295  
 F 269.927.1017

Manistee, MI  
 South Haven, MI  
 South Bend, IN  
 Portage, IN

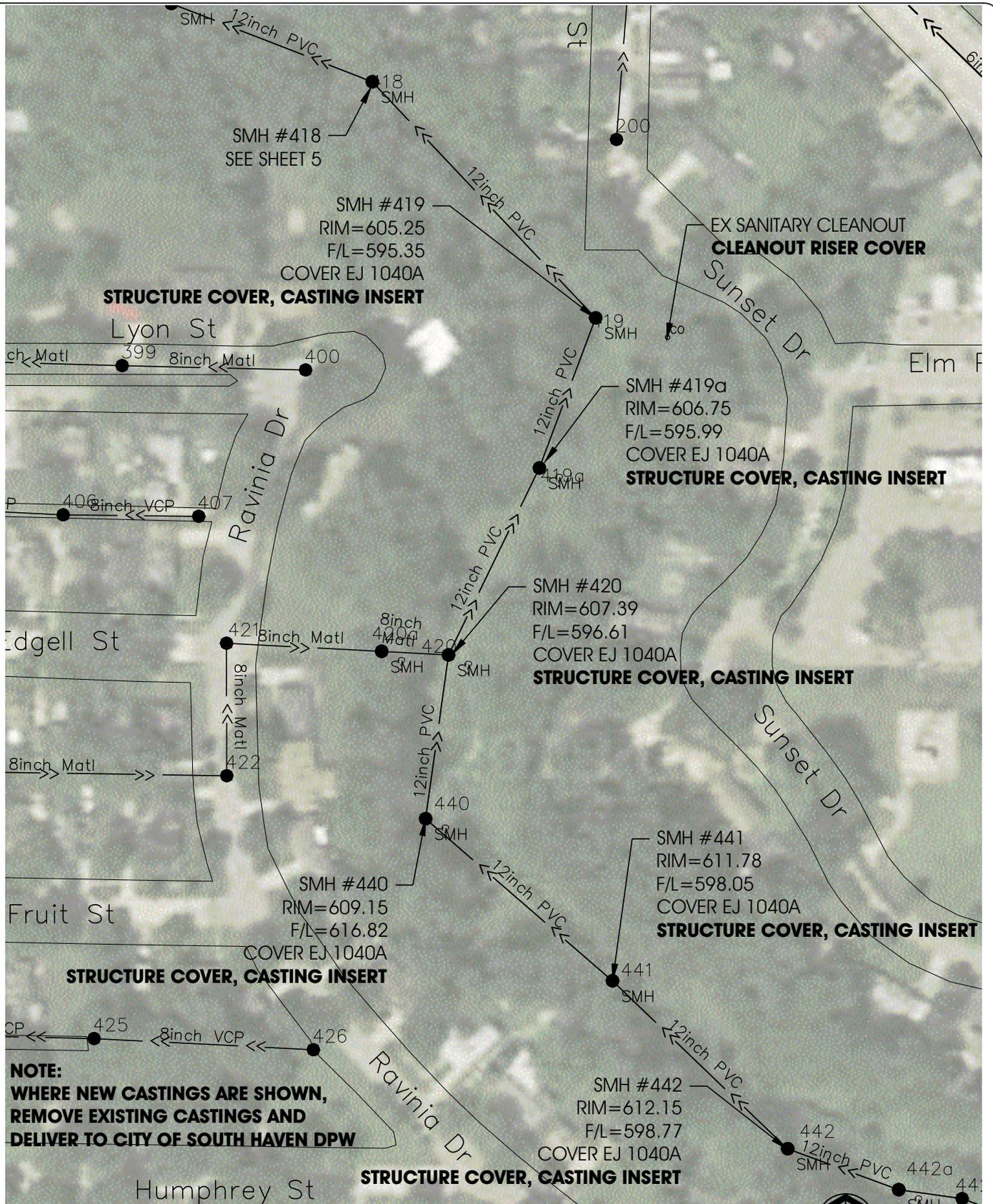
Engineering  
 Architecture  
 Land Surveying  
 Marina/Waterfront  
 Community Planning  
 Landscape Architecture  
 Development Services

PREPARED FOR:  
 PETERSON RAVINE  
 CITY OF SOUTH HAVEN  
 VAN BUREN COUNTY, MI  
 COPYRIGHT 2013-ABONMARCHE CONSULTANTS, INC.

SCALE: 1"=150'
JOB #: 15-0644
SHEET 5 OF 8



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**NOTE:**  
 WHERE NEW CASTINGS ARE SHOWN,  
 REMOVE EXISTING CASTINGS AND  
 DELIVER TO CITY OF SOUTH HAVEN DPW



95 West Main Street  
 Benton Harbor, MI 49022  
 T 269.927.2295  
 F 269.927.1017

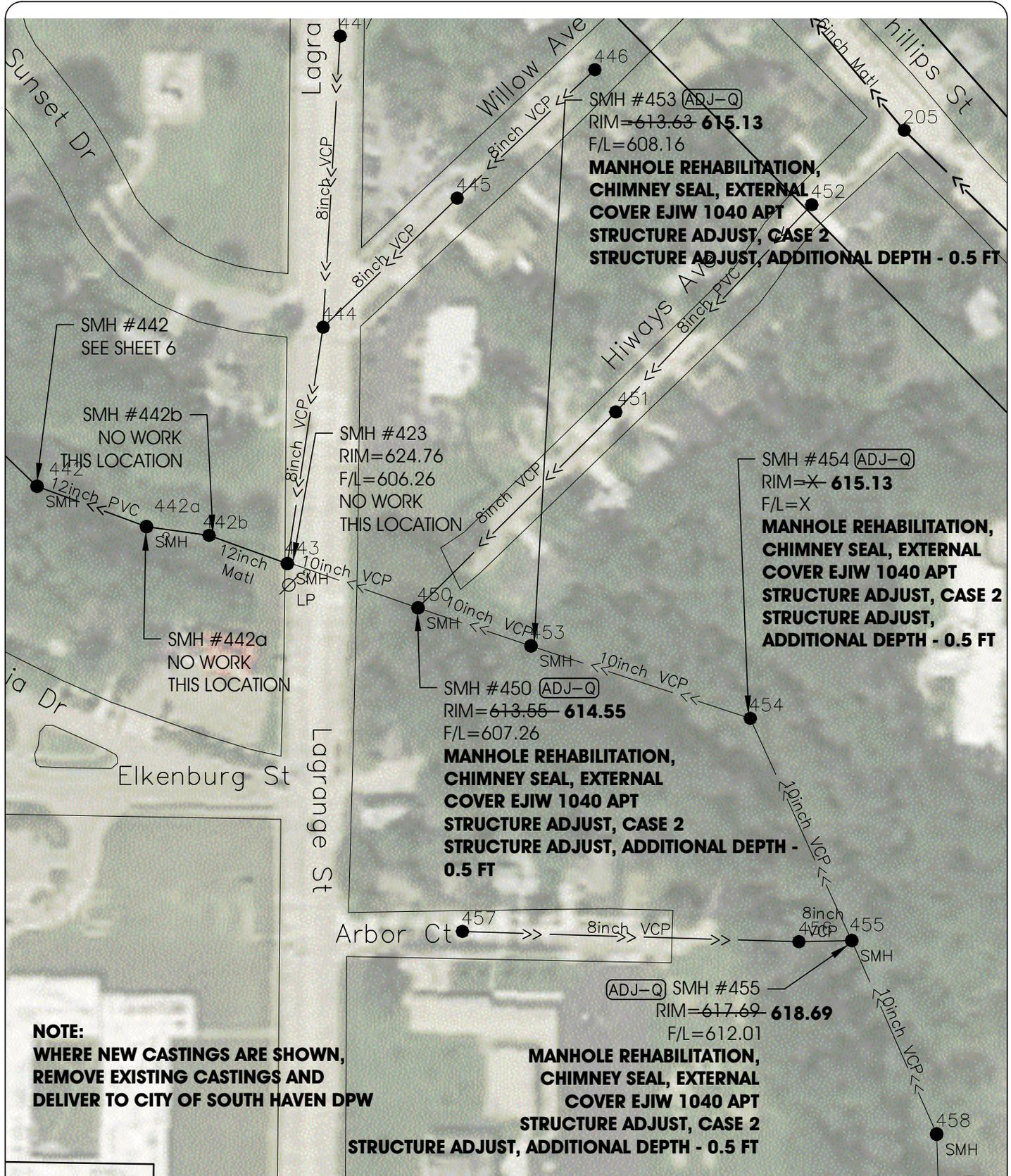
Manistee, MI  
 South Haven, MI  
 South Bend, IN  
 Portage, IN

Engineering  
 Architecture  
 Land Surveying  
 Marina/Waterfront  
 Community Planning  
 Landscape Architecture  
 Development Services

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SCALE: 1"=150'
JOB #: 15-0644
SHEET 6 OF 8

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**NOTE:**  
**WHERE NEW CASTINGS ARE SHOWN,**  
**REMOVE EXISTING CASTINGS AND**  
**DELIVER TO CITY OF SOUTH HAVEN DPW**

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95 West Main Street  
 Benton Harbor, MI 49022  
 T 269.927.2295  
 F 269.927.1017

Manistee, MI  
 South Haven, MI  
 South Bend, IN  
 Portage, IN

Engineering  
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PREPARED FOR:  
 PETERSON RAVINE  
 CITY OF SOUTH HAVEN  
 VAN BUREN COUNTY, MI

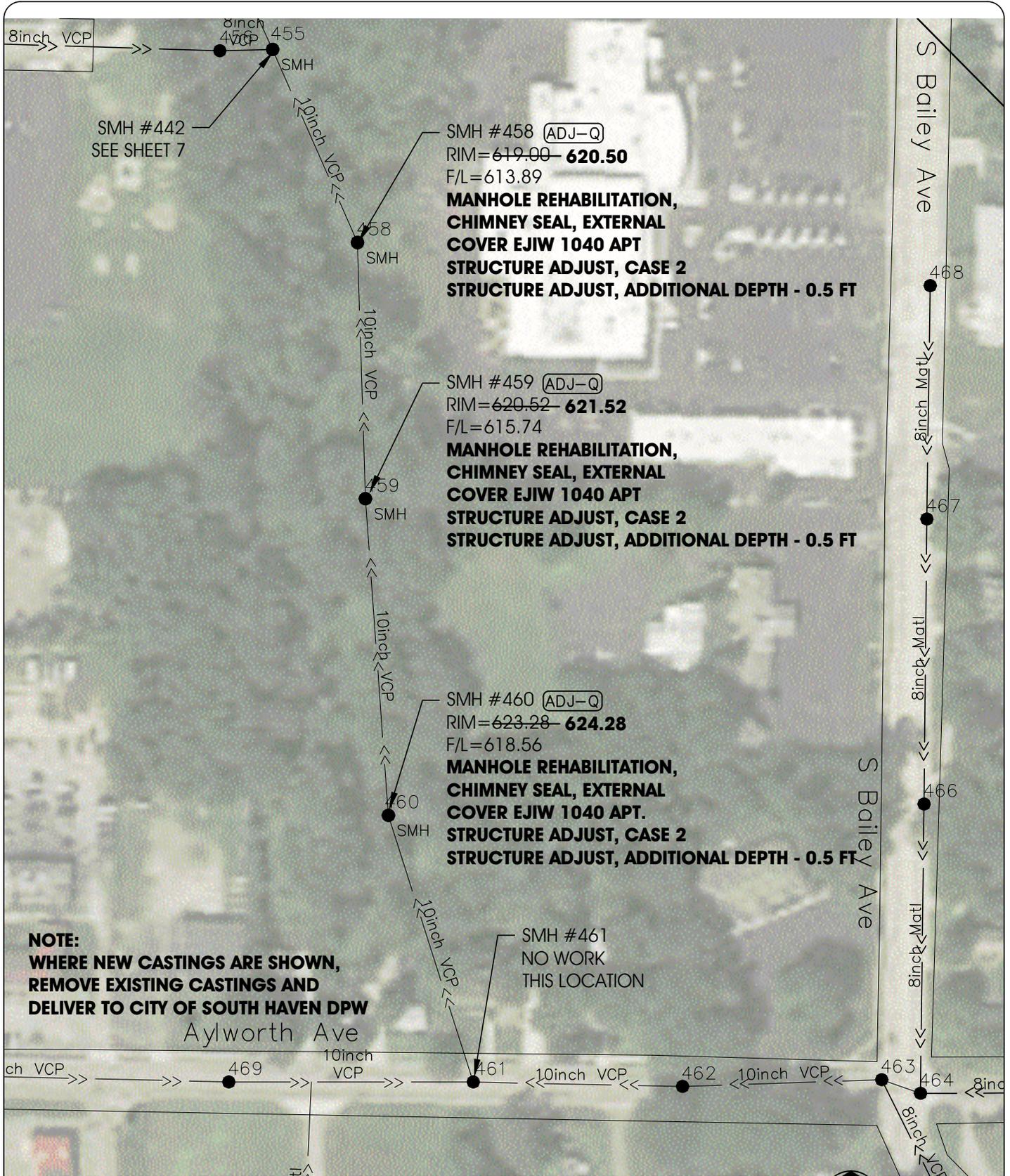
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SCALE: 1"=150'

JOB #: 15-0644

SHEET 7 OF 8





**NOTE:**  
WHERE NEW CASTINGS ARE SHOWN,  
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PREPARED FOR:  
PETERSON RAVINE  
CITY OF SOUTH HAVEN  
VAN BUREN COUNTY, MI

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SCALE: 1"=150'

JOB #: 15-0644

SHEET 8 OF 8



Engineering  
Architecture  
Land Surveying  
Marina/Waterfront  
Community Planning  
Landscape Architecture  
Development Services

March 4, 2016

Mr. Brian Dissette  
City Manager  
539 Phoenix Street  
South Haven, MI 49090

Mr. Larry Halberstadt, PE  
City Engineer  
1199 8<sup>th</sup> Avenue  
South Haven, MI 49090

Re: Recommendation for Contract Award  
Peterson Ravine Manhole Rehabilitation Project  
ACI Project No. 15-0644

Dear Mr. Dissette,

On February 19, 2016, we received three (3) bids for the Peterson Ravine Manhole Rehabilitation Project. All three bidders furnished the necessary bonding, and bidder qualification documents. We checked the bids for completeness and accuracy. A summary of the attached bid tabulation is provided below.

#### Bid Summary

<u>Prepared By:</u>	<u>Total Project Cost</u>
Engineer's Estimate	\$61,700.00
Culy Contracting, Inc. (Winchester, IN)	\$37,407.00
Compton, Inc. (South Haven, MI)	\$49,450.00
R&A Environmental Rehab, Inc. (Clare, MI)	\$59,800.00

All three bids were below the engineer's estimate. The differential between Culy Contracting, Inc. and Compton, Inc. is greater than the local preference thresholds (5% or \$5,000 max.).

Following confirmation of the bids, we requested supplemental information related to the experience, subcontractors, and suppliers from the two low bidders. Only Culy Contracting, Inc. responded to this request, furnishing the attached documentation. We received consistently positive feedback from their references for cost, timeliness, quality, and resolution of punchlist issues. We found that they have performed previous work in Novi, MI and were responsive completing their work at a similar distance from their home office.

95 West Main Street  
Benton Harbor, MI 49022  
269.927.2295

361 First Street  
Manistee, MI 49660  
231.723.1198

503 Quaker Street  
South Haven, MI 49090  
269.637.1293

750 Lincoln Way East  
South Bend, IN 46601  
574.232.8700

3177 Willowcreek Road  
Portage, IN 46368  
219.850.4624

Recommendation for Contract Award  
City of South Haven  
Peterson Ravine Manhole Rehabilitation Project  
March 4, 2016  
Page 2 of 2

Abonmarche recommends award of the Base Bid to the low bidder, Culy Contracting, Inc. of Winchester, IN in the amount of \$37,407.00.

Sincerely,

ABONMARCHE

Daniel A. Dombos II, P.E.  
Senior Project Engineer

DAD

Attachments: Bid Tabulation

cc: Christopher J. Cook, PE Abonmarche  
Timothy R. Drews, PE Abonmarche



Owner: City of South Haven  
 Project Name: Peterson Ravine Manhole Rehabilitation Project  
 Project Number: 15-0644  
 Alt. Agency: N/A  
 Date and Time: February 19th, 2016 , 1:30 pm

Legend:

Low Bidder
Correction

# Bid Tabulation

## Base Bid

Item	Unit	Estimated Quantity	Engineer's Estimate		Culy Contracting		Compton, Inc.		R&A Environmental Rehab	
			Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
1 Mobilization, Max \$5,000	Lump Sum	1.00	\$ 5,000.00	\$ 5,000.00	\$ 4,000.00	\$ 4,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
2 Temporary Traffic Control	Lump Sum	1.00	\$ 3,500.00	\$ 3,500.00	\$ 1,000.00	\$ 1,000.00	\$ 750.00	\$ 750.00	\$ 2,000.00	\$ 2,000.00
3 Silt Fence	Ft	350.00	\$ 10.00	\$ 3,500.00	\$ 3.00	\$ 1,050.00	\$ 4.00	\$ 1,400.00	\$ 10.00	\$ 3,500.00
4 Topsoil, 3 inch	Syd	100.00	\$ 15.00	\$ 1,500.00	\$ 5.00	\$ 500.00	\$ 10.00	\$ 1,000.00	\$ 45.00	\$ 4,500.00
5 Seed & Fertilizer	Syd	100.00	\$ 8.25	\$ 825.00	\$ 1.00	\$ 100.00	\$ 3.00	\$ 300.00	\$ 35.00	\$ 3,500.00
6 Erosion Fabric, S75BN	Syd	100.00	\$ 10.00	\$ 1,000.00	\$ 1.00	\$ 100.00	\$ 6.00	\$ 600.00	\$ 45.00	\$ 4,500.00
7 Manhole Interior Cleaning, Sanitary, 48 inch dia.	Ea	2.00	\$ 2,750.00	\$ 5,500.00	\$ 550.00	\$ 1,100.00	\$ 500.00	\$ 1,000.00	\$ 750.00	\$ 1,500.00
8 Manhole Lining, Composite, Sanitary, 48 inch dia.	Ea	1.00	\$ 8,500.00	\$ 8,500.00	\$ 5,907.00	\$ 5,907.00	\$ 12,500.00	\$ 12,500.00	\$ 8,000.00	\$ 8,000.00
9 Manhole Rehabilitation, Grout Sealing, Interior	Ea	2.00	\$ 1,250.00	\$ 2,500.00	\$ 200.00	\$ 400.00	\$ 1,500.00	\$ 3,000.00	\$ 2,000.00	\$ 4,000.00
10 Sanitary Manhole, Chimney Seal, External	Ea	7.00	\$ 2,000.00	\$ 14,000.00	\$ 1,300.00	\$ 9,100.00	\$ 950.00	\$ 6,650.00	\$ 450.00	\$ 3,150.00
11 Structure Cover, 1040APT	Ea	7.00	\$ 800.00	\$ 5,600.00	\$ 900.00	\$ 6,300.00	\$ 600.00	\$ 4,200.00	\$ 1,500.00	\$ 10,500.00
12 Structure Cover, Casting Insert	Ea	9.00	\$ 325.00	\$ 2,925.00	\$ 250.00	\$ 2,250.00	\$ 500.00	\$ 4,500.00	\$ 450.00	\$ 4,050.00
13 Structure Adjust, Case 2	Ea	7.00	\$ 800.00	\$ 5,600.00	\$ 700.00	\$ 4,900.00	\$ 600.00	\$ 4,200.00	\$ 450.00	\$ 3,150.00
14 Structure Adjust, Additional Depth	Ea	4.00	\$ 350.00	\$ 1,400.00	\$ 75.00	\$ 300.00	\$ 1,000.00	\$ 4,000.00	\$ 450.00	\$ 1,800.00
15 Cleanout Riser Cover	Ea	1.00	\$ 350.00	\$ 350.00	\$ 400.00	\$ 400.00	\$ 350.00	\$ 350.00	\$ 650.00	\$ 650.00
<b>Total: Base Bid</b>			\$ 61,700.00		\$ 37,407.00		\$ 49,450.00		\$ 59,800.00	
<b>Bid Statistics</b>			% of Estimate	100.00%	% of Estimate	60.63%	% of Estimate	80.15%	% of Estimate	96.92%
			% of Low Bid	164.94%	% of Low Bid	100.00%	% of Low Bid	132.19%	% of Low Bid	159.86%



**Supervisors Experience**

Sam Hunt – 9yrs experience

Ty Weaver – 7yrs experience

Stephen Tompkins – 4yrs experience

Ryan Phenis – 5yrs experience

**Experience**

Culy Contracting is a certified applicator of Mainstay, effectively applying the Mainstay Composite Liner system for 9 years

Culy Contracting employees are regular full-time employees who travel throughout the country to perform the manhole rehabilitation work. These individuals have been employed with Culy for a number of years and have received the specialized training and acquired the necessary skills to perform the manhole rehabilitation work. The work that is required on this project require years of training and experience to properly install. (See attached certification)

**Sub-contractors**

Culy Contracting will not require Sub-contractors for this project.

**Supplier List**

Utility Supply Co. 6310 South Harding St. Indianapolis, IN

Erich Nugent – 800-662-0829



**Similar Projects**

- 1.) Avon, IN.                      Manhole Rehab ML-72, DS-5 and 806  
Gary Padgett    317-491-3593
  
- 2.) Clay Regional Waste District                      Carmel, IN.  
    Manhole Rehab ML-72, DS-5, 806 and Casting Replacements  
Joe Hood        317-997-8650
  
- 3.) Danville, IN.                Manhole Rehab ML-72, DS-5, 806 and Casting Replacements  
Jerry Crisp     317-292-4084
  
- 4.) Ft. Wayne, IN.                Manhole Rehab ML-72, DS-5, Casting Replacements and  
    806  
Dan Smith     260-427-5155
  
- 5.) Novi, MI.                      Manhole Rehab ML-72, Casting Replacements, Manhole  
    Encapsulation System (Wrapidseal)  
John Becht     248-762-0354





## Certified Applicator Certificate

*By completing a comprehensive training program and demonstrating the ability to safely and effectively apply the Mainstay Composite Liner restoration and corrosion barrier system,*

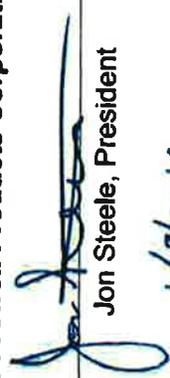
### Culy Contracting

*Has attained the designation of*

## Mainstay Composite Liner Certified Applicator

*Valid January 1, 2016 - December 31, 2016*

**Madewell Products Corporation**

  
 Jon Steele, President

1/8/2016  
 Date Issued





February 23, 2016

Subject: Peterson Ravine Manhole Rehabilitation Project

To Whom It May Concern:

We here at Madewell Products believe that our Mainstay Composite Liner is equal to and exceeds the current approved products. Our Mainstay Composite Liner consists of an underlayment coat of restoration mortar called Mainstay ML-72, which exceeds 10,000 psi compression strength upon cure. After the mortar has been applied and finished, it is immediately topcoated with Mainstay DS-5 100% Solids Epoxy Coating to provide a corrosion barrier against hydrogen sulfide and other corrosive gases. The two products cure together, ensuring a strong bond between materials and providing a continuous surface free of pinholes and voids. Once the epoxy has cured, the contractor will come back and install a flexible epoxy chimney seal called Madewell 806 to seal the joint between the top of the manhole and the ring and cover.

Mainstay ML-72 mortar is used to increase structural stability of the manhole, fill in any bug holes in the concrete, joints, and pipe connections, as well as cover any bricks. This again will give you structural strength and prevent any off gassing of concrete, which in turn allows the Mainstay DS-5 epoxy to strongly adhere to the mortar underlayment. The mortar, epoxy, and the chimney seal are what make up the Mainstay Composite Liner. We recommend a half inch of mortar and 125 mils of epoxy for most applications.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig A. Closser".

Craig Closser, Mainstay Sales & Account  
Manager



City of South Haven

## Agenda Item #11

### Sale of Real Property

#### Background Information:

The Board of Public Utilities will be asked to consider a recommendation to the City Council which authorizes the sale of property to Nicholas Wiatrowski. Nick Waitrowski approached the city in December 2015 about purchasing property adjacent to his father's address of 13517 Blue Star Highway for a second home for his family. The adjacent property is on the east side of Blue Star Highway and 420' north of 14<sup>th</sup> Avenue and lies between 13517 and 13747 Blue Star Highway. Title is held by the City of South Haven's Board of Public Works with a parcel number 80-17-022-050-00. The property was a site formerly used as an electric substation and transformer storage. The driveway and transformers have been removed however the concrete pads are still in place.

Due to the previous storage of transformers on the property, there may be soil contamination in the area that the transformers were used. An environmental assessment has not been performed. The cost to remove the foundations, haul away the fil material, and if necessary, handling of the contaminated soil from underneath the transformer pad area will be the responsibility of the Wiatrowski's.

The city has negotiated a purchase price for the property in the amount of \$11,000 less \$2,000 for title work and \$1,000 for surveying for a net price of \$8,000.00. As stated in the Purchase Agreement, buyer would accept the property on an "as is, where is" basis.

#### Recommendation:

Approve a motion of recommendation to the City Council to sell the parcel of land numbered 80-17-022-050-00 on Blue Star Highway to Nicholas Wiatrowski for the amount of \$8,000.00.

#### Attachments:

Draft Purchase Agreement

## REAL ESTATE PURCHASE AGREEMENT

This Real Estate Purchase Agreement is made as of \_\_\_\_\_, 2016 (the “**Effective Date**”), between the City of South Haven, a Michigan municipal corporation, of 539 Phoenix Street, South Haven, MI 49090 (the “**Seller**”) and Nicholas Wiatrowski, a married man, of 458 S. Burk Street, Gilbert, Arizona 85296 (the “**Buyer**”).

### RECITALS

- A. The Seller owns certain vacant real property located along Blue Star Highway in South Haven Township, Michigan consisting of approximately 0.7 acres, as legally described on the attached Exhibit A (the “**Property**”).
- B. The Buyer wishes to buy the Property and intends to develop a single-family residence thereon.
- C. The parties wish to enter into this Agreement to set forth the terms and conditions of the purchase and sale of the Property and the Buyer’s development of the Property.

### TERMS AND CONDITIONS

For valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree:

1. Purchase and Sale.

- A. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property, subject to the terms and conditions of this Agreement.
- B. The total **Purchase Price** for the Property is Eight Thousand Dollars (\$8,000), which the Buyer shall pay to Seller at the Closing (defined below) in immediately available funds.
- C. Within two (2) days after the Effective Date, the Buyer will deposit with Chicago Title Insurance Company, 225 Broadway Street, South Haven, Michigan 49090 (the “**Title Company**”) the sum of One Thousand Dollars (\$1,000) as a deposit of **Earnest Money**. At the Closing, the Earnest Money will be credited against the Purchase Price. The Earnest Money will be refunded to the Buyer if the Buyer terminates this Agreement as permitted in this Agreement or if the Seller breaches any provision of this Agreement. The Earnest Money will become the property of Seller as liquidated damages if the Buyer breaches any provision of this Agreement.
- D. THE BUYER ACKNOWLEDGES THAT THE SELLER MAKES AND HAS MADE NO REPRESENTATIONS OR WARRANTIES WHATSOEVER WITH REGARD TO THE CONDITION OF THE PROPERTY, ITS FITNESS TO ANY PURPOSE OR USE, OR THE PRESENCE OR ABSENCE OF ANY PARTICULAR SOILS, OR ANY HAZARDOUS OR TOXIC SUBSTANCES OR MATERIALS AND THAT THE BUYER ACCEPTS THE PROPERTY ON AN “AS IS, WHERE IS” BASIS. THE BUYER ALSO ACKNOWLEDGES IT HAS THE OPPORTUNITY AND IS UNDERTAKING THE SOLE RESPONSIBILITY TO INSPECT THE PROPERTY AND RECORDS CONCERNING THE PROPERTY AND IS MAKING ITS OWN JUDGMENT AS TO THE SUITABILITY OF THE PROPERTY FOR ITS USE. BY COMPLETING ITS PURCHASE OF THE PROPERTY (“**CLOSING**”), THE BUYER WILL BE ACCEPTING TITLE TO PROPERTY AND ITS CONDITION WITH NO RECOURSE AGAINST THE SELLER OR ITS PREDECESSORS IN TITLE FOR ANY CONDITION OF THE PROPERTY.

2. Title Commitment. Promptly after the Effective Date, the Buyer will order from the Title Company a commitment for an owner’s policy of title insurance at its sole cost and expense, and will deliver a copy

of the same to Seller upon receipt. At the Closing, the Buyer shall pay the cost of the premium for the owner's title insurance policy and any endorsements that Buyer desires.

3. Survey. Promptly after the Effective Date, the Buyer shall, at the Buyer's expense, order a current and accurate boundary survey of the Property (the "**Survey**").

4. Inspections. During the 30 days subsequent to the Effective Date (the "**Due Diligence Period**"), the Buyer may enter the Property and conduct, at the Buyer's sole cost and expense, such inspections, investigations, appraisals and tests of the Property as the Buyer may desire, including without limitation any environmental assessments and tests. All physical entry and activity upon the Property by or for the Buyer or its employees, agents, contractors or consultants, including environmental consultants (collectively, the "**Agents**") for any purpose under this Agreement must be performed in a manner that will not unreasonably interfere with the ongoing use of the Property by the Seller or others and must be as unobtrusive as reasonably possible. During any such entry, Buyer shall cause its Agents to obtain and maintain liability insurance against claims for personal injury or death and property damage occurring upon, in or about the Property with coverage in an amount not less than \$1,000,000 per occurrence, and naming Seller as an additional insured. The Buyer must promptly return the Property to substantially its original condition upon completion of such inspections and tests, on an ongoing basis, and must repair any and all damage to the Property caused by the Buyer or the Agents. The Buyer will enter the Property and perform inspections at its own risk and responsibility. The Buyer will indemnify, defend and hold the Seller harmless from and against any liability, cost, expense or damage caused to or incurred by the Seller as a result of any acts or omissions of the Buyer or the Agents in connection with such inspection of and entry on the Property. These indemnity obligations of the Buyer will survive any termination or rescission of this Agreement and the Closing.

5. Rezoning. During the Due Diligence Period, the Buyer shall, at its sole cost and expense, apply for and seek approval for the rezoning of the Property from the current CSC zoning district to the LDR zoning district from the Township of South Haven, which rezoning shall not become effective unless and until Buyer acquires the Property at the Closing.

6. Buyer's Right to Terminate. Buyer shall have until the end of the Due Diligence Period to inspect the Property (including the title commitment and Survey), and to conduct such tests and feasibility studies of the Property, as Buyer deems advisable. If Buyer is not satisfied with such reviews, tests or studies, or with any other matter relating to the Property, Buyer may terminate this Agreement by giving written notice of termination to Seller at any time prior to the expiration of the Due Diligence Period. If Buyer terminates this Contract pursuant to this Section, Buyer shall deliver to Seller all reports and studies relating to the Property resulting from the inspection of the Property, and all documents previously delivered to Buyer from Seller, if any. Upon such termination, the Earnest Money and any interest accrued thereon shall be returned to Buyer, and neither party shall have any further rights or obligations one to the other, except for those that expressly survive the termination of this Agreement. If Buyer does not terminate this Agreement prior to the expiration of the Due Diligence Period as provided herein, Buyer shall be deemed to have accepted and approved the condition of the Property subject to the terms hereof and the Earnest Money shall be deemed non-refundable to Buyer except in the event of Seller's breach or failure to perform under this Agreement.

7. Closing. The Closing must occur within 30 days following the expiration (or earlier waiver by Buyer) of the Due Diligence Period (the "**Closing Date**"). The Closing will occur with the Title Company or as the

parties mutually agree. On the Closing Date, the Earnest Money will be applied as a credit against the Purchase Price. At Closing, the following documents, in such form and content as is reasonably satisfactory to the Seller and the Buyer, must be executed and delivered:

- A. A covenant deed signed by the Seller, conveying good and marketable title to the Property to the Buyer, subject to all covenants, easements and restrictions of record, and to all matters shown on the Survey.
- B. A Closing statement detailing all pro rations and adjustments.
- C. A commercially reasonable owner's affidavit, if required by the Title Company.
- D. A property transfer affidavit signed by Buyer.

8. Closing Expenses and Adjustments. The Property is currently exempt from real property taxes. Accordingly, there shall be no tax pro rations for the Property at Closing. The Seller shall pay any transfer taxes associated with the conveyance of the Property. The Buyer shall pay for (i) the cost of the title commitment and any title policy issued at Closing, (ii) the cost of the Survey, (iii) the cost to record the deed, and (iv) any Closing or escrow fee charged by the Title Company.

9. Possession. The Seller shall deliver possession of the Property to Buyer at Closing in substantially the same condition as exists on the date of this Agreement.

10. Remedies. Except as otherwise specifically provided in this Agreement, the following remedies shall apply to any breach of this Agreement occurring prior to Closing:

A. The Seller's remedy for the Buyer's breach or failure to perform under this Agreement, or if Buyer gives notice of termination of the Agreement other than as permitted hereunder, will be, after giving Buyer written notice of the default(s) and the opportunity to cure within 10 days after receiving such notice: (i) termination of this Agreement and (ii) payment to the Seller of the Earnest Money.

B. The Buyer's remedy for the Seller's breach or failure to perform under this Agreement will be, after giving Seller written notice of said default(s) and the opportunity to cure same within 10 days after receiving written notice of such default(s), to terminate this Agreement by written notice delivered to the Seller prior to the Closing, and upon receipt of such notice, receive payment of the Earnest Money.

11. Brokers. Neither the Seller nor the Buyer has engaged a broker in connection with this transaction. No other fees or commissions shall be paid and the parties mutually represent and warrant to one another that none is due.

12. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to its subject matter and it supersedes all other agreements between the parties regarding its subject matter. Any waiver, alteration or modification of this Agreement will not be valid unless in writing and duly executed by both parties.

13. Interpretation. Both parties had input into the drafting of this Agreement and had the advice of legal counsel before entering into this Agreement. Therefore, this Agreement shall be construed as mutually drafted. The captions are only for reference and shall not affect the interpretation of this Agreement. However, the recitals are an integral part of this Agreement.

14. Assignment and Benefit. No party may assign this Agreement or any rights, duties or obligations under this Agreement without the express, prior written authorization of the other party following action by such party's governing body. Such authorization shall not be unreasonably withheld, delayed or conditioned. This Agreement shall be binding on the parties and their permitted successors and assigns. However, no other parties are intended to benefit from or be beneficiaries of this Agreement.

15. Governing Law; Severability. This Agreement will be governed by the laws of the State of Michigan, without regard to its conflicts of law principles. If any term or provision of this Agreement or the application of any term or provision to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or enforceable will not be affected, and each term and provision of this Agreement will be valid and enforced to the fullest extent permitted by law.

16. Notices. All notices required under this Agreement must be in writing and will be deemed to have been received, and therefore given, (1) when delivered personally, (2) the actually delivered after mailing first class certified mail, return receipt requested, with postage prepaid, through the United States Postal Service, or (3) the first business day after deposit with a national overnight courier service with next day delivery requested, addressed to the party to be so notified at the address first set forth above. Any party may at any time change its address for notice to it by notice to the other party.

17. Counterparts & Facsimile. This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement, and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other party. Signatures on this Agreement, as well as on any other documents to be executed under this Agreement, may be delivered by facsimile or electronic mail in lieu of an original signature, and the parties will treat facsimile signatures and electronic mail signatures as original signatures, and be bound by this provision.

The Seller and Buyer have signed this Agreement as of the date first written above.

**SELLER:**

**BUYER:**

CITY OF SOUTH HAVEN,  
a Michigan municipal corporation

By: \_\_\_\_\_  
Robert Burr, Mayor

\_\_\_\_\_  
Nicholas Wiatrowski

By: \_\_\_\_\_  
Amanda Morgan, City Clerk

EXHIBIT A

Legal Description of the Property

Land located in the Township of South Haven, County of Van Buren  
State of Michigan, described as follows:

Beginning at a point on the Easterly right of way line of Highway U.S.  
31 and the North line of the South 336.5 feet, of the Southwest  
Quarter, of the Northwest Quarter, of Section 22, Town 1 South, Range  
17 West, thence East along said North line 300 feet, thence North 100  
feet, thence West parallel to said North line to the Easterly right  
of way line of Highway U.S. 31, thence Southwesterly along said  
Easterly right of way line approximately 104 feet to point of beginning.  
Subject to easements of record.

Tax Parcel No.: 80-17-022-050-00

GRAPIDS 57671-1 401433v3