Board of Public Utilities

Regular Meeting Agenda

Monday, November 30, 2015
4:00 p.m., DPW Conference Room
1199 8th Avenue

City of South Haven

1. **Call to Order**

2. **Roll Call**

3. **Approval of Agenda**

4. **Approval of Minutes for the Record** – October 26, 2015 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. 2015 Billings – All Charges
   B. 2014 Billings – All Charges

7. **Financial Reports**

   A. About Cashflow Statements
   B. Review of Electric Fund Balance Sheet; FY 2012 through FY 2015
   C. Electric Fund – Financial Statement
   D. Electric Fund – Cashflow Statement
   E. Electric Fund – Review of Percentage Billed
   F. Water Fund – Financial Statement
   G. Water Fund – Cashflow Statement
   H. Water Fund – Review of Percentage Billed
   I. Sewer Fund – Financial Statement
   J. Sewer Fund – Cashflow Statement

8. **Energy Optimization Update**

   A. 2016 Biennial Plan Filing
   B. MECA – Letter Agreement for Administrative Services

NEW BUSINESS

9. Board will be requested to approve a modification to the Residential Equivalent Unit (REU) schedule used to calculate availability fees.

10. Board will be requested to establish a schedule for Regular Meeting Dates for the 2016 Calendar Year.

11. City Engineer Comments

There is no regular meeting scheduled for December. A special meeting may be called if requested.

12. Board Member Comments

13. Adjourn

RESPECTFULLY SUBMITTED,

Larry Halberstadt, PE
City Engineer

South Haven DPW Building is Barrier-free and the City of South Haven will provide the necessary reasonable auxiliary aids and services for persons with disabilities, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting to individuals with disabilities at the meeting upon seven (7) days notice to the South Haven City Clerk. Individuals with disabilities requiring services should contact the City Clerk by writing or calling South Haven City Hall at (269) 637-0750.

Board of Public Utilities

Regular Meeting Minutes

Monday, October 26, 2015
4:00 p.m., DPW Conference Room
1199 8th Avenue

City of South Haven

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

2. **Roll Call**

   Present: Burr, Roberts, Rose (ex-officio) 4:11 p.m., Winkel, Stickland
   Absent: Henry, Overhiser (ex-officio), Stein (ex-officio)

3. **Approval of Agenda**

   Motion by Burr, second by Roberts to approve the October 26, 2015 regular meeting agenda as presented.

   All in favor. Motion carried.

4. **Approval of Minutes for the Record** – August 31, 2015 Regular Meeting Minutes

   Motion by Winkel, second by Roberts to approve the August 31, 2015 regular meeting minutes as written.

   All in favor. Motion carried.

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

   There were none.

<u>REPORTS</u>

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

   A. 2015 Billings – All Charges
   B. 2014 Billings – All Charges

   Discussion ensued regarding the demand and the cost as well as the true-ups and which month's energy cost we are seeing on our reports. Discussion also centered on purchasing power on the free market and what all that entails.

7. Financial Reports

A. Electric Fund – Financial Statement, August
B. Electric Fund – Financial Statement, September
C. Electric Fund – Review of Percentage Billed

Questions were posed about how accurate the numbers are that we are getting and their relationship to reserves. Discussion ensued about how to know the numbers are accurate; whether another system of reporting would be better and how budgeting decisions can be made with the numbers being received. Can the present accounting system provide the numbers that are needed by the board? It was noted that the financial director would have better numbers after the auditors were done. Burr noted we appear to be off by half a million dollars. The question is whether rates need to increase to make up the deficit that appears to be there. Rose pointed out some points about change orders during projects. Halberstadt noted that he was not directly involved on the first two phases of Core City projects and does not know if there were any significant change orders.

Burr specifically wants to know whether we need a rate increase. Stickland asked what happened to the $500,000. It is almost November and we still haven't seen year end numbers.

D. Water Fund – Financial Statement, August
E. Water Fund – Financial Statement, September
F. Water Fund – Review of Percentage Billed

It was noted that there are minimal projects so it is easier to see. Halberstadt noted the monthly budget has traditionally been shown as the annual budget divided by twelve.

G. Sewer Fund – Financial Statement, August
H. Sewer Fund – Financial Statement, September

Roberts had questions about the water/sewer agreement revisions and whether it has been done. Stickland said we were given a proposed draft by our attorney; Stickland sent questions and got responses back, but that is the last he has heard. Rose pointed out that Covert is just like a regular water customer. Roberts read the previous agreements with Casco and Covert. Halberstadt noted the city bought back the excess water under what is called the Rate Replacement Agreement. There was discussion of the Covert customers now being the same as South Haven customers; Covert doesn't purchase water and resell it.

Discussion ensued regarding the sewer numbers being derived numbers and whether we know how much we are using. Halberstadt noted that flow metering was performed as part of the S2 study. Roberts would like to know the proximity of the township water sewer authority and how much capacity they have left.

8. Quarterly Outage Report

A. Electric Outage Report – 3rd Quarter 2015

Discussion ensued regarding Asplundh being in town doing some trimming until the city feels that Priebe and his crews are caught up. Burr noted we have thirty-nine percent (39%) less tree caused outages. In all categories the outages are down.

NEW BUSINESS

9. Board will be requested to review Energy Optimization Programs for 2016-2018.

Halberstadt noted that at the August meeting we had hoped that with the delay of a month or two we would have a legislative solution but as of this point in time that has not happened. The Senate bill hasn't changed and the House bill's last draft changed a little bit. The current draft of the House bill would require municipal electric utilities to continue to provide energy optimization services for one hundred eighty (180) days. Discussion ensued regarding when there would be agreement.

Burr noted we are going to meet with some people tomorrow to determine if they can provide a service; otherwise we have to provide information. Whatever decision we make tomorrow we need to send to City Council. Stickland asked what we have to do; part of this project is to provide energy audits to customers. If we are to do it ourselves, are we required to do audits? Halberstadt pointed out that there is an educational effort component.

Motion by Winkel, second by Burr to have the City Manager and Mayor make the decision after the meeting tomorrow.

All in favor. Motion carried.

Discussion ensued regarding the line item surcharge versus the surcharge being part of the base electric rate. Halberstadt explained that we need to look at rates because the current Energy Optimization surcharge expires at the end of the year.

Motion by Burr, second by Roberts to continue the Energy Optimization surcharge as of January 2015.

All in favor Motion carried.

10. City Engineer Comments

A. Next Meeting is scheduled for November 30, 2015.

11. Board Member Comments

Roberts: Had questions about the Blueberry Freezer Storage project; the status of the sewer plant bonds and the water and sewer rate study.

Rose: Covert Township filed with the State on the Covert Generating Plant. The West Michigan Flocking plant may relocate in Covert. We are looking at retaining jobs.

12. Adjourn

Motion by Winkel, second by Roberts to adjourn at 5:25 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)

2015

	ACTUAL				BILLING			COST					PJM Open Access Transmission Tariff							
Date	KW Demand	KVAR Demand	KVA	Power Factor	KW Demand	KVAR Demand	KWHRS	$ KW Demand	$ KWHR	$ Fuel Charge	$ Fuel Adjust	Actual Fuel True-up	Sch 1A $ KWHRS	$ Network	RTO Start-up $	Other	Credits	Total PJM	Total Cost	cts/ KWHR
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	$134,446.81	$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: **122,461,963** **$8,711,125** **7.113**

CITY OF SOUTH HAVEN

Cost of Electric Energy from Indiana-Michigan Power Company (AEP)

2014

	ACTUAL				BILLING			COST					PJM Open Access Transmission Tariff							
Date	KW Demand	KVAR Demand	KVA	Power Factor	KW Demand	KVAR Demand	KWHRS	$ KW Demand	$ KWHR	$ Fuel Charge	$ Fuel Adjust	Actual Fuel True-up	Sch 1A $ KWHRS	$ Network	RTO Start-up $	Other	Credits	Total PJM	Total Cost	cts/ KWHR
Main	11,432	1,646	11,550	0.9898	11,432	1,646	7,085,827	$185,609.79	$75,459.10											
Welder	333	269	428	0.7774	333	269	153,577	$5,398.47	$1,635.48											
Phoenix	8,053	1,020	8,117	0.9921	8,053	1,020	4,768,206	$130,748.35	$50,778.06											
~~Welder~~	0	0	0		0	0	0	$0.00	$0.00											
Dec-14	**19,818**	**2,935**	**20,034**	**0.9892**	**19,817**	**2,935**	**12,007,610**	**$321,756.61**	**$127,872.64**	**$213,609.38**	**$7,797.74**	**$60,535.03**	**$1,573.24**	**$108,790.08**	**$299.21**	**$15,805.37**	**($1,585.52)**	**$124,882.38**	**$856,453.78**	**7.133**
Main	12,007	1,673	12,123	0.9904	12,003	1,673	6,729,178	$194,883.96	$71,661.03											
Welder	352	355	500	0.7036	352	355	123,903	$5,706.95	$1,319.48											
Phoenix	7,901	939	7,957	0.9930	7,899	939	4,543,741	$128,253.03	$48,387.66											
Welder	6	7	9	0.6658	6	7	4,150	$94.17	$44.19											
Nov-14	**20,266**	**2,973**	**20,483**	**0.9894**	**20,260**	**2,973**	**11,400,971**	**$328,938.11**	**$121,412.36**	**$202,817.57**	**($65,271.70)**	**($1,364.06)**	**$1,493.76**	**$105,280.72**	**$289.56**	**$16,026.12**	**($1,439.90)**	**$121,650.26**	**$708,182.54**	**6.212**
Main	18,379	4,189	18,850	0.9750	18,369	4,189	9,061,510	$298,233.08	$96,498.74											
Welder	309	284	420	0.7354	309	284	142,496	$5,010.43	$1,517.48											
Phoenix	10	24	25	0.3782	5	24	2,118,777	$74.69	$22,563.49											
Welder	6	7	9	0.6658	6	7	4,282	$94.17	$45.60											
Oct-14	**18,703**	**4,503**	**19,238**	**0.9722**	**18,688**	**4,503**	**11,327,065**	**$303,412.36**	**$120,625.31**	**$201,502.82**	**($33,179.24)**	**$16,236.53**	**$1,484.08**	**$108,790.08**	**$299.21**	**$17,152.73**	**($1,357.26)**	**$126,368.84**	**$734,966.62**	**6.489**
Main	16,115	5,015	16,877	0.9548	16,112	5,015	8,006,033	$261,594.43	$85,258.65											
Welder	265	254	367	0.7230	265	254	131,837	$4,307.41	$1,403.97											
Phoenix	11,860	4,871	12,821	0.9250	11,857	4,871	3,682,892	$192,514.47	$39,220.22											
Welder	6	7	9	0.6658	6	7	4,144	$94.17	$44.13											
Sep-14	**28,246**	**10,146**	**30,013**	**0.9411**	**28,240**	**10,146**	**11,824,906**	**$458,510.48**	**$125,926.97**	**$210,359.17**	**($46,334.71)**	**$11,060.21**	**$1,549.30**	**$105,280.72**	**$289.56**	**$17,328.13**	**($1,342.88)**	**$123,104.83**	**$882,626.95**	**7.464**
Main	17,344	5,375	18,158	0.9552	17,344	5,375	8,324,249	$281,597.27	$88,647.42											
Welder	358	342	495	0.7237	358	342	116,920	$5,814.11	$1,245.12											
Phoenix	12,794	5,443	13,903	0.9202	12,794	5,443	6,038,441	$207,716.97	$64,305.17											
Welder	8	17	19	0.4368	8	17	6,431	$136.38	$68.49											
Aug-14	**30,504**	**11,177**	**32,487**	**0.9390**	**30,504**	**11,177**	**14,486,040**	**$495,264.73**	**$154,266.19**	**$257,699.41**	**($38,669.04)**	**$30,716.83**	**$1,897.97**	**$108,790.05**	**$299.21**	**$16,772.20**	**($1,567.24)**	**$126,192.19**	**$1,025,470.31**	**7.079**
Main	16,930	5,025	17,660	0.9587	16,930	5,025	7,907,886	$274,875.40	$84,213.45											
Welder	251	125	280	0.8945	251	125	130,862	$4,070.37	$1,393.59											
Phoenix	12,527	4,460	13,298	0.9421	12,527	4,460	5,672,349	$203,391.54	$60,406.54											
Welder	8	18	20	0.4307	8	18	6,555	$136.38	$69.80											
Jul-14	**29,716**	**9,628**	**31,237**	**0.9513**	**29,716**	**9,628**	**13,717,651**	**$482,473.68**	**$146,083.38**	**$244,030.16**	**($44,811.45)**	**$27,682.40**	**$1,797.29**	**$108,790.05**	**$299.21**	**$16,658.83**	**($1,607.15)**	**$125,938.23**	**$981,396.40**	**7.154**
Main	16,223	4,553	16,850	0.9628	16,223	4,553	7,323,514	$263,396.55	$77,990.30											
Welder	10	22	24	0.4238	10	22	131,334	$165.61	$1,398.61											
Phoenix	12,192	4,498	12,996	0.9382	12,192	4,498	5,285,671	$197,955.73	$56,288.70											
Welder	8	19	20	0.4134	8	19	6,421	$136.38	$68.38											
Jun-14	**28,434**	**9,092**	**29,852**	**0.9525**	**28,434**	**9,092**	**12,746,939**	**$461,654.26**	**$135,745.98**	**$226,761.68**	**($44,703.52)**	**$23,664.10**	**$1,092.76**	**$89,707.48**	**$289.56**	**$13,460.59**	**($1,301.93)**	**$103,248.46**	**$906,370.96**	**7.110**
Main	12,148	2,693	12,443	0.9763	12,148	2,693	6,470,207	$199,737.00	$62,245.98											
Welder	242	210	321	0.7548	242	210	137,320	$3,980.61	$1,321.07											
Phoenix	9,104	2,965	9,575	0.9508	9,104	2,965	4,589,361	$149,685.91	$44,151.48											
Welder	9	25	27	0.3318	9	25	6,845	$146.33	$65.85											
May-14	**21,503**	**5,894**	**22,296**	**0.9644**	**21,503**	**5,894**	**11,203,733**	**$353,549.86**	**$107,784.39**	**$168,627.37**	**($13,600.21)**	**$16,585.82**	**$960.46**	**$92,697.73**	**$299.21**	**$11,967.29**	**($1,309.38)**	**$104,615.31**	**$737,562.54**	**6.583**
Main	11,035	2,280	11,268	0.9793	11,035	2,280	6,200,288	$181,437.72	$59,649.25											
Welder	275	340	437	0.6288	275	340	140,285	$4,518.26	$1,349.59											
Phoenix	7,223	155	7,225	0.9998	7,223	155	4,026,846	$118,767.39	$38,739.87											
Welder	9	23	25	0.3693	9	23	6,598	$149.62	$63.48											
Apr-14	**18,542**	**2,798**	**18,752**	**0.9888**	**18,542**	**2,798**	**10,374,017**	**$304,872.99**	**$99,802.19**	**$156,139.32**	**($11,636.53)**	**($12,558.64)**	**$889.33**	**$89,707.48**	**$289.56**	**$11,967.29**	**($1,364.68)**	**$101,488.98**	**$638,108.31**	**6.151**
Main	11,756	1,283	11,826	0.9941	11,756	1,283	6,923,540	$193,291.82	$66,607.22											
Welder	242	304	388	0.6216	242	304	140,739	$3,970.74	$1,353.96											
Phoenix	7,975	1,170	8,060	0.9894	7,975	1,170	4,701,765	$131,124.62	$45,232.86											
Welder	9	26	27	0.3239	9	26	6,989	$146.33	$67.24											
Mar-14	**19,981**	**2,784**	**20,174**	**0.9904**	**19,981**	**2,784**	**11,773,033**	**$328,533.52**	**$113,261.29**	**$177,195.92**	**($10,877.11)**	**($44,950.65)**	**$1,009.27**	**$92,697.73**	**$299.21**	**$11,967.29**	**($1,935.73)**	**$104,037.77**	**$667,200.74**	**5.667**
Main	11,651	1,530	11,751	0.9915	11,651	1,530	6,719,607	$191,565.41	$64,645.31											
Welder	371	312	485	0.7652	371	312	141,182	$6,098.34	$1,358.23											
Phoenix	8,190	1,078	8,261	0.9915	8,190	1,078	4,543,059	$134,666.23	$43,706.04											
Welder	9	22	24	0.3867	9	22	6,223	$149.62	$59.87											
Feb-14	**20,221**	**2,941**	**20,434**	**0.9896**	**20,221**	**2,941**	**11,410,071**	**$332,479.60**	**$109,769.45**	**$171,732.98**	**$19,759.96**	**($46,438.54)**	**$978.15**	**$83,726.98**	**$270.26**	**$11,967.30**	**($1,743.34)**	**$95,199.35**	**$682,502.80**	**5.982**
Main	12,263	1,559	12,362	0.9920	12,263	1,559	7,522,565	$201,628.25	$72,370.09											
Welder	333	300	448	0.7431	333	300	81,682	$5,480.12	$785.81											
Phoenix	8,052	1,097	8,126	0.9909	8,052	1,097	4,995,844	$132,384.41	$48,062.02											
Welder	25	40	47	0.5283	25	40	8,502	$406.12	$81.79											
Jan-14	**20,672**	**2,995**	**20,888**	**0.9897**	**20,673**	**2,995**	**12,608,593**	**$339,898.89**	**$121,299.71**	**$189,771.93**	**$53,801.57**	**$69,341.54**	**$1,080.90**	**$92,697.73**	**$299.11**	**$11,973.87**	**($1,941.22)**	**$104,110.39**	**$877,724.03**	**6.961**
Year to Date 2014:							**144,880,629**												**$9,698,566**	**6.694**

ABOUT CASHFLOW STATEMENTS

This is the same statement that appears in the annual audit and is in compliance with the Governmental Accounting Standards Board (GASB).

The cashflow statement will show you the sources of cash coming into the fund like collections of utility bills receivable, other accounts receivable, receipt of customer deposits and interest income.

The cashflow statement will also show how much has been paid for personnel related costs and other costs paid to various suppliers for the period. Transfer of funds for debt service and internal transfers for payment in lieu of taxes are also shown separately.

The cashflow statement is on the "Cash Basis" or actual cash in & out.

The financial statements are on the "Accrual Basis". The revenues shown include all amounts billed and other amounts currently due to the fund whether they have been received or not. The expenditures shown include all costs currently owed & obligated by the fund despite whether they've been paid or not.

The following pages show the Electric Fund Balance Sheet for FY 2012 to FY 2015.

The auditor made a final adjustment to the general ledger for Net Pension Liability, Deferred Outflows and a revision to prior year retained earnings needed to implement the Governmental Accounting Standards Board (GASB) Statement No. 68.

This change was not reflected in figures previously supplied to the Board and resulted in a reduction in Retained Earnings for the FY ending June 30, 2015 and the calculation of net working capital available for future projects. The previously reported net working capital was $3,006,884 but should be $2,555,405.

The bottom of Page 1 shows the net working capital and the proof of net reserves for FY 12 to FY 15. The FY 2016 projected net reserves (the first column of numbers after the account descriptions on Page 1) is based upon the AMENDED revenue and expenses.

The projected revenues for the PJM cost recovery fees need to be increased by $742,128 while some other line items need to be adjusted down by $338,795 in order to reflect how much revenue we anticipate. The annual purchased power expense for last fiscal year was $10,030.000 so the current fiscal year line item needs to be increased by approximately $300,000. The net changes add an additional $103,333 to projected net income. These pages do not reflect any other changes made to the budget relating to capital projects.

Page 2 – Electric Fund - Statement of Cashflows shows where the money came from during the year and where the money was spent. FY 2016 was prepared using the AMENDED budget figures and projects that the fund will increase the cash and investments total by $851,177 and be at approximately $3,225,148 at the end of the fiscal year.

Page 3 – Electric Fund – Net investment in Capital Assets shows how much cash was spent each fiscal year on capital asset additions. This is a breakdown of the amount shown on the Cashflow statement “Acquisition of capital assets”.

The $4,422,767 overall additions to capital assets includes what was paid out in the previous year on unfinished projects (work in progress) of $659, 602 and what was spent during the current fiscal year. The net amount of cash paid out during FY 15 for capital assets was $3,763,165, as shown on the cashflow statement.

Page 4 – Fixed Asset inventory and Depreciation Schedules – Electric Fund shows a portion of the audit schedule with the overall additions for the fiscal year. **The projects with the highest costs include the Veterans Blvd project totaling $589,575, Phase 1 & 2 of the Core City Secondary Upgrade totaling $1,993,679, Phoenix Rd Substation/Transformer upgrade totaling $1,361,062 plus other projects as listed.**

ELECTRIC FUND
BALANCE SHEET AND NET RESERVES

GL Number	Description	Projected 6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Fund 582 - ELECTRIC FUND						
*** Assets ***						
582-001-001-001	CASH - 5/3 POOLED SWEEP		80,495.91	1,282,273.81	2,475,764.45	1,992,101.34
582-001-001-004	CASH - CHEMICAL BANK SUNDRY AC		0.00	0.00	0.00	3,500.00
582-001-001-011	CASH-CHEMICAL BANK PUBLIC ACCT		0.00	0.00	777.09	35,758.40
582-001-003-000	CERTIFICATES OF DEPOSIT		0.00	545,807.17	1,049,177.01	256,327.28
582-001-003-582	MARKET VALUE ADJUSTMENTS		(56,099.51)	(254,928.72)	(201,025.08)	780.50
582-001-017-002	U.S. GOVERNMENT SECURITIES		2,349,574.61	4,493,139.37	3,039,843.22	1,257,697.37
582-001-033-000	UTILITY BILLS RECEIVABLE		909,518.94	634,435.55	1,166,019.79	1,114,147.83
582-001-033-001	UNBILLED ACCOUNTS RECEIVABLE		568,077.00	540,984.00	548,979.00	811,778.00
582-001-033-010	UTILITY DEPOSIT RECEIVABLE		5,633.62	0.00	0.00	0.00
582-001-035-002	UTILITY REC - SH TOWNSHIP		0.00	4,583.44	0.00	0.00
582-001-035-004	UTILITY REC - GENEVA TOWNSHIP		800.11	258.64	0.00	0.00
582-001-040-000	ACCOUNTS RECEIVABLE		33,788.38	28,260.28	22,619.68	17,178.24
582-001-041-000	EST UNCOLLECTIBLE ACCNTS REC		(15,000.00)	(15,000.00)	(15,000.00)	(15,000.00)
582-001-042-000	DELQ UTILITY TRANSFERRED TO TAX		11,993.74	22,558.45	0.00	0.00
582-001-049-000	SPEC ASSESS REC - BT YD BASIN		37,284.11	42,637.25	47,403.70	52,976.83
582-001-056-000	INTEREST RECEIVABLE		6,748.33	10,827.00	10,724.00	5,510.00
582-001-067-250	DUE FROM DDA		0.00	67,488.80	89,541.07	111,375.00
582-001-111-000	INVENTORY-MATERIALS & SUPPLIES		735,290.45	822,321.31	510,940.05	638,338.83
582-001-123-000	PREPAID ITEMS		102,523.94	102,563.63	97,846.21	101,349.23
582-001-130-000	LAND		1,001.00	1,001.00	1,001.00	1,001.00
582-001-131-000	STREET LIGHTING		397,611.90	397,611.90	397,611.90	397,611.90
582-001-132-000	LAND IMPROVEMENTS		7,000.00	7,000.00	7,000.00	7,000.00
582-001-133-000	ACCUM DEPR- LAND IMPROVEMNTS		(7,000.00)	(7,000.00)	(7,000.00)	(7,000.00)
582-001-136-000	BUILDS, ADDITIONS, IMPROVEMNTS		2,650,876.50	2,650,876.50	2,650,876.50	2,650,876.50
582-001-137-000	ACCUM DEPR-BUILDS, ADDS, IMVTS		(1,821,092.37)	(1,768,255.79)	(1,715,419.21)	(1,662,582.63)
582-001-140-000	MACHINERY AND EQUIPMENT		118,389.17	114,417.83	102,428.28	70,039.28
582-001-141-000	ACCUM DEPR - MACH & EQUIP		(81,108.94)	(69,040.59)	(58,568.33)	(52,533.92)
582-001-159-000	ELECTRIC SYSTEM		19,215,143.35	14,860,922.72	14,571,304.57	14,453,662.58
582-001-159-001	ACCUM DEPR - ELECTRIC SYSTEM		(6,268,664.66)	(5,651,771.60)	(5,156,607.58)	(4,671,325.07)
582-001-184-002	WIP - ELECTRIC UPGRADE		55,554.13	659,602.04	154,291.96	12,000.00
582-001-190-000	DEF OUTFLOWS-SUBSEQUENT MERS CONTRIB		30,292.00	0.00	0.00	0.00
582-001-191-000	DEF OUTFLOWS- MERS INVESTMENTS		51,379.00	0.00	0.00	0.00
	Total Assets	-	19,120,010.71	19,523,573.99	19,790,529.28	17,582,568.49
*** Liabilities ***						
582-002-201-000	UTILITY BILLS PAYABLE		1,968.56	164.16	2,175.69	1,710.10
582-002-202-000	ACCOUNTS PAYABLE		1,244,317.36	1,076,640.78	1,704,035.48	981,538.45
582-002-211-130	CONTR RET PYBLE-KENT POWER		0.00	1,412.70	0.00	0.00
582-002-211-156	RETAINAGE- COMPTON		0.00	8,819.10	0.00	0.00
582-002-214-591	DUE TO WATER FUND		0.00	640.00	0.00	0.00
582-002-214-592	DUE TO SEWER FUND		0.00	100.00	0.00	0.00
582-002-255-000	CUSTOMERS DEPOSITS PAYABLE		349,492.36	332,091.14	224,845.36	192,278.99
582-002-257-000	ACCRUED WAGES PAYABLE		27,963.93	25,786.55	18,988.64	18,253.10
582-002-258-000	ACCRUED PAYROLL TAXES PYBLE		2,095.30	1,911.57	1,392.50	1,288.69
582-002-259-000	ACCRUED SALES TAX PAYABLE		38,770.11	26,426.25	29,771.87	(22,633.91)
582-002-260-000	ACCRUED VACATION PAYABLE		99,138.50	97,837.98	112,056.55	121,350.15
582-002-290-000	NET PENSION LIABILITY - GASB 68 IMPLEMENTATION		533,150.00	0.00	0.00	0.00
	Total Liabilities	-	2,296,896.12	1,571,830.23	2,093,266.09	1,293,785.57
*** Fund Balance ***						
582-003-395-000	RETAINED EARNINGS	17,575,234.76	17,575,234.76	17,697,263.19	16,288,782.92	15,386,694.74
	Total Fund Balance	17,575,234.76	17,575,234.76	17,697,263.19	16,288,782.92	15,386,694.74
	Beginning Fund Balance	16,823,114.59	17,951,743.76	17,697,263.19	16,288,782.92	15,386,694.74
	Net of Revenues VS Expenditures	340,427.00	(752,120.17)	254,480.57	1,408,480.27	902,088.18
	Fund Balance Adjustments	-	(376,509.00)			
	Ending Fund Balance	17,163,541.59	16,823,114.59	17,951,743.76	17,697,263.19	16,288,782.92
	Total Liabilities And Fund Balance	17,163,541.59	19,120,010.71	19,523,573.99	19,790,529.28	17,582,568.49
	CASH & INVESTMENTS	-	2,373,971.01	6,066,291.63	6,364,536.69	3,546,164.89
	CURRENT ASSETS	-	2,478,329.62	2,261,918.35	2,479,073.50	2,837,653.96
	CURRENT LIABILITIES	-	(2,296,896.12)	(1,560,858.43)	(2,093,266.09)	(1,293,785.57)
	NET WORKING CAPITAL	**-**	**2,555,404.51**	**6,767,351.55**	**6,750,344.10**	**5,090,033.28**
	RETAINED EARNINGS	17,163,541.59	16,823,114.59	17,951,743.76	17,697,263.19	16,288,782.92
	less NET CAPITAL ASSETS	13,756,960.08	14,267,710.08	11,195,364.01	10,946,919.09	11,198,749.64
	NET RESERVES	**3,406,581.51**	**2,555,404.51**	**6,756,379.75**	**6,750,344.10**	**5,090,033.28**

ELECTRIC FUND
STATEMENT OF CASHFLOWS

	BUDGET 6/30/2016	ACTUAL 6/30/2015	ACTUAL 6/30/2014	ACTUAL 6/30/2013	ACTUAL 6/30/2012
Cash flows from operating activities:					
Receipts from customers & users	14,788,605.00	13,308,168.00	14,470,400.00	14,486,274.00	13,410,489.00
Payments to and on behalf of employees	(1,419,898.00)	(1,313,019.00)	(1,398,552.00)	(1,400,103.00)	(1,344,626.00)
Payments to suppliers - AEP	(10,000,000.00)	(10,030,869.00)	(9,562,453.00)	(8,666,157.00)	(9,086,858.00)
Payments to suppliers - other	(1,642,694.00)	(1,389,403.00)	(2,295,459.00)	(539,020.00)	(1,415,204.00)
Net cash provided by (used in) operating activities	1,726,013.00	574,877.00	1,213,936.00	3,880,994.00	1,563,801.00
Cash flows from non-capital financing activities:					
Due to other funds	-	(740.00)	390.00	-	(38,235.00)
Property tax equivalents	(728,399.00)	(714,685.00)	(713,887.00)	(723,586.00)	(627,748.00)
Transfers out	(168,789.00)	(168,301.00)	(177,049.00)	(167,018.00)	(167,456.00)
Net cash provided by (used in) non-capital financing activities	(897,188.00)	(883,726.00)	(890,546.00)	(890,604.00)	(833,439.00)
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets	-	-	-	-	-
Interest Expense	-	-	-	-	-
Contribution in aid of construction	150,000.00	79,689.00	140,438.00	229,407.00	181,140.00
Principal paid on bonds and notes	-	-	-	-	-
Acquisitions of capital assets	(160,250.00)	(3,763,165.00)	(806,917.00)	(292,324.00)	(1,259,674.00)
Net cash provided by (used in) capital and related financing activities	(10,250.00)	(3,683,476.00)	(666,479.00)	(62,917.00)	(1,078,534.00)
Cash flows from investing activities					
Interest income	32,602.00	300,005.00	44,844.00	(150,211.00)	52,718.00
Net cash provided by (used in) investing activities	32,602.00	300,005.00	44,844.00	(150,211.00)	52,718.00
Net increase (decrease) in cash & pooled investments	**851,177.00**	**(3,692,320.00)**	**(298,245.00)**	**2,777,262.00**	**(295,454.00)**
Cash and pooled investments, beginning of year	**2,373,971.00**	**6,066,291.00**	**6,364,536.00**	**3,587,274.00**	**3,882,728.00**
Cash and pooled investments, end of period	**3,225,148.00**	**2,373,971.00**	**6,066,291.00**	**6,364,536.00**	**3,587,274.00**
NET INVESTMENT IN CAPITAL ASSETS	160,250.00	3,763,165.25	806,917.78	292,322.95	1,259,674.03

See Listing of Projects - Page 3

ELECTRIC FUND
NET INVESTMENT IN CAPITAL ASSETS

	6/30/2012			
	Main Substation Reg Replacement		**FY 2012**	**121,713.00**
	Phoenix Rd Regulator Replacement		**FY 2012**	**81,142.00**
	Kal Haven/Dunkley Electric Improv		**FY 2012**	**401,790.19**
	Williams Street Electrical Improv		**FY 2012**	**638,902.49**
	Blue Star Hwy Line Rebuild		**FY 2012- WIP**	**12,000.00**
	Radix Handheld Devices		**FY 2012**	**4,126.35**
				1,259,674.03
	Less Prior Year WIP (Cash paid in prior FY)			-
	NET INVESTMENT IN CAPITAL ASSETS	Current Yr Cash out		1,259,674.03
	6/30/2013			
	Blue Star Hwy Line Rebuild		**FY 2013**	**105,641.99**
	Meijer Electric System		**FY 2013-WIP**	**154,291.96**
	Power Quality Monitor		**FY 2013**	**6,501.00**
	BSA Financial & Server Upgrade		**FY 2013**	**25,888.00**
				292,322.95
	Less Prior Year WIP (Cash paid in prior FY)			-
	NET INVESTMENT IN CAPITAL ASSETS	Current Yr Cash out		292,322.95
	6/30/2014			
	Meijer Electric System		**FY 2014**	**155,071.65**
	Phoenix Street Electric		**FY 2014**	**11,481.80**
	2nd Ave Line Rebuild		**FY 2014**	**123,064.70**
	Veterans Blvd Underground		**FY 2014-WIP**	**240,773.71**
	Core City Secondary Upgrade		**FY 2014-WIP**	**125,242.79**
	Phoenix Rd Substation/Transformer		**FY 2014-WIP**	**234,589.00**
	Downtown WI FI Project		**FY 2014-WIP**	**58,996.54**
	SCADA Upgrade		**FY 2014**	**11,989.55**
				961,209.74
	Less Prior Year WIP (Cash paid in prior FY)			(154,291.96)
	NET INVESTMENT IN CAPITAL ASSETS	Current Yr Cash out		806,917.78
	6/30/2015			
Proj 303	**Veterans Blvd Underground**		**FY 14-WIP/FY 15**	**240,773.71**
Proj 303	**Veterans Blvd Underground**		**FY 2015**	**348,801.36**
Proj 175	**Core City Secondary Upgrade**		**FY 14-WIP/FY 15**	**125,242.79**
Proj 175	**Core City Secondary Upgrade**		**FY 2015**	**1,868,436.54**
Proj 163 & 301	**Phoenix Rd Substation/Transformer**		**FY 14-WIP/FY 15**	**234,589.00**
Proj 163 & 301	**Phoenix Rd Substation/Transformer**		**FY 2015**	**1,126,473.14**
Proj 151	**Downtown WI FI Project**		**FY 14-WIP/FY 15**	**58,996.54**
Proj 151	**Downtown WI FI Project**		**FY 2015**	**157,305.34**
Proj 304	**Blue Star Hwy/2nd to 6th**		**FY 2015**	**50,369.41**
Proj 309	**St, Joseph St Electric**		**FY 2015**	**152,253.99**
Proj 305	**Lovejoy to Aylworth Electric**		**FY 2015 - WIP**	**38,226.54**
Proj 307	**Capacitor Banks**		**FY 2015 - WIP**	**1,000.00**
Proj 316	**Blue Star Conductor**		**FY 2015 - WIP**	**790.09**
Proj 170	**DPW Office Renovations**		**FY 2015 - WIP**	**14,175.00**
Proj 220	**DPW Storage Garage**		**FY 2015 - WIP**	**1,362.50**
	Stihl Cutt Off Saw		**FY 2015**	**1,025.00**
	48" Red 126 bin Storage Cabinet		**FY 2015**	**2,946.34**
				4,422,767.29
	Less Prior Year WIP (Cash paid in prior FY)			(659,602.04)
	NET INVESTMENT IN CAPITAL ASSETS	Current Yr Cash out		3,763,165.25
	6/30/2016 **BUDGET**			
582-558-977-000	EQUIPMENT - SHOP	**C.I.P. - Walk-Behind Trencher**		16,000.00
582-558-979-000	EQUIPMENT - YARD & STORAGE	**Misc**		3,000.00
582-558-988-000-0308	ELECTRICAL SYSTEM CONSTR	**14th Ave Electric**		60,000.00
582-558-988-000-0310	ELECTRICAL SYSTEM CONSTR	**Kalamazoo St Elec**		56,250.00
582-558-988-000-0312	ELECTRICAL SYSTEM CONSTR	**Capacitor Banks 2**		25,000.00
				160,250.00
	Less Prior Year WIP (Cash paid in prior FY)			-
	NET INVESTMENT IN CAPITAL ASSETS	Current Yr Cash out		160,250.00

PBC
Scope = $33,000

CITY OF SOUTH HAVEN
FIXED ASSET INVENTORY AND DEPRECIATION SCHEDULES
ELECTRIC FUND
6/30/2015

ASSET NUMBER	ASSET	PURCHASED	COST	USEFUL LIFE	
	Blue Star Hwy Line Rebuild	FY 2012- WIP	12,000.00	20	
	Blue Star Hwy Line Rebuild	FY 2013	105,641.99	20	
	Meijer Electric System	FY 2014	155,071.65	20	
	Phoenix Street Electric	FY 2014	11,481.80	20	
	2nd Ave Line Rebuild	FY 2014	123,064.70	20	
Proj 303	**Veterans Blvd Underground**	**FY 14-WIP/FY 15**	**240,773.71**	**20**	
Proj 303	**Veterans Blvd Underground**	**FY 2015**	**348,801.36**	**20**	**$ 589,575.07**
Proj 175	**Core City Secondary Upgrade**	**FY 14-WIP/FY 15**	**125,242.79**	**20**	
Proj 175	**Core City Secondary Upgrade**	**FY 2015**	**1,868,436.54**	**20**	**$ 1,993,679.33**
Proj 163 & 301	**Phoenix Rd Substation/Transformer**	**FY 14-WIP/FY 15**	**234,589.00**	**20**	
Proj 163 & 301	**Phoenix Rd Substation/Transformer**	**FY 2015**	**1,126,473.14**	**20**	**$ 1,361,062.14**
Proj 151	**Downtown WI FI Project**	**FY 14-WIP/FY 15**	**58,996.54**	**10**	
Proj 151	**Downtown WI FI Project**	**FY 2015**	**157,305.34**	**10**	**$ 216,301.88**
Proj 304	**Blue Star Hwy/2nd to 6th**	**FY 2015**	**50,369.41**	**20**	**$ 50,369.41**
Proj 309	**St, Joseph St Electric**	**FY 2015**	**152,253.99**	**20**	**$ 152,253.99**
Proj 305	**Lovejoy to Aylworth Electric**	**FY 2015 - WIP**	**38,226.54**		
Proj 307	**Capacitor Banks**	**FY 2015 - WIP**	**1,000.00**		
Proj 316	**Blue Star Conductor**	**FY 2015 - WIP**	**790.09**		
Proj 170	**DPW Office Renovations**	**FY 2015 - WIP**	**14,175.00**		
Proj 220	**DPW Storage Garage**	**FY 2015 - WIP**	**1,362.50**		
	Total Electric Systems	**582-001-159 & 131**	19,677,330.57		
		A/D 582-001-159-001			
	MACHINERY & EQUIPMENT				
000149	Crimper	1/1/1997	1,200.00	15	
000150	Fault Locator	1/1/1997	1,100.00	15	
	GPS Equipment	FY 2001	6,135.50	5	
	Radix Upgrade	FY 2001	6,862.08	5	
	Power Quality Monitor	FY 2003	5,296.00	5	
	Elec. Meter Test Bench	FY 2004	25,617.00	5	
Serial # 610468	Arc Reflection System - VON Model XF16	FY 2010	19,702.35	10	
	Radix Handheld Devices	FY 2012	4,126.35	5	
	Power Quality Monitor	FY 2013	6,501.00	5	
	BSA Financial Software Upgrade	FY 2013	25,888.00	5	
	SCADA Upgrade	FY 2014	11,989.55	5	
ADD	**Stihl Cutt Off Saw**	**FY 2015**	**1,025.00**	**5**	
ADD	**48" Red 126 bin Storage Cabinet**	**FY 2015**	**2,946.34**	**5**	
	Total Machinery & Equipment	**582-001-140-000**	118,389.17		
		A/D 582-001-141-000			
	Total Assets		22,454,597.24		
			F		

WIP adds 2015	**55,554.13**
CA adds 2015	**4,367,213.16**
	4,422,767.29

City of South Haven
Electric Fund - Fund 582
For the period ended October 31, 2015

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	$ 1,200,176	$ 1,229,267	$ 1,043,222	$ (29,092)	$ 156,954	$ 4,873,642	$ 4,917,069	$ 4,166,247	$ (43,427)	$ 707,396	$ 14,751,207	33%
Charges for Service	$ 8,961	$ 12,500	$ 6,680	$ (3,539)	$ 2,281	$ 44,645	$ 50,000	$ 23,809	$ (5,355)	$ 20,836	$ 150,000	30%
Interest Income	$ 5,426	$ 2,500	$ 1,386	$ 2,926	$ 4,040	$ 13,859	$ 10,000	$ 10,063	$ 3,859	$ 3,795	$ 30,000	46%
Other Revenue	$ 3,818	$ 3,333	$ 3,546	$ 485	$ 272	$ 14,183	$ 13,333	$ 14,883	$ 850	$ (700)	$ 40,000	35%
Transfers In	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Revenues	$ 1,218,380	$ 1,247,601	$ 1,054,833	$ (29,220)	$ 163,547	$ 4,946,329	$ 4,990,402	$ 4,215,002	$ (44,073)	$ 731,327	**$ 14,971,207**	

	1	2	3	4	5	6	7	8	9	10	11	
Expenses	*Month Actual*	*Monthly Budget*	*Prior year MTD*	*MTD Variance to Budget*	*MTD Variance to Prior Year*	*0 YTD Actual*	*YTD Budget*	*Prior YTD Actual*	*Variance to Budget*	*Variance to Prior Year*	*2015-16 Adopted Budget*	*% of Annual Budget*
Purchased Power	$ 663,069	$ 833,333	$ 734,967	$ (170,264)	$ (71,897)	$ 3,869,313	$ 3,333,333	$ 3,624,420	$ 535,979	$ 244,892	$ 10,000,000	39%
Other Operating Expenses	$ 173,671	$ 153,285	$ 176,816	$ 20,386	$ (3,145)	$ 579,527	$ 613,139	$ 546,761	$ (33,612)	$ 32,766	$ 1,839,417	32%
Property Tax Equivalents	$ 60,700	$ 60,700	$ 59,557	$ 0	$ 1,143	$ 242,800	$ 242,800	$ 238,228	$ 0	$ 4,571	$ 728,399	33%
Energy Optimization Costs	$ 119	$ 23,467	$ 23,026	$ (23,347)	$ (22,907)	$ 68,586	$ 93,867	$ 92,106	$ (25,281)	$ (23,520)	$ 281,600	24%
Capital Outlay	$ 16,728	$ 13,354	$ 355,501	$ 3,374	$ (338,773)	$ 69,133	$ 53,417	$ 1,513,456	$ 15,717	$ (1,444,323)	**$ 160,250**	43%
Transfer Out	$ 14,066	$ 14,066	$ 14,025	$ -	$ 41	$ 56,263	$ 56,263	$ 56,100	$ -	$ 163	$ 168,789	33%
Depreciation	$ 55,917	$ 55,917	$ 39,510	$ -	$ 16,406	$ 223,667	$ 223,667	$ 158,041	$ -	$ 65,625	$ 671,000	33%
Administrative Expenses	$ 64,962	$ 65,110	$ 59,089	$ (148)	$ 5,873	$ 286,588	$ 260,442	$ 214,232	$ 26,147	$ 72,356	$ 781,325	37%
Total Expenses	$ 1,049,232	$ 1,219,232	$ 1,462,492	$ (170,000)	$ (413,260)	$ 5,395,876	$ 4,876,927	$ 6,443,345	$ 518,949	$ (1,047,469)	**$ 14,630,780**	
Net Fund Change	$ 169,148	$ 28,369	$ (407,659)	$ 140,779	$ 576,807	**$ (449,547)**	$ 113,476	$ (2,228,343)	$ (563,022)	$ 1,778,796	$ 340,427	

This financial report includes amendments to revenues to account for PJM cost recovery and increased purchased power cost estimates for FY 2016.

AS OF JUNE 30, 2015

Retained Earnings		$ 16,823,115		**Breakdown:**		
Less Net Capital Assets		$ (14,267,710)		**Cash/Investments**	**$ 2,373,971**	
Net Undesignated Reserves	Thru 6/30/15	**$ 2,555,405**	→	**Current Assets**	**$ 2,478,330**	
				Current Liabilities	**$ (2,296,896)**	
				Net Working Capital	**$ 2,555,405**	Thru 6/30/15

AS OF CURRENT MONTH END

Retained Earnings-FYE		$ 16,823,115				
Less Net Capital Assets		$ (14,267,710)		**Breakdown:**		
Net Undesignated Reserves June 30, 2015		**$ 2,555,405**		**Cash/Investments**	**$ 2,088,338**	
Net Income Per Income Statement Revenue > Expenses	Thru 10/31/15	**$ (449,547)**		**Current Assets**	**$ 1,910,045**	
Add back Non-cash Deprectiation Expense		**$ 223,667**		**Current Liabilities**	**$ (1,668,859)**	
		$ 2,329,524	→	**Net Working Capital**	**$ 2,329,524**	Thru 10/31/15

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		**$ (13,756,960)**				
Net Income Per Income Statement Revenue > Expenses	Projected thru 6/30/16	**$ 340,427**				
		$ 3,406,582	→	**Net Working Capital**	**$ 3,406,582**	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 OCTOBER 31, 2015

	Month Activity	Year-to-Date
Cash flows from operating activities:		
Receipts from customers & users	1,432,821.13	5,418,214.56
Payments to and on behalf of employees	(165,436.16)	(510,868.68)
Payments to suppliers - AEP	(1,103,809.17)	(4,144,260.92)
Payments to suppliers - other	(143,477.60)	(739,024.93)
Net cash provided by (used in) operating activities	20,098.20	24,060.03
Cash flows from non-capital financing activities:		
Due to other funds	-	-
Property tax equivalents	(60,699.92)	(242,799.68)
Transfers out	(14,065.75)	(56,263.00)
Net cash provided by (used in) non-capital financing activities	(74,765.67)	(299,062.68)
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	-	-
Interest Expense	-	-
Contribution in aid of construction	8,961.00	44,644.65
Principal paid on bonds and notes	-	-
Acquisitions of capital assets	(16,727.87)	(69,133.47)
Net cash provided by (used in) capital and related financing activities	(7,766.87)	(24,488.82)
Cash flows from investing activities		
Interest income	5,425.88	13,858.75
Net cash provided by (used in) investing activities	5,425.88	13,858.75
Net increase (decrease) in cash & pooled investments	**(57,008.46)**	**(285,632.72)**
Cash and pooled investments, beginning of period	**2,145,346.75**	**2,373,971.01**
Cash and pooled investments, end of period	**2,088,338.29**	**2,088,338.29**

Cash flows from operating activities		
Operating income (loss)	229,526.98	(208,987.50)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	55,916.67	223,666.68
Change in operating assets and liabilities which provided (used) cash		
Receivables	225,752.28	549,724.51
Due from other governmental units	-	
Prepaid expenses	-	18,560.18
Capital assets	16,727.87	69,133.47
Accounts payable-AEP	(440,739.90)	(274,948.31)
Accounts payable-other	(61,891.55)	(306,536.97)
Accrued liabilities	(8,269.61)	(27,216.34)
Customer deposits	3,075.46	(19,335.69)
Deferred revenue	-	-
Net cash provided by (used in) operating activities	20,098.20	24,060.03

CITY OF SOUTH HAVEN
ELECTRIC FUND
KWH COMPARISONS
ROLLING TWELVE MONTHS

		KWH PURCHASED	KWH BILLED	KWH STREET LTS	STREET LTS 12 MO AVE.	TOTAL KWH BILLED AND STREET LTS	PERCENTAGE BILLED AND STREET LTS TO PURCHASED (ROLLING 12 MOS)	PERCENTAGE BILLED AND STREET LTS TO PURCHASED CURRENT MONTH	
FISCAL 2014									
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
		143,614,306	134,231,306	625,162		134,856,468			
FISCAL 2015									
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
		144,578,660	137,150,328	625,159		137,775,487			
FISCAL 2016									
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
		52,647,547	51,536,911	184,276		51,721,187			
Prior Year-to-date		51,355,662	49,751,764	185,136		49,936,900			
Two Years Prior		50,878,484	48,862,512	183,353		49,045,865			

City of South Haven
Water Fund - Fund 591
For the period ended October 31, 2015

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*
Sales	$ 325,998	$ 318,092	$ 343,891	$ 7,907	$ (17,893)	$ 1,203,949	$ 1,272,366	$ 1,241,349	$ (68,417)	$ (37,400)	$ 3,817,098	32%
Charges for Service	14,235	5,833	9,219	8,401	5,015	30,160	23,333	22,433	6,826	7,726	70,000	43%
Interest Income	94	167	73	(73)	21	3,408	667	710	2,741	2,698	2,000	170%
Special Assessment Revenue	-	7,015	-	(7,015)	-	-	28,062	12	(28,062)	(12)	84,185	0%
Other Revenue	5,305	2,917	12,345	2,388	(7,041)	17,040	11,667	34,228	5,374	(17,187)	35,000	49%
Total Revenues	$ 345,631	$ 334,024	$ 365,529	$ 11,608	$ (19,897)	$ 1,254,557	$ 1,336,094	$ 1,298,732	$ (81,537)	$ (44,175)	**$ 4,008,283**	

	1	2	3	4	5	6	7	8	9	10	11	
Expenses:	*Month Actual*	*Monthly Budget*	*Prior year MTD*	*MTD Variance to Budget*	*MTD Variance to Prior Year* *0*	*YTD Actual*	*YTD Budget*	*Prior YTD Actual*	*Variance to Budget*	*Variance to Prior Year*	*2015-16 Adopted Budget*	*% of Annual Budget*
Operating Expenses	$ 133,224	$ 126,019	$ 125,130	$ 7,205	$ 8,093	$ 451,636	$ 504,076	$ 418,237	$ (52,440)	$ 33,399	$ 1,512,227	30%
Property Tax Equivalents	16,701	16,701	16,107	-	594	66,805	66,805	64,428	-	2,377	200,415	33%
Capital Outlay	8,921	32,377	-	(23,456)	8,921	11,202	129,509	-	(118,307)	11,202	**388,527**	3%
Debt Service	-	126,651	725,848	(126,651)	(725,848)	5,163	506,604	731,648	(501,442)	(726,485)	1,519,812	0%
Transfers Out	-	63	333	(63)	(333)	-	252	1,333	(252)	(1,333)	756	0%
Depreciation	50,833	50,833	16,307	-	34,526	203,333	203,333	65,228	-	138,105	610,000	33%
Administrative Expenses	18,038	20,534	19,353	(2,495)	(1,315)	100,734	82,134	63,834	18,600	36,900	246,402	41%
Total Expenses	$ 227,718	$ 373,178	$ 903,078	$ (145,460)	$ (675,360)	$ 838,872	$ 1,492,713	$ 1,344,707	$ (653,841)	$ (505,835)	$ 4,478,139	
Net Fund Change	$ 117,913	$ (39,155)	$ (537,550)	$ 157,068	$ 655,463	**$ 415,685**	$ (156,619)	$ (45,975)	$ 572,304	$ 461,660	**$ (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	Thru 6/30/15	**$ 1,797,600**	

Breakdown:

Cash/Investments	**$ 2,077,613**
Current Assets	**$ 966,012**
Current Liabilities	**$ (1,246,024)**
Net Working Capital	**$ 1,797,600** Thru 6/30/15

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			$ (60,723)
Net Undesignated Reserves	June 30, 2015		**$ 1,797,600**
Net Income Per Income Statement	Revenue > Expenses	Thru 10/31/15	$ 415,685
Add back Investment in Capital Assets in budget for FY 2016			$ 129,509
Add back Non-cash Deprectiation Expense			$ 203,333
			$ 2,546,128

Breakdown:

Cash/Investments	**$ 2,845,195**
Current Assets	**$ 749,659**
Current Liabilities	**$ (1,178,236)**
Net Working Capital	**$ 2,416,618** Thru 10/31/15

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			$ (60,723)
Net Income Per Income Statement	Revenue < Expenses	Projected thru 6/30/16	$ (469,856)
			$ 1,549,217

Net Working Capital **$ 1,549,217** 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 OCTOBER 31, 2015

	Month Activity	Year-to-Date
Cash flows from operating activities:		
Receipts from customers & users	371,204.57	1,452,855.14
Payments to and on behalf of employees	(91,236.66)	(305,039.31)
Payments to suppliers - other	(77,318.27)	(300,471.24)
Net cash provided by (used in) operating activities	202,649.64	847,344.59
Cash flows from non-capital financing activities:		
Due to other funds	-	-
Property tax equivalents	(16,701.25)	(66,805.00)
Transfers out	-	-
Net cash provided by (used in) non-capital financing activities	(16,701.25)	(66,805.00)
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	-	-
Interest Expense	-	(5,162.50)
Contribution in aid of construction	-	-
Principal paid on bonds and notes	-	-
Acquisitions of capital assets	(8,921.25)	(11,202.11)
Net cash provided by (used in) capital and related financing activities	(8,921.25)	(16,364.61)
Cash flows from investing activities		
Interest income	93.98	3,407.90
Net cash provided by (used in) investing activities	93.98	3,407.90
Net increase (decrease) in cash & pooled investments	**177,121.12**	**767,582.88**
Cash and pooled investments, beginning of period	**2,728,797.33**	**2,138,335.57**
Cash and pooled investments, end of period	**2,905,918.45**	**2,905,918.45**
Cash flows from operating activities		
Operating income (loss)	134,520.56	484,244.68
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	50,833.33	203,333.32
Change in operating assets and liabilities which provided (used) cash		
Receivables	24,807.14	199,705.79
Due from other governmental units		
Prepaid expenses	-	16,647.26
Capital assets	8,921.25	11,202.11
Accounts payable	(17,292.64)	(51,694.66)
Accrued liabilities	-	(18,093.91)
Customer deposits	860.00	2,000.00
Deferred revenue	-	-
Net cash provided by (used in) operating activities	202,649.64	847,344.59

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
FISCAL 2014								
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%
		511,630,000	68,399,733	487,843	1,522,412	56,718,922		
FISCAL 2015								
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%
		475,271,000	63,538,904	422,727	926,742	56,077,478		
FISCAL 2016								
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%
		206,383,000	27,591,310	135,963	360,984	24,805,630		
Prior Year-to-date		209,136,000	27,959,358	151,337	379,440	26,056,397		
Two Years Prior		221,073,000	29,555,214	196,132	700,078	27,449,860		

City of South Haven
Sewer Fund - Fund 592
For the period ended October 31, 2015

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*
Sales	$ 206,977	$ 199,281	$ 194,729	$ 7,696	$ 12,247	$ 740,317	$ 797,124	$ 745,712	$ (56,806)	$ (5,394)	$ 2,391,371	31%
IPP Revenues	3,832	9,375	6,388	(5,543)	(2,556)	28,844	37,500	47,515	(8,656)	(18,671)	112,500	26%
Interest Income	-	1,250	-	(1,250)	-	-	5,000	17	(5,000)	(17)	15,000	0%
Special Assessment Revenue	2	7,415	2	(7,413)	-	4,207	29,661	468	(25,454)	3,739	88,983	5%
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!
Other Revenue	4,559	1,000	2,959	3,559	1,601	4,559	4,000	4,599	559	(40)	12,000	38%
Total Revenues	$ 215,370	$ 218,321	$ 204,077	$ (2,951)	$ 11,293	$ 777,928	$ 873,285	$ 798,311	$ (95,357)	$ (20,383)	**$ 2,619,854**	

	1	2	3	4	5	6	7	8	9	10	11	
Expenses	*Month Actual*	*Monthly Budget*	*Prior year MTD*	*MTD Variance to Budget*	*MTD Variance to Prior Year*	*0* *YTD Actual*	*YTD Budget*	*Prior YTD Actual*	*Variance to Budget*	*Variance to Prior Year*	*2015-16 Adopted Budget*	*% of Annual Budget*
Operating Expenses	$ 135,379	$ 120,881	$ 105,967	$ 14,499	$ 29,413	$ 444,437	$ 483,522	$ 376,956	$ (39,085)	$ 67,481	$ 1,450,566	31%
Property Tax Equivalents	8,733	8,733	8,104	0	629	34,932	34,932	32,417	0	2,514	104,795	33%
Capital Outlay	7,371	37,082	482	(29,711)	6,889	19,565	148,329	15,599	(128,764)	3,966	**444,986**	4%
Transfers Out	16,667	16,735	17,000	(68)	(333)	66,667	66,940	68,000	(274)	(1,333)	200,821	33%
Depreciation	29,583	29,583	20,379	-	9,205	118,333	118,333	81,515	-	36,818	355,000	33%
Administrative Expenses	28,574	27,906	28,460	668	113	126,397	111,623	91,075	14,774	35,322	334,870	38%
Total Expenses	$ 233,286	$ 241,337	$ 180,658	$ (8,050)	$ 52,628	$ 836,761	$ 965,346	$ 665,548	$ (128,585)	$ 171,213	**$ 2,896,038**	
Net Fund Change	$ (17,916)	$ (23,015)	$ 23,419	$ 5,099	$ (41,335)	**$ (58,833)**	$ (92,061)	$ 132,763	$ 33,228	$ (191,596)	**$ (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	Thru 6/30/15	**$ 1,450,995**	→

Breakdown:

Cash/Investments	**$ 1,313,018**	
Current Assets	**$ 603,376**	
Current Liabilities	**$ (465,399)**	
Net Working Capital	**$ 1,450,995**	Thru 6/30/15

AS OF CURRENT MONTH END

Retained Earnings-FYE		$ 7,192,829	
Less Net Capital Assets		$ (5,741,834)	
Net Undesignated Reserves	June 30	**$ 1,450,995**	
Net Income Per Income Statement	Revenue > Expenses Thru 10/31/15	$ (58,833)	
Add back Non-cash Deprectiation Expense		$ 118,333	
		$ 1,510,495	→

Breakdown:

Cash/Investments	**$ 1,409,839**	
Current Assets	**$ 450,353**	
Current Liabilities	**$ (349,697)**	
Net Working Capital	**$ 1,510,495**	Thru 10/31/15

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 Projected thru 6/30/16	$ (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 OCTOBER 31, 2015

	Month Activity	Year-to-Date
Cash flows from operating activities:		
Receipts from customers & users	238,771.83	918,910.90
Payments to and on behalf of employees	(74,460.54)	(234,434.38)
Payments to suppliers - other	(112,896.16)	(470,699.79)
Net cash provided by (used in) operating activities	51,415.13	213,776.73
Cash flows from non-capital financing activities:		
Due to other funds	-	-
Property tax equivalents	(8,732.92)	(34,931.68)
Transfers out	(16,666.67)	(66,666.68)
Net cash provided by (used in) non-capital financing activities	(25,399.59)	(101,598.36)
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	(7,371.25)	(19,564.61)
Net cash provided by (used in) capital and related financing activities	(7,371.25)	(19,564.61)
Cash flows from investing activities		
Interest income	1.80	4,207.07
Net cash provided by (used in) investing activities	1.80	4,207.07
Net increase (decrease) in cash & pooled investments	**18,646.09**	**96,820.83**
Cash and pooled investments, beginning of period	**1,391,192.61**	**1,313,017.87**
Cash and pooled investments, end of period	**1,409,838.70**	**1,409,838.70**
Cash flows from operating activities		
Operating income (loss)	7,481.65	38,558.09
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	29,583.33	118,333.32
Change in operating assets and liabilities which provided (used) cash		
Receivables	23,403.60	145,189.83
Due from other governmental units	-	
Prepaid expenses	-	7,833.00
Capital assets	7,371.25	19,564.61
Accounts payable	(16,274.70)	(101,186.04)
Accrued liabilities	-	(14,366.08)
Customer deposits	(150.00)	(150.00)
Deferred revenue	-	-
Net cash provided by (used in) operating activities	51,415.13	213,776.73

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determinations, and/or approvals necessary for the CITY OF SOUTH HAVEN to fully comply with Public Act 295 of 2008	)	Case No. U-17413

APPLICATION FOR BIENNIAL REVIEW OF ENERGY OPTIMIZATION PLAN

Pursuant to the Michigan Public Service Commission's Order issued November 24, 2014, the City of South Haven hereby submits its Application for Biennial Review of Energy Optimization Plan ("EOP"). A copy of the EOP, including any and all exhibits, is attached. The City of South Haven respectfully requests that the Commission review the EOP for compliance with 2008 PA 295.

Respectfully submitted,

DICKINSON WRIGHT PLLC
Attorneys for the City of South Haven

By:_____
Peter H. Ellsworth (P23657)
Nolan J. Moody (P77959)
Business Address:
215 S. Washington Square, Suite 200
Lansing, MI 48933-1816
Telephone: (517) 371-1730

Dated: November 2, 2015

LANSING 33092-11 506483v1

City of South Haven

2016 – 2019 EO Plan Memorandum

November 2, 2015

The City of South Haven wishes to leave Efficiency United and join the MECA EO Collaborative effective January 1, 2016 to implement South Haven's EO Programs jointly with eleven other MECA EO Collaborative members. The composition of the MECA Collaborative on January 1, 2016 will include seven cooperatives; Alger Delta, Cloverland, Great Lakes Energy, HomeWorks Tri-County, Midwest Energy, Ontonagon, and Presque Isle Electric and Gas and 5 municipal utilities; Escanaba, Marquette, Newberry, South Haven, and Stephenson.

South Haven's EO Programs offerings for 2016 – 2019 will include (*reference AThayer Exhibit 1 "City of South Haven Energy Optimization Plan"):*

RESIDENTIAL PROGRAMS

- Income Qualified Services Program
- High Efficiency Products Program
- Appliance Recycling Program
- HVAC Equipment Program
- Solar Program
- Audit/Weatherization/New Construction/Behavioral Program
- Farm Service Program
- Educational Services Program
- Pilot Programs

COMMERCIAL & INDUSTRIAL PROGRAMS:

- C&I General Business Services Program
- C&I Educational Services Program
- C&I Pilot Program

EO REVENUE AND kWh Goal for 2016:

2015 EO Revenue and kWh goals will be applied to 2016 until further modeling can be completed by Morgan Marketing Partners by December 31, 2015 (*reference AThayer Exhibit 2 "Provider Notification of Intent to Elect Efficiency United to Offer Energy Optimization Services for 2014/2015"):*

- EO revenue = $279,771
- EO kWh goal = 1,368 MWh

IMPLEMENTATION AND EVALUATION:

The MECA EO Collaborative has selected WECC through a competitive bid process to implement all EO Programs and DNV-GL through a competitive bid process to conduct the independent 3rd Party Evaluations

AThayer
Exhibit 1

City of South Haven

In cooperation with the Michigan Electric Cooperative Association

Energy Optimization Plan

2016-2019

Program Descriptions

AThayer
Exhibit 1

City of South Haven

Energy Optimization Plan

Program Descriptions

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• Overview

Twelve utilities have come together to work collaboratively via the MECA EO Collaborative under the leadership of the Michigan Electric Cooperative Association (MECA) to develop their Energy Optimization (EO) Plan in compliance to the "Clean, Renewable and Efficient Energy Act" (PA 295) and fulfillment of regulated utility regulation.

The energy efficiency programs in this 2016-2019 EO Plan are designed to help member/customer/customers use energy more efficiently. Programs focus on major electric energy using devices such as cooling, heating, lighting, appliances, building and energy management systems, and high use commercial and industrial equipment. The EO portfolio of programs offers a wide variety of options for members/customers of all member/customer classes, including residential income qualified, to participate in EO programs.

The primary goals of the programs are to save energy use in a cost effective manner and encourage members/customers to use more high efficient equipment thus achieving market transformation to more efficient energy use. Besides encouraging members/customers to use less energy with higher efficient equipment, the programs also encourages the wise use of energy.

There are four components to the energy efficiency programs.

- Incentives
- Education and information
- Promotion
- Direct assistance

Each component is designed to complement the others to optimize program performance and delivery.

The EO Plan is designed to cost-effectively achieve the energy savings goals within the spending limits as defined in the PA 295. Programs have been designed to achieve annual energy savings goals of 1% of the utility's energy sales within a budget of 2% (1.7% C&I, 2.2% Residential) of retail electric revenues. This is a 4-year EO Plan and is design to achieve 4-year energy savings goals within the 4-year budget.

The energy efficiency programs portfolio is cost effective using the Utility System Resource Cost Test (USRCT).

Programs are available to all members/customers that pay an EO surcharge on their energy bill.

- Within our Residential Program, members/customers will be provided:
    - Incentives to purchase measures such as high efficient lighting and energy efficient appliances.

  - Incentives for retiring old, working, and inefficient appliances (refrigerators, freezers) that consume some of the highest loads in the home.
  - Information for conducting an in-home energy survey that will include an energy efficiency kit if the survey is completed.

- For all Commercial and Industrial (C&I) members/customers, programs include a sufficient number of measures and are flexibility so that all businesses can take advantage of a variety of energy efficiency offerings.

- The Residential Income Qualified Program enables the utility to efficiently and effectively serve this member/customer segment.

Energy Optimization educational programs are designed to communicate to and educate members/customers on the benefits of energy efficiency, conservation and load management. The budget for the educational program is 3% of the cost to implement programs. The program will be deemed to generate saving proportional to the program expenditure.

Energy Optimization pilot programs are designed to investigate future energy optimization program development and to assess emerging technologies. The budget for the pilot program is 5% of the cost to implement programs. The program will be deemed to generate saving proportional to the program expenditure.

AThayer
Exhibit 1

Energy Optimization Plan (2016-2019)
Residential Programs

- **Residential Program**

Residential Income Qualified Services Program

Program	Residential Income Qualified Services Program
Objective	The objective of the Residential Income Qualified Services Program is to reduce electricity use and lower electric bills of income qualified homeowners through improvements to their existing home at no cost to them. These installations will be made through existing income qualified weatherization agencies. The measures installed will include additional measures not normally installed in the agency weatherization program, making energy savings and bill reduction even greater for income qualified families. The second objective of the program will be to increase the installation of high efficiency equipment in income qualified rental properties. Other channels of installation include direct install in multifamily income qualified households and the installation of self-installed measures in energy efficiency kits through local income qualified services agencies.
Target Market	All income qualified households that are qualified by service or advocacy groups as being at or below 200 percent federal guidelines are eligible for the program.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	A significant barrier for this member/customer group is lack of funds to make needed improvements to their homes and appliances that would save electricity and money. There is also a lack of awareness and knowledge as to the ways that they can improve their homes. For the income qualified service providers and advocacy organizations there is a lack of money to serve all the income qualified homeowners in need of these services. There is also a lack of funds for electric technologies that could improve the home's energy usage. This program is designed to help overcome these barriers and improve energy efficiency for this specific member/customer group who has large energy needs and a large potential for savings. The Residential Income Qualified Services Program consists of

	multiple components targeting specific segments of the income qualified market. The program is delivered at no cost to the member/customer through multiple channels to effectively reach the income qualified members/customers. Each channel will deliver a slightly different set of energy saving measures that will be effective for that particular segment of income qualified members/customers. These channels include: Weatherization - Delivered through the federal Department of Energy (DOE) Weatherization Grantees (usually Community Action agencies). Energy efficiency kits - Delivered by the implementation contractor in partnership with the local electric utility and food pantries. Energy efficiency kits - Program delivered through Head Start agencies during a regularly scheduled home visit. Home Energy Base Load Services – Program is a direct install program and depending on the needs of the home includes lighting, water, appliances and a power strip. Refrigerator Replacement – Delivered through partnership with building owners. Includes power strip and lighting. Rehab Partnership - Delivered through local and county Rehab and Habitat for Humanity programs. Program provides for high efficiency equipment. Emergency Heating System ECM Upgrade - Delivered as an add-on service through HVAC contractors when a new furnace is installed in an emergency for income qualified members/customers. In addition to direct energy savings assistance, the program also provides technical information, education and support to income qualified service or advocacy organizations so they can understand and comply with the program requirements and provide additional energy efficiency support. This support will include educational materials where appropriate. MECA EO Collaborative Members may elect to expand the assistance to income qualified members/customers by working jointly with the natural gas providers to co-fund additional home weatherization projects. These projects will be targeted at redevelopment projects and/or income qualified neighborhoods where at least 75% of the residents are income qualified.

	Recognizing that some income qualified members/customers live in manufactured homes, additional support for this member/customer segment may be provided in coordination with the Manufactured Home component of the Audit/Weatherization Program.
Eligible Measures	The technologies to be included within this program are: • CFL and LED bulbs • Smart strip plug outlet • Hot water saving measures • ECM motors on gas furnace replacements • ENERGY STAR® refrigerator, air conditioning, dehumidifier • Heat pump water heater • Co-fund building shell measures and programmable thermostats that save electric energy from reduced air conditioning usage in homes that have central air conditioners. Technologies included in the program will change over time. Measures may be added or removed based on market response, technology availability and changes in efficiency standards. Technologies must be cost-effective, passing the Utility System Resource Cost Test individually, to be included.
Implementation Strategy	With assistance from MECA, the MECA EO Collaborative Members wil provide program management and oversight, tracking and reporting oversight, and regulatory review. The Residential Income Qualified Services Program will be delivered through the existing approved Weatherization Providers and third parity contractor. These Community Action Agencies already have a delivery mechanism established with a long running program. By utilizing these agencies, MECA EO Collaborative Members can cost-effectively deliver these needed services without duplicating efforts. The work of the third party contractor will provide energy efficiency measures in homes that would not otherwise be served. Funds for the program will be provided to the Community Action Agencies. There will be a budgeted amount for the program provided to each agency to use according to MECA EO Collaborative Members' guidelines. These funds will cover the total cost of the measure plus

	installation. For the program expansion beyond the CAA delivery channel, the implementation contractor will have day to day implementation responsibility including education and training, application, verification, technical support, member/customer support, and marketing, jointly with the MECA EO Collaborative Member. The third party contractor will also be responsible for developing community relationships in support of this expanded program. The implementation contractor will expand the program as needed by providing direct install measures in income qualified multifamily housing and self-installed energy efficiency kits through income qualified support agencies.
Marketing Strategy	Promotional materials will be developed as needed for each participating agency. The marketing and communications strategy for the CAA weatherization assistance will be designed to help the agencies recruit participants and explain the MECA EO Collaborative Member's portion of the program. As this is an existing program for the Weatherization Providers and since it has a limited and targeted audience based on income, there will be limited additional promotion by MECA EO Collaborative Members. The marketing and communications plan may include: • Public relations materials. • Display boards that describe the benefits and features of the program including Community Action Agency contact information. • These display boards will be available for various public awareness events and will be placed in locations supporting the income qualified community. • Newsletters and magazines will include general information about all energy efficiency programs and will be used to feature special stories and solicit participation in this program. • Informational content on the MECA EO Collaborative Member website providing program information.

Milestones

Major milestones	Date
Energy Optimization Plan filed with MPSC	11/15
Implementation contract signed	12/15
Energy Optimization Plan approved by MPSC	12/15
Program implementation begins	1/16

EM&V

MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor.

The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program.

The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.

Residential High Efficiency Products Program

Program	Residential High Efficiency Products Program
Objective	The primary objective of the program is to increase the adoption of high efficiency products by influencing manufacturers and retailers to promote and stock high efficiency residential lighting and appliances through retail markets. The premise is that through market support of retailers, these products will have more member/customer exposure and better placement in the store. The sales force will also be more aware of the product and promote it more often to members/customers. It is expected that over time, as the product gets more widely accepted in the market and prices are reduced, the MECA EO Collaborative Member can lower the incentive since the product will be more commonly adopted by their members/customers.
Target Market	All residential members/customers who are looking to save energy (and reduce energy bills) and are not completely committed to energy efficient lighting and appliance products and who might purchase high efficiency products through retail stores or on-line are eligible for the program. The secondary target audience consists of retailers and manufacturers of energy efficient electrical products that can benefit from stocking, promoting, and selling high efficient alternatives. Appliance and lighting retailers are key to the success of this program.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	Certain barriers exist to the adoption of energy efficiency products, including lack of financial resources, competition for funds with other household budget items, lack of awareness/knowledge about the benefits and costs of energy efficiency products, difficulty of finding retailers carrying the products, and energy saving performance uncertainties. This program is designed to help overcome these market barriers and encourage greater adoption of energy efficiency products used in the market. Having a simple program structure and incentive schedule provides members/customers with certainty and ease of use regarding the incentives they will receive for installing a

	wide variety of energy efficiency products. The Residential High Efficiency Products program benefits are primarily distributed to participating utility members/customers through in-store markdowns and mail-in rebates, online stores, and over-the-counter sales at local participating EO Collaborative Member office locations. Program implementation is retailer-based for lighting and appliance measures. Field services offer localized support to retail stores leading to an increase of store associate awareness and member/customer participation. Stores in EO Collaborative Member territories offer localized measure distribution for utilities that choose to opt-in to the offering. No-cost measure opportunities (through special events, office offerings, or other avenues) will be implemented to support specific utility outreach activities with their members/customers and for specific, limited situations. The program provides incentives and marketing support to retailers and manufacturers resulting in an expanded market share and purchasing frequency of high-efficiency products. Store-level support from management and associates create awareness of the benefits of, and combined with member/customer incentives, demand for eligible products. The program is designed to: • Influence the purchase of energy-efficient products by lowering the cost of energy saving lighting and appliances for utility members/customers. • Educate members/customers on the benefits of energy-efficient products as well as help them buy the "right product for the right application." • Display in-store point-of-purchase (POP) marketing to identify benefits of the EO program, eligible measures, and drive the purchase of energy-efficient products. • Drive awareness of the program using POP, educational documents, and websites. • Offer convenience for members/customers to participate by offering instant incentive-based savings on the

measure's upfront and operating cost for the duration of the measure's life.

- Provide flexibility to adjust the speed of kWh saved by changing stock keeping unit (SKU) offerings, incentives, and eligible retail locations when necessary.
- Analyze the use of incentive funds against measure type and kWh savings for maximum savings impact from funding.

The program design consists of two primary and two secondary approaches. The two primary approaches are retailer markdown for lighting measures, and mail-in rebate for appliances and fixtures. EO stores and no-cost measures are also offered in select participating utility jurisdictions as secondary approaches.

- Retailer Markdown - primarily for CFL and LED bulbs; delivered through in-store and on-line retail environments
  - Provide immediate savings for members/customers in retail stores by marking down the price of the product on shelf.
  - Include a broad mix of quality high efficiency products pre-screened and approved by implementing contractor's technical lighting manager.
- Mail-in Application - for select home appliances, fixtures, and other measures not included in markdown programs
  - Provide an avenue for members/customers to receive cash-back when they purchase high-efficient appliances included in the program.
  - This approach is cross-promoted in the retail store environment as well as through websites, events, and bill stuffers.
- EO Storefronts (Utility option)
  - The utility may offer low-cost energy-efficient products for sale in their office to provide a high-touch member/customer experience as well as

	convenience for their member/customer to enjoy the program benefits. • No-cost Measures ○ No-cost measures are delivered by individual utilities using a defined order process to enable tracking and distribution of measures. The products to be included will vary over time as new high efficiency and ENERGY STAR® products are developed or existing products become widely adopted and no longer need incentives to encourage purchase.
Eligible Measures	The following measures are selected to provide a wide breadth of eligible measures to members/customers. Technologies that will be included in the program may change over time. The ENERGY STAR® and high efficiency technologies for this Plan may include: • ENERGY STAR® CFL bulbs (various sizes) • ENERGY STAR® CFL specialty bulb • ENERGY STAR® CFL high wattage bulb • ENERGY STAR® CFL indoor/outdoor; 1- or 2-bulb fixture • ENERGY STAR® ceiling fan with CFL or LED light • ENERGY STAR® CFL outdoor fixture • ENERGY STAR® LED down light kit • ENERGY STAR® LED replacement lamp • ENERGY STAR® LED outdoor fixture • Advanced power strip • ENERGY STAR® room air conditioner • ENERGY STAR® dehumidifier • ENERGY STAR® clothes washer • Clothes Dryer w/moisture sensor • ENERGY STAR® refrigerator

	• ENERGY STAR® dishwasher • ENERGYSTAR® TV • LED Holiday Lights Measures will be added or removed based on market response, technology availability and changes in ENERGY STAR® standards. Technologies must be cost-effective, passing the Utility System Resource Cost Test individually, to be included.
Implementation Strategy	With assistance from MECA, the MECA EO Collaborative Member will provide program management and oversight, vendor referrals, tracking and reporting oversight, and regulatory review. Through the MECA EO Collaborative the implementation contractor will provide turn-key implementation services including education and training, application and incentive processing, incentive payments, tracking, verification, technical support, member/customer support, and marketing, jointly with the MECA EO Collaborative Member. The Residential High Efficiency Products program is delivered through retail markdown, online stores, and mail-in rebates. Secondary channels include the EO Collaborative Member storefront and available no-cost items. ***Retail Markdown*** Retail channels provide a variety of eligible lighting products; therefore, expanding member's/customer's awareness of standard and specialty lighting options. Members/customers are educated on the benefits of high efficiency products, and are able to make measure comparisons between high efficiency and non-efficient products in the store. The implementation contractor will support retailers and manufacturers with this program including in-field training and marketing/promotion support. The program will recruit the participation of new retailers, including key appliance retailers like Sears, Best Buy, Home Depot, Lowes, and any other local retailers for appliances, as well as independently owned hardware stores, local drug stores, and specialty stores. The implementation contractor will also target on-line retail program options available for utility members/customers.

	When possible the program will coordinate with neighboring utility EO retail programs. Participation "sharing" will be determined using member/customer demographic data from the retail store. In addition to the retail outlets, the program will include an online offering of high efficiency measures. The online retail offering will be available to any MECA EO Collaborative Member. ***Appliance/ Equipment Rebates*** Mail-in application forms are available online and distributed by field service representatives in specific retail channels when approved by store management.
Marketing Strategy	The marketing and communications strategy will be designed to inform members/customers of the availability and benefits of the program and how they can participate in the program. The strategy will include outreach to key partners and trade allies including the retailer community, relevant trade associations and other parties of interest in the market. An important part of the marketing plan will be content and functionality on the MECA EO Collaborative Member's website, which will direct members/customers to information about the program. ***Marketing Approach*** Marketing materials for energy efficiency products to notify and educate potential participants and partners about high efficiency products and rebates include informational print collateral, in-store point-of-purchase signage and advertising. All pieces are co-branded with ENERGY STAR® whenever possible. Other marketing activities will include public outreach events and a store-finder website tool that enables members/customers to easily search participating retailers. The implementing contractor will provide retailer training and collaboration to promote the High Efficiency Products program. The messaging for the High Efficiency Products program will focus on energy savings, money saved over time, quality products and in-store rebates (for applicable products). ***Outreach Approach*** Outreach will be provided by the implementing contractor through several outlets:

	• The contractor will maintain regular communication with trade allies and retailers. • The contractor's energy advisor provides technical assistance and site visits. • The relationship the utility has with their members/customers will be leveraged. The program will support events throughout the year (as budgets allow), such as trade shows, community gatherings and utility events. The contractor's field staff promotes the EO program to trade allies, manufacturers, retailers and other relevant organizations located in and around the utility's service territory. Utility representatives build relationships with trade allies and encourage them to promote the program to their members/customers. Other marketing activities will include: • Public relations materials. • Brochures that describe the benefits and features of the program including program application forms and processes. The brochures will be available for various public awareness events (presentations, seminars etc.). • Bill inserts, bill messages and email messages. • Newsletters and magazines will include general information about all energy efficiency programs and will be used to feature special stories and solicit participation in this program. • MECA EO Collaborative Member's website content providing program information resources, contact information, downloadable application forms, and links to other relevant service and information resources. • Member/customer representatives trained to promote the program to their members/customers. • Presence at conferences and public events used to increase general awareness of the program and distribute program promotional materials.

Milestones

Major milestones	Date
Energy Optimization Plan filed with MPSC	11/15
Implementation contract signed	12/15
Energy Optimization Plan approved by MPSC	12/15
Program implementation begins	1/16

EM&V

MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor.

The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program.

The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.

Residential Appliance Recycling Program

Program	Residential Appliance Recycling Program
Objective	The objective of the Residential Appliance Recycling Program is to produce cost-effective, long-term annual energy savings and demand reduction by removing from the utility grid operable, inefficient appliances in an environmentally safe manner and to prevent those appliances from being resold in the secondary used appliance market. In addition, the program will be designed to educate members/customers on the cost of keeping an inefficient unit in operation and raise awareness of ENERGY STAR® appliances and how much those appliances can save members/customers.
Target Market	All residential members/customers are eligible for the program. The primary target market will be those with working second and third refrigerators and freezers, inefficient room air conditioners (room ACs) and inefficient dehumidifiers.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	The Appliance Recycling Program will produce cost-effective long-term annual energy savings in the residential market by removing operable, inefficient refrigerators, freezers, room air conditioners (room ACs) and dehumidifiers from the utility grid in an environmentally safe manner. Older room ACs, refrigerators, freezers and dehumidifiers can be some of the least efficient electrical appliances in the home. Often these older inefficient appliances are used when they are not functioning properly and as a result, they use electricity very inefficiently. A certified recycling agency will be responsible for the recycling process of dismantling the refrigerators, freezers, room ACs and dehumidifiers and removing oils and refrigerants and other recyclable components. Certain barriers exist to the replacement of old existing appliances with energy-efficient products, including difficulty in finding places to recycle old appliances, inability to deliver appliances to the drop-off location, lack of financial resources, competition for funds with other household budget items, and lack of awareness/knowledge about the

	benefits and costs of new energy efficiency measures. The Residential Appliance Recycling Program is designed to minimize these market barriers and encourage members/customers to dispose of old inefficient appliances and to increase the market share of ENERGY STAR® appliances by offering incentives, convenient scheduling of appointments, and cost-free pick-up of qualifying equipment.
Eligible Measures	Technologies that will be included in the program are: • Refrigerators • Freezers • Dehumidifiers • Room Air Conditioners Eligible measures may be revised over time as needed to reflect changes in current market conditions, EM&V results, and program experience.
Implementation Strategy	With assistance from MECA, the Utility will provide program management and oversight, vendor referrals, tracking and reporting oversight, and regulatory review. An appliance recycling contractor will provide turn-key implementation services, including the pick-up and proper disposal of the appliances in an environmentally safe manner, application and incentive processing, incentive payments, education and training, community outreach, tracking, verification, member/customer support, and marketing, jointly with the Utility. Members/customers will receive an incentive to have their old, working refrigerator or freezer picked up. A dehumidifier or room air conditioner can also be scheduled for pick-up in conjunction with a refrigerator or freezer pick-up. Additionally, appliances may be dropped off during special events or recycled through participating appliance retailers. In coordination with the utility, the implementing contractor may develop a community appliance recycling offering and recycling events. The program will be offered either in the summer months or year round depending on the local market demand for appliance recycling,

	Incentives may change based on market and program responses.
Marketing Strategy	Consumer education and marketing will be key components that emphasize the benefits of savings associated with retiring old, inefficient appliances and the importance of ensuring proper disposal and recycling. The marketing and communications strategy will be designed to inform members/customers of the availability and benefits of the program and how they can participate. To control the implementation of this program and scheduling of the appliance pick-up, direct marketing will be the primary source of communication. Marketing activities will include: • Brochures that describe the benefits and features of the program including program contact information. The brochures will be available for various public awareness events (presentations, seminars, etc.). • Bill inserts, bill messages and email messages to targeted members/customers. • Newsletters or magazines will include general information about all energy efficiency programs and will be used to feature special stories and solicit participation in this program. • Informational content on the MECA EO Collaborative Member's website. • Member/customer representatives trained to promote the program to their members/customers. • Presentations to key retailers and supplier groups to actively solicit their support in the program.
Milestones	

Major milestones	Date
Energy Optimization Plan filed with MPSC	11/15
Implementation contract signed	12/15
Energy Optimization Plan approved by MPSC	12/15
Program implementation begins	1/16

EM&V	MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor. The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program. The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.

Residential HVAC Equipment Program

Program	Residential HVAC Equipment Program
Objective	The primary goal of the Residential HVAC Equipment Program is to encourage residential members/customers to install energy-efficient heating, cooling and water heating equipment. The installation of energy efficiency equipment will be made through HVAC contractors. The program will lower the use of electricity and lower energy bills of the member/customer. It also encourages the HVAC contractors to development business practices (inventory, training, sales) that would promote the use of energy efficiency HVAC equipment.
Target Market	All residential members/customers are eligible for the program. The primary target market is the HVAC contractor who specifies and replaces the heating, cooling and water heating equipment in a home.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	The Residential HVAC Equipment Program provides incentives to residential members/customers for installing energy-efficient electric heating, cooling and water heating equipment. This program will serve existing homes installing new equipment and to new homes when they do not qualify for the New Home Construction incentives. Incentives will be provided to the home owner and will be based on fulfilling the energy efficiency requirements. More specifically, the program is designed to: • Provide incentives to purchase high efficiency equipment as specified within the program. • Provide technical information, education and training to contractors, builders and homeowners so that they can understand the benefits of the high efficiency alternatives and provide high efficiency alternatives as the best choice to members/customers. • Provide a marketing mechanism for contractors and equipment distributors to promote high efficiency equipment. • Ensure that the participation process is clear, easy to understand and simple.

	Certain barriers exist to the adoption of energy-efficient equipment, including lack of investment capital, competition for funds with other home investments or amenities, lack of awareness/knowledge about the benefits and costs of energy efficiency measures, lack of education and skills of the contractor, and technology performance uncertainties. If the equipment is replaced without electric efficiency in mind, there might not be the opportunity to make these improvements until many years later when the equipment fails. Avoiding this lost opportunity at the time of replacement allows energy efficiency to be optimized and is usually less costly than equipment replacement at a later time. This program is designed to help overcome these market barriers and encourage greater adoption of energy-efficient HVAC equipment in the residential market.
Eligible Measures	Technologies that may be included within this program are high efficiency heating, cooling and water heating equipment. Measures included are: • Central AC units with SEER ratings of 16 or above • ECM motors in gas furnaces, air conditioners or heat pumps • Geothermal or Air Source Heat Pumps with SEER rating of 15 or above. • Ductless mini-split systems • Heat Pump Water Heaters EF 2.0+ • Water heaters with efficiency of 93% or higher • Programmable thermostat • Water heater savings measures • Pool pumps Guidelines for equipment specified as high efficiency will change over time as market response, technology availability and changes in ENERGY STAR® standards.
Implementation Strategy	With the assistance of MECA, the MECA EO Collaborative Member will provide program management and oversight, vendor referrals, tracking and reporting oversight, and regulatory review. The implementation contractor will provide training and education, application and incentive processing, incentive payments, tracking,

	verification, technical support, member/customer support, and marketing, jointly with the MECA EO Collaborative Member. The contractor will also be responsible for supporting contractors and distributors with this program including training and marketing/promotion support. To make the Residential HVAC Equipment Program effective, the implementation contractor will work to build a strong trade ally relationship with equipment distributors, HVAC contractors and plumbing contractors. Those market participants are key in making sure high efficiency HVAC equipment is available, and key for selling the high efficiency alternative directly to members/customers as they replace their old and failing equipment. The allies use these sales motivations and sound business interests in promoting energy efficiency to encourage high efficiency sales, which in turn, motivate end-users to invest in energy efficiency. Additional water heater sales may be achieved through local EO Collaborative Member direct sales to their members/customers. The incentives for the program will be paid to the member/customer as either an instant incentive on the installing contractor's invoice or a direct payment to the member/customer. Once the equipment is installed and is verified as complying with the minimum standards, the instant incentive provided on the invoice to the member/customer will be paid to the HVAC contractor, or the incentive will be paid to the member/customer. Incentives will be provided to the contractor for all qualifying incentives paid each month.
Marketing Strategy	The marketing and communications strategy will be designed to inform homeowners, contractors and equipment distributors of the availability and benefits of the program and how they can participate in the program. Trade allies are integral to the successful delivery of prescriptive energy efficiency programs and are the primary means for reaching most residential end-users. These partners are often the members/customers first and only point-of-contact and a trusted resource for information on high efficiency equipment when making energy-related decisions. The strategy will include outreach to key partners and trade allies including contractors, equipment distributors, trade associations, and other parties of interest in the market. An important part of the marketing plan will be the content and functionality on the MECA EO Collaborative Members' website, which

will direct members/customers to information about the program.

Marketing and communications plan will include:

- Education seminars implemented in each market area to provide details about the benefits of the program and how to participate in the program. The seminars will be tailored to the needs of homeowners, contractors and equipment distributors.
- A combination of strategies includes outreach and presentations at professional and community forums and events, and through direct outreach to key contractors such as:
  - Brochures that describe the benefits and features of the program including program application forms and worksheets. They will be available through various public awareness events (presentations, home shows, etc.).
  - Print advertisements to promote the program placed in selected local media including the local area newspapers and trade publications.
  - Newsletters and magazines will include general information about all energy efficiency programs and will be used to feature special stories and solicit participation in this program.
  - MECA EO Collaborative Member's website content providing program information resources, contact information, downloadable application forms and worksheets, and links to other relevant service and information resources.
  - Presence at conferences and public events used to increase general awareness of the program and distribute program promotional materials.
  - Presentations to members/customers and trade allies to actively solicit their participation in the program.
- The marketing strategy will identify key member/customer segments and groups for targeted marketing, and will prepare specific outreach activities for these members/customers.

With the assistance of MECA, the MECA EO Collaborative Member will oversee the development of content, messaging, branding, and calls to action of all of the marketing and collateral materials used to promote the program.

Milestones	

Major milestones	Date
Energy Optimization Plan filed with MPSC	11/15
Implementation contract signed	12/15
Energy Optimization Plan approved by MPSC	12/15
Program implementation begins	1/16

EM&V

MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor.

The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program.

The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.

Residential Solar Program

Program	Residential Solar Program
Objective	The primary goal of the Residential Solar Program is to encourage residential members/customers to install energy-saving solar equipment. The installation of energy-saving solar equipment will be made through contractors specializing in solar equipment technologies. The program is designed to lower the use of electricity and lower energy bills of the member/customer. The program will encourage solar contractors to use the program to promote solar technologies as a viable electric energy alternative. This program is offered at the utility's option.
Target Market	All residential members/customers are eligible for the program. At the utility's option, the program offers members/customers the opportunity to participate individually or collectively. The target markets will include the member/customer and contractors who specialize in solar technology installations.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	The Residential Solar Program provides incentives to residential members/customers for installing or participating in the installation of qualifying energy-saving solar systems. More specifically, the program is designed to: • Provide incentives to purchase and install electricity producing solar equipment as specified within the program. • Provide technical information, education and training to contractors and homeowners so that they can understand the benefits of solar systems. • Provide a marketing mechanism for contractors and solar equipment distributors to promote electricity producing solar equipment. • Ensure that the participation process is clear, easy to understand and simple. Certain barriers exist to the adoption of solar equipment, including lack of investment capital, competition for funds with other home

	investments or amenities, lack of awareness/knowledge about the benefits and costs of solar systems, lack of education and skills of the contractor, and technology performance uncertainties. This program is designed to help overcome these market barriers and encourage greater adoption of energy-saving solar equipment in the residential market.
Eligible Measures	Technologies that may be included within this program are energy-saving solar equipment that produce electricity. To provide program flexibility, specific technologies and installations will be approved on a case-by-case basis.
Implementation Strategy	With the assistance of MECA, the MECA EO Collaborative Member will provide program management and oversight, vendor referrals, tracking and reporting oversight, and regulatory review. The implementation contractor will provide training and education, application and incentive processing, incentive payments, tracking, verification, technical support, member/customer support, and marketing, jointly with the MECA EO Collaborative Member. The implementation contractor will also be responsible for supporting solar contractors and distributors with this program including training and marketing/promotion support. The incentives for the program will be paid to the member/customer.
Marketing Strategy	The marketing and communications strategy will be designed to inform homeowners, solar contractors and solar equipment distributors of the availability and benefits of the program and how they can participate in the program. An important part of the marketing plan will be the content and functionality on the MECA EO Collaborative Members' website, which will direct members/customers to information about the program. The marketing strategy will be utility based and will be coordinated closely with the utility's communications with their members/customers. The strategy will also include outreach and presentations at professional and community forums and events, and through direct outreach to key contractors. With the assistance of MECA, the MECA EO Collaborative Member will oversee the development of content, messaging, branding, and

	calls to action of all of the marketing and collateral materials used to promote the program.
Milestones	

Major milestones	Date
Energy Optimization Plan filed with MPSC	11/15
Implementation contract signed	12/15
Energy Optimization Plan approved by MPSC	12/15
Program implementation begins	1/16

EM&V	MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor. The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program. The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.

Residential Audit/Weatherization/New Construction/Behavioral Program

Program	Residential Audit/Weatherization/New Construction/Behavioral Program
Objective	The objective of the Residential Audit/Weatherization/New Construction/Behavioral Program is to provide information, incentive and support for members/customers to improve the energy efficiency of their homes in areas not address by the other EO Programs. Most of the focus is on building shell insulation and infiltration. This program offers EO Collaborative Members at cost-effective way to reach members/customers that may not participate in other programs. <u>Audit and Weatherization</u> The Audit and Weatherization part of the program will include online energy information and easy to install measures to help members/customers take action to reduce energy use. It will also include weatherization for manufactured homes. <u>New Construction</u> The New Construction part of the program is to encourage residential members/customers to build more efficient new homes and to install energy-efficient lighting, heating and cooling equipment, and improve building envelope efficiency in new homes. <u>Behavioral</u> The behavioral part of the program will include programmable thermostat and member/customer use reporting.
Target Market	<u>Audit and Weatherization</u> All residential members/customers are eligible for the online energy survey and energy saving measures kit. At the utility's option and depending on available resources, an in-home audit (assessment) with direct install measures may be included. <u>New Construction</u> All residential members/customers and builders constructing new single family homes in the utility's service territories are eligible for this program. The primary target market is the custom and

	production builders and developers of new homes. <u>Behavioral</u> At the utility's option and depending on available resources, the behavioral components of the program may be offered. • The thermostat measure will be offered to all residential members/customers. • The member/customer usage reporting program will be delivered to those members/customers identified by the utility as having the greatest opportunity to save energy.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	<u>Audit and Weatherization</u> The single family market has significant barriers to energy efficiency. The primary barrier is a lack of awareness and knowledge as to the ways that they can improve their home and change behaviors to save energy. Another major barrier is the lack of funds to make needed improvements to their homes that would save energy and money. Home owners have little time to implement or knowledge of energy efficiency measures. By providing online home energy audit (as part of the Residential Educational Program) and energy savings kits, the homeowner can improve their efficiency and reduce energy costs. This program is designed to actively engage members/customers to help overcome these barriers and improve energy efficiency for this member/customer group who has large energy needs and a large potential for savings. The residential Audit and Weatherization part of the program provides an energy savings kit to residential members/customers who complete the online energy survey. • Receiving the energy saving kit interacts with the online home energy audit that is included in the Educational Program. • For completing the self-audit information for the online energy survey, the member/customer will receive an energy savings kit that includes easy to install energy saving measures. At the utility's option, an in-home audit (assessment) may be offered. Besides the assessment, energy efficiency measures such as

	CFLs/LEDs, low flow shower heads and faucet aerators leaders, pipe insulation and smart power strips will be installed by the assessor. <u>New Construction</u> The Residential New Construction program provides assistance and encouragement for builders to build more efficient new homes and to install energy-efficient lighting, heating and cooling equipment, and improve the building envelope efficiency in new homes. The program provides financial bonuses for the installation of high efficiency appliances and kits that include high efficiency lighting and other energy saving measures. Certain barriers exist to the adoption of energy efficiency measures, including lack of investment capital, competition for funds with other home investments or amenities, lack of awareness/knowledge about the benefits and costs of energy efficiency measures, lack of education and skills of the builder, and technology performance uncertainties. If the home is not designed and constructed with electric efficiency in mind, there might not be the opportunity to make these improvements until many years later when the equipment fails or further building remodeling occurs. Avoiding this lost opportunity at the time of design and construction allows energy efficiency to be optimized and is usually less costly than equipment replacement or redesign. This program is designed to help overcome these market barriers and encourage greater adoption of energy efficiency measures in the new construction residential market. <u>Behavioral</u> The thermostat program provides incentives for the installation of a programmable thermostats and programmable thermostats with Wi-Fi connectivity. The member/customer usage reporting component of the program will help members/customers understand how and when they're using energy and provide suggestions and tips to use energy more efficiently and reduce their energy use.
Eligible Measures	<u>Audit and Weatherization</u> The technologies to be included in the energy savings kit are: • 5 CFLs/LEDs • 2 energy efficient faucet aerators

	• 1 energy efficient showerhead When an in-home assessment is conducted, additional measures may be included but not limited to pipe insulation and smart power strip. When providing the weatherization component of this program in the electrically heated manufactured home market, duct sealing may also be included. <u>New Construction</u> The technologies to be included within the New Construction part of the program are high efficiency appliances and other energy efficiency measures. <u>Behavioral</u> • An incentive will be provided for the installation of a programmable thermostat. • For the usage reporting component of this program, the member/customer will be encouraged to generally use less energy and install higher efficiency measures. Measures may be added or removed based on market response, technology availability and changes in efficiency or building code standards.
Implementation Strategy	With assistance from MECA, the MECA EO Collaborative Member will provide program management and oversight, vendor referrals, tracking and reporting, oversight, and regulatory review. An implementation contractor will provide turn-key implementation services including training and education, application and incentive processing, incentive payments, tracking, verification, technical support, member/customer support, and marketing, jointly with the MECA EO Collaborative Member. <u>Audit and Weatherization</u> The energy survey is offered through the online energy survey. When the self-audit is completed, the member/customer will be sent an energy savings kit containing easy to install energy efficiency measures. The implementing contractor will be responsible for sending the energy efficiency kits. Where utilities choose to provide in-home energy assessments, the

	implementation contractor will provide these assessments and install energy efficiency measures at no charge to the member/customer. For manufactured home weatherization, the implementation contractor will solicit participation, provide the energy assessment and conduct the weatherization project. <u>New Construction</u> The implementation contractor will provide bonus incentives for the installation of high efficiency appliances and HVAC equipment and will provide energy efficiency kits that can be used by the member/customer to save energy. The implementation of this program will be coordinated with the member's/customer's gas provider where gas and electricity are saved as the result of the installation of high efficiency insulation or infiltration measures. <u>Behavioral</u> The implementation contractor will provide incentives for the purchase and installation of programmable thermostats. This program will provide two thermostat incentive levels – one incentive level for members/customers wishing to install a programmable thermostat and a higher incentive level for members/customers wishing to install a more expensive Wi-Fi communicating thermostat. Where the utility chooses to implement a member/customer use reporting based behavioral component to this program, the implementing contractor will work with utility to acquire the appropriate data needed to provide customized reporting for participating members/customers.
Marketing Strategy	Marketing activities for the three components of this program may generally include: • Direct mail to potential participant members/customers based on zip code. • Newsletters and magazines will include general information about all energy efficiency programs and will be used to feature special stories and solicit participation in this program. • Website content providing program information resources, contact information, downloadable application forms and worksheets, and

	links to other relevant service and information resources. • Presence at conferences and public events used to increase general awareness of the program and distribute program promotional materials. • Presentations to key members/customers and member/customer groups to actively solicit their participation in the program. • Public relations materials and general media. • Brochures that describe the benefits and features of the program including program contact information. The brochures will be available for various public awareness events (presentations, seminars, etc.). • Bill inserts, bill messages and email messages to targeted members/customers. • Informational content on the MECA EO Collaborative Member's websites. • Member/customer representatives trained to promote the program to their members/customers. <u>Audit and Weatherization</u> Promotional materials will be developed for all residential members/customers. The marketing and communications strategy will be designed to inform members/customers of the availability and benefits of the program and how they can participate. The energy efficiency kit which is available to members/customers completing the online audit will be promoted through the online audit website. Where the utility ops to provide in-home energy assessments, the utility will identify those members/customers to which the program will be made available. Direct mail materials explaining the benefits of the program and the ways in which members/customers can participate will be mailed to the members/customers soliciting their participation. Weatherization for electrically heated manufactured homes will be promoted through general program communications and utility references.

	New Construction Promotional materials will be developed for home owners and developers on the benefits of constructing and energy efficiency home. This education will be through a combination of workshops and direct meetings with key market participants in the area. The marketing and communications strategy will be designed to inform homeowners, builders and developers of the availability and benefits of the program and how they can participate in the program. The strategy will include outreach to key partners and trade allies including builders, developers, architects, contractors, equipment distributors, trade associations, and other parties of interest in the market. An important part of the marketing plan will be the content and functionality on the utility's website, which will direct members/customers to information about the program. More specifically, the marketing and communications plan will include: • Educational seminars to provide details about how to participate in the program. The seminars will be tailored to the needs of homeowners, builders, developers and architects. • A combination of strategies including local media advertising, outreach and presentations at professional and community forums and events, and through direct outreach to key builders and developers. Behavioral The thermostat incentive program will be promoted to the HVAC trade allies in the HVAC products program and to retail stores as part of the High Efficiency Products Program. Where the utility ops to include a member/customer use reporting program, the utility will provide the implementation contractor with information needed to contact, enroll and serve perspective participants. Those members/customers participants will be solicited to participate in the program through direct mail (and email when available).

Milestones

Major milestones	Date
Energy Optimization Plan filed with MPSC	11/15
Implementation contract signed	12/15
Energy Optimization Plan approved by MPSC	12/15
Program implementation begins	1/16

EM&V

MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor.

The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program.

The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.

Residential Farm Service Program

Program	Residential Farm Services Program
Objective	The primary objective of the Residential Farm Services Program is to encourage residential farm operations to install energy-efficient measures in existing and new facilities.
Target Market	All residential farm members/customers are eligible for the program. The target market also includes trade allies supporting the farm producer industry.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	This program provides prescriptive and custom incentives to residential farm members/customers for the installation of energy-efficient equipment for numerous agricultural applications including but not limited to lighting, motors and drives, controls, heating, ventilation and refrigeration equipment and custom incentives for the installation of innovative and unique energy-efficient equipment and controls. Having a custom incentive allows efficiency measures and systems to be installed for situations specific to that member's/customer's application or process. <u>Prescriptive Incentive</u> The prescriptive incentives are structured to broadly apply to many common energy efficiency measures that are similar across many types of farm production operations. Having a simple program structure and incentive schedule for common equipment and applications provides members/customers and the market suppliers with certainty and ease of use regarding the incentives they will receive for installing a wide variety of energy efficiency measures. <u>Custom Incentive</u> Custom incentives for the installation of innovative and unique energy-efficient equipment and controls are to be offered on a per kWh basis based on pre-approved engineering estimates. This program targets energy savings equipment or processes as well as applications with so much variability in operating characteristics that standardized savings cannot be assumed across the farm producer

	base. This program also includes those technologies that are new to the market and have not yet established baseline savings. More specifically, the program is designed to: • Provide incentives to farm owners and operators for the installation of high efficiency equipment and controls. • Provide the knowledge necessary and market demand to justify the marketing of high efficiency measures by electrical contractors, mechanical contractors, and their distributors. • Ensure that the participation process is clear, easy to understand and simple. Where applicable, the MECA EO Collaborative Member will work with the gas company supplying services to the member/customer to coordinate incentives, processing and assistance for those measures or systems that apply to both fuels (ex: building shell measure improvements). Certain barriers exist to the adoption of energy efficiency measures, including lack of investment capital, competition for funds with other capital improvements, lack of awareness/knowledge about the benefits and costs of energy efficiency measures, high transaction and information research costs, and technology performance uncertainties. This program is designed to help overcome these market barriers and encourage greater adoption of energy efficiency measures in the farm producer market. The premise of the program is that through engagement and education with the market participants and through member/customer incentives to reduce upfront costs, the risks to energy efficiency implementation will be reduced and the rewards from the savings will become more apparent thus increasing adoption. <u>Outdoor Lighting</u> To improve efficiency of outdoor lighting, the utility may provide incentives for the installation of LED fixtures.
Eligible Measures	<u>Prescriptive Incentive</u> Technology categories for which prescriptive incentives have been established include the following. • High efficiency lighting

	• High-efficiency commercial equipment • Timer for engine block heater • Motors/pumps/drives • Fans • Low-energy livestock waterer • Refrigeration Equipment • Heat recovery tank • Variable speed controller for vacuum pump • Electric or solar water heaters for dairy farm milk houses • Dairy refrigeration tune-ups • MSU farm energy audit • Controls • Other Specific technologies included in the program will change over time based on codes and standards, changing market needs, introduction of new technologies and market adoption rates. <u>Custom Incentive</u> For the effective use of custom incentives, flexibility is the key. Technologies that are unique to that member/customer, new to the market or have a wide range of savings based on their application cannot be covered by prescriptive incentives due to their variability. However these variable energy savings technologies can be significant and encouraged with custom incentives. Measures must show electric energy savings through accepted engineering analysis that will be reviewed and pre-approved by the utility for the incentive. Measures cannot receive a custom incentive if they are eligible for a prescriptive incentive unless they are in combination with other measures or systems that makes them unique. Measures may be added or removed based on market response, technology availability and changes in efficiency standards. <u>Outdoor Lighting</u> The selected LED technology will be used to replace 175 W mercury

	vapor and 100 W high-pressure sodium fixtures.
Implementation Strategy	<u>Prescriptive Incentive</u> With assistance from MECA, the MECA EO Collaborative Member will provide program management and oversight, vendor referrals, tracking and reporting, oversight, and regulatory review. An implementation contractor will provide turn-key implementation services including training and education, application and incentive processing, incentive payments, tracking, verification, technical support, member/customer support, and marketing, jointly with the MECA EO Collaborative Member. The key to program success is twofold. First, the utility will engage farm producer member/customer participants by using their existing market delivery channel. This market delivery channel includes manufacturers, distributors, consultants, engineers and contractors. The program staff will educate, partner and engage these important market actors in the program. Through these existing market actors who have relationships with farm producer members/customers, the new high efficiency technology will be offered to members/customers as a viable option. To support the market participants, the program also includes farm member/customer educational and promotional pieces designed to assist facility owners, operators and decision makers with the information necessary to improve the energy efficiency of the systems in their facilities. Second, the utility will use account management resources that have direct relationships with members/customers and can help identify opportunities to participate in the program. These resources will build member/customer awareness, educate the member/customer on opportunities and connect interested members/customers with the appropriate participating contractors. Incentives will be offered to reduce the cost of the energy-efficient equipment and will vary based on cost-effectiveness and market response. The program strives to cover a minimum of 50% of the incremental equipment cost of the measure to stimulate the market if it is cost-effective; however, depending on the acceptance of a measure in the marketplace, 50% is not always needed. Additional guidelines may be established such as total incentives available per member/customer per year to assure that funds are allocated across all farm member/customer opportunities.

	Where applicable, the MECA EO Collaborative Member will work with the gas company supplying services to the member/customer to coordinate incentives, processing and assistance for those measures or systems that apply to both fuels (ex: building shell measure improvements). <u>Custom Incentive</u> Work to achieve cost effective energy savings with custom incentives will center on working with farm members/customers to apply energy efficiency in unique ways to their operations and processes and working with the industry participants to find the right solutions to their needs. The primary key to success is utilizing the existing relationships of the utility's internal staff that has relationships with their farm members/customers and can help identify opportunities to participate in the program. These resources will build member/customer awareness, educate the member/customer, and work with engineering staff, supporting engineering firms and Energy Service Companies. Through the engagement of the market participants throughout the delivery channel, additional projects can be identified and potential solutions suggested. These participants include manufacturers, distributors, trade associations, consultants, engineers and contractors. The program will be supported by utility staff for educating, partnering and engaging these important participants in the program as they also discuss other program offerings. Through these existing market participants who have relationships with residential farm members/customers, new high efficiency technology and custom program solutions will be offered to members/customers as a viable option. To support the market participants, the program also includes member/customer educational and promotional pieces designed to assist facility owners, operators and decision makers with the information necessary to improve the energy efficiency of the systems in their facilities. Utility's account managers will promote the program to their farm members/customers directly and cross promote it with other programs. Custom incentives will be set using a per kWh basis so energy savings will be rewarded. Incentive levels will vary over time based on costs and market need but will typically be established in one year increments. Many new technologies will have higher incentive levels and migrate to a lower incentive level over time as they gain

	acceptance within the market. This approach gives appropriate signals to the market about new technologies or riskier technologies that have significant savings potential. Other guidelines to reduce free ridership will also be established. These guidelines may include: • Simple payback for the project must be between 1 year and 8 years after the incentive is applied. Incentives can be adjusted to meet the payback criteria. • Program incentives will not exceed 50% of the installed project cost. • The MECA EO Collaborative Member reserves the right to adjust these guidelines over time and to make exceptions. One barrier to getting custom measures identified and installed is getting members/customers to spend funds to analyze the opportunity and savings. To help address this issue, assessment/audit grants will be available to members/customers for up to $500 of the analysis cost not to exceed an amount to be determined for facilities. <u>Outdoor Lighting</u> If this option is selected by the utility for implementation, the utility will provide program details to those members/customers who are using 175 W mercury vapor and 100 W high-pressure sodium fixtures. For those members/customers who choose to participate, the utility will install the LED fixtures.
Marketing Strategy	Educational and promotional materials will be developed for farm owners and operators on the benefits of energy efficiency improvements and improved systems performance, including educational brochures, farm member/customer and market provider seminars, program promotional material, and website content. Specific educational, training and promotional efforts will be aimed at market participants such as electrical contractors, building supply firms, and distributors to help them promote efficient measures to their members/customers. This education will be through a combination of mailings and direct meetings with key market participants. A free engine block heater will be used to generate program leads. The marketing and communications strategy will be designed to

	inform farm producer members/customers of the availability and benefits of the program and how they can participate in the program. The strategy will include outreach to key partners and market participants including A&E firms, Energy Services Companies, the equipment supply community, the contractor community, relevant professional and trade associations and other interested parties. An important part of the marketing plan will be content and functionality on the MECA EO Collaborative Member's website, which will direct farm members/customers to information about the program.
	
	Marketing and communications plan will include:
	
	• Education seminars will provide details about the program and how to participate in the program.
	
	• A combination of strategies including media advertising, outreach and presentations at professional and community forums and events, and through direct outreach to key members/customers of the farm community and member/customer representatives such as:
	
	  ○ Brochures that describe the benefits and features of the program including program application forms and worksheets.
	
	  ○ Targeted direct mailings used to educate members/customers on the benefits of the program and explaining how they can apply.
	
	  ○ Member/customer and trade partner outreach and presentations informing interested parties about the benefits of the program and how to participate.
	
	  ○ Print advertisements to promote the program placed in selected local media including newspapers and trade publications in the utility's service territories.
	
	  ○ Newsletters and magazines will include general information about all energy efficiency programs and will be used to feature special stories and solicit participation in this program.
	
	  ○ Website content providing program information resources, contact information, downloadable application forms and worksheets, and links to other relevant service and information resources.
	
	  ○ The utility's' account managers informing their assigned accounts about the program during their regular

communications.

- Presence at conferences and public events used to increase general awareness of the program and distribute program promotional materials.
- Presentations to key members/customers and member/customer groups to actively solicit their participation in the program.

The marketing strategy will identify key member/customer segments and groups for target marketing, and will prepare specific outreach activities for these members/customers.

Outdoor Lighting

With assistance from the program implementation contractor, the utility selecting this program option will develop educational and promotional materials for members/customers that currently have 175 W mercury vapor and 100 W high-pressure sodium fixtures and could benefit from LED energy efficiency improvements. If this option is selected by the utility for implementation, the utility will promote the program by providing program details to those members/customers who are using 175 W mercury vapor and 100 W high-pressure sodium fixtures.

Milestones

Major milestones	Date
Energy Optimization Plan filed with MPSC	1/15
Implementation contract signed	12/15
Energy Optimization Plan approved by MPSC	12/15
Program implementation begins	1/16

EM&V

MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor.

	The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program. The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.

Residential Educational Services Program

Program	Residential Educational Services Program
Objective	The objective of the Educational Services Programs is to provide information and education about energy efficiency and conservation. The educational information will be delivered through many media and communication channels. These educational programs will provide the basis for more program specific efforts aimed at getting members/customers to participate in the utility's Energy Optimization portfolio of programs.
Target Market	The target markets are all member/customer segments served by the Energy Optimization Programs. Trade allies will also be a targeted market.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	The Educational Program will provide information about energy efficiency and conservation, giving members/customers valuable information on the benefits of participation, what they need to do to participate and how to sign up for the program. The Educational Services Programs will increase member/customer participation in the programs by making members/customers aware of the benefits of energy efficiency and conservation programs, educating the member/customer about how much energy and cost savings they can expect, and the long-term environmental benefits associated with these actions. The Educational Services Program will be primarily focused on the members/customers, but it will also to make it easy for trade allies to support the energy efficiency programs. Besides generally supporting all energy efficiency programs, the Educational Program will directly implement the energy efficiency online self-audit program. Besides providing an online audit, the program will also provide a connection to other programs and provide materials members/customers need to participate. Program education and information will be provided through many different channels. The following are examples of channels that might

	be used. • Member/customer representatives trained to promote the program to their members/customers • Informational content on the MECA EO Collaborative Members websites • Magazine and newsletters that will include general information about all energy efficiency programs • Residential seminars • Trade ally seminars/education • Radio advertising • Print advertising • Bill inserts • Events and trade shows • School programs • Trade publication advertising
Eligible Measures	The Educational Services Programs will not include eligible measures but will support and promote energy efficiency and conservation messages.
Implementation Strategy	The Educational Services Programs will provide general information on energy efficiency and conservation in support of the program specific marketing messages. The implementation of this program will be coordinated with all MECA EO Collaborative Members.
Marketing Strategy	Marketing strategy for the Educational Program is to have general information about energy efficiency and conservation readily available to members/customers enabling them to understand the benefits of participating. Cost savings as well as the long-term environmental benefits will be communicated. Magazines and newsletters will include general information about all energy efficiency programs and will be used to feature special stories and events promoting specific programs. Besides achieving energy saving by installing energy efficiency

	measures through the energy efficiency programs, low-cost/no-cost energy savings will be promoted with other publications distributed directly to interested members/customers.
Milestones	

Major milestones	Date
Energy Optimization Plan filed with MPSC	11/15
Implementation contract signed	12/15
Energy Optimization Plan approved by MPSC	12/15
Program implementation begins	1/16

EM&V	Process evaluation will be conducted under the direction of the MECA EO Collaborative.

Residential Pilot Programs

Program	Residential Pilot Programs
Objective	The objective of the Pilot Programs is to make current programs as effective as possible for members/customers and test and develop new program designs, test new marketing strategies and approaches to most effectively serve the energy needs of members/customers, and to test the energy saving impact of emerging technologies.
Target Market	All member/customer segments will be served by the pilot programs. Program design and new marketing approaches will be tested to reach "hard-to-reach" market segments. For example, these markets might include the non-English speaking community. This may require a test of social marketing techniques and unique partnerships for effectively delivering energy information, education and programs.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	The Pilot Programs is designed to enrich the effectiveness of the Energy Optimization Programs. The Pilot Programs will evolve over time and will be dictated by the changing needs of members/customers and new technologies. An important component of the Pilot Programs will be to conduct member/customer research to get the "voice of the member/customer" related to current and future programs and technologies. The Energy Optimization Programs are designed to permit all members/customers to have reasonable access to program benefits. The Pilot Programs will help improve the effectiveness and member/customer reach of the Energy Optimization Programs. The Pilot Programs provides incentives to introduce new products to demonstrate proof of product, technology application, technology acceptance and market acceptance. The Pilot Programs also determines product performance, member/customer satisfaction and energy saving of emerging technologies. At the option of the utility, concepts and energy savings of prepaid metering may be tested. This pilot program will test market acceptance, technology, communication and energy savings.

Eligible Measures	Different technologies, programs or marketing approaches will be considered in the Pilot Programs. These are just examples and are not necessarily ideas that will be tested.
	• Technologies investigated
	  ○ Phantom load reduction devices
	  ○ Wireless load control systems
	  ○ Prepaid metering
	• New programs studied
	  ○ Broader application of LEDs
	  ○ Other new lighting technologies and applications
	• New marketing approaches
	  ○ Deliver marketing messages through social networks
	  ○ Test new marketing approaches for soliciting income qualified participation
	  ○ Work with colleges to test new technologies, programs or approaches to the market
	  ○ Work with farm support organizations to test comprehensive approaches to agriculture producer optimization

Implementation Strategy	The Pilot Programs ideas and direction will come from feedback from the current programs, "voice of the member/customer" research and Utility and implementation contractor staff. The implementation of this program will be coordinated with other Members of the MECA EO Collaborative.
Marketing Strategy	Marketing strategy of the Pilot Programs will be dictated by the technology, the program or marketing approach being tested.

Milestones	The Pilot Programs' roll of enhancing the effectiveness of the energy efficiency programs requires feedback from previous programs and ongoing feedback as programs are implemented. If a program is not reaching the intended market or there are pockets within the market segment not being served, a plan will be designed to improve program performance. This plan will be tested as part of the Pilot Programs.
EM&V	Impact and process evaluation may be conducted on each Pilot Programs. This evaluation will be conducted under the direction of the MECA EO Collaborative.

Major milestones	**Date**
Energy Optimization Plan filed with MPSC	11/15
Implementation contract signed	12/15
Energy Optimization Plan approved by MPSC	12/15
Program implementation begins	1/16

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Exhibit 1

Energy Optimization Plan (2016-2019) Commercial and Industrial Programs

- **Commercial & Industrial Programs**

C&I General Business Services Program

Program	C&I General Business Services Program
Objective	The primary objective of the Commercial and Industrial (C&I) General Business Services Program is to encourage commercial and industrial (C&I) members/customers to install energy-efficient measures in existing and new facilities.
Target Market	All C&I members/customers are eligible for the program. Members/customers who elect to implement a self-directed energy optimization plan are not eligible. The target market also includes trade allies serving C&I members/customers.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	This program provides prescriptive incentives to C&I members/customers for the installation of energy-efficient equipment for numerous applications including but not limited to lighting, motors and drives, controls, heating ventilation and air conditioning (HVAC), refrigeration, and food service equipment and custom incentives for the installation of innovative and unique energy-efficient equipment and controls. Having a custom incentive allows efficiency measures and systems to be installed for situations specific to that member's/customer's application or process. <u>Prescriptive Incentive</u> The prescriptive incentives are structured to broadly apply to many common energy efficiency measures that are similar across many C&I market segments. Having a simple program structure and incentive schedule for common equipment and applications provides members/customers and the market suppliers with certainty and ease of use regarding the incentives they will receive for installing a wide variety of energy efficiency measures. <u>Custom Incentive</u> Custom incentives for the installation of innovative and unique energy-efficient equipment and controls will be offered on a per kWh

basis based on pre-approved engineering estimates. This program targets energy savings equipment or processes as well as applications with so much variability in operating characteristics that standardized savings cannot be assumed across the member/customer base. This program also includes those technologies that are new to the market and have not yet established baseline savings.

More specifically, the program is designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls.
- Provide the knowledge necessary and market demand to justify the marketing of high efficiency measures by electrical contractors, mechanical contractors, and their distributors.
- Ensure that the participation process is clear, easy to understand and simple.

Where applicable, the MECA EO Collaborative Member will work with the gas company supplying services to the member/customer to coordinate incentives, processing and assistance for those measures or systems that apply to both fuels (ex: building shell measure improvements).

Certain barriers exist to the adoption of energy efficiency measures, including lack of investment capital, competition for funds with other capital improvements, lack of awareness/knowledge about the benefits and costs of energy efficiency measures, high transaction and information research costs, and technology performance uncertainties. This program is designed to help overcome these market barriers and encourage greater adoption of energy efficiency measures in the C&I market. The premise of the program is that through engagement and education with the market participants and through member/customer incentives to reduce upfront costs, the risks to energy efficiency implementation will be reduced and the rewards from the savings will become more apparent thus increasing adoption.

<u>Outdoor Lighting</u>

To improve efficiency of outdoor lighting, the utility may provide incentives for the installation of LED fixtures.

Eligible Measures	<u>Prescriptive Incentive</u> Technology categories for which prescriptive incentives have been established include the following. • High Efficiency Lighting • HVAC Equipment • Motors/Pumps/Drives • Refrigeration Equipment • Food Service Equipment • Controls • Other Specific technologies included in the program will change over time based on codes and standards, changing market needs, introduction of new technologies and market adoption rates. <u>Custom Incentive</u> For the effective use of custom incentives, flexibility is the key. Technologies that are unique to that member/customer, new to the market or have a wide range of savings based on their application cannot be covered by prescriptive incentives due to their variability. However these variable energy savings technologies can be significant and encouraged with custom incentives. Measures must show electric energy savings through accepted engineering analysis that will be reviewed and pre-approved by the utility for the incentive. Measures cannot receive a custom incentive if they are eligible for a prescriptive incentive unless they are in combination with other measures or systems that makes them unique. Measures may be added or removed based on market response, technology availability and changes in efficiency standards. <u>Outdoor Lighting</u> The selected LED technology will be used to replace 175 W mercury vapor and 100 W high-pressure sodium fixtures.
Implementation Strategy	<u>Prescriptive Incentive</u> With assistance from MECA, the MECA EO Collaborative Member will provide program management and oversight, vendor referrals,

	tracking and reporting, oversight, and regulatory review. The implementation contractor will provide turn-key implementation services including training and education, application and incentive processing, incentive payments, tracking, verification, technical support, member/customer support, and marketing, jointly with the MECA EO Collaborative Member. The key to program success is twofold. First, the contractor will engage member/customer participants by using their existing market delivery channel. This market delivery channel includes manufacturers, distributors, consultants, engineers and contractors. The program will have resources dedicated to educating, partnering and engaging these important market actors in the program. Through these existing market actors who have relationships with C&I members/customers, the new high efficiency technology will be offered to members/customers as a viable option. To support the market participants, the program also includes member/customer educational and promotional pieces designed to assist facility owners, operators and decision makers with the information necessary to improve the energy efficiency of the systems in their facilities. Second, the utility will use internal staff resources that have direct relationships with members/customers and can help identify opportunities to participate in the program. These resources will build member/customer awareness, educate the member/customer on opportunities and connect interested members/customers with the appropriate participating contractors. Incentives will be offered to reduce the cost of the energy-efficient equipment and will vary based on cost-effectiveness and market response. The program strives to cover a minimum of 50% of the incremental equipment cost of the measure to stimulate the market if it is cost-effective; however, depending on the acceptance of a measure in the marketplace, 50% is not always needed. Additional guidelines may be established such as total incentives available per member/customer per year to assure that funds are allocated across all member/customer opportunities. Where applicable, the MECA EO Collaborative Member will work with the gas company supplying services to the member/customer to coordinate incentives, processing and assistance for those measures or systems that apply to both fuels (ex: building shell measure improvements).

	Custom Incentive Work to achieve cost effective energy savings with custom incentives will center on working with members/customers to apply energy efficiency in unique ways to their operations and processes and working with the industry participants to find the right solutions to their needs. The primary key to success is utilizing the existing relationships of the utility's internal staff that has relationships with members/customers and can help identify opportunities to participate in the program. These resources will build member/customer awareness, educate the member/customer, and work with engineering staff, supporting engineering firms and Energy Service Companies. Through the engagement of the market participants throughout the delivery channel, additional projects can be identified and potential solutions suggested. These participants include manufacturers, distributors, trade associations, consultants, engineers and contractors. The program will have staff dedicated to educating, partnering and engaging these important participants in the program as they also discuss other program offerings. Through these existing market participants who have relationships with C&I members/customers, new high efficiency technology and custom program solutions will be offered to members/customers as a viable option. To support the market participants, the program also includes member/customer educational and promotional pieces designed to assist facility owners, operators and decision makers with the information necessary to improve the energy efficiency of the systems in their facilities. Utility's account managers will promote the program to their members/customers directly and cross promote it with other programs. Custom incentives will be set using a per kWh basis so energy savings will be rewarded. Incentive levels will vary over time based on costs and market need but will typically be established in one year increments. Many new technologies may have higher incentive levels and migrate to a lower incentive level over time as they gain acceptance within the market. This approach gives appropriate signals to the market about new technologies or riskier technologies that have significant savings potential. Other guidelines to reduce free ridership will also be established. These guidelines may include: • Simple payback for the project must be between 1 year and 8

	years after the incentive is applied. Incentives can be adjusted to meet the payback criteria. • Program incentives will not exceed 50% of the installed project cost. • The MECA EO Collaborative Member reserves the right to adjust these guidelines over time and to make exceptions. <u>Outdoor Lighting</u> If this option is selected by the utility for implementation, the utility will provide program details to those members/customers who are using 175 W mercury vapor and 100 W high-pressure sodium fixtures. For those members/customers who choose to participate, the utility will install the LED fixtures.
Marketing Strategy	Educational and promotional materials will be developed for building owners and operators on the benefits of energy efficiency improvements and improved systems performance, including educational brochures, member/customer and market provider seminars, program promotional material, and website content. Specific educational, training and promotional efforts will be aimed at market participants such as electrical contractors, building supply firms, and distributors to help them promote efficient measures to their members/customers. This education will be through a combination of mailings and direct meetings with key market participants. The marketing and communications strategy will be designed to inform members/customers of the availability and benefits of the program and how they can participate in the program. The strategy will include outreach to key partners and market participants including A&E firms, Energy Services Companies, the equipment supply community, the contractor community, relevant professional and trade associations and other interested parties. An important part of the marketing plan will be content and functionality on the MECA EO Collaborative Member's website, which will direct members/customers to information about the program. Marketing and communications plan will include: • Education seminars will provide details about the program and how to participate in the program.

	• A combination of strategies including media advertising, outreach and presentations at professional and community forums and events, and through direct outreach to key members/customers and member/customer representatives such as:
	  ○ Brochures that describe the benefits and features of the program including program application forms and worksheets.
	  ○ Targeted direct mailings used to educate members/customers on the benefits of the program and explaining how they can apply.
	  ○ Member/customer and trade partner outreach and presentations informing interested parties about the benefits of the program and how to participate.
	  ○ Print advertisements to promote the program placed in selected local media including newspapers and trade publications in the utility's service territories.
	  ○ Newsletters and magazines will include general information about all energy efficiency programs and will be used to feature special stories and solicit participation in this program.
	  ○ Website content providing program information resources, contact information, downloadable application forms and worksheets, and links to other relevant service and information resources.
	  ○ The utility's' account managers informing their assigned accounts about the program during their regular communications.
	  ○ Presence at conferences and public events used to increase general awareness of the program and distribute program promotional materials.
	  ○ Presentations to key members/customers and member/customer groups to actively solicit their participation in the program.
	• The marketing strategy will identify key member/customer segments and groups for target marketing, and will prepare specific outreach activities for these members/customers.

	Outdoor Lighting With assistance from the program implementation contractor, the utility selecting this program option will develop educational and promotional materials for members/customers that currently have 175 W mercury vapor and 100 W high-pressure sodium fixtures and could benefit from LED energy efficiency improvements. If this option is selected by the utility for implementation, the utility will promote the program by providing program details to those members/customers who are using 175 W mercury vapor and 100 W high-pressure sodium fixtures.
Milestones	

Major milestones	Date
Energy Optimization Plan filed with MPSC	11/15
Implementation contract signed	12/15
Energy Optimization Plan approved by MPSC	12/15
Program implementation begins	1/16

EM&V	MECA will coordinate the impact evaluation of the MECA EO Collaborative Members' Programs. The evaluation will include a certification of energy savings and will leverage knowledge gained from the evaluation of similar utility energy efficiency programs in Michigan. Data collection processes for the certification of energy savings will be reviewed by an independent third party evaluation contractor. The electric energy impact study will reliably estimate the program's gross annual kWh savings over the effective useful life of the energy efficient equipment installations funded by the program. The MECA EO Collaborative Members intends to add or eliminate measures from the program based on cost-effectiveness, market acceptance and standard practice.

C&I Educational Services Program

Program	C&I Educational Services Program
Objective	The objective of the Educational Services Programs is to provide information and education about energy efficiency and conservation. The educational information will be delivered through many media and communication channels. These educational programs will provide the basis for more program specific efforts aimed at getting members/customers to participate in the utility's Energy Optimization portfolio of programs.
Target Market	The target markets are all member/customer segments served by the Energy Optimization Programs. Trade allies will also be a targeted market.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	The Educational Services Program will provide information about energy efficiency and conservation, giving members/customers valuable information on the benefits of participation, what they need to do to participate and how to sign up for the program. The Educational Services Programs will increase member/customer participation in the programs by making members/customers aware of the benefits of energy efficiency and conservation programs, educating the member/customer about how much energy and cost savings they can expect, and the long-term environmental benefits associated with these actions. The Educational Services Programs will be primarily focused on the members/customers, but it will also to make it easy for trade allies to support the energy efficiency programs. The program will provide a connection to other programs and provide materials members/customers need to participate. Program education and information will be provided through many different channels. The following are examples of channels that might be used. • Member/customer representatives trained to promote the program to their members/customers

	• Informational content on the MECA EO Collaborative Members websites • Magazine and newsletters that will include general information about all energy efficiency programs • Business seminars • Trade ally seminars/education • Radio advertising • Print advertising • Bill inserts • Events and trade shows • School programs • Trade publication advertising
Eligible Measures	The Educational Services Programs will not include eligible measures but will support and promote energy efficiency and conservation messages.
Implementation Strategy	The Educational Services Programs will provide general information on energy efficiency and conservation in support of the program specific marketing messages. The implementation of this program will be coordinated with all MECA EO Collaborative Members.
Marketing Strategy	Marketing strategy for the Educational Services Program is to have general information about energy efficiency and conservation readily available to members/customers, enabling them to understand the benefits of participating. Cost savings as well as the long-term environmental benefits will be communicated. Magazines and newsletters will include general information about all energy efficiency programs and will be used to feature special stories and events promoting specific programs. Besides achieving energy saving by installing energy efficiency measures through the energy efficiency programs, low-cost/no-cost energy savings will be promoted with other publications distributed directly to interested members/customers.

Milestones	

Major milestones	Date
Energy Optimization Plan filed with MPSC	11/15
Implementation contract signed	12/15
Energy Optimization Plan approved by MPSC	12/15
Program implementation begins	1/16

EM&V	Process evaluation will be conducted under the direction of the MECA EO Collaborative.

C&I Pilot Programs

Program	C&I Pilot Programs
Objective	The objective of the Pilot Programs is to make current programs as effective as possible for members/customers and test and develop new program designs, test new marketing strategies and approaches to most effectively serve the energy needs of members/customers, and to test the energy saving impact of emerging technologies.
Target Market	All member/customer segments will be served by the pilot programs. Program design and new marketing approaches will be tested to reach "hard-to-reach" market segments. For example, these markets might include small businesses who lease space for their operations or schools with limited capital budgets. This may require a test of marketing techniques and unique partnerships for effectively delivering energy information, education and programs.
Program Duration	January 1, 2016 through December 31, 2019.
Program Description	The Pilot Programs is designed to enrich the effectiveness of the Energy Optimization Programs. The Pilot Program will evolve over time and will be dictated by the changing needs of members/customers and new technologies. An important component of the Pilot Program will be to conduct member/customer research to get the "voice of the member/customer" related to current and future programs and technologies. The Energy Optimization Programs are designed to permit all members/customers to have reasonable access to program benefits. The Pilot Program will help improve the effectiveness and member/customer reach of the Energy Optimization Programs. The Pilot Programs provides incentives to introduce new products to demonstrate proof of product, technology application, technology acceptance and market acceptance. The Pilot Program also determines product performance, member/customer satisfaction and energy saving of emerging technologies.
Eligible Measures	Different technologies, programs or marketing approaches will be considered in the Pilot Programs. These are just examples and are

	not necessarily ideas that will be tested.
	• Technologies investigated
	  ○ Phantom load reduction devices
	  ○ Wireless load control systems
	• New programs studied
	  ○ Broader application of LEDs and hard to place CFLs
	  ○ Other new lighting technologies
	  ○ Hotel room occupancy energy control program
	  ○ Commercial building retro-commissioning
	• New marketing approaches
	  ○ Target non-English speaking community
	  ○ Deliver marketing messages through trade organizations
	  ○ Work with colleges to test new technologies, programs or approaches to the market
	  ○ Work with farm support organizations to test comprehensive approaches to agriculture producer optimization

Implementation Strategy	The Pilot Programs ideas and direction will come from feedback from the current programs, "voice of the member/customer" research and Utility and implementation contractor staff. The implementation of this program will be coordinated with other Members of the MECA EO Collaborative.
Marketing Strategy	Marketing strategy of the Pilot Programs will be dictated by the technology, the program or marketing approach being tested.

Milestones	The Pilot Programs' roll of enhancing the effectiveness of the energy efficiency programs requires feedback from previously approved programs and ongoing feedback as programs are implemented. If a program is not reaching the intended market or there are pockets within the market segment not being served, a plan will be designed to improve program performance. This plan will be tested as part of the Pilot Program.

Major milestones	Date
Energy Optimization Plan filed with MPSC	11/15
Implementation contract signed	12/15
Energy Optimization Plan approved by MPSC	12/15
Program implementation begins	1/16

EM&V	Impact and process evaluation may be conducted on each Pilot Program. This evaluation will be conducted under the direction of the MECA EO Collaborative.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

*****

In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determinations, and/or approvals necessary for the CITY OF SOUTH HAVEN to fully comply with Public Act 295 of 2008	)	Case No. U-16720

NOTICE OF INTENT TO RENEW ELECTION TO UTILIZE EFFICIENCY UNITED FOR ENERGY OPTIMIZATION SERVICES

In 2011, the City of South Haven elected to participate in Efficiency United to fulfill its obligations under Michigan Public Act 295 of 2008. Pursuant to an Order issued by the Michigan Public Service Commission on March 17, 2011, every two years following the City's initial election it must either (1) file a new two-year Energy Optimization Plan, or (2) renew its commitment to utilize Efficiency United for compliance with all EO reporting requirements. Attached hereto please find South Haven's Notice of Intent to renew its participation in Efficiency United for energy optimization services for 2014 and 2015.

Respectfully submitted,

DICKINSON WRIGHT PLLC
Attorneys for the City of South Haven

By: Adam M. Wenner Digitally signed by Adam M. Wenner DN: CN=Adam M. Wenner,O=Dickinson Wright PLLC,OU=OU,E=awenner@dickinson-wright.com,C=US Date: 2013.08.01 15:22:42 -04:00

Peter H. Ellsworth (P23657)
Adam M. Wenner (P75309)
Business Address:
215 South Washington Square
Suite 200
Lansing, MI 48933-1816
Telephone: (517) 371-1730

Dated: August 1, 2013

PROVIDER NOTIFICATION OF INTENT TO ELECT *EFFICIENCY UNITED*[1] TO OFFER ENERGY OPTIMIZATION SERVICES FOR 2014/2015

PA 295 of 2008 Implementation of
Energy Optimization Plans

DATE: July 31, 2013

PROVIDER NAME, address and contact Information, including email address, for a provider representative:

City of South Haven
539 Phoenix Street
South Haven, MI 49090

Roger Huff, PE, DPW Director
269.637.0719
rhuff@south-haven.com

☒ This is a renewal. ☐ This is a new election.

Election is for years (two year minimum):
☒ 2014 ☒ 2015 ☐ 2016 ☐ 2017

Electric Utility	Annual Payment to Efficiency United		Annual Incremental Energy Savings Target - MWh			
Program Year	Total Retail Sales Revenue 2012	Payment (Revenue x 2.0%)	Total Retail Sales 2010	Total Retail Sales 2011	Total Retail Sales 2012	Target (1.0% x 3-Year Average)
2014	$13,815,872	$276,317	132,569	134,180	137,316	1,347
Program Year	Total Retail Sales Revenue 2013	Payment (Revenue x 2.0%)	Total Retail Sales 2011	Total Retail Sales 2012	Total Retail Sales 2013	Target (1.0% x 3-Year Average)
2015	$13,988,570	$279,771	134,180	137,316	139,032	1,368

Gas Utility	Annual Payment to Efficiency United		Annual Incremental Energy Savings Target - Mcf			
Program Year	Total Retail Sales Revenue 2012	Payment (Revenue x 2.0%)	Total Retail Sales 2010	Total Retail Sales 2011	Total Retail Sales 2012	Target (0.75% x 3-Year Average)
2014		$0				0
Program Year	Total Retail Sales Revenue 2013	Payment (Revenue x 2.0%)	Total Retail Sales 2011	Total Retail Sales 2012	Total Retail Sales 2013	Target (0.75% x 3-Year Average)
2015		$0				0

- Payment and target for 2015 may be estimated by substituting 2012 data for 2013 if forecasts are not available.
- Payment and target for future years will be recalculated annually as updated data becomes available.
- Payment and target may be adjusted based on self-direct customer participation and will be determined during the EO plan review process.

EU Provider Notification Form cont.

[1] 2008 PA 295, Sec. 91, allows providers the option of meeting energy optimization program compliance requirements by paying a percentage of total utility sales revenues, including electricity or natural gas commodity costs, each year to an independent energy optimization program administrator selected by the Michigan Public Service Commission (MPSC). The program run by the independent energy optimization program administrator is called *Efficiency United*. **Providers must make a two-year commitment. An option to renew is provided.**

Providers that have opted to use the independent energy optimization program administrator (*Efficiency United*) are not required to file a PA 295, section 97 (1) annual EO report or individual reports; the administrator shall file a single report addressing energy optimization programs for all providers electing the alternative compliance payment option. Rate regulated providers (IOUs and RRCs) that opt to use Efficiency United must still file a financial reconciliation with the MPSC annually.

Breakdown of 2012 Total Retail Sales			
	Residential Customers	Commercial Customers	Industrial Customers
Number	7,769	1,262	21
Volume MWh	49,173	64,240	23,903
Revenue Elec.	$5,367,582	$6,648,076	$1,800,214
Number			
Volume Mcf			
Revenue Gas			

Self-direct Customers Retail Sales	
Number Customers Elected for 2014	0
Total Revenue 2012	
Total MWh 2012	

Signature of Provider Representative

7/31/13
Date

Signature of Efficiency United Representative

8-1-2013
Date

Submit form to: Sharon Theroux
therouxs@mcaaa.org
Efficiency United
2173 Commons Parkway
Okemos, MI 48864

Attach copy to: Current PA 295 Plan Filing
Election is contingent upon MPSC approval.

The MPSC will provide an opportunity for public comment if the governing body of a municipal utility provider has not provided an opportunity for public comment and filed the comments with the MPSC. It is suggested that the public comments be filed with the providers EO plan filing.

LETTER AGREEMENT FOR ADMINISTRATIVE SERVICES

January 1, 2016 – December 31, 2019

This is a Letter Agreement for Administrative Services ("Agreement') between the Michigan Electric Cooperative Association ("MECA") and Municipal to be named ("Municipal") and or Cooperative (Co-op) and is entered into by the parties as of the date accepted and signed by MECA below.

It is hereby agreed as follows:

1. Municipal and or Co-op will pay for all administrative services rendered by the Michigan Electric Cooperative Association's Energy Optimization Department in accordance with the attached Rate Schedule, which is made a part of this Agreement. In addition, Municipal shall pay or reimburse MECA for all EO Program Design, Implementation, Tracking, Independent 3rd Party Evaluation services, and legal fees where applicable rendered to the Municipal and or Co-op as contracted for by MECA and as authorized by the Municipal's and or Co-op's MECA EO Collaborative Letter of Commitment.

2. This Agreement is for a term of one (4) years beginning January 1, 2016. This Agreement may be terminated at any time by either party due to any legislative or regulatory actions that materially change or eliminate the current statutory requirement for utilities to implement Energy Efficiency Programs.

3. Billing for the MECA Administrative Services hereunder will be rendered by MECA quarterly beginning in January and are payable by Municipal and or Co-op within 30 days of billing.

4. (a) All services shall be provided as part of the MECA EO Collaborative. Services involve assisting the Municipal and or Co-op with the design, implementation, tracking, independent 3rd party evaluation, legal services where applicable, and regulatory reporting of the Energy Optimization Programs enabled under PA-295 known as the Clean,

Renewable and Efficiency Energy Act (the "Act").

(b) Services include (i) establishing budget and kWh reductions, revenue requirements as required by the Act; (ii) assisting with EO Program selections to achieve the kWh reductions while being cost effective as defined by the Act; (iii) representing the Municipal and or Co-op at Michigan Public Service Commission ("MPSC") meetings and offering recommendations to the MPSC to protect the interests of the Municipal and or Co-op in regards to final rule making; (iv) issuing Request for Proposals as necessary, evaluation of bids, and making recommendations for bidder selection, contract management, and management of implementation contractors; (v) coordination between the Municipal and or Co-op and the Program Design Contractor, the Implementation Contractor, the Tracking System Contractor, the 3rd Party Evaluation Contractor; and (vi) participating in the MPSC Collaborative Work Groups.

(c) MECA has or will contract for the services of subcontractors to deliver some or all of the EO program design, implementation, tracking, and evaluation services needed by the Municipal and or Co-op to comply with the Act. In addition to the annual rates set forth on the attached Rate Schedule, Municipal and or Co-op is responsible to pay or reimburse MECA for all fees and expenses of the subcontractors for the EO services rendered by the subcontractor hereunder or under any other agreement with MECA or the Municipal and or Co-op to deliver EO programs or services to the Municipal pursuant to the Act.

5. It is understood that neither this Agreement nor the services provided by MECA hereunder are intended to transfer in any way any the responsibility of the Municipal and or Co-op to meet the Energy Optimization requirements of the Act. MECA is acting solely in the capacity of an administrative consultant to Municipal in this regard. Accordingly, the Municipal and or Co-op hereby agrees that MECA has no responsibility for Municipal's and or Co-op's compliance with any applicable state or federal statutes, rules or regulations regarding Municipal's energy optimization programs or compliance activities.

[Signatures on next page]

MICHIGAN ELECTRIC COOPERATIVE ASSOCIATION

Signature:_____

Printed name: Craig Borr

Title: President and Chief Executive Officer

Dated:_____

MUNICIPAL / Co-op

Signature:_____

Name: Brian Dissette

Title: City Manager

Dated:_____

Rate Schedule	
Municipal / Cooperative EO Collaborative & the Michigan Electric Cooperative Association	
Municipal / Cooperative	**Annual**
Cloverland Electric Cooperative	**$57,000.00**
Marquette Board of Light & Power	**$15,000.00**
South Haven	**$7,500.00**
Escanaba Electric Department	**$7,000.00**
Newberry Water and Light Board	**$3,000.00**
City of Stephenson	**$1,200.00**
Total Annually	**$90,700.00**

Please sign and fax to: Art Thayer, MECA, (989) 393-5971, or e-mail to AThayer@meca.coop

Board of Public Utilities **Staff Report**

Agenda Item #9

Modification of the Residential Equivalent Unit Schedule

City of South Haven

Background Information:

The City of South Haven Public Utilities Rules, Regulations and Policies was adopted by Resolution 2007-04 on January 15, 2007. Resolution 2007-04 permits the assessment of a one-time availability fee for new water and sewer services to be utilized to offset a proportional cost of the existing capital investments for those parts of the water and/or sewer system(s) which provide service jointly to all users of the utilities. Essentially, new users are assessed the availability fee as a purchase of capacity in the existing water and sewer systems and plants. Resolution 2007-04 also permits the availability fee to be changed from time to time as recommended by the Board of Public Utilities and approved by City Council.

In 2007, the City transitioned from assessing availability fees on a foot frontage basis and moved to a Residential Equivalent Unit (REU) basis. A Residential Equivalent Unit is the amount of water that a single family residence of average size would utilize during a single day. The current schedule considers one REU to be 250 gallons per day. At the time that the City transitioned to the REU basis, it adopted a schedule that is used to calculate the number of REUs for various land uses or building occupations. The City elected to adopt the same schedule that was in use by the South Haven/Casco Township Sewer and Water Authority.

Over the past several years, the City has experienced a surge of new residential development on infill lots. Many of the houses are being constructed as rental properties for weekly occupation during the tourist season. Some of the new homes are being built with a large number of bedrooms and are being furnished with bunk rooms that can house in excess of 20 people. Recently, the City received an application for a new single family residence with 10 bedrooms.

Based on the current REU schedule, a new single family home will be assessed availability fees for 1.0 REU regardless of size. It is clear that the larger size seasonal rental homes will utilize more than 250 gallons per day when they are occupied by 10-25 people. As a result it is recommended that the REU schedule be modified to permit assessment of more than 1.0 REU for any new single family residence with more than 4 bedrooms. All bedrooms in excess of four would be assessed an additional 0.25 REUs per each additional bedroom.

Recommendation:

Approve a recommendation to City Council to adopt a resolution amending the Residential Equivalent Unit (REU) schedule used to calculate availability fees for new water and sewer services. The draft resolution is attached for Board review and comment.

Attachments:

Resolution 07-20: Water REU Schedule
Resolution 07-38: Sewer REU Schedule
Draft Resolution for Council Consideration

CITY OF SOUTH HAVEN
VAN BUREN AND ALLEGAN COUNTIES, MICHIGAN

RESOLUTION NO. 07-20

A RESOLUTION TO INCLUDE AN ADDENDUM TO THE
UTILITY POLICY SETTING WATER AVAILABILITY FEES

Minutes of a regular meeting of the City Council of the City of South Haven, Van Buren and Allegan Counties, Michigan, held in the City Hall, 539 Phoenix Street, South Haven, Michigan 49090 on April 2, 2007 at 7:30 p.m. local time.

PRESENT: Andersen, Bradley, Fahs, Paull, Stegeman, Appleyard

ABSENT: Smith

The following preamble and resolution was offered by Member Fahs and supported by Member Bradley.

WHEREAS, City Council adopted the Public Utilities Rules, Regulations and Policies by Resolution 07-04 on January 15, 2007; and

WHEREAS, during their meeting on March 26, 2007, the Board of Public Utilities further reviewed new water customer availability fee pricing and has recommended a pricing increase for new water customer availability fees be based on residential equivalency units (REU's) for new connections.

NOW, THEREFORE BE IT RESOLVED, that the new water customer availability fees are to be based on the attached REU factors to be set as described in Exhibit A.

BE IT FURTHER RESOLVED, that this resolution shall be included as an addendum to the Public Utilities Rules, Regulations and Policies.

BE IT FURTHER RESOLVED, that this resolution shall take effect upon passage by the City Council.

RECORD OF VOTE:

Yeas: Andersen, Bradley, Fahs, Paull, Stegeman, Appleyard

Nays: None

RESOLUTION DECLARED ADOPTED.

Dorothy Appleyard
Dorothy Appleyard, Mayor

Amanda Sleigh
Amanda Sleigh, City Clerk

EXHIBIT A

RESIDENTIAL EQUIVALENT UNIT (REU) FACTORS

Occupation Use	Units	Unit Factor
1. Single Family Residence	1.0	per residence
2. Auto Dealers—New and/or Used	1.0	per premise plus 0.25 per 1,000 sq. ft. of building inc. service area.
3. Auto Repair/Collision	1.0	same as above
4. Auto Wash (Coin-Operated Do-it-yourself 10 gallons or less per car)	1.0	per stall
5. Auto Wash (Mechanical—over 10 Gallons per car—Not Recycled)	10.0	per stall or production line including approach and drying area
6. Auto Wash (Mechanical—over 10 Gallons per car-- Recycled)	5.0	per stall or production line including approach and drying area
7. Barber Shop	1.0	per shop plus 0.1 Per chair after 2
8. Bar	4.0	per 1,000 sq. ft.
9. Beauty Shops	1.0	per shop plus .01 per booth
10. Bowling Alleys (no bar)	1.0	per premise plus .02 per alley
11. Churches	.025	per 1,000 sq. ft.— Minimum 1 unit
12. Cleaners (pick-up)	1.0	per shop
13. Cleaners (cleaning & Pressing facilities)	1.0	per premise plus 0.5 per 500 sq. ft.
14. Clinics (medical or Dental)	1.0	per premise plus 0.5 per exam room
15. Convalescent or Boarding homes	1.0	per premise plus 0.25 per bedroom
16. Convents	1.0	per premise plus 0.25 per bedroom

17. Country Clubs and Athletic Clubs	1.5	per 1,000 sq. ft. of clubhouse plus Restaurant, bar and Pro shop as retail Store
18. Drug Store	1.0	per premise plus snack bar
19. Factories (office and Production) PLUS:	.75	per 1,000 sq. ft.
Wet Process Wastewater		based on metered Sewage flow
20. Funeral Home	1.5	per 1,000 sq. ft. Plus residence to be Computed separately
21. Grocery Stores and Super Market	1.0	per premise plus 0.8 per 1,000 sq. ft.
22. Hospitals	1.1	per bed
23. Hotels and Motels	0.40	per bedroom plus restaurant and bar
24. Laundry (self-serve)	1.0	per premise plus 0.5 Per washer
25. Two Family Residential	1.0	per unit
26. Mobile Homes (free Standing)	1.0	per unit
27. Mobile Homes (park or Subdivision)	.75	per pad or site at indirect connection rates plus laundry, community bldgs. and office to be computed separately per schedule.
28. Marina—per boat Docking space	.06 .1	per space under 25 ft. in length per space over 25 ft. in length
29. Multiple Family Residence Duplex, Row Houses or Townhouses	1.0 .8	plus for each dwelling unit in excess of 1
30. Apartment Residence-Self contained unit Including laundry facilities in apartment	1.0 .8	plus for each swelling unit in excess of 1

31. Apartment Residence-Other than self-contained Unit not having laundry Facilities in apartment	1.0 .6	plus for each dwelling unit in excess of 1
32. Fraternity, Sorority Houses; Dormitories	1.0 .6	plus for each 2 residents In excess of 4
33. Parks, Recreation Facilities, campgrounds, Picnic Facilities—no Bathing or overnight Accommodations	.2	per parking space
34. Picnic Facilities With bathing Privileges or Swimming pool	0.35	per parking space
35. Campground Facilities-- Recreational vehicles, Tents, trailers under 12 feet	0.35	per pad or site plus picnic facilities
36. Campground Facilities—Trailer Parks or trailers in Excess of 12 feet	0.50	per pad or site plus picnic facilities
37. Post Office	1.0	per 1,000 sq. ft.
38. Professional Office	0.25	per 500 sq. ft. --minimum 1
39. Public Institutions	0.75	per 1,000 sq. ft.
40. Restaurants (meals Only)	2.5	per 1,000 sq. ft. excluding restrooms, public areas not in regular use and unfinished areas
41. Restaurants (meals And drinks)	3.5	per 1,000 sq. ft. excluding restrooms, public areas not in regular use and unfinished areas
42. Restaurants (public areas, auxiliary dining rooms, dance floors or ballrooms Which are not in regular use)	0.5	per 1,000 sq. ft.

43. Retail Store (other than listed)	1.0	per premise plus 0.1 per 1,000 sq. ft.
44. Schools	1.0	per classroom
45. Service Stations	1.5	per 1,000 sq. ft. of building area
46. Snack bars, Drive-Ins, etc.	2.5	per 1,000 sq. ft.
47. Theaters (drive-in)	0.04	per car space
48. Theaters	0.04	per seat
49. Warehouse and Storage	0.2	per 1,000 sq. ft.
50. Veterinary Facility	1.0	per facility
51. Veterinary Facility With Kennel	1.0 0.5	per facility plus per 5 kennels

Every connection to the System shall require payment of a minimum of 1.0 REU connection charge, even if the Occupation Use Units times Unit Factor is less than 1.0

Metering of any commercial or industrial use may be required by the City, in their discretion, for a period of at least three months, to determine the average daily flow, with the total, metered flow to be divided by the number of days of metering, and the result divided by 250 to determine total REU's. Such metering shall be accomplished using an approved meter, with all expenses the responsibility of the owner.

CITY OF SOUTH HAVEN
VAN BUREN AND ALLEGAN COUNTIES, MICHIGAN

RESOLUTION NO. 07-38

A RESOLUTION TO INCLUDE AN ADDENDUM TO THE
UTILITY POLICY SETTING SEWER AVAILABILITY FEES

Minutes of a regular meeting of the City Council of the City of South Haven, Van Buren and Allegan Counties, Michigan, held in the City Hall, 539 Phoenix Street, South Haven, Michigan 49090 on June 4, 2007 at 7:30 p.m. local time.

PRESENT: Andersen, Bradley, Fahs, Paull, Smith, Stegeman, Appleyard

ABSENT: None

The following preamble and resolution was offered by Member Fahs and supported by Member Andersen.

WHEREAS, City Council adopted the Public Utilities Rules, Regulations and Policies by Resolution 07-04 on January 15, 2007; and

WHEREAS, during their meeting on May 29, 2007, the Board of Public Utilities further reviewed new sewer customer availability fee pricing and has recommended a pricing increase for new sewer customer availability fees be based on residential equivalency units (REU's) for new connections.

NOW, THEREFORE BE IT RESOLVED, that the new sewer customer availability fees are to be based on the attached REU factors to be set as follows:

(see attached REU factors)

BE IT FURTHER RESOLVED, that this resolution shall be included as an addendum to the Public Utilities Rules, Regulations and Policies.

BE IT FURTHER RESOLVED, that this resolution shall take effect upon passage by the City Council.

RECORD OF VOTE:

Yeas: Andersen, Bradley, Fahs, Paull, Smith, Stegeman, Appleyard

Nays: None

RESOLUTION DECLARED ADOPTED.

Dorothy Appleyard, Mayor

Amanda Sleigh, City Clerk

EXHIBIT A

RESIDENTIAL EQUIVALENT UNIT (REU) FACTORS

Occupation Use	Units	Unit Factor
1. Single Family Residence	1.0	per residence
2. Auto Dealers—New and/or Used	1.0	per premise plus 0.25 per 1,000 sq. ft. of building inc. service area.
3. Auto Repair/Collision	1.0	same as above
4. Auto Wash (Coin-Operated Do-it-yourself 10 gallons or less per car)	1.0	per stall
5. Auto Wash (Mechanical—over 10 Gallons per car—Not Recycled)	10.00	per stall or production line including approach and drying area
6. Auto Wash (Mechanical—over 10 Gallons per car-- Recycled)	5.0	per stall or production line including approach and drying area
7. Barber Shop	1.0	per shop plus 0.1 Per chair after 2
8. Bar	4.0	per 1,000 sq. ft.
9. Beauty Shops	1.0	per shop plus .01 per booth
10. Bowling Alleys (no bar)	1.0	per premise plus .02 per alley
11. Churches	.025	per 1,000 sq. ft.— Minimum 1 unit
12. Cleaners (pick-up)	1.0	per shop
13. Cleaners (cleaning & Pressing facilities)	1.0	per premise plus 0.5 per 500 sq. ft.
14. Clinics (medical or Dental)	1.0	per premise plus 0.5 per exam room
15. Convalescent or Boarding homes	1.0	per premise plus 0.25 per bedroom
16. Convents	1.0	per premise plus 0.25 per bedroom

17. Country Clubs and Athletic Clubs	1.5	per 1,000 sq. ft. of clubhouse plus Restaurant, bar and Pro shop as retail Store
18. Drug Store	1.0	per premise plus snack bar
19. Factories (office and Production) PLUS:	.75	per 1,000 sq. ft.
Wet Process Wastewater		based on metered Sewage flow
20. Funeral Home	1.5	per 1,000 sq. ft. Plus residence to be Computed separately
21. Grocery Stores and Super Market	1.0	per premise plus 0.8 per 1,000 sq. ft.
22. Hospitals	1.1	per bed
23. Hotels and Motels	0.40	per bedroom plus restaurant and bar
24. Laundry (self-serve)	1.0	per premise plus 0.5 Per washer
25. Two Family Residential	1.0	per unit
26. Mobile Homes (free Standing)	1.0	per unit
27. Mobile Homes (park or Subdivision)	.75	per pad or site at indirect connection rates plus laundry, community bldgs. and office to be computed separately per schedule.
28. Marina—per boat Docking space	.06 .1	per space under 25 ft. in length per space over 25 ft. in length
29. Multiple Family Residence Duplex, Row Houses or Townhouses	1.0 .8	plus for each dwelling unit in excess of 1
30. Apartment Residence- Self contained unit Including laundry facilities in apartment	1.0 .8	plus for each swelling unit in excess of 1
31. Apartment Residence-	1.0	plus

Other than self-contained Unit not having laundry Facilities in apartment	.6	for each dwelling unit in excess of 1
32. Fraternity, Sorority Houses; Dormitories	1.0 .6	plus for each 2 residents In excess of 4
33. Parks, Recreation Facilities, campgrounds, Picnic Facilities—no Bathing or overnight Accommodations	.2	per parking space
34. Picnic Facilities With bathing Privileges or Swimming pool	0.35	per parking space
35. Campground Facilities-- Recreational vehicles, Tents, trailers under 12 feet	0.35	per pad or site plus picnic facilities
36. Campground Facilities—Trailer Parks or trailers in Excess of 12 feet	0.50	per pad or site plus picnic facilities
37. Post Office	1.0	per 1,000 sq. ft.
38. Professional Office	0.25	per 500 sq. ft. --minimum 1
39. Public Institutions	0.75	per 1,000 sq. ft.
40. Restaurants (meals Only)	2.5	per 1,000 sq. ft. excluding restrooms, public areas not in regular use and unfinished areas
41. Restaurants (meals And drinks)	3.5	per 1,000 sq. ft. excluding restrooms, public areas not in regular use and unfinished areas
42. Restaurants (public areas, auxiliary dining rooms, dance floors or ballrooms Which are not in regular use)	0.5	per 1,000 sq. ft.
43. Retail Store (other	1.0	per premise plus 0.1

than listed)		per 1,000 sq. ft.
44. Schools	1.0	per classroom
45. Service Stations	1.5	per 1,000 sq. ft. of building area
46. Snack bars, Drive-Ins, etc.	2.5	per 1,000 sq. ft.
47. Theaters (drive-in)	0.04	per car space
48. Theaters	0.04	per seat
49. Warehouse and Storage	0.2	per 1,000 sq. ft.
50. Veterinary Facility	1.0	per facility
51. Veterinary Facility With Kennel	1.0 0.5	per facility plus per 5 kennels

Every connection to the System shall require payment of a minimum of 1.0 REU connection charge, even if the Occupation Use Units times Unit Factor is less than 1.0

Metering of any commercial or industrial use may be required by the City, in their discretion, for a period of at least three months, to determine the average daily flow, with the total, metered flow to be divided by the number of days of metering, and the result divided by 250 to determine total REU's. Such metering shall be accomplished using an approved meter, with all expenses the responsibility of the owner.

CITY OF SOUTH HAVEN
VAN BUREN AND ALLEGAN COUNTIES, MICHIGAN

RESOLUTION NO. 2015-XX

A RESOLUTION TO INCLUDE AN ADDENDUM TO THE UTILITY POLICY ADJUSTING THE WATER & SEWER AVAILABILITY FEE SCHEDULES AND READOPTING THE WATER & SEWER AVAILABILITY FEES

Minutes of a regular meeting of the City Council of the City of South Haven, Van Buren and Allegan Counties, Michigan, held in the City Hall, 539 Phoenix Street, South Haven, Michigan 49090 on _____, 2015 at 7:00 p.m. local time.

PRESENT: _____

ABSENT: _____

The following preamble and resolution was offered by Member _____ and supported by Member _____.

WHEREAS, City Council adopted the Public Utilities Rules, Regulations and Policies by Resolution 2007-04 on January 15, 2007; and,

WHEREAS, Resolution 2007-04 permits the assessment of a one-time availability fee for new water and sewer services to be utilized to offset a proportional cost of the existing capital investments for those parts of the water and/or sewer system(s) which provide service jointly to all users of the utilities; and,

WHEREAS, Resolution 2007-04 permits the availability fee to be changed from time to time as recommended by the Board of Public Utilities, and approved by City Council; and,

WHEREAS, the calculation of the availability fee is based on a Residential Equivalent Unit (REU) schedule adopted by Resolution 2007-20 for new water customers and Resolution 2007-38 for new sewer customers with 1.0 Residential Equivalent Unit equal to 250 gallons per day of metered usage; and,

WHEREAS, Resolution 2015-18 sets the amount of fees to be paid per Residential Equivalent Unit (REU) for each new water and sewer service connection; and,

WHEREAS, the Board of Public Utilities reviewed the availability fee schedules at their regular meeting held on Monday, November 30, 2015 and has recommended changes to the availability fee schedules.

NOW, THEREFORE BE IT RESOLVED that new water and sewer customers shall pay an availability fee based on the occupation or use of the proposed facility with the total number of Residential Equivalent Units calculated using the schedule shown in the attached Exhibit A.

BE IT FURTHER RESOLVED that the amount of the water and sewer availability fees to be paid shall be calculated by multiplying the total number of Residential Equivalent Units calculated using the schedule shown in Exhibit A by the fees shown in the attached Exhibit B, divided between plant and system improvements as shown.

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BE IT FURTHER RESOLVED that this resolution shall be included as an addendum to the Public Utilities Rules, Regulations and Policies.

BE IT FURTHER RESOLVED that Resolutions 2007-20, 2007-38, and 2015-18 are hereby rescinded.

BE IT FURTHER RESOLVED, that this resolution shall take effect upon passage by the City Council.

RECORD OF VOTE:

Yeas: _____

Nays: _____

RESOLUTION DECLARED ADOPTED

_____
Robert G. Burr, Mayor

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council at a meeting held on the 19th day of January, 2015, at which meeting a quorum was present, and that this resolution was ordered to take immediate effect. Public notice of said meeting was give pursuant to and in compliance with the Open Meetings Act, Act No. 167 of the Public Acts of Michigan 1976 (MCL 15.261 *et seq*).

_____
Amanda Morgan, City Clerk

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Exhibit A

RESIDENTIAL EQUIVALENT UNIT (REU) SCHEDULE

	Occupation or Use	Units	Unit Factor
1.	Single Family Residence (four or less bedrooms)	1.0	Per residence
2.	Single Family Residence (more than four bedrooms)	1.0	Per residence plus 0.25 for each bedroom in excess of four
3.	Auto Dealers (New and/or Used)	1.0	Per premise plus 0.25 per 1,000 sq ft of building including service area
4.	Auto Repair/Collision	1.0	Per premise plus 0.25 per 1,000 sq ft of building
5.	Auto Wash (Coin Operated, Self Service, 10 gallons or less per car)	1.0	Per stall
6.	Auto Wash (Mechanical, over 10 gallons per car, non-recycled water)	10.0	Per stall or production line including approach and drying area
7.	Auto Wash (Mechanical, over 10 gallons per car, recycled water)	5.0	Per stall or production line including approach and drying area
8.	Bar	4.0	Per 1,000 sq ft
9.	Barber Shop or Beauty Salon	1.0	Per shop plus 0.1 per chair for each chair in excess of two
10.	Bowling Alley (no bar)	1.0	Per premise plus 0.02 per alley
11.	Church	0.25	Per 1,000 sq ft (Minimum 1.0)
12.	Cleaner (drop-off & pick-up only)	1.0	Per premise
13.	Cleaner (cleaning & pressing facilities)	1.0	Per premise plus 0.5 per 500 sq ft
14.	Clinic (medical or dental)	1.0	Per premise plus 0.5 per exam room

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15.	Convalescent or Boarding Home	1.0	Per premise plus 0.25 per bedroom
16.	Convent	1.0	Per premise plus 0.25 per bedroom
17.	Country Club or Athletic Club	1.5	Per 1,000 sq ft of clubhouse plus restaurant, bar and pro shop as retail store to be calculated separately
18.	Factory (Office and Production)	0.75	Per 1,000 sq ft
	plus Wet Process Wastewater		Based on metered sewage flow
19.	Funeral Home	1.5	Per 1,000 sq ft plus attached residential use to be calculated separately
20.	Grocery Store and/or Super Market	1.0	Per premise plus 0.8 per 1,000 sq ft
21.	Hospital	1.1	Per bed
22.	Hotel or Motel	0.4	Per room or suite plus restaurant and bar to be calculated separately
23.	Laundry (Self Service)	1.0	Per premise plus 0.5 per washing machine
24.	Two Family Residential	1.0	Per unit
25.	Mobile Home (Free Standing)	1.0	Per unit
26.	Mobile Home (Park or Subdivision)	0.75	Per pad or site plus laundry, community buildings, and office to be calculated separately
27.	Marina	0.6	Per space 25 ft or less in length
		1.0	Per space over 25 ft in length
28.	Multiple Family Residence (Duplex, Row House, or Townhouse)	1.0	Per building plus 0.8 for each dwelling unit in excess of one

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29.	Apartment Residence (with laundry facilities in each unit)	1.0	Per building plus 0.8 for each dwelling unit in excess of one
30.	Apartment Residence (without laundry facilities in each unit)	1.0	Per building plus 0.6 for each dwelling unit in excess of one
31.	Fraternity or Sorority House or Dormitory	1.0	Per building plus 0.6 for each two residents in excess of four
32.	Park, Picnic or Recreation Facility (no bathing or overnight accommodations)	0.2	Per parking space
33.	Park, Picnic or Recreation Facility (with bathing facility or swimming pool)	0.35	Per parking space
34.	Pharmacy	1.0	Per premise
35.	Campground (Tents, recreational vehicles 20 feet in length or less and trailers 12 feet in length or less)	0.35	Per pad or site plus picnic facilities to be calculated separately
36.	Campground (Recreational vehicles over 20 feet in length and trailers over 12 feet in length)	0.50	Per pad or site plus picnic facilities to be calculated separately
37.	Post Office	1.0	Per 1,000 sq ft
38.	Professional Office	0.25	Per 500 sq ft (Minimum 1.0)
39.	Public Institution	0.75	Per 1,000 sq ft
40.	Restaurant (no alcohol service)	2.5	Per 1,000 sq ft excluding restrooms, public areas not in regular use and unfinished areas
41.	Restaurant (with alcohol service)	3.5	Per 1,000 sq ft excluding restrooms, public areas not in regular use and unfinished areas
42.	Restaurant (public areas, auxiliary dining rooms, dance floors or ballrooms not in regular use)	0.5	Per 1,000 sq ft

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43.	Retail Store (other than listed)	1.0	Per premise plus 0.1 per 1,000 sq ft
44.	School	1.0	Per classroom
45.	Service Station	1.5	Per 1,000 sq ft
46.	Snack Bar, Drive In, etc.	2.5	Per 1,000 sq ft
47.	Theater	0.04	Per seat
48.	Theater (drive-in)	0.04	Per car space
49.	Warehouse and Storage	0.2	Per 1,000 sq ft
50.	Veterinary Facility (without kennel)	1.0	Per facility
51.	Veterinary Facility (with kennel)	1.0	Per facility plus 0.1 per kennel

The total number of Residential Equivalent Units to be assessed will be calculated by multiplying the Units by the Unit Factor based on the proposed occupation or use at the time of connection. If multiple occupations or uses are proposed, the calculation will utilize multiple Units and Unit Factors as appropriate for each occupation or use and the total Residential Equivalent Units to be assessed will be the total of the Residential Equivalent Units for each separate occupation or use.

If the proposed occupation or use is expandable in the future, the Residential Equivalent Units for the expandable portion of the occupation or use will be included in the total calculation. The applicant will then be required to enter into a deferral agreement, agreeing to pay the Residential Equivalent Units for the expandable area at the time that construction occurs in the future.

Every connection to the water and/or sewer system will require payment for a minimum of 1.0 Residential Equivalent Unit, even if the calculation results in less than 1.0 Residential Equivalent Unit.

Metering of any commercial or industrial use may be required by the City, in their discretion, for a period of at least three months, to determine the average daily flow. The average daily flow will be calculated by dividing the total metered flow by the number of days of metering. The average daily flow will be converted to Residential Equivalent Units by dividing the average daily flow, measured in gallons per day, by 250. Such metering shall be accomplished using an approved meter, with all expenses the responsibility of the owner.

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Exhibit B

AVAILABILITY FEE SCHEDULE PER RESIDENTIAL EQUIVALENT UNIT (REU)

Water Availability Improvements	**Plant Expansion**	**System**
$5,750	$4,000	$1,750

Sewer Availability Improvements	**Plant Expansion**	**System**
$3,956	$2,226	$1,730

The total availability fees for new water and sewer connections will be determined as follows: The number of Residential Equivalent Units will be calculated using the schedule shown in Exhibit A of this Resolution. The number of Residential Equivalent Units will be multiplied by the per unit fee schedule show above.

The total availability fees for water and sewer combined will be capped at $250,000 for new customers. The $250,000 availability fee payment will be prorated to the water fund and sewer fund as follows: $103,029.05 for Water Plant; $45,075.21 for Water System; $57,335.67 for Sewer Plant; and $44,560.07 for Sewer System. A single building with multiple customer connections that is part of an integrated development, submitted as a single site plan application, is eligible for the total availability fee cap. Multiple buildings within a development will be required to have a separate water and sewer service to each building and pay separate availability fees for each building.

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Board of Public Utilities **Staff Report**

City of South Haven

Agenda Item #10

BPU Regular Meeting Schedule

Background Information:

A Regular Meeting schedule for the 2016 Calendar Year needs to be established. Historically, the Board of Public Utilities meets on the last Monday of each month at 4:00 pm in the Department of Public Works Conference Room, with no regular meeting held in December. A special meeting can be called in December if necessary, with one week's advance publication of a meeting agenda.

Holding meetings on the last Monday of the month at 4:00 pm will avoid conflicts with other Board and Commission meetings. It is recommended that this time schedule be maintained in 2016. If the Board desires to explore alternate dates and times, the City Clerk will need to be consulted to explore alternate available time slots.

Recommendation:

It is recommended that the Board approve the following schedule of Regular Meetings of the Board of Public Utilities for the 2016 Calendar Year:

January 25, 2016
February 29, 2016
March 28, 2016
April 25, 2016
May 23, 2016 (Moved forward one week due to Memorial Day on May 30)
June 27, 2016
July 25, 2016
August 29, 2016
September 26, 2016
October 31, 2016
November 28, 2016

All meetings will begin at 4:00 pm. Meetings will be held in the Department of Public Works Conference Room.