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Schedule 2.1

Prior Agreements that have been Terminated\*

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\* Copies of the Operation and Maintenance Service Contracts between the Authority and the Townships of Genoa, Marion and Ocoola are not attached to this Schedule 2.1.

**Final Version**

EMC

MARION, HOWELL, OCEOLA AND GENOA  
SEWER AND WATER AUTHORITY  
COMMON ELEMENTS AGREEMENT

THIS AGREEMENT DATED AS OF NOVEMBER 1, 1996 BY AND AMONG THE FOLLOWING PARTIES NAMED:

WHEREAS, the townships of Genoa, Howell, Marion and Oceola (the "Townships"), Livingston County, have agreed to operate a Joint Water System (the "System") through the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority") and;

WHEREAS, each of the Townships have or are constructing part of the System within their territorial boundaries; and

WHEREAS, each of the Townships have constructed or acquired component parts of the System which are of benefit to the Townships as a whole and;

WHEREAS, the Authority and the Townships wish to agree on what shall constitute the common elements ("Common Elements") of the System.

WITNESSETH, NOW, THEREFORE THE TOWNSHIPS OF GENOA, HOWELL, MARION AND OCEOLA, LIVINGSTON COUNTY, MICHIGAN, AND THE MARION, HOWELL, OCEOLA AND GENOA SEWER AND WATER AUTHORITY AGREE, as follows:

1. The Townships and the Authority agree that the Common Elements Policy, attached hereto as Exhibit A, shall govern any and all matters which may arise as to the division of and allocation of costs for any components of the System.

2. The Joint Water System, as it currently exists, consists of water lines, water storage tanks, water wells, booster pumps and control valves, a joint water treatment plant and related appurtenances.

3. The cost allocations contained in Exhibit B are agreed to among the Townships and the Authority and each of the Townships shall receive credit for the payments made as

set forth in Exhibit B. Any of the Townships which has contributed more than 1/4 of the total cost of the Common Elements or which has contributed less than 1/4 of the total cost of the Common Elements shall be entitled to either reimbursement for the excess or required to contribute the amount of the shortfall. Those Townships entitled to a reimbursement shall receive the same from the Authority which shall receive all contributions required to be made.

4. In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

5. This Agreement shall become binding upon the Townships and the Authority upon execution.

6. This Agreement may be executed in several counterparts each of which shall be deemed one and the same Agreement. It shall be binding upon and inure to the benefit of the parties to it and their respective successors and assigns.

7. This Agreement shall be interpreted under the laws of the State of Michigan.

8. Each party warrants and represents that the execution and performance of this Agreement have been duly authorized by all necessary action and do not contravene any policy, resolution or controlling rule.

9. This Agreement sets forth the entire Agreement between the Townships and the Authority with respect to the subject matter of this Agreement.

10. The use in this Agreement of the singular shall be deemed to be and include the plural (and vice versa) where applicable.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered, by their respective

duly authorized officers, all as of the day and year first above written.

TOWNSHIP OF GENOA

By: Robert Messing  
Its: Supervisor

By: Donald A. Sullivan  
Its: Clerk

TOWNSHIP OF HOWELL

By: Raymond A. Markov  
Its: Supervisor

By: Gene Cartwright  
Its: Clerk

TOWNSHIP OF MARION

By: Richard L. Kirk  
Its: Supervisor

By: Myra S. Little  
Its: Clerk

TOWNSHIP OF OCEOLA

By: Joseph F. Perkins  
Its: Supervisor

By: Pruey Salmon  
Its: Clerk

MARION, HOWELL, OCEOLA & GENOA  
SEWER AND WATER AUTHORITY

By: Richard L. Kirk  
Its: Chairman

By: Evelyn Cornell  
Its: Secretary

WITNESSES:

Robert Messing

\_\_\_\_\_  
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EXHIBIT A

GENOA, HOWELL, MARION & OCEOLA JOINT WATER SYSTEM  
COMMON ELEMENTS POLICY

WHEREAS, the townships of Genoa, Howell, Marion and Oceola (the "Townships"), Livingston County, have agreed to operate a Joint Water System (the "System") through the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority") and;

WHEREAS, each of the Townships have or are constructing part of the System within their territorial boundaries; and

WHEREAS, each of the Townships have constructed or acquired component parts of the System which are of benefit to the Townships as a whole and;

WHEREAS, the Authority and the Townships wish to agree on a policy (the "Common Elements Policy") as to what shall constitute the common elements of the System.

The Common Elements Policy shall be as follows:

1. Water Lines

A. 12 Inches or Less

Each of the Townships shall pay for all improvements to the water system constructed within its township limits in so far as such improvements, trunk and lateral water lines and all costs connected therewith, including engineering and other professional fees, provided such lines are 12 inches in diameter or less.

B. In Excess of 12 Inches

All improvements to the System involving water lines oversized in excess of 12 inches shall be a Common Element cost which shall be arrived at by deducting from the

actual cost of the oversized lines the estimated cost of installing a similar 12 inch line.

2. Water Storage Tanks

Each of the Townships shall be responsible for installing a water storage tank within its township. No part of the cost of a water storage tank shall be regarded as a common element.

3. Water Wells

The cost of all water wells shall be regarded as a common element. Such costs shall include, but not be limited to, the cost of acquisition of land, easements, surveys, hydrogeological studies and testing, pumps, legal services related to obtaining land or easements and the costs of all legal and engineering services related to construction of the wells.

4. Booster Pumps and Control Valves

All booster pumps and control valves necessary to constructing and maintaining a joint operation of the System shall be a common element. The design of the System anticipates that one additional booster pump estimated to cost (at current prices) approximately \$100,000 will be installed in the future.

5. Joint Water Treatment Plant

The Joint Water Plant and all costs related thereto.

EXHIBIT B

**COST ALLOCATIONS AND  
ACKNOWLEDGMENT OF EXPENDITURES**

Total Cost of Common Elements                    \$1,996,228.47  
(Excluding Water Treatment Plant)

Amount to be Paid by each Township                    499,057.12

Amount Contributed to Date by each Township:

<u>Township</u>	<u>Amount</u>
Genoa	\$ 370,655.80
Howell	964,527.27 ✓
Marion	405,523.20
Oceola	<u>255,522.20</u>

Total Common Element  
Costs Excluding the Water  
Treatment Plant                    \$1,996,228.47

The Following Townships shall pay to the Authority the following amounts:

<u>Township</u>	<u>Amount</u>
Genoa	\$ 128,401.32 ✓
Marion	93,533.92 ✓
Oceola	<u>243,534.92</u> ✓
Total	\$ 465,470.16 ✓

The Authority shall pay to the Township of Howell the following amount:    \$465,470.16

THE SUPPORTING DATA FROM EACH OF THE  
FOUR TOWNSHIPS IS ATTACHED HERETO

MEMORANDUM

TO: Joseph Richards, Robert Murray, Richard Irish and Ray Mahar  
 FROM: Gary Markstrom, P.E.  
 DATE: October 15, 1996  
 SUBJECT: MHOG Common Elements

As requested, we have reviewed our records to determine the oversizing costs in the West Grand River, Thompson Lake, and Chicago Road Water Improvements Projects which could be considered as common costs to the MHOG water system.

Chicago Road, Oceola Township

In the Chicago Road Project, the size of the water main on Industrial Drive was increased from 12 inch to 16 inch. The bore across the railroad was increased from 24 inch to 36 inch and a pressure reducing valve was installed on University Drive.

Item	Quantity	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" DIP Water Main	1131 LF	\$44.00	\$27.00	\$17.00	\$19,227.00
16" Butterfly Valve	3 EA	\$1,800.00	\$1,000.00	\$800.00	\$2,400.00
36" Casing Pipe	51 LF	\$195.00	\$160.00	\$35.00	\$1,785.00
Pressure Reducing Valve (PRV)	1 LS	\$14,551.00	N/A	\$14,551.00	\$14,551.00
PRV Engineering (12%)	1 LS	\$1,746.00	N/A	\$1,746.00	\$1,746.00
<b>Total</b>					<b>\$39,709.00</b>

Thompson Lake, Oceola Township

In the Thompson Lake project, the size of the water main on M-59 was increased from 12 inches to 16 inches. The bore across M-59 was increased from 24 inches to 36 inches and a pressure reducing valve vault was installed on Golf Club Road.

Item	Quantity	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" DIP Water Main	3148 LF	\$42.00	\$27.00	\$15.00	\$47,220.00
16" Butterfly Valve	7 EA	\$2,100.00	\$900.00	\$1,200.00	\$8,400.00
36" Casing Pipe	65 LF	\$240.00	\$160.00	\$80.00	\$5,200.00
Pressure Reducing Valve (PRV)	1 LS	\$26,500.00	N/A	\$26,500.00	\$26,500.00
Instrumentation (INS)	1 LS	\$67,000.00	N/A	\$67,000.00	\$67,000.00
PRV & INS Engineering (12%)	1 LS	\$11,220.00	N/A	\$11,220.00	\$11,220.00
Mason Road Well and WTP Site		\$50,273.20		\$50,273.20	\$50,273.20
<b>Total</b>					<b>\$215,813.20</b>

West Grand River, Genoa Township

In the West Grand River project, portions of the water main were increased from 12 inches to 16 inches. The casing pipe under Latson Road was increased from 24 inches to 36 inches and the booster station was constructed on Industrial Drive.



Division A

Item	Quantity	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" DIP Water Main	2174 LF	\$34.00	\$28.00	\$6.00	\$13,044.00
16" Butterfly Valve	8 EA	\$2,500.00	\$700.00	\$1,800.00	\$14,400.00
16" PVC Water Main	1272 LF	\$38.00	\$31.35	\$6.65	\$8,458.80
36" Casing Pipe	85 LF	\$250.00	\$90.00	\$160.00	\$13,600.00
<b>Total</b>					<b>\$49,502.80</b>

Division B

Item	Quantity	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
Booster Pump Station (BPS)	1 LS	\$286,744.00	N/A	\$286,744.00	\$286,744.00
BPS Engineering (12%)	1 LS	\$34,409.00	N/A	\$34,409.00	\$34,409.00
<b>Total</b>					<b>\$321,153.00</b>

Water Tower

In addition to the oversized lines, a 500,000 gallon water tower was constructed in Genoa and Oceola Township.

Township	Cost
Genoa	\$590,936.00
Oceola	\$551,400.00
<b>Total</b>	<b>\$1,142,336.00</b>

Totals

Project	Township	Oversize Cost
Chicago Road Water Improvements	Oceola	\$39,709.00
Thompson Lake Water Improvements	Oceola	<u>\$215,813.20</u>
Subtotal (Oceola Township)		\$255,522.20
West Grand River Water Improvements	Genoa	
Division A		\$49,502.80
Division B		<u>\$321,153.00</u>
Subtotal (Genoa Township)		\$370,655.80
<b>Total</b>		<b>\$626,178.00</b>

We trust this meets your needs at this time. If you have any questions or comments, please call us.

:lh  
 0651.005.40



**WOLVERINE ENGINEERS AND SURVEYORS, INC.**

312 North St., Mason, Michigan 48854 PHONE (517) 676-9200 FAX (517) 676-9196

October 18, 1996

**Summary of Howell Township Common Element Costs**

**Division A - Scarlett Construction Company  
Installation Oversizing Costs**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
20" DI Pipe w/Class A Backfill	659	LF	\$20.12	\$13.39	\$6.73	\$4,435.07
20" DI Pipe w/Class B Backfill	9975	LF	\$12.62	\$12.39	\$0.23	\$2,294.13
36" Dia Steel Casing	460	LF	\$190.00	\$150.00	\$40.00	\$18,400.00
20" Butterfly Valve in Wall	11	EA	\$1,598.90	\$234.50	\$1,364.40	\$15,008.40
3" SCH 40 Control Conduit	440	LF	\$2.01	\$0.00	\$2.01	\$884.40
<b>Total</b>						<b>\$41,022.00</b>

**Material Oversizing Costs  
ETNA Supply - Pipe**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
20" DI Pipe	12119	LF	\$26.30	\$13.31	\$12.99	\$157,425.81
<b>Total</b>						<b>\$157,425.81</b>

**East Jordan Iron Works - Valves**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
20" Butterfly Valve	13	EA	\$1,750.00	\$675.00	\$1,075.00	\$13,975.00
<b>Total</b>						<b>\$13,975.00</b>

**Division B - Rothenberger Company, Inc.  
Installation Oversizing Costs**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" DI Pipe w/Class A Backfill	205	LF	\$17.38	\$14.58	\$2.80	\$574.00
16" DI Pipe w/Class B Backfill	6863	LF	\$12.63	\$10.68	\$1.95	\$13,382.85
16" DI Pipe w/Class B - Modified Backfill	829	LF	\$14.63	\$12.68	\$1.95	\$1,616.55
16" Butterfly Valve w/Gate Well	7	EA	\$2,231.60	\$200.60	\$2,031.00	\$14,217.00
16" HDPE - Directionally Bored	160	LF	\$185.00	\$155.00	\$30.00	\$4,800.00
16" DI Pipe in Steel Casing	160	LF	\$13.03	\$10.35	\$2.68	\$428.80
30" Steel Casing	160	LF	\$183.00	\$158.00	\$25.00	\$4,000.00
<b>Total</b>						<b>\$39,018.20</b>



**WOLVERINE ENGINEERS AND SURVEYORS, INC.**

312 North St., Mason, Michigan 48854 PHONE (517) 676 9200 FAX (517) 676 9196

**Material Oversizing Costs  
Clow Water Systems - Pipe**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" DI Pipe	9050	LF	\$19.74	\$13.08	\$6.66	\$60,273.00
<b>Total</b>						<b>\$60,273.00</b>

**WaterPro Supply - Valves**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" Butterfly Valve w/Gate Well	12	EA	\$2,140.00	\$740.00	\$1,400.00	\$16,800.00
<b>Total</b>						<b>\$16,800.00</b>

**HMO 16" Well & Well House**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
Well & Well House Construction	1	EA	\$331,739.30	n/a	\$331,739.30	\$331,739.30
Generator & Transfer Switch	1	EA	\$48,617.00	n/a	\$48,617.00	\$48,617.00
Well & Well House Engineering	1	EA	\$25,920.65	n/a	\$25,920.65	\$25,920.65
Well & Well House Construction Observation	1	EA	\$7,290.40	n/a	\$7,290.40	\$7,290.40
<b>Total</b>						<b>\$413,567.35</b>

Total Cost of Oversizing In Howell Township	\$742,082.37
Howell Twp. Expenditures as of May 31, 1996	<u>\$222,444.90</u>
<b>Total Common Element Contribution</b>	<b>\$964,527.27</b>

Note: See attached report for the summary of the \$222,444.90 expenditures as of May 31, 1996.

MARION-HOWELL-OCEOLA-GENOA SWATH  
 COMMON ELEMENTS - COSTS FOR CONSTRUCTION  
 HOWELL TOWNSHIP  
 AS OF MAY 31, 1996

DESCRIPTION	COSTS
<del>START UP FUNDS FOR SWATH 02/02/94 CK 3870</del>	<del>500.00</del>
<del>START UP FUNDS FOR SWATH 06/28/94 CK 4222</del>	<del>500.00</del>
<del>START UP FUNDS FOR SWATH 07/01/94 CK 4237</del>	<del>500.00</del>
<del>START UP FUNDS FOR SWATH 11/22/94 CK 4510</del>	<del>1,000.00</del>
<del>START UP FUNDS FOR SWATH 06/26/95 CK 4013</del>	<del>2,000.00</del>
NORTON ROAD - LAND COSTS FOR WELL SITE PER AUDIT OF TOWNSHIP (DATE ???)	11,568.00
BROWN WELL DRILLING INV 90000657 06/21/90 WELL DRILLING RELATED COSTS	27,022.11
BROWN WELL DRILLING 06/22/90 INV ??? WELL DRILLING RELATED COSTS	8,539.55
WOLVERINE ENGINEERS 07/03/90 INV 139 CK 1590 ENGINEERING FEES RE: WELL SITE	2,599.00
WOLVERINE ENGINEERS, INV 93233 06/17/93 CK 3610 DATED 07/02/93 TO OBTAIN WETLAND PERMIT FOR NORTON RD WELL	6,191.97
BROWN WELL DRILLING 06/02/93 CK 3609 PD 07/02/93 SIX INCH TEST WELL BERRY FARM TEST WELL	19,896.37
WOLVERINE ENGINEERS INV 93232 06/18/93 SIX INCH TEST WELL CK 3610 BERRY FARM TEST WELL	3,018.70
BROWN WELL DRILLING CK 4620 INV 1 12/20/94	14,275.00
BROWN WELL DRILLING CK 4828 INV 2 05/08/95	38,820.93
BROWN WELL DRILLING CK 4889 INV 3 06/14/95 SITE WORK TEST PRODUCTION WELL IN SECTION 5	2,239.00
WOLVERINE ENGINEERS INV 95182 06/05/95 ENG. SERVICES RELATED TO JOINT SERV. COM.	1,697.00
WOLVERINE ENGINEERS INV 95224 06/21/95 FOR SECTION 5 WELL	7,469.40

MARION-HOWELL-OCEOLA-GENOA SWATH  
 COMMON ELEMENTS - COSTS FOR CONSTRUCTION  
 HOWELL TOWNSHIP  
 AS OF MAY 31, 1996

<u>DESCRIPTION</u>	<u>COSTS</u>
TRANS-WEST WATERMAIN (1990) NO INV. FOUND???	78,636.67
PER GOV. SERVICES COMMISSION REQUEST FOR PMT. FOR LEGAL FEES - WORK TOWARD WATER AGREEMENT - LETTER DATED 2/17/95 CK 4681 2/28/95	971.20
<del>START UP FUNDS FOR SWATH 4/26/96</del>	<del>1,300.00</del>
 TOTAL	 <u><del>226,744.90</del> 222,444.90</u>



**WOLVERINE ENGINEERS AND SURVEYORS, INC.**

312 North St., Mason, Michigan 48854 PHONE (517) 676-9200 FAX (517) 676-9296

October 18, 1996

**Summary of Marion Township Common Element Costs**

**Division A - Rothenberger Company, Inc.  
Installation Oversizing Costs**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" DI Pipe w/Class A Backfill	710	LF	\$19.78	\$19.03	\$0.75	\$532.50
16" Butterfly Valve	36	LF	\$300.00	\$71.34	\$228.66	\$8,231.76
Install 16" DI Pipe In Steel Casing	1025	LF	\$29.70	\$22.40	\$7.30	\$7,482.50
<b>Total</b>						<b>\$16,246.76</b>

**Material Oversizing Costs  
Clow Water Systems - Pipe**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" DI Pipe	30295	LF	\$21.67	\$14.37	\$7.30	\$221,153.50
<b>Total</b>						<b>\$221,153.50</b>

**Michigan Pipe & Valve - Lansing, Inc. - Valves**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" Butterfly Valve	38	EA	\$1,272.00	\$313.66	\$458.34	\$16,500.24
<b>Total</b>						<b>\$16,500.24</b>

**Division B - Rothenberger Company, Inc.  
Installation Oversizing Costs**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
20" DI Pipe w/Class A Backfill	90	LF	\$29.79	\$19.03	\$10.76	\$968.40
16" Butterfly Valve	12	LF	\$300.00	\$71.34	\$228.66	\$2,743.92
<b>Total</b>						<b>\$3,712.32</b>



**WOLVERINE ENGINEERS AND SURVEYORS, INC.**

312 North St., Mason, Michigan 48854 PHONE (517) 676-9200 FAX (517) 676-9396

**Material Oversizing Costs  
Clow Water Systems - Pipe**

<i>Item</i>	<i>Quantity</i>	<i>Unit</i>	<i>Oversized Unit Cost</i>	<i>Unit Cost</i>	<i>Unit Cost Differential</i>	<i>Oversize Cost</i>
20" DI Pipe	90	LF	\$28.36	\$14.37	\$13.99	\$1,259.10
16" DI Pipe	9700	LF	\$21.67	\$14.37	\$7.30	\$70,810.00
<b>Total</b>						<b>\$72,069.10</b>

**Michigan Pipe & Valve - Lansing, Inc. - Valves**

<i>Item</i>	<i>Quantity</i>	<i>Unit</i>	<i>Oversized Unit Cost</i>	<i>Unit Cost</i>	<i>Unit Cost Differential</i>	<i>Oversize Cost</i>
16" Butterfly Valve	12	EA	\$1,272.00	\$813.66	\$458.34	\$5,500.08
<b>Total</b>						<b>\$5,500.08</b>

Total Cost of Oversizing In Marion Township	\$335,182.00
Marion Twp. Expenditures as of May 31, 1996	<u>\$70,341.20</u>
<b>Total Common Element Contribution</b>	<b>\$405,523.20</b>

Note: See attached report for the summary of the \$70,341.20 expenditures as of May 31, 1996.

MARION-HOWELL-OCEOLA-GENOA SWATH  
 COMMON ELEMENTS - COSTS FOR CONSTRUCTION  
 MARION TOWNSHIP  
 AS OF MAY 31, 1996

DESCRIPTION	COSTS
<del>START-UP FUNDS FOR SWATH 12/13/83 CK 8798</del>	<del>500.00</del>
<del>START-UP FUNDS FOR SWATH 05/23/94 CK 9032</del>	<del>500.00</del>
<del>START-UP FUNDS FOR SWATH 07/18/94 CK 9123</del>	<del>500.00</del>
<del>START-UP FUNDS FOR SWATH 10/17/94 CK 9245</del>	<del>1,000.00</del>
<del>START-UP FUNDS FOR SWATH 04/17/95 CK 9540</del>	<del>2,000.00</del>
PMT. TO CHARLES GARLOCK CK 9021 05/16/94 SURVEY FOR PROPERTY	1,187.50
PMT. TO BARBARA DANIEL CK 8999 05/02/94 DOWN PMT. FOR LAND - WELL SITE AREA	1,000.00
PMT. TO KLINE REAL ESTATE CK 9022 05/16/94 FOR PURCHASE OFFER RESEARCH FOR LAND	150.00
PMT. TO BARBARA DANIEL CK 9266 10/20/94 PORTION OF \$55,000 TOTAL LAND COST	28,981.26
PMT. TO METROPOLITAN TITLE INS. CK 9268 10/20/94 PD AT CLOSING FOR CLOSING FEES FOR PURCHASE OF LAND	315.00
PMT. TO REGISTER OF DEEDS CK 9267 10/20/94 CLOSING FEES FOR PURCHASE OF LAND	15.00
PMT. TO BARBARA DANIEL FOR PAYOFF OF LAND CK 9411 01/16/95	25,018.74
LEGAL FEES PARKER, MILLER, KEHOE	
INV 14510, 05/02/94	34.00
INV 14512, 05/02/94	37.00
INV 14606, 06/01/94	25.50
INV 14608, 06/01/94	42.50
INV 14663, 07/01/94	123.00
INV 14726, 08/01/94	144.50
INV 14803, 09/01/94	170.00
INV 14874, 10/01/94	302.02
INV 14953, 11/01/94	434.48
INV 15180, 02/01/95	132.00



MARION-HOWELL-OCEOLA-GENOA SWATH  
 COMMON ELEMENTS - COSTS FOR CONSTRUCTION  
 MARION TOWNSHIP  
 AS OF MAY 31, 1996

DESCRIPTION	COSTS
WOLVERINE ENGINEERING, INV 95183, 07/95 SERVICES PROV. TO JOINT UTL. BD ON BEHALF OF MARION TOWNSHIP	1,169.00
PER GOV. SERVICES COMMISSION REQUEST FOR PMT. FOR LEGAL FEES - WORK TOWARD WATER AGREEMENT - LETTER DATED 2/17/95 CK 9485 3/13/95	971.20
LIVINGSTON COUNTY HEALTH DEPARTMENT-PERK TEST ON PROPERTY PROPOSED FOR TREATMENT PLANT; CK #10091; 5/30/96	90.00
EVENSEN DODGE, INC.-FINANCIAL ADVISORY SERVICES AND REPORT; CK 9980; 3/18/96	5,750.00
PARKER, MILLER & KEHOE-LEGAL SERVICES FOR PURCHASE OF LAND TO BE USED FOR WATER TREATMENT PLANT; CK #9965; 3/18/96	248.50
WASTE MANAGEMENT OF MICHIGAN, INC.-DOWN PMT. ON 20 ACRES (SITE FOR TREATMENT PLANT); CK 9984; 3/18/96	4,000.00
<del>START-UP FUNDS FOR SWATH 4/1/96</del>	<del>1,300.00</del>
TOTAL	<u><del>76,641.20</del> 70,341.20</u>

*transferred  
to plant related*

FIRST EXPANSION  
JOINT WATER TREATMENT PLANT  
CONTRACT AND  
ADDENDUM TO CONTRACT

MARION, HOWELL, OCEOLA, AND GENOA  
SEWER AND WATER AUTHORITY

[EXECUTION COPY]

CONTRACT BETWEEN

THE MARION, HOWELL, OCEOLA, AND GENOA  
SEWER AND WATER AUTHORITY

and

THE TOWNSHIP OF GENOA,  
THE TOWNSHIP OF HOWELL, THE TOWNSHIP OF MARION  
AND THE TOWNSHIP OF OCEOLA

FIRST EXPANSION TO THE JOINT WATER TREATMENT PLANT

LIVINGSTON COUNTY, MICHIGAN

DATED AS OF DECEMBER 1, 1999

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5. Change in Territory of any of the Townships .....	2
6. Additions to or Extensions of Project .....	2
7. a. Ownership of Project .....	3
b. Operation of the Project .....	3
8. Costs and Expenses .....	3
9. Invalidity of Provisions .....	3
10. Authority Treasurer .....	3
11. Provisions Governing Phases of Construction .....	4
12. Additions to the System .....	4
13. Allocations of Common Elements of the System .....	4
14. Water Capacity .....	4
15. Miscellaneous .....	5
a. Counterparts .....	5
b. Contingency .....	5
c. Governing Law .....	5
d. Authority .....	5
e. Entire Agreement .....	5
f. Captions and Bylines .....	5
g. Use of the Singular .....	6

## CONTRACT

THIS CONTRACT (the "Contract") is made as of December 1, 1999, by and among the THE MARION, HOWELL, OCEOLA, AND GENOA SEWER AND WATER AUTHORITY (the "Authority") and the TOWNSHIP OF GENOA ("Genoa"), TOWNSHIP OF HOWELL ("Howell"), TOWNSHIP OF MARION ("Marion"), AND TOWNSHIP OF OCEOLA ("Oceola"), all townships located in the County of Livingston (together the "Townships").

WHEREAS, the Authority has approved construction of certain improvements to the Townships' water supply system (the "System") in the Townships as described in Exhibit A and intends to construct such improvements pursuant to Act No. 233, Michigan Public Acts of 1955, as amended ("Act 233"). The Authority and the Townships are authorized to enter into a contract, pursuant to Section 10 of Act 233, for the acquisition and construction of the System (the "Cost" or "Costs" shall mean the total cost of the System unless the context clearly indicates otherwise) and for the payment of all of the Cost of the Project by the Townships in cash; and

WHEREAS, the Authority and the Townships have concluded that the acquisition and construction of the improvements and the System described on Exhibit A (the "Project") are needed to promote and improve the health and welfare of the residents of the Townships, and that the Project can most economically and efficiently be provided by the Authority pursuant to the provisions of Act 233; and

WHEREAS, McNamee, Porter & Seeley, Engineers of Ann Arbor, Michigan (the "Engineers"), have prepared preliminary plans for the Project (such preliminary plans as from time to time revised or the final plans, as the context may dictate, are referred to in this Contract as the "Plans"), which have been placed on file in the office of the Authority; and

WHEREAS, this Contract will govern the Project described hereafter and will set forth the rights of the Authority and all of the Townships with respect thereto.

NOW, THEREFORE, in consideration of the premises and in order to provide for the acquisition and construction of the Project by the Authority, for the operation and maintenance of the Project and for other related matters, the Authority and the Townships agree as follows:

1. Approval of Project. The Authority and the Townships approve and agree to the acquisition, construction and financing of the Project under and pursuant to Section 10 of Act 233. The parties approve the designation of "First Expansion to the Joint Water Treatment Plant" as the name of the project (the "Project"). The Townships, by way of compliance with Section

29, Article VII, Michigan Constitution of 1963, consent and agree to the establishment and location of the Project and any extension, improvement or enlargement of it within their corporate boundaries in accordance with the terms of this Contract or on land presently owned by and located in the Townships, and to the use by the Authority of the streets, highways, alleys, lands, rights-of-way or other public places in the Townships for the purpose and facilities of the Project and any improvements, enlargement or extension of it. The Townships further agree that, in order to evidence and effectuate this agreement and consent, they will obtain or assist the Authority in obtaining all easements, licenses, rights-of-way and/or title to property necessary for completion of the Project and will execute and deliver to the Authority such easements, rights-of-way, licenses, permits or consents as may be requested by the Authority. The Cost of obtaining necessary easements, licenses, rights-of-way and/or title to property in connection with the Project shall be Costs of the Project payable from the proceeds of the Bond as set forth below.

2. Project Description. The Project shall consist of the public improvements described and specified in Exhibit A and as are more particularly set forth in the Plans, which preliminary plans are hereby approved and adopted. The Project shall be acquired and constructed substantially in accordance with the Plans and in accordance with final plans and specifications prepared and submitted by the Engineers, but variations from the Plans which do not materially change the location, capacity or overall design of the Project, and which do not require an increase in the total estimated Cost of the Project, may be permitted by the Authority. Variations or changes may be made if approved by the Authority and by resolution of the governing body of the Townships and if provisions required by paragraph 5 below are made for payment or financing of any resulting increase in the total estimated Cost. The estimates of the Cost of the Project, \$1,300,000, and the period of usefulness of the Project, in excess of 30 years, are likewise approved and adopted.

3. Construction. The construction of the Project will be governed by the contracts to be awarded by the Authority after recommendation by the Engineers.

4. Payments by Townships. The Townships shall repay to the Authority all Costs of each Townships' share of the Project before the Authority begins construction thereof.

5. Change in Territory of any of the Townships. No change in the jurisdiction over territory in any of the Townships shall in any manner impair the obligations of this Contract. In the event all or any part of the territory of any of the Townships is incorporated as a new city or is annexed to or becomes a part of the territory of another municipality, the municipality into which such territory is incorporated or to

which such territory is annexed shall assume the proper proportionate share of the contractual obligations of such Township and right to capacity in the Project of the Townships from which such territory is taken in accordance with law.

6. Additions to or Extensions of Project. The Authority shall not be obligated to acquire or construct any facilities other than those described in paragraph 2 above. The responsibility for providing such additional facilities as may be needed shall be that of the Townships which shall have the right to cause to be constructed and maintained, through the Authority, such necessary additional facilities. No extensions of the Project shall be made without Authority approval of the Townships, which shall have the right to cause to be constructed and maintained, through the Authority, such necessary additional facilities. No extensions of the Project shall be made without Authority approval.

7. (a) Ownership of Project. The Authority, subject to the terms of this Contract and during the term of this Contract, shall have legal title to the Project. After the retirement of the Bonds, and after the Townships' obligations under this Contract are satisfied, the legal title to the Project may be transferred jointly to the Townships or may remain with the Authority as the Townships may by a vote of the Township Board of a majority thereof may approve.

(b) Operation of the Project. The Authority hereby agrees to operate, maintain, and administer for a term commencing upon the completion of the Project or any substantial part of it and ending upon the expiration of this Contract. The Townships shall be responsible for the operation, maintenance, and administration of the Project through the Authority.

8. Costs and Expenses. The parties agree that the costs and expenses of any lawsuits arising directly or indirectly out of this Contract or the construction or financing of the Project, to the extent that such costs and expenses are chargeable against the Authority, shall be deemed to constitute a part of the Cost of the Project and shall be paid by the Townships in the same manner as provided in this Contract with respect to other Costs of the Project. In the event of such litigation, the Authority shall consult with the Townships and shall retain legal counsel agreeable to the Authority and the Township to represent the Authority. If the Authority and the Townships cannot agree as to such representation within a reasonable time, the Authority shall exercise its discretion as to the retention of such counsel.

9. Invalidity of Provisions. In the event that any one or more of the provisions of this Contract shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Contract, but this Contract shall

be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

10. Authority Treasurer. It is understood that the Authority Treasurer will have the responsibility to invest all funds coming into the Authority's possession in connection with the Project. The Treasurer is accordingly authorized to invest any such surplus funds in any obligations permitted by law and credit investment earnings for the benefit of the Townships to the fund earning the same.

11. Provisions Governing Changes. If, at any time when it becomes necessary to construct all or a part of the Project without the participation of one of the Townships, the Townships shall enter into a contract among the Townships specifying the part (or all) to be constructed, the estimated cost thereof, any particular provisions governing such matters as may affect the rights of any of the Townships, which contract shall be an addendum to this contract but need not be approved by the Board of Commissioners so long as the total Project Costs as set forth in this contract are not increased. If less than all of the Townships are obligated to make payments to the Authority on all or that phase of the Project, such addendum shall so state and any of the Townships not required to make payments to the Authority for bonds issued on all or part of the Project shall not be required to do so.

12. Additions to the System. Additions to the System may be made as follows:

a. Any of the Townships may add to the System within the boundaries of such Township by the construction of additional water mains or water towers or other storage facilities ("Additional Facilities") so long as the Additional Facilities do not cause such Township to use more water than it is entitled to use pursuant to this contract and the design thereof is compatible with the Project. The Authority shall have the right to object to any Additions to the System which are not compatible.

b. Joint additions to the System may be made by two or more Townships after the approval of the Authority.

13. Allocations of Common Elements of the System.

a. Each township shall be responsible for one-fourth of the common elements of the system. Common elements of the System shall include the wells or other water sources, water treatment plants, water towers, and pumping facilities and the oversizing of any water mains. Common elements shall not include water mains and laterals used only for service within a single township.



b. Each township shall have the right to designate a professional engineering firm to advise it on its rights to the System's common elements.

14. Water Capacity.

a. Each township shall receive an equal share of the water capacity of the System which total capacity is set at 4,000,000 gallons per day for the five year period ending July 1, 2004. The Authority shall have the right to establish a new maximum capacity each year for five years into the future. The Townships agree to cause the Authority to make that allocation no later than May 31st each year.

b. Each Township shall have the right to allocate any portion of its allocation to one or more of the other Townships, temporarily or permanently, on any basis satisfactory to it.

c. No Township may allocate or furnish any of the water allocated to it under this contract to any municipality or user outside the Townships without the approval of the Authority.

15. Miscellaneous.

a. Counterparts. This Contract may be executed in several counterparts each of which shall be deemed one and the same agreement. It shall be binding upon and inure to the benefit of the parties to it and their respective successors and assigns.

b. Contingency. This Contract is contingent upon the Authority receiving prepayments of \$325,000 from each of the Townships to defray the cost of acquiring and constructing the Project, and nothing contained in this Contract shall require the Authority to acquire or construct the Project if it has not received all such payments in advance.

c. Governing Law. This Contract shall be interpreted under the laws of the State of Michigan.

d. Authority. Each party warrants and represents that the execution and performance of this Contract have been duly authorized by all necessary action and do not contravene any policy, resolution or controlling rule.

e. Entire Agreement. This Agreement sets forth the entire agreement between the Authority and the Townships with respect to the subject matter of this Contract.

f. Captions and Bylines. The captions and bylines used in this Contract are for the convenience of reference only

and in no way define, limit or describe the scope of intent of any provision of this Agreement.

g. Use of the Singular. The use in this Contract of the singular shall be deemed to be and include the plural (and vice versa) where applicable.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed and delivered, by their respective duly authorized officers, all as of the day and year first above written.

TOWNSHIP OF HOWELL

By: William D. Culp  
Its: Supervisor

By: Jane Casturight  
Its: Clerk

THE MARION, HOWELL, OCEOLA, AND GENOA SEWER AND WATER AUTHORITY

By: Joseph L. Lutens  
Its: Chairman

By: William J. Bamker  
Its: Secretary

TOWNSHIP OF MARION

By: Harold Manser  
Its: Supervisor

By: D. Lynn Schell  
Its: Clerk

TOWNSHIP OF OCEOLA

By: Joseph L. Lutens  
Its: Supervisor

By: Gracy Salmon  
Its: Clerk

TOWNSHIP OF GENOA

By: Robert Murray  
Its: Supervisor

By: Pauline A. Shular  
Its: Clerk

jra.r1-mhog10

**EXHIBIT A**  
**Overall Project Description**

**I. Construction Project**

<u>Items</u>	<u>Construction Cost</u>
General Requirements	\$ 60,000
Equip Filters 3 & 4 (2.0 MGD total)	128,000
Add 2 Wash-water Recycle Pumps (280 gpm each)	180,000
Add High Service Pump #3 (1,400 gpm)	73,000
Construct Wash-water Equalization Basin and Associated Piping	224,000
Drill and Equip Well #3 with Pump and Pump House	220,000
Construct Sewer Lead to New Municipal Sewer on Norton Road	10,000
Abandon Septic Tank and Grinder Pump Station	5,000
Construct 2 Additional Sludge Lagoons	60,000
Programming and Electrical Hardware	<u>64,000</u>
Construction Subtotal	\$1,024,000
Contingency (10%)	<u>103,000</u>
Construction Total	\$1,127,000

**Construction Cost Estimates**

Construction Costs	\$1,127,000
Engineering Costs	157,000
Legal Costs	4,000
Publishing Costs	3,000
Contingency	<u>9,000</u>
Total Costs	\$1,300,000

**II. Total Cost**

**\$1,300,000**

jra.rl-mhog10

**ADDENDUM TO THE CONTRACT BETWEEN THE  
MARION, HOWELL, OCEOLA AND GENOA SEWER AND WATER AUTHORITY  
AND THE TOWNSHIP OF GENOA, THE TOWNSHIP OF HOWELL,  
THE TOWNSHIP OF MARION AND THE TOWNSHIP OF OCEOLA  
FOR THE FIRST EXPANSION TO THE JOINT WATER TREATMENT PLANT**

**THIS ADDENDUM** is made as of December 1, 1999, by and among the Marion, Howell, Oceola, and Genoa Sewer and Water Authority (the "Authority") and the Township of Genoa ("Genoa"), Township of Howell ("Howell"), Township of Marion ("Marion"), and Township of Oceola ("Oceola"), all Townships located in the County of Livingston (together "the Townships").

**WHEREAS**, the Authority and the Townships have each approved and executed the Contract for the First Expansion to the Joint Water Treatment Plant, dated as of December 1, 1999; and

**WHEREAS**, the Authority and the Townships wish to execute this Addendum to clarify that the execution of said Contract is made without prejudice to certain pending disputes between Howell, the Authority and the other Townships.

**NOW, THEREFORE**, in consideration of the premises, and in order to clarify the understandings between the parties, the Authority and the Townships agree as follows:

1. **Water Line Litigation.** The parties acknowledge that there is currently pending between Howell, the Authority and the other Townships, certain litigation in the Michigan Court of Appeals regarding the construction of the M-59 water line. It is the understanding of the Authority and the Townships that their approval and execution of the Contract for the First Expansion to the Joint Water Treatment Plant shall be without prejudice to the positions asserted by the respective parties in that pending litigation, nor shall it constitute a waiver of any claims or defenses in that litigation nor an admission against interest by any party to that litigation.
2. **Water Tower Dispute.** The parties acknowledge that there presently exists a dispute between Howell, the Authority and the other Townships regarding the ownership of the Howell Water Tower and the right to receive and dispose of lease payments made by third parties who attach to that tower. It is the understanding of the Authority and the Townships that their approval and execution of the Contract for the First Expansion to the Joint Water Treatment Plant shall be without prejudice to the positions asserted by the respective parties in that water tower dispute, nor shall it constitute a waiver of any potential claims or defenses in that water tower dispute nor an admission against interest by any party to that water tower dispute. The parties acknowledge the

Final Determination Authorizing Release of Escrow Funds dated October 27, 1999, and it is not their intent hereby to change or alter that Final Determination.

**IN WITNESS WHEREOF**, the parties have caused this Addendum to be executed and delivered by their respective duly authorized officers, all as of the day and year first above written.

MARION HOWELL OCEOLA AND GENOA  
SEWER AND WATER AUTHORITY

By: Joseph L. Kufus  
Its: Chairman

By: William J. Bunker  
Its: Secretary

GENOA TOWNSHIP

By: Robert H. Murray  
Its: Supervisor

By: Paulette A. Shulman  
Its: Clerk

HOWELL TOWNSHIP

By: William D. Carl  
Its: Supervisor

By: Jane Cartwright  
Its: Clerk

**ADDENDUM TO THE CONTRACT BETWEEN THE  
MARION, HOWELL, OCEOLA AND GENOA SEWER AND WATER AUTHORITY  
AND THE TOWNSHIP OF GENOA, THE TOWNSHIP OF HOWELL,  
THE TOWNSHIP OF MARION AND THE TOWNSHIP OF OCEOLA  
FOR THE FIRST EXPANSION TO THE JOINT WATER TREATMENT PLANT**

**THIS ADDENDUM** is made as of December 1, 1999, by and among the Marion, Howell, Oceola, and Genoa Sewer and Water Authority (the "Authority") and the Township of Genoa ("Genoa"), Township of Howell ("Howell"), Township of Marion ("Marion"), and Township of Oceola ("Oceola"), all Townships located in the County of Livingston (together "the Townships").

**WHEREAS**, the Authority and the Townships have each approved and executed the Contract for the First Expansion to the Joint Water Treatment Plant, dated as of December 1, 1999; and

**WHEREAS**, the Authority and the Townships wish to execute this Addendum to clarify that the execution of said Contract is made without prejudice to certain pending disputes between Howell, the Authority and the other Townships.

**NOW, THEREFORE**, in consideration of the premises, and in order to clarify the understandings between the parties, the Authority and the Townships agree as follows:

1. **Water Line Litigation.** The parties acknowledge that there is currently pending between Howell, the Authority and the other Townships, certain litigation in the Michigan Court of Appeals regarding the construction of the M-59 water line. It is the understanding of the Authority and the Townships that their approval and execution of the Contract for the First Expansion to the Joint Water Treatment Plant shall be without prejudice to the positions asserted by the respective parties in that pending litigation, nor shall it constitute a waiver of any claims or defenses in that litigation nor an admission against interest by any party to that litigation.
2. **Water Tower Dispute.** The parties acknowledge that there presently exists a dispute between Howell, the Authority and the other Townships regarding the ownership of the Howell Water Tower and the right to receive and dispose of lease payments made by third parties who attach to that tower. It is the understanding of the Authority and the Townships that their approval and execution of the Contract for the First Expansion to the Joint Water Treatment Plant shall be without prejudice to the positions asserted by the respective parties in that water tower dispute, nor shall it constitute a waiver of any potential claims or defenses in that water tower dispute nor an admission against interest by any party to that water tower dispute. The parties acknowledge the

Final Determination Authorizing Release of Escrow Funds dated October 27, 1999, and it is not their intent hereby to change or alter that Final Determination.

**IN WITNESS WHEREOF**, the parties have caused this Addendum to be executed and delivered by their respective duly authorized officers, all as of the day and year first above written.

MARION HOWELL OCEOLA AND GENOA  
SEWER AND WATER AUTHORITY

By: Joseph Glubias  
Its: Chairman

By: William J. Bunker  
Its: Secretary

GENOA TOWNSHIP

By: Robert Murray  
Its: Supervisor

By: Paulette A. Holman  
Its: Clerk

HOWELL TOWNSHIP

By: William D. Earl  
Its: Supervisor

By: Jane Cartwright  
Its: Clerk

MARION TOWNSHIP

Cynthia Hodge  
Paul Joyce

By: David W. Manser  
Its: Supervisor

By: Maryna Schmitt  
Its: Clerk

OCEOLA TOWNSHIP

\_\_\_\_\_  
\_\_\_\_\_

By: Joseph L. Allen  
Its: Supervisor

By: Nancy Salmon  
Its: Clerk



# HOWELL TOWNSHIP

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3525 Byron Road, Howell, Michigan 48843 - (517)546-2817 - Fax (517)546-1483

April 29, 1998

Mr. Joseph L. Richards, Chairman  
Marion, Howell, Oceola, Genoa Sewer and Water Authority  
P.O. Box 406  
Howell, MI 48844-0406

Re: Operation and Maintenance Service Agreement for Operation of Water System within the  
Township of Howell

Dear Mr. Richards:

At the April 27, 1998 regular Howell Township board meeting, the township board unanimously approved the Operation and Service Agreement on the contingency that the agreement may be canceled by either party, the Township or Authority, after 60 days notice (refer to Appendix A, Page 2, Paragraph 7). Please find enclosed the appropriate endorsed contract, with noted change. Hopefully this will be acceptable to you, and we look forward to working with you in the future.

If you have any question on this issue, please do not hesitate to contact me.

Sincerely yours,

*William D. Earl, D.O.*  
William D. Earl, D.O.  
Howell Township Supervisor

Enc.  
WE/pb

TOWNSHIP OF HOWELL

At a regular meeting of the Township Board of the Township of Howell held in the Township Hall at 3525 Byron Rd. on April 27, 1998 at 7:00 p.m. Eastern Standard Time, there were

PRESENT: Earl, Cartwright, Hubbel, Bering, Dankers, Lee, Phelan

ABSENT: None

The following preamble and resolution were offered by Cartwright and seconded by Phelan.

RESOLUTION APPROVING AN OPERATION AND MAINTENANCE SERVICE AGREEMENT FOR THE OPERATION OF THE WATER SYSTEM WITHIN THE TOWNSHIP OF HOWELL

WHEREAS, the townships of Genoa, Howell, Marion and Oceola (the "Townships"), Livingston County, have formed the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority"); and

WHEREAS, each of the Townships have caused to be constructed part of a joint water system within their territorial boundaries; and

WHEREAS, each of the Townships have caused to be constructed or acquired component parts of the water system which are of benefit both to the individual townships and to the Townships as a whole; and

WHEREAS, the Township of Howell currently operates and intends to continue to operate the water system within its boundaries; and

WHEREAS, the Township of Howell (the "Township") wishes to engage the Authority to operate and maintain the water system described in Exhibit A to Appendix A (the "System") within its boundaries on the Township's behalf including the billing and collection of customers within the Township for water services on the Township's behalf.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWNSHIP BOARD OF TOWNSHIP OF HOWELL as follows:

1. The Operation and Maintenance Service Agreement (attached as Appendix A) is hereby approved.

2. The Supervisor and Clerk of the Township are authorized to execute and deliver the Operation and Maintenance Service Agreement on behalf of the Township.

A vote on the foregoing resolution was taken and was as follows:

YES: Earl, Cartwright, Hubbel, Bering, Dankers, Lee, Phelan

NO: None

ABSTAIN: None

The resolution was declared adopted.

CERTIFICATION

I, the undersigned Clerk of the Township of Howell, hereby certify that the foregoing resolution is a true and complete copy of a resolution adopted at a regular meeting of the Township Board the Township of Howell held on April 27, 1998, the original of which is on file in my office, and that notice of such meeting was given, and the meeting was conducted, pursuant to and in compliance with Act No. 267, Michigan Public Acts of 1976, as amended.

  
Township Clerk

SEAL

las.rilmhog4

APPENDIX A

THE OPERATION AND MAINTENANCE SERVICE AGREEMENT  
FOR HOWELL TOWNSHIP

THIS AGREEMENT DATED AS OF FEBRUARY 1, 1998 BY AND AMONG THE FOLLOWING PARTIES NAMED:

WHEREAS, the townships of Genoa, Howell, Marion and Oceola (the "Townships"), Livingston County, have formed the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority"); and

WHEREAS, each of the Townships have caused to be constructed part of a joint water system within their territorial boundaries; and

WHEREAS, each of the Townships have caused to be constructed or acquired component parts of the water system which are of benefit both to the individual townships and to the Townships as a whole; and

WHEREAS, the Township of Howell currently operates and intends to continue to operate the water system within its boundaries; and

WHEREAS, the Township of Howell (the "Township") wishes to engage the Authority to operate and maintain the water system described in Exhibit A to Appendix A (the "System") within its boundaries on the Township's behalf including the billing and collection of customers within the Township for water services on the Township's behalf.

WITNESSETH, NOW, THEREFORE THE TOWNSHIP OF HOWELL, LIVINGSTON COUNTY, MICHIGAN, AND THE MARION, HOWELL, OCEOLA AND GENOA SEWER AND WATER AUTHORITY AGREE, as follows:

1. The Authority agrees to provide the operation and maintenance services to the Township in connection with the Township's water system as set forth in Exhibit A.
2. The Township's Water System, as it currently exists, consists of water lines, water storage tanks, water wells, booster pumps and control valves, and an interest in a joint water treatment plant and related appurtenances.
3. The Township agrees to pay the Authority for its services hereunder the amounts set forth at the times set forth in Exhibit B which are agreed to by the Township and the Authority.
4. Nothing in this Agreement shall be construed to grant to the Authority any franchise for the operation of the System within the boundaries of the Township.

5. The services to be provided to the Township by the Authority shall be provided beginning on \_\_\_\_\_, 1998 and shall continue so long as the Township shall continue to permit the Authority to collect the payments for its services to the Township set forth in Exhibit B.

6. The Township warrants to the Authority that the Township's Water System is in good repair and serviceable condition except as set forth on Exhibit C and the Township agrees that the Authority shall have no responsibility to construct any new part to the Township's Water System or to cause capital repairs to be made to the Township's System unless the Township shall first cause to be deposited from monies collected as set forth in Exhibit B or deposit with the Authority sufficient monies to pay the cost thereof.

60 *for* Δ approved by MHO 5/27/98  
7. The Township and the Authority shall each have the right to cancel this Agreement after ~~180~~ days notice to the other party, and the Authority shall have the right to cancel this Agreement upon thirty days written notice to the Township if the Township shall fail to pay any amounts due to the Authority hereunder. In the event of cancellation: (a) the Authority shall return to the Township any customer lists, billing information or other material furnished by the Township to the Authority, a list of which is included in Exhibit D; (b) all billing information, computer programs or computer software or hardware used by or developed by the Authority in providing the services to the Township hereunder shall remain the property of the Authority unless and until the Authority agrees to transfer it to the Township; (c) all amounts collected by the Authority from the Townships shall remain on deposit with the Authority until an accounting is completed. If more money for capital repairs has been collected by the Authority than was expended for the Township, the Township shall receive a refund for such amount within 30 days after the accounting is completed and if more was expended for the Township than had been contributed, the Township shall pay such amount to the Authority within 30 days after the accounting is completed.

8. In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

9. This Agreement shall become binding upon the Townships and the Authority upon execution.

10. This Agreement may be executed in several counterparts each of which shall be deemed one and the same Agreement. It

shall be binding upon and inure to the benefit of the parties to it and their respective successors and assigns.

11. This Agreement shall be interpreted under the laws of The State of Michigan.

12. Each party warrants and represents that the execution and performance of this Agreement have been duly authorized by all necessary action and do not contravene any policy, resolution or controlling rule.

13. This Agreement sets forth the entire Agreement between the Townships and the Authority with respect to the subject matter of this Agreement.

14. The use in this Agreement of the singular shall be deemed to be and include the plural (and vice versa) where applicable.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered, by their respective duly authorized officers, all as of the day and year first above written.

MARION, HOWELL, OCEOLA & GENOA  
SEWER AND WATER AUTHORITY

TOWNSHIP OF HOWELL

By: \_\_\_\_\_  
Its: Chairman

By: William D. Cowley  
Its: Supervisor

By: \_\_\_\_\_  
Its: Secretary

By: Jon Cortright  
Its: Clerk

WITNESSES:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WITNESSES:

Daniel R. Wolf  
Jan R. Meisinger

HOWELL TOWNSHIP  
WATER DISTRICT #1

NO SCALE

NORTH

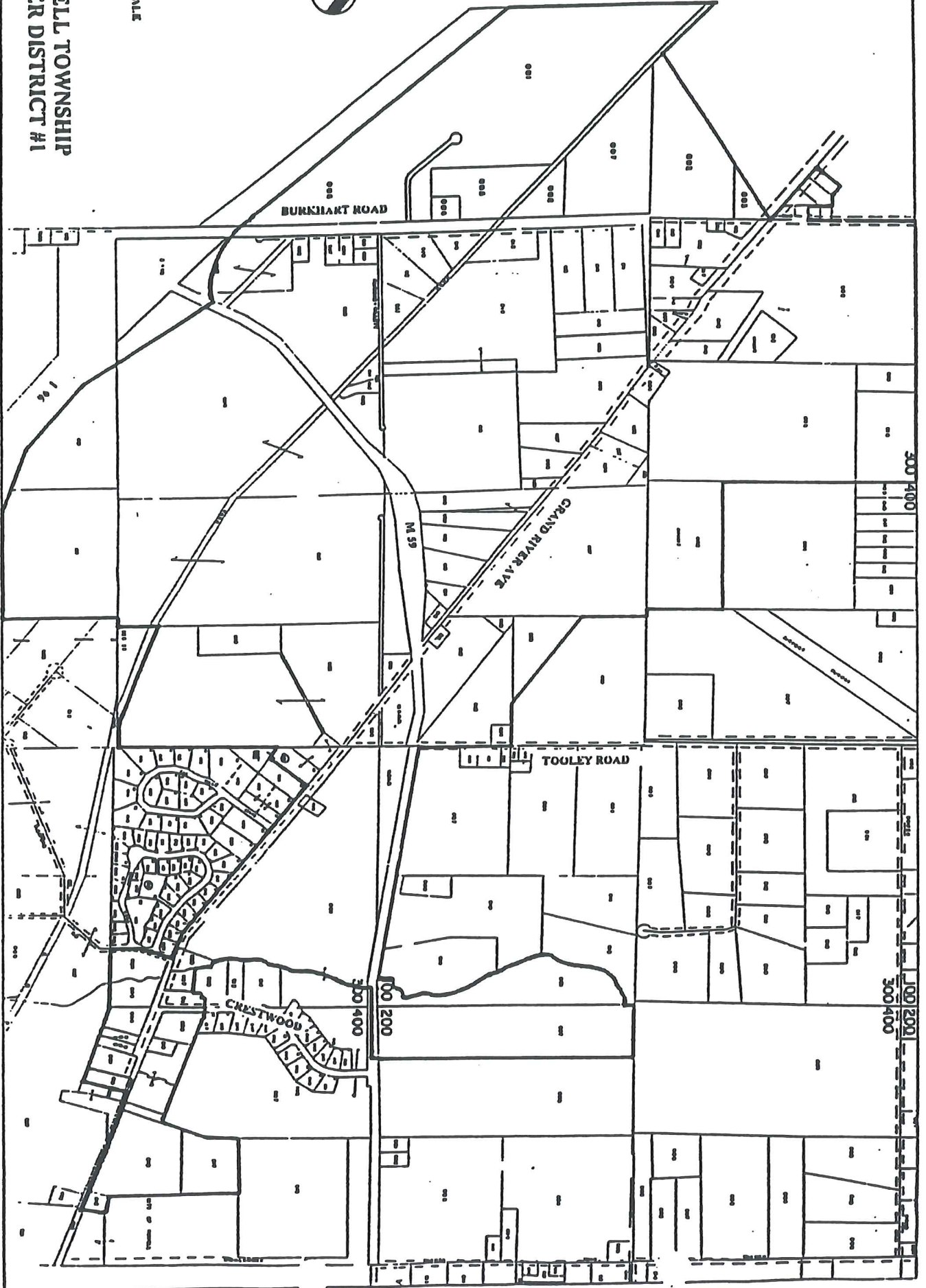
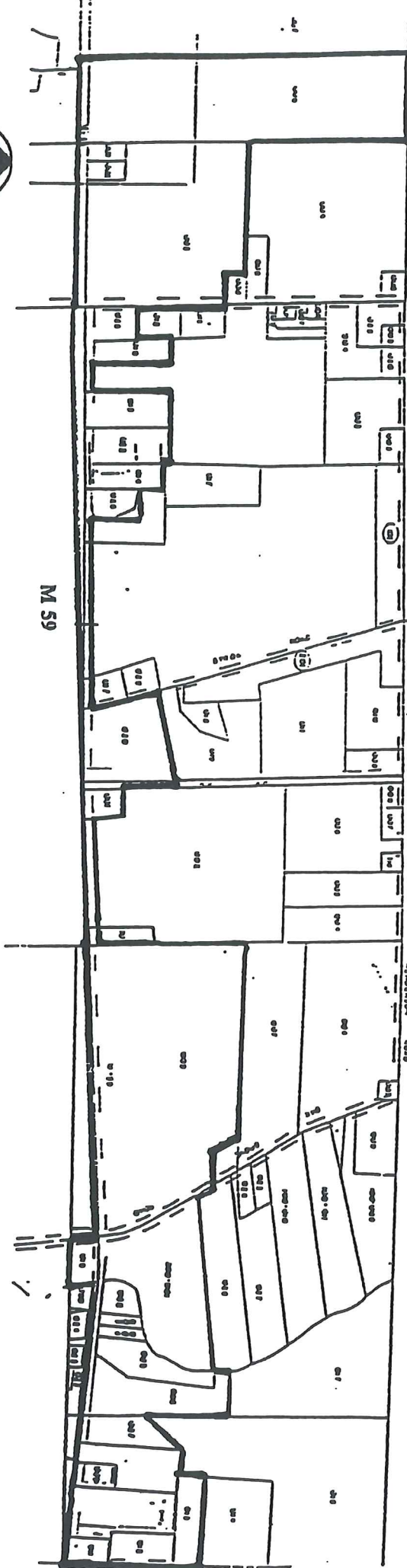


EXHIBIT A



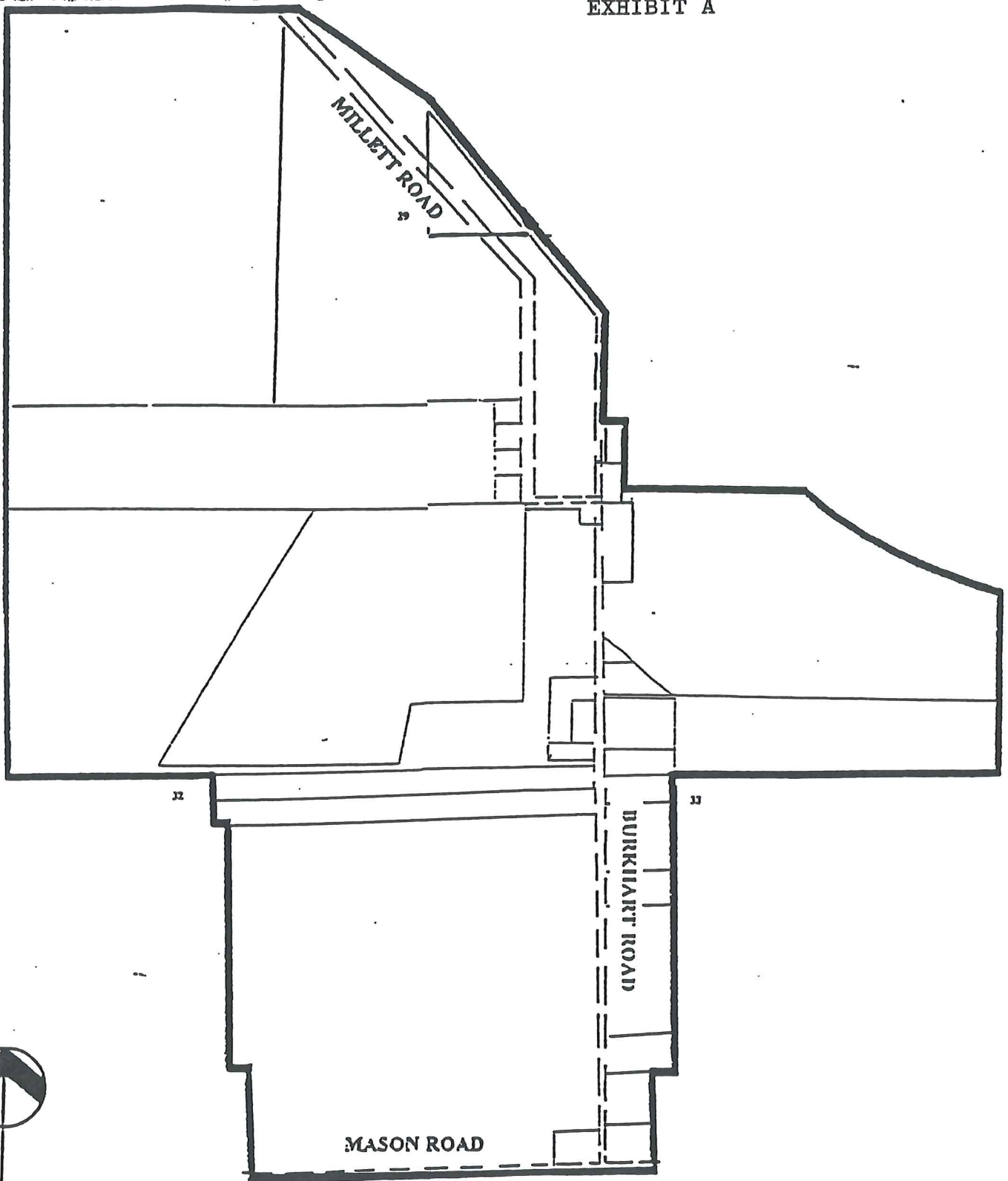
NORTH



HOWELL TOWNSHIP  
WATER DISTRICT #2



EXHIBIT A



HOWELL TOWNSHIP  
WATER DISTRICT #3



NORTH

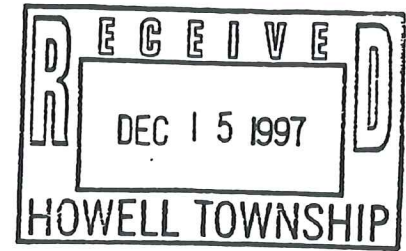
NO SCALE

**McNAMEE, PORTER & SEELEY, INC.**

Ann Arbor • Brighton • Detroit • Escanaba • Grand Rapids • Lansing

December 9, 1997

Mr. Joseph Richards, Chairman  
Marion, Howell, Oceola, Genoa Sewer and Water Authority  
1577 N. Latson Rd., P.O. Box 406  
Howell, MI 48844



**Re: Water Treatment and Distribution Operation and Maintenance (O&M) Agreement**

Dear Mr. Richards:

In accordance with the Authority's acceptance of our proposal at your October 22, 1997 meeting, McNamee, Porter & Seeley, Inc. (MPS) is pleased to submit this proposed Agreement for O&M of the Marion, Howell, Oceola, Genoa Sewer and Water Authority's (MHOG) new water treatment facility, and water distribution systems in all four Townships which are served by the new water treatment facility. Our proposal includes the water system efforts we have been providing for Oceola, Genoa, and Howell Townships, and adds the O&M of the Marion Township water distribution system and the new MHOG water treatment plant. Following, in summary, is the Scope of Work this Agreement provides:

- **O&M of the Water Distribution Systems.** Our proposed agreement covers the existing service areas in Oceola, Genoa and Howell Townships, and adds the Marion Township water distribution system. Routine services included in the Scope of Work are provision of properly certified staff, submittal of monthly reports to the Michigan Department of Environment Quality and the Authority, periodic flushing of the water distribution systems, performance of cross-connection control activities, and periodic hydrant and valve exercising. Non-routine services, including water activations, Meter Interrogator Unit programming, response to customer complaints, response to emergencies such as water main breaks, and Miss Dig utility location will be billed on an as-needed basis. These additional services will be tracked and reported on a Township by Township basis.
- **O&M of the MHOG Water Treatment Plant.** The proposed Scope of Work includes staffing with a Class F-2 or higher certified operator, submittal of monthly reports to the Michigan Department of Environment Quality and the Authority, operation of the MHOG water plant laboratory, preventive maintenance of water treatment plant equipment in accordance with manufacturers' recommendations, staff availability for emergency response, and staff availability for corrective maintenance and repairs.

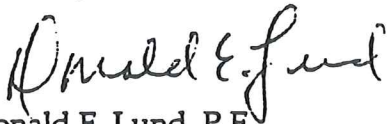
Our proposed agreement includes compensation of \$6,250 per month for routine O&M of the water treatment plant; \$2,750 per month for routine O&M of the Genoa-Oceola Sewer and Water Authority water distribution system; \$1,065 per month for routine O&M of the Howell Township water distribution system; and, \$850 per month for routine O&M of the Marion Township water distribution system. This is a total compensation of \$10,915 per month for routine O&M of the MHOG treatment plant and water distribution systems.

Mr. Joseph Richards  
December 9, 1997  
Page 2

We anticipate an effective date of January 15, 1998 for this Agreement, following one month of start-up service which is included in the construction project and is scheduled to begin December 15, 1997.

We look forward to continuing to provide high quality, economical service for the MHOG Authority's water distribution customers; and to providing competent, high quality O&M of the new MHOG water treatment plant during this critical start-up phase.

Sincerely,



Donald E. Lund, P.E.  
Senior Vice President



Daniel H. Geyer  
Plant Operations Manager

Attachment

Copy: Richard Irish, Marion Township  
Charles Musson, Marion Township  
Dr. William Earl, Howell Township  
Edward Hubbell, Howell Township ✓  
Evelyn Cornell, Oceola Township  
Robert Murray, Genoa Township  
Robin Hunt, Genoa Township

**EXHIBIT A**  
**AGREEMENT**  
**BETWEEN**  
**McNAMEE, PORTER & SEELEY, INC. OF ANN ARBOR, MICHIGAN**  
**AND**  
**MARION, HOWELL, OCEOLA, GENOA SEWER AND WATER AUTHORITY (MHOG)**  
**FOR**  
**OPERATIONS AND MAINTENANCE**

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_, by and between The Marion, Howell, Oceola, Genoa Sewer and Water Authority (MHOG) whose address is 1577 N. Latson Road, P.O. Box 406, Howell, MI 48844, (hereinafter referred to as the "OWNER") and McNamee, Porter & Seeley, Inc., a Michigan corporation, whose address is 3131 South State Street, Ann Arbor, Michigan 48108 (hereinafter referred to as "MPS").

**WITNESSETH:**

**WHEREAS**, the OWNER has the responsibility to own, operate, maintain and repair a water supply system to service portions of Marion, Howell, Oceola, and Genoa Townships located in Livingston County, Michigan; and

**WHEREAS**, the OWNER has determined that it is more beneficial to contract for the operation and maintenance of its facilities; and

**WHEREAS**, MPS desires to provide such services to the OWNER and has the necessary skill and experience to provide such services.

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants and undertakings hereinafter set forth, it is hereby agreed as follows:

1. Definitions. For the purposes of this Agreement, the following terms shall be given the definitions assigned herein:
  - 1.1 Agreement. The "Agreement" shall include this Agreement, any renewals thereof, and any amendments thereto, for the facilities as they exist on the date of this Agreement, and the facilities as they exist on the date of any amendment or renewal.
  - 1.2 Equipment. The "Equipment" shall include all mechanical, electrical, hydraulic, and pumping equipment, computer controls, tractors, mowers, trucks, etc., owned by the OWNER on the date of this Agreement or on the date of an amendment or renewal for the purposes of operating the facilities.
  - 1.3 Facilities. The "Facilities" shall include the water softening and filtration plant at 4288 Norton Road, Howell, MI 48843, including the wells, well pipe, casings, pumps, valves, pressure tanks, reservoirs, elevated tanks, booster pumping stations, and related structures.
  - 1.4 System. As identified in Appendix A.
  - 1.5 Work. The "Work" shall be all the services to be provided by MPS under this Agreement as defined in Section 2.
  - 1.6 "Capital Expenditures" means any expenditures for (1) the purchase of new equipment or facility items that cost more than two thousand five hundred dollars (\$2,500.00); or (2) major repairs which significantly extends equipment or facility service life and cost more than two thousand five hundred dollars (\$2,500.00); or (3) expenditures that are planned, non-routine and budgeted by OWNER.
2. Scope of Work. MPS shall:

## EXHIBIT A

- 2.1 Operate the facilities to meet the requirements of the Michigan Department of Environmental Quality and the Safe Water Drinking Act.
  - 2.2 Maintain the facilities and equipment in accordance with manufacturers' written recommendations.
  - 2.3 Provide monitoring, sampling, testing, and analysis required for process control of the facilities, and to meet the requirements of the Michigan Department of Environmental Quality.
  - 2.4 Prepare and submit the following reports:
    - 2.4.1 Operating reports as required by the Michigan Department of Environmental Quality.
    - 2.4.2 A monthly report to the OWNER covering the previous month's activities.
  - 2.5 Provide staffing of the facilities to meet the requirements of the Safe Water Drinking Act.
  - 2.6 Provide preventive maintenance for active warranties covered by this Agreement.
  - 2.7 Operate and maintain the facility 24 hours per day, 7 days per week.
  - 2.8 Provide a proven safety program.
  - 2.9 Provide emergency response to any emergency which threatens personal injury or property damage to the facilities.
  - 2.10 Provide repairs or coordination of repairs to the facilities as needed. The OWNER shall be responsible for payment for repair activities as provided in Sections 4.2 and 4.4 of this Agreement.
  - 2.11 Provide routine water distribution system maintenance, including a periodic hydrant flushing program, a routine valve exercising program and a hydrant winterizing program.
  - 2.12 Provide a cross-connection control program for the water distribution system.
3. OWNER's Responsibility. OWNER shall:
- 3.1 Pay for all capital expenditures.
  - 3.2 Maintain all guarantees, easements, and licenses granted to the OWNER.
  - 3.4 Maintain property insurance on the premises the entire time this Agreement is in force.
  - 3.5 Pay for all utility, chemical and residuals disposal costs.
  - 3.6 Pay for all corrective maintenance costs. Corrective maintenance is defined as all material, labor, and subcontractor costs for work to correct material deficiencies of equipment and facilities.
  - 3.7 Pay for all repairs to the facilities.
  - 3.8 Pay for materials required for preventive maintenance of the facilities.
  - 3.9 Pay for emergency generator fuel.
  - 3.10 Pay for groundskeeping, road maintenance, and snow plowing at the facilities.
  - 3.11 Pay for all laboratory, operations, and maintenance supplies.

EXHIBIT A

4. Compensation. MPS shall be paid as set forth herein.

4.1 For Scope of Work - Section 2. OWNER shall pay MPS \$10,915 per month for the first twelve (12) months of this Agreement.

4.2 For Additional Work. OWNER shall compensate MPS for Out of Scope work calculated by the employees direct salary plus benefits, plus 80 percent of direct salary plus benefits. Salary information for each employee will be provided to OWNER upon request.

4.3 Expenses. MPS shall be reimbursed for actual expenses incurred in performing Out of Scope Work at direct cost multiplied by a factor of 1.15.

4.4 Record-keeping. MPS shall maintain accurate and complete time records for each employee and/or subcontractor performing the Work.

4.5 Billing. OWNER shall pay MPS Ten thousand nine hundred fifteen Dollars (\$10,915) each month, due and payable on the first of each month that services are provided.

4.5.1 Out of Scope work will be invoiced monthly. Payment is to be made within thirty (30) days of the invoice date.

4.5.2 OWNER shall pay MPS interest at the rate of one (1) percent per month on payments not paid and received within thirty (30) days of the date of the invoice, such interest being calculated from said 30th day .

5. Term and Termination. The term of this Agreement shall be one (1) year. The Agreement commences midnight of January \_\_, 1998.

5.1 Termination for Default. This Agreement may be terminated after the 45-day dispute resolution period by either OWNER or MPS "for cause" upon written notice to the opposite party. The term "for cause" is hereby defined to be a material breach of a party's obligations under the terms of this Agreement.

6. Notification Procedure. The OWNER shall designate, in writing, certain individual(s) who shall have the authority to notify MPS to perform services. MPS shall provide the OWNER with the names and telephone numbers of at least two (2) individuals to be contacted in the event of emergencies.

7. Performance Standard. MPS shall perform the services in accordance with the standards of the Michigan Department of Environmental Quality in effect as of the date of this Agreement.

8. Insurance. MPS shall furnish certificates of the following coverages to the OWNER.

8.1. MPS shall procure and maintain, at its expense during the life of the Agreement, insurance of the types and in the minimum amounts stated below:

8.1.1 Workers' Compensation Insurance or other evidence acceptable to OWNER indicating compliance with the Worker's Compensation Act in the state in which work will be performed.

8.1.2 Comprehensive General Liability (including coverage for completed operations)  
Personal Injury, including death \$1,000,000 each occurrence  
Property Damage \$1,000,000 each occurrence  
\$2,000,000 aggregate

8.1.3 Comprehensive Automobile Liability (including non-ownership and hired car)  
Bodily Injury, including death \$500,000 each occurrence

EXHIBIT A

APR. 22. 1998 3:06PM '97 MCNAMEE LEASING

\$500,000 each occu NO. 045 P. 2/2

8.2 Environmental Exclusion. OWNER agrees to hold MPS harmless from and against any and all claims arising out of the presence, discharge, release, or escape of any kind of contaminants, excepting only such liability as may arise out of the sole negligence of MPS in the performance of services under this Agreement.

9. Dispute Resolution. MPS and OWNER agree that they shall diligently pursue resolution of all disagreements for a period of 45 days, using a mutually acceptable form of mediated dispute resolution, prior to exercising their rights under other provisions of this Agreement or under the law. Disagreements consisting of claims, counterclaims, disputes, and other matters in questions between the parties arising out of or relating to this Agreement shall be in writing. The date of the written disagreement will establish the beginning of the 45 day period. No performance obligation under or related to this Agreement shall be interrupted or delayed during any mediation proceeding except upon written agreement of both parties. The mediator shall not be a witness in any legal proceedings related to this Agreement.

10. Subcontracting. MPS may utilize subcontractors to perform any of the Work but such subcontractors shall be subject to the prior approval of the OWNER. MPS shall be responsible for the performance of any subcontractor performing portions of the Work. All subcontractors will procure and maintain insurance as required under the Insurance Section of this Agreement.

11. OWNER's Representations. The OWNER represents that it has the requisite authority from its governing body acting by appropriate resolution to enter into this Agreement and to be bound by its terms.

12. Non-Assignment. This Agreement may not be assigned by MPS without the written consent of the OWNER.

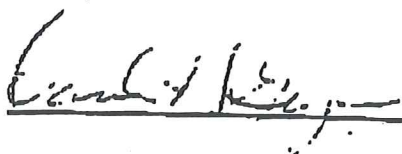
Impossibility of Performance. Performance of this Agreement shall be excused if it becomes substantially impossible to perform. Such circumstances shall include destruction of all or a major portion of the Facilities, power loss, damage by earthquake, lightning or high winds.



4. This Agreement (consisting of pages 1 to 4, inclusive), together with Appendix A, constitutes the entire Agreement between OWNER and MPS and supersedes all prior written and oral understandings. This Agreement, together with Appendix A, may only be amended, supplemented, modified or canceled by a duly executed written instrument.

I WITNESS WHEREOF, the parties have set their hands and seals on the day and year first set forth above.

WITNESS:


MARION, HOWELL, OCEOLA, GENOA  
SEWER AND WATER AUTHORITY  
1577 N. Latson Road  
P. O. Box 406  
Howell, MI 48844

  
\_\_\_\_\_

By:   
\_\_\_\_\_  
Its:   
\_\_\_\_\_

WITNESS:

McNAMEE, PORTER & SEELEY, INC.  
A Michigan Corporation  
3131 S. State Street  
Ann Arbor, MI 48108  
(313) 665-6000

  
\_\_\_\_\_

By:   
\_\_\_\_\_  
Donald E. Lund, P.E., Senior Vice President

**EXHIBIT A**

**APPENDIX A**

**SYSTEM**

The System included under this Agreement shall include:

The water softening and filtration plant located at 4288 Norton Road, Howell, Michigan; the booster pump station located at 2152 Industrial Drive, Howell, Michigan; three elevated water storage tanks; one ground storage reservoir; two water wells; approximately 200,000 lineal feet of water main; and, approximately 500 fire hydrants.



EXHIBIT B

MARION HOWELL OCEOLA GENOA  
SEWER & WATER AUTHORITY  
RATE NOTICE

At a regular meeting of the Marion Howell Ocala Genoa Sewer & Water Authority Board of December 17, 1997 the following rates were adopted:

WATER: METERED

Commodity charge per 1,000 gallons \$3.25

Motion made by Murray, seconded by Irish to establish a water rate. Yes-Murray, Musson, Richards, Irish, Cornell, Hubbel, Earl and Hunt. No-none. Motion carried.

WATER: METERED

Readiness to serve charge \$9.97/qtr.

Motion made by Irish, seconded by Richards to establish readiness to serve charges. Yes-Musson, Richards, Irish, Cornell, Earl, Hunt and Murray. No-Hubbel. Motion carried.

RATES BECAME EFFECTIVE JANUARY 1, 1998.

Now comes Evelyn M. Cornell, who is the duly elected secretary of the Authority and certifies that these rates were adopted by the Marion Howell Ocala Genoa Sewer and Water Authority board on December 17, 1997.

EVELYN M. CORNELL, SECRETARY  
MARION HOWELL OCEOLA GENEOLA  
SEWER AND WATER AUTHORITY

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EXHIBIT C

LIST OF ITEMS IN THE TOWNSHIP'S WATER  
SYSTEM WHICH ARE NOT IN GOOD REPAIR OR SERVICEABLE:

ALL SELF DRAINING FIRE HYDRANTS NEED TO BE PLUGGED  
OR REPLACED.

FIRE HYDRANT NEEDED AT M-59 AND BYRON RD.

RELOCATE FIRE HYDRANT BETWEEN BREWER AND CRESTWOOD  
WHICH IS CURRENTLY UNDER WATER.

las.r11mhog4

EXHIBIT D

LIST OF ITEMS FURNISHED TO THE  
AUTHORITY BY THE TOWNSHIP:

ACCOUNT INFORMATION SHEETS FOR ALL HOWELL TOWNSHIP  
CUSTOMERS.

CHECK #175 IN THE AMOUNT OF \$8,834.74  
(balance of water operation account).

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