

**AMENDED AND RESTATED
UTILITY SERVICES AGREEMENT**

THIS AGREEMENT is made as of MAY 18, 2022, by the Marion, Howell, Oceola and Genoa Sewer and Water Authority (“MHOG”), whose principal office is located at 1577 N. Latson Road, Howell, Michigan 48843, the Genoa-Oceola Sewer and Water Authority whose principal office is located at 2911 Dorr Road, Brighton, MI 48116 (“G-O”), Howell Township (“Howell”), whose principal office is located at 3525 Byron Road, Howell, MI 48855, and Genoa Charter Township (“Genoa”), whose principal office is located at 2911 Dorr Road, Brighton, Michigan 48116. This Amended and Restated Agreement shall be effective as of June 1, 2022 (the “Effective Date”) with billing to begin June 1, 2022 and services to Howell to begin on July 1, 2022.

ARTICLE I - RECITALS

WHEREAS, MHOG, G-O and Genoa entered into an Amended and Restated Utility Services Agreement on March 1, 2021 (the “Agreement”) and the parties now wish to amend the Agreement to include Howell and for the sake of clarity agree to restate the Agreement; and

WHEREAS, MHOG, GO, and Genoa have passed resolutions to extend operation and include Howell in the joint operations agreement; and

WHEREAS, Genoa owns and operates (i) the Oak Pointe Sanitary Sewer System, (ii) the Oak Pointe Water Supply System, and (iii) the Lake Edgewood Sanitary Sewer System; and

WHEREAS, the Townships of Marion, Howell, Oceola, and Genoa have organized MHOG pursuant to the provisions of Act 233, Michigan Public Acts of 1955, as amended for the purpose of acquiring, owning, managing, and operating a water supply system; and

WHEREAS, the Townships of Genoa and Oceola have organized the G-O pursuant to the provisions of Act 233, Michigan Public Acts of 1955, as amended for the purpose of acquiring, owning, managing, and operating a sanitary sewer collection and treatment system; and

WHEREAS, Howell owns and operates the Howell Township Sanitary Sewer System, and

WHEREAS, (i) Genoa’s Oak Pointe Sanitary Sewer collection system, (ii) Genoa’s Oak Pointe Water System, (iii) Genoa’s Lake Edgewood Sanitary Sewer System, (iv) the water production and distribution system operated by MHOG, and (v) the sanitary sewer collection and treatment system operated by G-O, and (vi) the sanitary sewer collection and treatment system operated by Howell shall, for the purpose of this Agreement, collectively be referred to as the “Systems”; and

WHEREAS, Genoa, MHOG, G-O and Howell have concluded that the operation of the Systems is needed to promote and improve the health and welfare of the residents of the users of such Systems; and

WHEREAS, Genoa, MHOG, G-O, and Howell have concluded that combined operational services which share administrative, billing, operational staff and equipment over the six Systems will result in improved operation, efficiency, and cost savings for the residents served by the Systems; and

WHEREAS, Genoa operates a Utility Department with a separate DPW Fund (the “DPW Fund”) that provides utility services to the Systems, the staff of the Utility Department is referred to herein as the “Utilities Staff” and while the Utility Department is often referred to as the “MHOG Utility Department” in conducting its business, for the purposes of this Agreement it shall be referred to as the “Utility Department”;

NOW, THEREFORE, in consideration of the promises below and other valuable consideration the receipt of which is hereby acknowledged, the Agreement is hereby amended and restated as follows:

ARTICLE II - OPERATION OF THE SYSTEMS

Beginning on the Commencement Date (as defined below) and during the term of the Agreement, Genoa agrees to provide, through the Utility Department, the staff, vehicles, supplies and materials needed to operate the Systems. The Utility Department agrees to operate the Systems in accordance with the terms and conditions of this Agreement, applicable law, and the permits, licenses, manufacturer’s protocols, and specifications applicable to the operation and maintenance of the Systems. The Utilities Staff shall take direction from the governing board of each respective System with respect to the specific operation of each such System, and the ultimate responsibility for the operation of each such System shall remain with the governing body of each respective System. Each party hereby agrees that it will cooperate in good faith with the other and its agents, employees, representatives, officers, contractors, and subcontractors to facilitate the performance of the mutual obligations set forth in this Agreement.

ARTICLE III - SCOPE OF SERVICES

When performing services pursuant to this Agreement for the Systems, Utility Department personnel described below shall report to and be subject to direction of the appropriate governing Board of the respective System, although such personnel shall remain employees of Genoa and not of the Systems. As described above, the ultimate responsibility for the operation of each such System shall remain with the governing body of each respective System.

Section 3.1 - Administrative and Support Services

Administrative staff to be employed by the Utility Department and assigned to the Systems shall consist of a Utility Director, a Deputy Utility Director – Water, a Deputy Utility Director – Wastewater, and such other personnel as shall be necessary to perform the utility services described in this Agreement. A description of the duties to be carried out by the administrative staff is set forth in **Exhibit 1**.

Section 3.2 - Operation and Maintenance Services

Operation and maintenance staff to be employed by the Utility Department and assigned to the Systems shall consist of the necessary plant, collection and distribution system personnel. A description of the duties to be carried out by the operation and maintenance staff with regard to water systems is set forth in **Exhibit 2a** and with regard to sanitary sewer systems is set forth in **Exhibit 2b**.

Section 3.3 - Meter Service, Reading, Billing and Receipting Services

Meter reading, billing, and receipting staff to be employed by the Utility Department and assigned to the Systems shall consist of the necessary staff to bill, read, and receipt water and sanitary sewer service. A description of the duties to be carried out by the billing services staff is in set forth in **Exhibit 3**.

Section 3.4 - Staffing Levels

The proposed staffing level to conduct and maintain the various services described in this Agreement is presented in Utility Department Organization Chart shown in **Exhibit 4**. The parties to this Agreement acknowledge that during the term of this Agreement, staffing levels will vary pending the season, level of effort required, attenuation, termination, disability, availability of employable personnel, or other circumstances. The parties acknowledge that the Utility Department shall have the right to modify staffing levels to provide the appropriate level of service to the Systems subject to the following conditions: (i) any modifications that do not result in an increase of the DPW Fund Budget can be made by the Utility Department, (ii) any modifications that result in an increase of the overall DPW Fund Budget by 5% or less on an annual basis may be made by the Utility Department with prior notification to the governing boards of the Systems, and (iii) any modifications that result in an increase of the overall DPW Fund Budget by more than 5% on an annual basis may be made only with the prior written approval of the governing boards of each of the Systems except, that modifications in staffing levels made pursuant to the inclusion of additional systems pursuant to Section 5.7 shall not require additional approvals.

Section 3.5 - Vehicle, Supply, and Material Levels

During the term of this Agreement, the Utility Department agrees to provide vehicles, supplies, equipment and materials necessary to perform the essential duties outlined in this Agreement. A summary of the vehicles, supplies, and materials initially to be provided is set forth in **Exhibit 5**. The parties to this Agreement acknowledge that during the term of this Agreement vehicle, supply, and material levels will vary pending changes in scope of services, staffing levels, and regulations. The parties acknowledge that the Utility Department shall have the right to modify these levels to provide the appropriate level of service to the Systems subject to the following conditions: (i) any modifications that do not result in an increase of the DPW Fund Budget can be made by the Utility Department, (ii) any modifications that result in an increase of the overall DPW Fund Budget by 5% or less on an annual basis may be made by the Utility Department with prior notification to the governing boards of the Systems, and (iii) any modifications that result in an increase of the overall DPW Fund Budget by more than 5% on an

annual basis may be made by only with the prior written approval of the governing boards of each of the Systems except, that modifications made pursuant to the inclusion of additional systems pursuant to Section 5.7 shall not require additional approvals.

ARTICLE IV - CAPITAL PROJECTS

The Utility Staff may propose capital improvements in order to comply with changes in law, to reduce costs, to increase energy efficiency, to meet System demands, or to improve the Systems operations. The Utility Department will not be relieved of its responsibilities to perform under this Agreement, if the recommendations of the Utility Staff are not implemented by the System's governing boards, unless the failure by such governing boards to implement such recommendations prevents the Utility Department from complying with its obligations hereunder or under applicable law.

ARTICLE V - PAYMENT FOR SERVICES

The Utility Department shall receive compensation for providing staff, vehicles, supplies and material necessary to provide the administrative, operational, maintenance and billing services contemplated by this Agreement, and the Systems shall be billed monthly based on the methodology presented below.

Section 5.1 - DPW Fund Budget

During the term of this Agreement, Genoa shall maintain a separate DPW Fund Budget (the "DPW Fund Budget") to track revenues and expenses associated with the staff, vehicles, supplies and materials and other expenses required to perform the administrative, operational, maintenance and billing services outlined in this Agreement. The fiscal operating year for the Utility Department is April 1 through March 31st. The 2022-2023 DPW Fund Budget is presented in **Exhibit 6**. The DPW Fund Budget shall be established annually and shall balance.

The Utility Department Accountants shall prepare, at a minimum, quarterly budget to actual reports for presentation to System's governing boards. Failure to present reports less than semi-annually shall constitute a default of this Agreement.

Section 5.1.1 - Revenue

Revenue to the DPW Fund shall include: (i) receipted funds from the Systems for providing administrative, operational, and billing services, (ii) receipted funds collected from the billing of systems for which full operational services are not performed (iii) charges to Developers for new development costs, (iv) interest income and other miscellaneous revenue streams not otherwise described, and (v) charges for vector truck services provided to the various systems. **Exhibit 6** contains a proforma breakdown of the various revenues for the fiscal year ending March 31, 2022.

Section 5.1.2 - Expenses

Expenses to the DPW Fund shall include the payments made from the fund for labor costs for Utility Department employees (direct costs, benefits and indirect costs),

insurance, taxes, fuel, repairs, vehicle purchases, outside consultants, computers, software, equipment, tools, vector services, and other items required to properly provide the services described in this Agreement, as well as any legal services and accounting services related to employees of the Utility Department or services provided by the Utility Department to the Systems pursuant to this Agreement. Budgeted expenses for the fiscal year ending March 31, 2023 are listed in **Exhibit 6**.

Section 5.2 - Calculation of Labor and Equipment Compensation

The parties agree that for the fiscal year 2022-2023, the operational costs for the Systems shall be allocated based on the 2022 allocation percentages presented in **Exhibit 7**. Beginning on April 1, 2022, and in each subsequent year, the allocation percentage calculation shall be based on the formula presented in **Exhibit 7**. In January of each year, the Utilities Staff will re-evaluate the System allocations based on changes in the number of customers, piping, pump stations, consolidation of systems, as illustrated in the formula. The Utilities Staff will then present the revised allocation to the governing boards of the Systems in January or February of each year and such revised allocation shall be considered for approval by the governing board of each System prior to the end of February of each year. The governing boards of the System shall use their best efforts to approve any proposed revised allocation, shall promptly state the basis for any rejection of any such allocation, and shall bargain in good faith to ensure that a fair allocation is agreed upon no later than February 1st of each year. In the event that the revised allocation is not approved by the governing board of each System as set forth above, then the then current allocation shall remain in effect for the fiscal year beginning on the following April 1. Set forth in **Exhibit 8** is a calendar illustrating the timing for the determination of the DPW's annual budget and annual allocation of costs to the Systems.

Section 5.3 - Base Payment for Services

The Utility Department shall invoice the Systems monthly for services provided by the approved allocation percentage of the annual DPW Fund Budget, minus the fixed billing revenue. **Exhibit 6** documents how fiscal year 2022-2023 will be invoiced. Each subsequent year shall be invoiced in a similar manner. All such invoices for services shall be paid within 45 days after the invoice has been sent.

Section 5.4 - Surpluses and Shortfalls

As the annual monthly payments are based on the total anticipated expenses of the DPW Fund Budget, surpluses and deficits may result at the end of the budget year for things such as employee departure, insurance adjustments, fuel prices, mechanical failures, utility service interruption or acts of nature. This adjustment will occur in August of each calendar year of this Agreement following completion of the annual audit of the DPW Fund. Surpluses or deficits will be adjusted back to each System based on the allocation percentage unless one or more Systems causes a substantial or disproportionate change in the DPW Fund Budget, in which case such System shall bear the resulting change in cost. An example of an event that might cause a disproportionate change includes, but is not limited to, serious mechanical failures of a system, power outages, system failures, or acts of God (lightning, fire, flood, etc) that cause the Utility Department to incur significant additional cost to keep such system operational.

Section 5.5 - Annual Budget Adjustment

Based on the allocation percentages described above, annual budget adjustments will be presented to the System's governing boards in February for each effective year of this Agreement. The Utility Department will make reasonable attempts to maintain and reduce operational costs for the Systems. Comments will be received from the System's governing boards, and a final budget will be presented in March of each year. Subject to Section 6.3 below, the final budget for each year shall be binding on each of the parties to this Agreement. Set forth in **Exhibit 8** is a calendar illustrating the timing for the determination of the annual budget for the DPW Fund.

Section 5.6 - Additional Payments by the Governing Boards

The parties acknowledge that the governing boards of the Systems shall each pay directly for services and products not covered by this Agreement including: utilities (gas, electric, and other utilities), chemicals, repair parts, outside contractor services, licenses fees and permits, laboratory testing, MXU radio read units and SCADA systems, and specialized tools and supplies for each system. Additionally, specialized tools and materials required for the operation of a specific System will be the responsibility of that respective System.

Section 5.7 - Procedures for the DPW Providing Services to Additional Systems

During the term of this Agreement, the Utility Department may be requested to provide services to additional utility systems or governing bodies. Providing services to additional systems may result in improved operation, efficiency, and cost savings for the residents served by the Systems. As a result, the following procedures will be utilized to evaluate requests by third parties to receive utility services from the Utility Department:

Section 5.7.1 - Notification of Request

The Utility Staff shall provide notice to each party to this Agreement of a request from an outside party to have the Utility Department provide utility services to such outside party.

Section 5.7.2 - Preliminary Staffing and Financial Assessment

Following the request notification, the Utilities Staff shall perform a preliminary evaluation of the potential staffing and financial impacts to the existing DPW Fund Budget. If improved operation and cost savings for the existing DPW Fund are not projected with the preliminary evaluation, then utility services will not be provided to the outside party.

Section 5.7.3 - Approval by Governing Boards

A preliminary staffing and financial evaluation that projects improved operation and cost savings will be presented to each governing board of the Systems. Prior to providing such utility services to the requesting third party, the governing board of each System will need to approve by resolution the services that will be performed, the costs

that will be charged to such third party and the manner in which the staff and legal costs associated with providing utility services to such third party will be paid. Additionally, the governing board of each System will also be required to approve any revision to the DPW Fund Budget that exceeds by 5% the then current DPW Fund Budget and any revisions to the allocation of costs provided by Section 5.2 of this Agreement.

Section 5.7.4 - Billing Only Duties

Should the services requested by the third party consist only of performing billing duties that do not significantly impact staffing levels or costs, the Utilities Staff can perform such billing duties without the staffing and financial assessment described above.

Section 5.8 – Reserve Funds

Section 5.8.1 – Fund Balance

The target fund balance in the DPW Fund at the end of each fiscal year during the Term of this Agreement shall be \$75,000 following the annual audit of the DPW Fund, with the exception of the vehicle reserve fund, which shall be maintained as described in Section 5.8.2. To the extent that the DPW Fund has a balance of more than \$75,000 following the annual audit of the DPW Fund, then the amount exceeding \$75,000 shall be returned to the parties hereto based on the same allocations on which such funds were paid to the DPW Fund. In the event that the DPW Fund balance falls below \$50,000 at the end of any fiscal year following the annual audit of the DPW Fund, Genoa may adjust the budget for the following year to replenish the DPW Fund Budget to the target fund amount.

Section 5.8.2 – Vehicle Reserve Fund

As part of the DPW Budget, Genoa shall maintain a segregated DPW vehicle reserve fund. This fund shall be used for replacement of the vehicle fleet as the fleet ages and repair costs and safety concerns warrant replacement of the vehicles. For fiscal year 2022- 2023 and thereafter, the fund balance in the vehicle reserve fund shall not exceed \$150,000.

ARTICLE VI - TERM AND TERMINATION

Section 6.1 - Term

This Agreement began on April 1, 2011 (the “Commencement Date”) and the initial term ran through March 31, 2016, the agreement was renewed on April 1, 2016 and ran through March 31, 2021 and was again renewed on April 1, 2021 with a term ending on March 31, 2026. The term of this Agreement shall remain unchanged except for the addition of Howell and the terms and conditions of this Amended and Restated Agreement shall be effective upon the Effective Date. Thereafter, this Agreement will automatically renew for successive five (5) year terms each, unless written notice of termination is provided by a party to this Agreement to the other parties not more than 180 days and not less than 90 days prior to the end of the then current term. In such event this Agreement shall only terminate as to the terminating party(ies) provided

that the remaining parties can agree on an amended budget under Section 5.1 above and new allocation percentages under Section 5.2 above. In the event that a party elects to terminate this Agreement without cause, and that party creates employment positions (or third party contractor positions) to operate its Systems, that party shall provide first preference for any such positions to any Utilities Staff that are, or will be, displaced (or laid off) as a result of that party's election to terminate. In the event that any Utilities Staff are laid off as a result of a party terminating this Agreement without cause and said Utilities Staff are not hired by the terminating party, then the terminating party shall, on a quarterly basis, reimburse Genoa for all unemployment costs incurred by Genoa as a result of said layoff(s) for a period of one (1) year from the effective date of said termination.

Section 6.2 - Events of Default and Remedies

The failure of any party to comply with any material term of this Agreement shall constitute a default. Upon default by a party, the complaining party shall send written Notice of Default to the defaulting party with a copy to the other parties. Such notice shall clearly specify the nature of the default and provide the defaulting party sixty (60) days to cure the default. If the default is capable of being cured within sixty (60) days, but is not cured within the sixty (60) days, the Agreement shall, at the option of the non-defaulting party(ies), terminate at midnight of the sixtieth (60th) day following receipt of the Notice of Default. In the case of default that cannot be cured within sixty (60) days, the Agreement shall not terminate so long as the defaulting party has given written notice of the extension to the other parties and the defaulting party has commenced and is diligently pursuing a remedy, provided, however, that if the defaulting party has failed to give notice or failed to commence or pursue a remedy, the termination of this Agreement as to the defaulting party shall be at the option of the non-defaulting party(ies). Evidence of such remedy and its diligent pursuit shall be provided from the party determined to be in default to the satisfaction of the non-defaulting party(ies), and in any event such extension may not extend for more than one hundred eighty (180) days. Any termination under this paragraph shall only be effective as to the defaulting party and this Agreement shall remain in full force and effect as to the non-defaulting parties, provided that the non-defaulting parties can agree on an amended budget under Section 5.1 above and new allocation percentages under Section 5.2 above.

In the event of the termination of this Agreement under the terms outlined above, the defaulting party shall pay Genoa for the services provided and invoiced up to the effective date of termination. Payment shall be made within thirty (30) days of the date of termination. Additionally, the non-breaching party or parties shall retain and may pursue all other remedies that may be available under applicable law.

Section 6.3 - Additional Option to Terminate as a Result of the Annual DPW Fund Budget

In addition to the other termination options under this Agreement, the parties to this Agreement shall have the right to terminate this Agreement in the event that the annual budget presented by the Utility Department in March of each year, pursuant to Section 5.5 of this Agreement, exceeds by more than 10% the DPW Fund Budget for the then current fiscal year. Any modifications previously approved by the governing boards of the Systems (including, but not limited to, modifications approved under Sections 3.4, 3.5 and 5.7.3 of this Agreement) shall

be excluded from the calculation of whether the 10% threshold has been exceeded. In order for a party to terminate this Agreement pursuant to this Section, such party must provide written notice to the other parties to this Agreement no later than April 15 following the presentation of the annual budget and in such case, the then current DPW Fund Budget shall remain in place and this Agreement shall terminate on the following June 30.

ARTICLE VII - INSURANCE

Section 7.1 - Insurance Provided by Genoa Township

Genoa shall provide and maintain the following levels of insurance coverage at all times during the term of this Agreement:

- (1) General Liability and Vehicle Liability Insurance with a combined single limit in the amount of \$5,000,000.
- (2) Worker's Compensation Insurance in compliance with the laws of the State of Michigan, covering Township employees engaged in the performance of services, to the required statutory amount.
- (3) Sewer Backup Coverage in the amount of \$250,000.

Section 7.2 - MHOG Insurance

MHOG shall provide and maintain the following levels of insurance coverage at all times during the term of this Agreement:

- (1) General Liability Insurance with a combined single limit in the amount of \$5,000,000.
- (2) Property insurance in amounts sufficient to cover real property owned by MHOG.

Section 7.3 - G-O Insurance

G-O shall provide and maintain the following levels of insurance coverage at all times during the term of this Agreement:

- (1) General Liability Insurance with a combined single limit in the amount of \$5,000,000.
- (2) Property insurance in amounts sufficient to cover real property owned by G-O.
- (3) Sewer Backup Coverage in the amount of \$250,000.

Section 7.4 - Howell Township

Howell Township shall provide and maintain the following levels of insurance coverage at all times during the term of this Agreement:

- (1) General Liability Insurance with a combined single limit in the amount of \$5,000,000.
- (2) Property insurance in amounts sufficient to cover real property owned by G-O.
- (3) Sewer Backup Coverage in the amount of \$250,000.

ARTICLE VIII - DISPUTE RESOLUTION

Section 8.1 - Appointment of Panel

The parties agree that any and all claims, controversies or actions arising out of the terms, provisions or subject matter of this Agreement shall be referred to a panel (the "Panel") consisting of three (3) representatives (the "Representatives"). The Utility Staff shall appoint one representative to the Panel, the governing bodies of the Systems shall collectively appoint one representative to the Panel and the two representatives shall mutually agree on a third representative for the Panel. Such appointments shall be made by the parties within fifteen (15) days of written notice of a dispute or claim.

Section 8.2 - Additional Remedies and Arbitration

Notwithstanding the provisions of Section 8.1, if the claim or dispute is not resolved by the good faith negotiations of the Representatives within sixty (60) days of appointment, any of the parties to this Agreement, subject to the following, may seek any remedies available at law and/or in equity to resolve the dispute. Additionally, the parties to this Agreement may, if they mutually agree in writing, submit any claims, disputes or other matters in question arising out of or relating to this Agreement or breach thereof to arbitration in accordance with the Arbitration Rules of the American Arbitration Association currently in effect, or such other rules of arbitration to which they may mutually agree. The arbitration shall be conducted in a location selected by mutual agreement of the parties. The costs of the arbitrator shall be shared equally by the parties. Each party shall be responsible for the costs of its own legal counsel, witnesses and documents it submits to the arbitrator. The arbitrator shall have no authority to change any provision of this Agreement, and the arbitrator's sole authority shall be to interpret or apply the provisions of this Agreement in accordance with the laws of the State of Michigan. If the parties mutually agree to settle a claim, dispute or other matters in question between them by arbitration, the award rendered by the arbitrator(s) shall be final and judgment may be entered upon it in accordance with the applicable law and any court having jurisdiction thereof. Any and all awards shall be in writing and shall give the arbitrator's supporting reasons for the award. It is expressly understood and agreed that any agreement to submit a particular claim, dispute or matter to arbitration shall apply only to that claim, dispute or matter and shall not be binding upon any other claims, disputes or matters which may arise between the parties.

Section 8.3 - Covenant to Continue Work

During resolution of any dispute under this Article, Genoa and the System's governing boards shall each continue to perform their respective obligations under this Agreement without interruption or delay.

ARTICLE IX - MISCELLANEOUS

Section 9.1 - Assignment

This Agreement is binding on the parties hereto, and their permitted successors and assigns. The parties agree not to transfer or assign their respective interests in this Agreement without the written consent of the other parties hereto.

Section 9.2 - Choice of Law and Forum

This Agreement shall be subject to and governed by the laws of the State of Michigan. The parties agree that the venue for the bringing of any legal or equitable action under this Agreement shall be established in accordance with the statutes of the State of Michigan and/or Michigan Court Rules. In the event that any action is brought under this Agreement in Federal Court, the venue for such action shall be the Federal Judicial District of Michigan, Eastern District, Southern Division.

Section 9.3 - Entire Agreement

This Agreement and the attached exhibits represent the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior representations, negotiations or agreements whether written or oral.

Section 9.4 - Notices

All notices shall be in writing and shall be deemed given when mailed by first class mail or delivered in person. Notices to be given to Genoa Charter Township will be addressed to:

Genoa Charter Township
2911 Dorr Road
Brighton, MI 48116
Attention: Supervisor

Notices to be given to MHOG will be addressed to:

MHOG Sewer and Water Authority
1577 N. Latson Road
Howell, MI 48843
Attention: Secretary

Notices to be given to Genoa-Oceola will be addressed to:

Genoa-Oceola Sewer and Water Authority
2911 Dorr Road
Brighton, MI 48116
Attention: Secretary

Notices to be given to Howell Township will be addressed to:

Howell Township
3525 Byron Road
Howell, MI 48855
Attention: Supervisor

Section 9.5 - Severability

Should any part of this Agreement for any reason be declared invalid or void, such declaration will not affect the remaining parts of this Agreement, which will remain in full force and effect as if the Agreement had been executed with the invalid portion eliminated.

Section 9.6 - Amendment or Modification of Agreement

No change in or modification, termination or discharge of this Agreement, in any form whatsoever, shall be valid or enforceable unless it is in writing and signed by the party to be charged therewith or its duly Authorized Representative.

Section 9.7 - Third Party Beneficiaries

Except as expressly provided herein, this Agreement does not create, and is not intended to create, by implication or otherwise, any direct or indirect obligation, duty, promise, benefit, or any other right in favor of any person other than the parties.

Section 9.8 - Counterparts

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 the benefit of the parties to it and their respective successors and assigns.

Section 9.9 - Required Taxes, Insurances, Fees and Documents

Genoa agrees that it will operate legally and pay all federal, state, local, social security, Medicare and unemployment taxes, liability and workers' compensation insurance premiums, and license or permit fees necessary to conduct business.

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

Date: _____

Robert Hanvey

By: Bob Hanvey
Chairman

GENOA-OCEOLA SEWER AND WATER
AUTHORITY

Date: _____

William J. Bamber

By: William J. Bamber
Chairman

GENOA CHARTER TOWNSHIP

Date: May 18, 2022

Bill Rogers

By: Bill Rogers
Its: Supervisor

HOWELL TOWNSHIP

Date: April 11, 2022

Mike Coddington

By: Mike Coddington
Its: Supervisor

EXHIBITS

Exhibit 1 – Duties of Support Services Division

Exhibit 2a –Duties of Water Division

Exhibit 2b –Duties of Wastewater Division

Exhibit 3 – Utility Billing Services Statement of Duties under Support Services Division

Exhibit 4 – Utility Department Staff Organization Chart

Exhibit 5 - Vehicle, Supply, and Material Summary

Exhibit 6 – FY 2023 Genoa Charter Township DPW Fund Budget Worksheet

Exhibit 7 – FY 2023 System Labor and Equipment Allocation Percentage

Exhibit 8 – Timetable for Allocation of Budget

Exhibit 1
Duties of Administrative Services

Exhibit 1

Utility Department Support Services Division Statement of Duties

The Utility Department Support Services Division (SSD) shall perform such duties and responsibilities as directed from time to time by the System Boards. The following duties and responsibilities shall be performed by the SSD Staff, unless otherwise directed by the System Board:

Attend all System Board and Committee meetings. Currently the MHOG and GO Boards meet once per month, the Oak Pointe and Lake Edgewood systems are reviewed as necessary, and the Howell Township Sewer Committee meets once per month.

Approve chemical and supply orders from the plant and facilities operator.

Approve all invoices associated with operation of the System and allocate the expense to the appropriate line item within the System O&M Fund or the DPW Fund.

Oversee compliance of the DPW Operation and Maintenance Staff with the contract conditions (i.e. assure fire hydrants are pumped out on time, perform spot inspections, upkeep of plant maintenance, pump stations are checked in).

Oversee compliance of the Meter Service, Reading, Billing, and Receipting Staff (Except Howell Twp. shall continue to perform its own billing as it has in the past) with the contract conditions (ie. Meters maintained and read, bills sent out).

Bid subcontracted maintenance items such as lawn mowing and make recommendations to the System Board or Committee.

Make recommendations to the System Board(s) or Committee(s) considering capital improvements required to meet demand or flow conditions within the System or to provide improved monitoring, pressure modifications, or improved reliability and/or redundancy.

Make recommendations to the System Board(s) or Committee(s) regarding proposed capital improvements proposed by developers and townships.

Work with the accountant and consulting engineer on capital improvement plans.

Serve as a liaison between the System and the Michigan Department of Environment Great Lakes and Energy (EGLE). Address regulatory inquiries, inspections, violations and compliance.

Provide the System Board or Committee with staff recommendations on consulting engineering proposals.

Serve as a liaison with the public and press in the event of a system failure, water main break, sanitary sewer overflow, etc. Complete correspondence with the EGLE for system failure events as necessary.

Provide a status report at the System Board or Committee Meetings.

Provide annual estimated budget expenses for each line item in the System's Operation and Maintenance Fund.

Oversee the operation of the Systems.

Hire operations personnel as necessary to complete the services outlined in **Exhibits 2 and 3**.

Oversee the general welfare of the Systems.

Coordinate and oversee the review of construction plans prepared by consulting engineers.

Review reports and plans prepared by consulting engineers and make recommendations to the System Board or Committee.

Recommend annual maintenance activities to the System Boards and Committees.

Oversee the submittal of construction plans to EGLE for permits.

Oversee the maintenance of electronic copies of conforming to construction record drawings.

Maintain and update GIS System for the DPW showing the System's distribution and collection lines, including water hydrants and valves and sanitary sewer structures.

Oversee the maintenance of an up to date model of the MHOG water distribution system.

Provide recommendations to the System Board(s) or Committee(s) on distribution system or collection system improvements.

Oversee the development of a system wide database and management of the system data, including conforming to construction record drawings, water system production and distribution data, sanitary system treatment and collection system data, and customers connected to the Systems.

Host, Maintain, and Update the MHOG.org website with customer information for the MHOG System, Genoa-Oceola System, Howell Township and Genoa Township Systems.

Serve as a host for maintenance tracking software to document inventory, work orders, and system components.

Oversee new development so that it is constructed in conformance with the approved Design Standards and Connection Manual.

Host and maintain a GIS database of utility system components.

Serve as a liason with the public, press, and media.

Exhibit 2a
Water System Operation and Maintenance Duties

Exhibit 2a

Water Division Statement of Duties

Overview

The duties described are of a professional nature and shall be performed in accordance with the degree of skill and care ordinarily exercised by member of the Operator's Profession. Qualified, and where required, certified staff shall be provided.

Plant Operation

Operate the Water Treatment Plant in conformance with State Laws and Regulations including but not limited to:

- Staffing to meet production demand
- Maintenance of equipment including routine cleaning and lubrication
- Equipment Inspections and Adjustments
- Laboratory Analysis and Testing
- Data management and record keeping
- Preparation and prompt delivery of all applicable and required filings including monthly MRO Reports, NPDES Reports, Consumer Confidence Report, & Backflow and Cross Connection Reports to regulatory agencies and consumers as required by law
- Maintenance of wells and well houses including recommended preventative maintenance and emergency power service
- Maintenance of controls and instrumentation
- Coordination of Lime residual removal
- Maintain Buildings and Grounds including:
 - Recommending necessary painting projects to Authority Board
 - Bidding and hiring of lawn and snow removal services
 - Coordinating waste disposal services
- Performing other duties as necessary to maintain quality service

Distribution System

Operate the Water Distribution System in conformance with State Laws and Regulations including but not limited to:

Maintenance of water towers including altitude valves, emergency communication, temperature and level sensors, cathodic protection, periodic paint and coating inspections, and recommendations for painting and maintenance projects.

Utilize the computer and SCADA monitoring system and coordinate repairs as necessary.

Maintenance of pressure reducing valves including checking operation, verify operation and coordination of repairs.

Maintenance of Fire Hydrants including annual flushing, repairs as necessary, painting as necessary, and tracking in a GIS System.

Coordinate the repair of valve boxes, curb stops, and valves as necessary.

Performing and/or coordinating emergency repairs of water distribution components and lines

Conducting regulatory and public notifications, advisories, and recommended course of actions regarding interruption in service or boil water notices.

Conduct record management and maintenance of treatment and flow data.

Record management of work orders for meter service and customer repairs.

Coordinate with local and state agencies on right-of-way projects impacting the water Systems, including protection, relocation, and interruption of service.

Perform MISS DIG services

Performing other duties as necessary to maintain quality service

Staff will ensure permits remain in effect and will address regulatory inquiries, inspections, and violations.

Administrative and operations staff will serve as Authority liaisons with the public, presenting a professional image of the Authority. Administrative staff will address public concerns regarding employee presentation and service.

Staff will perform its best effort with regard security of the facilities by locking facilities, utilizing alarm systems, tracking of keys, and tracking facility access by outside personnel. Staff will also make recommendations to the Governing Board regarding the implementation of security improvements.

Staff will make every effort to reduce energy usage in the facilities through use of energy saving devices and utilization of energy best management practices.

Staff serving the system will be encouraged to obtain training and obtain certifications to improve operational knowledge which will result in improved service to customers.

A 24 hour 1-800 emergency call center will be provided to answer customer and system after hour emergencies and dispatch of on-call personnel.

Exhibit 2b
Wastewater System Operation and Maintenance
Duties

Exhibit 2b

Utilities Staff Waste Water Division Statement of Duties

Overview

The duties described are of a professional nature and shall be performed in accordance with the degree of skill and care ordinarily exercised by member of the Operator's Profession. Qualified, and where required, certified staff shall be provided.

Plant Operation

Operate the Wastewater Treatment Plant in conformance with State Laws and Regulations including but not limited to:

- Staffing to meet daily treatment NPDES Permit Requirements
- Maintenance of treatment equipment including routine cleaning and lubrication
- Equipment inspections and adjustments
- Laboratory analysis and testing
- Data management and record keeping
- Preparation and prompt delivery of all applicable and required filings including monthly MRO Reports, CMR Reports, DMR Reports to regulatory agencies as required by law
- Maintenance of controls and instrumentation
- Coordination of Biosolids residual removal
- Maintain Buildings and Grounds including:
 - Recommending necessary projects to Township Board
 - Snow Removal
- Performing other duties as necessary to maintain quality service

Collection System

Operate the Wastewater Collections System in conformance with State Laws and Regulations including but not limited to:

- Maintenance of pump stations
- Recommendations to Governing Boards on pump replacements, upgrades, and repairs
- Maintenance and repair of air release valves.

- Repair of valve boxes, and valves as necessary. Performing and/or coordinating emergency repairs of wastewater collection components and lines
- Conducting regulatory and public notifications, advisories, and SSO Events
- Conduct record management and maintenance of pump station flow and runtime data.
- Coordinate with local and state agencies on right-of-way projects impacting Utilities including protection, relocation, and interruption of service.
- MHOG will perform routine cleaning activities for all sewers, collection systems components and pump stations as part of the included services.
- MHOG will coordinate non-routine or large scale sewer and pump station cleaning activities at the expense of the associated utility.
- Perform MISS DIG services
- Performing other duties as necessary to maintain quality service

Miscellaneous Services

Staff will comply with permit renewal deadlines and will address regulatory inquiries, inspections, and violations.

Administrative and operations staff will serve as Township liaisons with the public, presenting a professional image of the Authority. Administrative staff will address public concerns regarding employee presentation and service.

Staff will perform its best effort with regard security of the facilities by locking facilities, tracking of keys, and tracking facility access by outside personnel. Staff will also make recommendations to the Township Board regarding the implementation of security improvements.

Staff will make every effort to reduce energy usage in the facilities through use of energy saving devices and utilization of energy best management practices.

Staff serving the system will be encouraged to obtain training and obtain certifications to improve operational knowledge which will result in improved service to customers.

A 24- hour 1-800 emergency call center will be provided to answer customer and system after hour emergencies and dispatch of on-call personnel.

Exhibit 3
Utility Billing Services Statement of Duties

Exhibit 3

Meter Service, Reading, Billing and Receipting Services Under Support Services Division Statement of Duties

Meter Installation - Permanent

Receive and File Meter Sales Forms

- Schedule with Customers Order and Pick-up of Specialty Meters (>1-inch)

Maintain inventory of meters

Schedule appointments with customers for meter installations

Perform Meter Installs

- Obtain Backflow Certificate

- Install Meter and Reading Device

- GPS Location for Vehicle Based Reading Unit

- Complete Work Order with Meter and Head Numbers for Input into Billing Software

Utilize Work Order to Set-Up a New Customer Account or Update for Irrigation Install

- For commercial account, select hazard classification and add to Hydrocorp Inc. list for Backflow and Cross Connection Inspection

- Input GPS Points

- Input Backflow Control Device for residential and irrigation accounts

- File Installation Paperwork

- Locating curb stops for builders and homeowners.

Meter Installation – Seasonal

Schedule Spring Installation for Water Only Seasonal Irrigation or Recreational Meters (~50 Meters Total)

- Send out notification letters to each account

- Require backflow device test during installation

Install meters at scheduled times

- Turn on water services

- Test radio read device

- Obtain Backflow Certificate

Schedule Fall Removal for Water Only Seasonal Irrigation or Recreational Meters (~50 Meters Total)

- Send out notification letters to each account of winterization responsibilities

- Remove meters

- Obtain final reads on each account

- Shut down water services

Meter Reading & Billing

R-Type MXU accounts are loaded into vehicle based reading route

M-Type MXU accounts are loaded into handheld reading unit and /or future vehicle based unit

Radio reads are obtained in the field

Audit of non-reads by MXU units are added to manual read accounts

Each non-read manual is visited to obtain a read

Non reads are added to repair list and letters are sent to customer requesting appointments.

Each read is audited by:

- Verifying of account information

- Each read is compared to previous quarter

- Contact made with each customer with read outside normal range, accounts are noted when a homeowner is gone during the winter months.

- Research reads that show no usage.

- Identify if there is a leak. If leak is found, determine if sewer or water only.

- Adjust accounts as necessary

- Identify Repairs and Perform Site Visits, including but not limited to:

 - Assisting Homeowners with identifying leaks

 - Change out of meter heads

 - Researching as to why a home or business may not have irrigation usage over summer. (Irrigation System may have bypass installed).

Following of Audit, meter reads are posted to accounts

Following posting of accounts, bills are printed

Printed bills are separated and sorted for post office

Bills are placed in batches for apartment complexes, condos, etc... to save on postage

Postage is calculated, and payment and delivery of bills is made to post office.

Copy of Howell Township's meter reads are forwarded to Howell Township along with all supporting documents.

Post Meter Reading and Billing

As referenced above, between billing cycles:

- Non-reads are scheduled for maintenance which may include:

 - Installation of an external MXU

 - Re-wiring from reading unit to meter

 - Change out of faulty or clogged meter

 - Change out of meter head

 - Frequently, the above task require preparation of mailings to customers to obtain home access

- Record any account or equipment changes in Billing Software.

- Transfer of Delinquent balances to Place on Tax Rolls

Handling of All Bankruptcy Accounts which includes:

Chapter 7 – If is debt discharged balances are written off

Chapter 13 – Balance that is owed at time of filling is transferred to an additional account with payments being applied from Trustee only.

All bankruptcy amounts must be broken down into water and sewer dollars.

Obtaining Final Reads and Preparation Final Bills from Property Sales

Final bills are printed once a month, however, the majority of final bills are faxed directly to the title company that is holding escrow, this is done daily.

Answering of customer account changes and complaints, questions on bills and scheduling of inspections for leaks.

Provide assistance to customers accessing & making Payments using MHOG's on-line bill paying web site by taking verbal Credit or Debit card payments from customers over the Phone.

Miscellaneous Services

Tracking and service shut-off of foreclosures

Cross Connection Program and Consumer Confidence Reports

Software Upgrades & Annual Maintenance & Software Support Fees

Response to Township request for usage history

Preparation of billing reports for commercial account audits

Preparing Billing Summaries & Account Receivable Reports by District & Township

Entering any adjustments on customer accounts, example: NSF Checks, removing payment.

Keeping track of all meters installed for each subdivision or complex. Any meters not installed yet are checked to make sure lot is still vacant.

Maintaining list of all paid and unpaid meter packages, always checked before meter package is installed in new home.

Bill Collection (Except Howell Twp.)

Opening mail

- Matching check to payment stub
- No stub included – look up information and write ticket
- From closing companies - looking up to make sure new owner is set up on system

Posting payments

Balancing posting

- Add checks and cash to balance to posting amount
- Write out deposit ticket
- Run posting reports
- Commit batch after balancing

- Put reports into Utility Receipts binders

Deposit to bank

Customer relations

- Taking payments over the counter
- Taking phone calls from customer
- Solving problems for customers
- Collect NSF's

Payments on line

- Retrieve via Email from Billing Software total amount submitted the day before
- Run posting reports
- Next day verify monies in bank match on line payment total
- Commit batch
- Put reports into Utility Receipts binders

Delinquents to Tax Rolls

- Work with Billing Specialist to transfer delinquents to tax rolls
- Special handling of paid delinquents from Sept – Nov
- Disburse delinquent amounts paid to individual townships so they can mark their tax roll accordingly

Balancing Account and Distributing Funds

- Make Excel Sheets from G/L Distribution Daily Reports, to give breakdown of sewer & water by district
- Using spreadsheet enter Deposit totals into Quick Books
- Enter any fees (Merchant Fees) etc
- Do Journal Entries - Non Sufficient Fund's (NSF's)
 - adjustments to statement
- Any refunds made on finals throughout the month
- Do checks for distribution
- Once Chart of Account Balances, print and distribute checks to each district
- Reconcile Account for the month

Close communication is required between the persons billing (finals), receipting (NSF's) and balancing throughout the month to insure balancing at the end of the month.

Exhibit 4
Utilities Department Staff Organization Chart

**Exhibit 4
MHOG Utility Department
Organizational Structure**

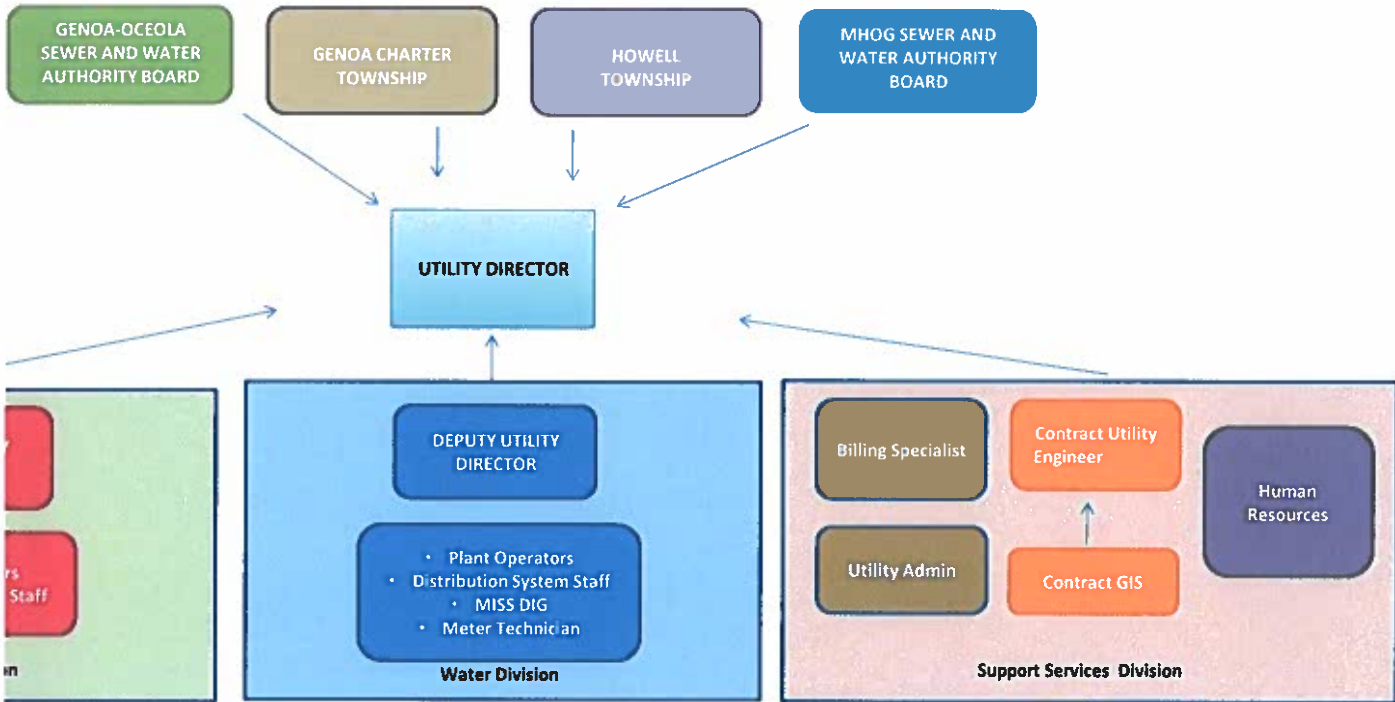


Exhibit 5
Vehicle, Supply and Material Summary

Exhibit 5

Vehicle, Supply, and Material Levels

Vehicles

A minimum of 26 vehicles will be provided to service the systems. Specialized vehicles will include:

One Ton Crane Truck - (1)
Plow Truck - (3)
Truck with 80 Gallon Fuel Tank and Transfer Pump - (2)
Vacuum Extraction Van (Grinder Van) – (1)
Vactor Truck – (1)
F-750 (or Equivalent) Crane Truck (1)

Supplies and Materials

Safety equipment including:

- Confined space entrance equipment including gas detectors,
- Individual PPE
- Traffic safety vests
- Eye protection
- Other job specific safety requirements

Paper and Office supplies

Computers and Software

Uniform Shirts

Meter Reading Equipment

Billing Software

GIS Software

Map Work Order Management System (Central Square[®] Software)

E-mail for Staff

Mobile Phone Systems

MISS DIG Accounts and Marking Equipment

MHOG Website

Exhibit 6
2023 Genoa Charter Township DPW Fund
Budget Worksheet

DRAFT GENDA TOWNSHIP - DPW FUND #233
BUDGET TO ACTUAL REPORT FOR 9-MOS ENDING 12/31/21
PROPOSED AMMEDED BUDGET FOR FY ENDING 3/31/22
PROPOSED BUDGET FOR FY ENDING 3/31/23 - HOWELL TOWNSHIP

ACCOUNT#	ACCOUNT DESCRIPTION	APPROVED BUDGET FOR YEAR ENDING 3/31/22	ACTUAL FOR 9 MOS ENDING 12/31/21	PROPOSED AMENDED BUDGET FOR THE YEAR ENDING 3/31/22	CURRENT PROPOSED BUDGET FOR YEAR ENDING 3/31/2023	HOWELL PROPOSED BUDGET FOR YEAR ENDING 3/31/2023	NOTES
233-630-702-001	SALARIES						
233-627-715-001	RETIREMENT	248,131	112,617	152,000	163,515	174,120	Additional Staff
233-630-702-002	STRAIGHT TIME	1,389,123	1,013,375	1,351,156	1,532,468	1,606,645	Additional Staff
233-630-702-007	OVERTIME	112,806	88,876	118,501	123,884	156,234	Additional Staff
233-630-702-011	CONTRACT ENGINEER	79,040	34,936	45,581	81,411	81,411	Additional Staff
	TOTAL SALARIES	1,729,099	1,249,804	1,668,248	1,901,278	2,018,410	
233-640-753-001	SUPPLIES & TOOLS	1,500	6,662	8,000	5,000	5,000	Meter reading equipment
233-651-853-001	TELEPHONE						
233-651-853-003	ANSWERING SERVICE	3,500	3,117	4,200	3,500	3,750	Based on # of calls
233-651-853-004	CELL PHONE ALLOWANCE	23,460	17,120	23,100	23,970	25,010	Additional Staff
233-651-853-005	CELL PHONES	2,000	1,251	1,668	2,000	2,000	Staff phones
233-651-853-007	CUSTOMER LINE	550	977	1,300	550	550	1-800 number for customers
	TOTAL TELEPHONE	29,510	22,665	30,268	30,020	32,310	
233-699-995-861	TRANSFERS TO EQUIPMENT RESERVES	40,000	30,000	40,000	40,000	45,000	Additional Vehicles
233-699-995-862	TRANSFERS TO PERSONNEL RESERVES	1,000	750	1,000	1,000	1,000	Hole
233-705-767-001	UNIFORMS & PROTECTIVE CLOTHING						
233-705-767-002	UNIFORMS	8,625	6,780	8,500	8,625	9,275	Increase costs for logos, clothing
233-705-767-003	PANT/BOOT ALLOWANCE/SAFETY CLOTH	13,850	6,138	8,184	13,850	15,150	Additional Staff
	TOTAL UNIFORMS & PROTECTIVE CLOTH.	22,475	12,918	16,684	22,475	24,425	
233-706-767-006	TRACTOR TRUCK						
233-706-932-050	VT - FUEL	3,500	1,890	2,900	3,500	3,500	Fuel for Truck
233-706-932-051	VT - EQUIPMENT/TOOLS	1,000	259	259	1,000	1,000	Nozzles, Clamps, Etc.
233-706-932-052	VT - ANNUAL LOAN PAYMENT	50,962	38,222	50,962	50,962	50,962	Payback to GO New User
233-706-934-040	VT - REPAIRS	10,000	-	8,000	10,000	10,000	Repairs to Truck, 6 Yrs Old
	TOTAL TRACTOR TRUCK	65,462	40,371	62,121	65,462	65,462	
	TOTAL EXPENDITURES	2,826,909	2,063,023	2,739,405	3,082,465	3,287,816	
	CHANGE IN FUND BALANCE	270	110,947	190,062	-	-	
	BEGINNING FUND BALANCE	202,691	202,691	202,691	228,083	228,083	
	REFUNDS TO W/S DISTRICTS	(127,690)	(127,690)	(127,690)	(150,061)	(150,061)	
	ENDING FUND BALANCE	75,271	185,948	225,063	75,000	75,000	

Exhibit 7
2023 System Labor and Equipment Allocation
Percentage

**FY 2022 System Labor Equipment Percentage Calculation
Including Howell Twp.**

System	Billed Connections	%	Mile of Pipe	%	Avg. Daily Flow (2020)	%	Storage / Pump Station with Daily Checks	%	Full Time Staff Equivalents to Operate	%	Annual Budget	%	Grinder Pumps or Hydrants	%	Total Avg.
MHOG	5,829	40.66%	143.42	44.88%	1,784,000	46.42%	8	33.47%	8	29.09%	\$2,932,824	32.49%	1,638	68.14%	42.16%
Genoa-Oceola	4,841	33.77%	92.35	28.90%	1,333,000	34.69%	6.9	28.87%	8	29.09%	\$2,433,861	26.96%	99	4.12%	26.63%
Oak Pointe Sewer	1,365	9.52%	27.8	8.70%	0	0.00%	2	8.37%	2.5	9.09%	\$1,054,280	11.68%	436	18.14%	9.36%
Oak Pointe Water	937	6.54%	15.43	4.83%	326,000	8.48%	3	12.55%	3.3	12.00%	\$489,010	5.42%	144	5.99%	7.97%
Lake Edgewood	515	3.59%	11.18	3.50%	125,000	3.25%	1	4.18%	3.2	11.64%	\$381,100	4.22%	87	3.62%	4.86%
Howell Township	848	5.92%	29.40	9.20%	275,000	7.16%	3	12.55%	2.5	9.09%	\$1,737,000	19.24%	0	0.00%	9.02%
Total	14,335	100.00%	320	100.00%	3,843,000	100.00%	24	100.00%	27.5	100.00%	9,028,075	100.00%	2,404	100.00%	100.00%

System	Existing Allocation %	Proposed Percentage	Difference
MHOG	45.57%	42.16%	-3.41%
Genoa-Oceola	29.24%	26.63%	-2.61%
Oak Pointe Sewer	10.77%	9.36%	-1.41%
Oak Pointe Water	9.04%	7.97%	-1.07%
Lake Edgewood	5.38%	4.86%	-0.52%
Howell Township	0.00%	9.02%	9.02%

Exhibit 8
Timetable for Allocation of Budget

Exhibit 8 Annual Budget Timeline Requirements

