

BESSEMER TOWNSHIP BOARD

REGULAR MEETING – April 14, 2025

5:30 PM

AGENDA

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE TO THE FLAG
2. ROLL CALL
3. PRESENTATION OF MINUTES (For the regular mtg. of March 24, 2025)
4. APPROVAL OF AGENDA
5. PUBLIC COMMENT (Limit 3 minutes per person)
6. PETITIONS;
7. COMMUNICATIONS
8. REPORTS – BOARDS, COMMITTEES & OFFICES
9. TREASURER’S REPORT (First Meeting of the Month)
10. APPROVE PAYMENT OF BILLS< PAYROLL & MILEAGE
11. UNFINISHED BUSINESS
 - A. Post Office Status
 - B. Audit
 - C. Ordinance – Hunting Restrictive on Township Properties (On Hold)
 - D. Section 32 Ordinance (On Hold)
 - E. Water/Sewer Project Additional Work – Sidewalk Decision
12. NEW BUSINESS
 - A. Water/Sewer Project – Bid Award
 - B. GRWA – Bessemer Township Water Supply Agreement
 - C. Lead Service Line Replacement Project Change Order
 - D.
13. PUBLIC COMMENT AND OTHER BUSINESS
14. ADJOURNMENT

Next Board Meeting; April 28, 2025

Bessemer Township Board Meeting March 24, 2025 minutes

1. **Call to order**, pledge of Allegiance to the Flag: Meeting was called to order at 6:24 pm following annual meeting and began with the Pledge of Allegiance.
2. **Roll Call**: Present: Hegbloom, Randal, Tarnaski, Selin, Ikola. Absent: Ikola. Absent: None.
3. **Presentation of the Minutes**: MOTION by Selin, supported by Ikola to approve the meeting minutes of 3/10/2025 as presented. Ayes: 5 Nays: None. MOTION carried.
4. **Approval of the Agenda**: MOTION by Randall, supported by Selin to approve the agenda as presented. 5 Nays: None. MOTION carried.
5. **Public comment**: None.
6. **Petitions**: None.
7. **Communications**:
 - i. March board of Review: minutes from 3/10/25 and 3/11/25 meetings.
 - ii. Charter Communications (Spectrum) Note channel additions to offerings.

MOTION by Randall, supported by Selin to accept the correspondence as presented and place on file. 5 Ayes. Nays: None. MOTION carried.

8. **Reports of boards, committees, and offices:**

- a. LeRoy Johnson, blight officer: LeRoy outlined the manuals he is creating and reviewing ordinances. Discussion was had.
- b. BASA-no report.
- c. Section 32-Met last week for GRWA to connect into sewer pipe owned by GRWA. Discussion was had. 1 Board member rescinded their previous motion since there were more items to discuss, and attorney opinion stated motion was allowable. Among topics discussed were costs, charges to hook into system, agreement, and unanticipated costs from GRWA for the use of the line. Discussion was had. Emphasis on the GRWA being an authority, and the township as a member as well as the previous funding for all projects shared by the authority memberships was discussed in detail as well as the charges for the use of the line and the resulting costs to the municipality.
- d. Gogebic Range Trail Authority: no report
- e. PAUD-Met. Discussion was had regarding new application for hookup form and policy. Clerk asked for clarification on such, since Bessemer City and Township are members of PAUD. Clarification was verbalized as new residences and/or customers for policy and procedure. Additional discussion was had.
- f. GRSWMA: Discussion was had regarding applicants interviewed, qualifications, offer extension and salary amount. All applications were received from local residents. Extended offer to local resident with background in finance, accounting, and private industry with supervisory experience in large plant operations.
- g. Treasurer's office/Utility Department: Ms. Hegbloom reported two service accounts were shut off, 2 were paid after notices were issued of pending service interruption. Delinquent account previously discussed for payment plan has been paid in full. Aged Accounts Receivable report was highlighted along with a copy given to the clerk for the record. Next quarter utility bills are currently under preparation with a due date of 4/23/25. Bills are anticipated to be mailed out by end of next week. Tax distributions have been sent to appropriate entities. County tax settlement is anticipated within next few weeks. Dormant fees to utility utilization account and BlackJack capital improvement account have been incurred and refund of fees requested from Gogebic Range Bank. In addition, screen shot of bank balances was given in paper format to clerk for the record. Treasurer is currently working on bank reconciliation from 4/1/25 utilizing excel spreadsheet for recordkeeping. Treasurer also requested Clerk send either copies of minutes or documentation for change of officers for signature changes. NOTE: since inception of this record, clerk has spoken to the financial institution Gogebic Range Bank to explain deputy appointment process-deputies are not entered into minutes for appointment. Clerk is sending copies of oath of office for bank record).
- h. Clerk report: Clerk gave oral report regarding several ongoing issues with the ledger and records. Correction of the general ledger continues. Pending audit filing from 2023 remains outstanding, and clerk asked for any updates. Revenue sharing is currently penalized for lack of audit filing. Discussion was had. Clerk and treasurer continue to work together to reconcile the accounts and establish protocol and procedures.

9. **Treasurer Report**: Treasurer provided a copy of her bank balances report to the Clerk to place on file and reviewed the status with the board as an oral presentation.

- 10. Approval of Bills, Payroll and Mileage:** Clerk submitted report for bills along with a check detail report for review and approval. In addition, a written synopsis of totals and check numbers previously approved by voice poll was distributed for formal action. MOTION by Selin, supported by Ikola, to approve the bills payroll and mileage as follows:

General Fund #17433-17455	\$42459.87
Water Fund #22603-22606	8485.54
Anvil Sewer-#	
Ramsay Sewer-#	
West End Sewer-#	

ROLL CALL VOTE AYES: Tarnaski, Selin, Ikola, Hegbloom. 5 Naves: None. MOTION carried.

Unfinished Business:

- Post Office Status: No Update.
- Audit: No updates.
- Ordinance-Restrictive on Township Properties: No update.
- Section 32 Ordinance: Discussion was had previously in meeting.
- Assessor Contract: Previous meeting discussion was to clarify if the contract was to be for a fiscal or calendar year renewal. Supervisor reported the assessor desired a fiscal year contract with 3% annual increase as outlined. MOTION by Tarnaski, supported by Selin, to approve the five-year contract as presented and authorize signatures with the salary as outlined in the document: increases effective with each fiscal year until end of contract term. ROLL CALL VOTE AYES: Ikola, Hegbloom, Randall, Tarnaski, Selin. Naves: None. Motion carried.

12. New Business:

- Appropriations Act: MOTION by Tarnaski, supported by Selin to approve the General Appropriations Act as presented for fiscal year 4/1/2025-3/31/2026. ROLL CALL VOTE AYES: Ikola, Hegbloom, Randall, Tarnaski, Selin. Naves: None. Motion carried.
- Budget Amendments: Discussion was had, MOTION by Sein, supported by Randall to approved the budget amendments for the 2024-25 fiscal year as presented:
101-107 Over Budget: 12729
101-253 Over Budget: 3258
101-265 Over Budget: 27980
101-446 Over Budget: 1753
101-751 Over Budget: 6592
Total: 52224
Proposed to move funds from the following to fund the above cost centers:
101-849 15000
101-900 19000
101-294 10000
101-526 10000
Total: 54000
ROLL CALL VOTE AYES: Tarnaski, Selin, Ikola, Hegbloom, Randall. Naves: None. Motion carried.
- Mikado pump station repair: Discussion was had. MOTION by Tarnaski, supported by Ikola, to approve the cost of the Mikado (Sanders Rd) pump station repair at a cost not to exceed \$11000.00. ROLL CALL VOTE AYES: Ikola, Hegbloom, Randall, Tarnaski, Selin. Naves: None. Motion carried.
- Discussion was had regarding correspondence from Ashley Miller, C2AE regarding New Location Design and the cost involved with road paving, sidewalks replacement and/or alternatives. Board will review the information presented for action at next board meeting.

13. Public Comment and other Business: None.

- 14. Adjournment:** MOTION by Selin, supported by Tarnaski to adjourn the meeting at 8:09 PM. Ayes: 5 Naves: None. MOTION carried.

WATER SUPPLY PURCHASE AND MANAGEMENT AGREEMENT
BETWEEN GOGEBIC RANGE WATER AUTHORITY AND BESSEMER
TOWNSHIP

This Agreement entered into on the ____ 9th-day of ~~April~~ March 202500, by and between, the Gogebic Range Water Authority, a public corporation, hereinafter referred to as the (Authority), and the Township of Bessemer, Michigan, a Michigan Municipal Corporation, hereinafter referred to as the (Township) both of which are located in Gogebic County, Michigan.

PREAMBLE

The Authority was duly created under the provisions of Public Act 233 of the Public Acts of Michigan for 1955. The Authority was established with several municipal members, these Constituent Members shall hereinafter be referred to as (Members) which are:

1. Bessemer, City 2. Bessemer Township 3. Wakefield, City 4. Wakefield Township *J. IRONWOOD TWP.*

The purpose of the Authority is to ~~provide acquire, construct, own, operate, and/or assign interests in a~~ potable fresh water main transmission line and supply system for the delivery of safe drinking water to the residents of its Members.

~~WHEREAS; the Authority has entered into contracts for the purchase of water and/or production of its own water, in sufficient quantities to meet all reasonable requirements of the Authority's customers and /or the customers of the Members; and~~

~~WHEREAS; the Authority has acquired a water supply system for the purpose of producing, transporting, pumping and storing potable water and distributing the same to its several Members; and~~

WHEREAS; the Authority ~~has~~ intends to expanded its water supply system to meet the needs of its Members and issued bonds under the provisions of Act 94 of the Public Acts of Michigan for 1933, as amended for the purpose of defraying some of the cost of the expansion to the Authority's water system, and

WHEREAS; as a prerequisite to the issuing of bonds the municipalities ~~were~~ are necessarily required to enter contracts between the Authority and its participating Members and /or between the Members themselves, for the purchase and sale of water between themselves, specifying Members duties and responsibilities and to secure the revenues thereof for the assurance of proper bond retirement during this agreement;:-

WHEREAS, as part of the Authority's Phase 1 improvements, four (4) agreements were previously executed, including: 1) Financing Contract (Phase I Improvements to Water System No. 1), dated 11/30/99, between the Authority, the Township and City of Bessemer; 2) Water Supply Purchase Agreement, dated 3/9/00, between the Authority and the Township of Bessemer; 3) Water System Management Agreement, dated 10/4/00, between the Authority and the Township of Bessemer; and 4) Franchise Agreement, dated 12/11/06, between the Authority and the Township of Bessemer.

In response to USDA's review of the above four (4) agreements, as detailed in its correspondence dated 11/18/24, the four (4) agreements are hereby superceded by this Agreement to reflect the current state of affairs between the parties;

WHEREFORE; by the parties, through their legally and duly authorized representatives, and in exchange of and consideration of the promises of each other, and pursuant to the mutual purposes and desires of each, IT IS AGREED BETWEEN THE PARTIES HERETO, as follows:

ARTICLE I

GENERAL PROVISIONS

A. Purpose The Purpose of this agreement is to specify the terms which the Authority shall sell and provide potable water to Bessemer Township [and other Members?] and define the responsibilities of the parties and the payments the Township [and other Members?] will make to the Authority for providing this service.

B. Statutory Authority Townships have authority to provide water supply for its inhabitants pursuant to MCL 41.351 et seq; MSA 5.2585(1), et seq; and Cities have authority to sell water inside and outside of their territorial limits pursuant to MCL 117.4f, MSA 5.2079; and MCL 123.141 et seq; M.SA 5.2581, et seq.

~~C. Preconditions This Agreement shall only become effective and binding on the parties upon the completion of the following:~~

~~0. The Township adopts an Ordinance or amends an existing Ordinance to set rates for water users which reasonably guarantees the Township sufficient cash flow from user revenues to make the payments to the Authority as specified herein and to be the guarantor of the Township users to make payments to the Authority if Township users become delinquent in their bills.~~

~~0. The Township grant to the Authority an agreement to conduct a Water Utility Business within the Township's jurisdictional boundaries.~~

~~0. The other participating Members must approve their Agreements and~~

prepare their Ordinances.

~~0. The Township sends a letter of intent to be bound by like terms and conditions by~~

~~1. attaching an addendum to this Agreement covering Phase 2 of this project, as submitted in the Phase 2 application dated 2/24/99 or as amended.~~

~~D. Authorize Officers All parties to this agreement are Authorized Officers, agents or board members empowered by their Municipality to enter into this agreement. The authorization is verified by the attached affidavit of resolution.~~

ARTICLE II

CONSTRUCTION

A. Engineering Any installations, additions, alterations or improvements to the Authority's water distribution system shall be designed, constructed and installed according to the plans and specifications formulated by the consulting engineers designated by the Authority. All engineering shall be performed by qualified professional engineers, experienced in potable water distribution systems, retained and compensated by the Authority.

B. Plan Approval The Plans shall be approved by the Michigan Department of Environmental Quality (MDEQ)- Drinking Water Division and the USDA-Rural Development and the participating Member, shall approve the plans, which approval shall not be unreasonably withheld. The Member may at its own expense, engage engineers to review the plans and specifications however, the determination of the Authority's engineer shall be conclusive on all concerned with respect to the design and installation of the system.

B-C. Installation The Authority shall install all water mains, valves, hydrants, pumps, wells, meters, vaults, pumping and treating facilities and appurtenances thereto, within the Members jurisdiction to facilitate adequate water supply service therein and to other members. Each municipality shall make available to the Authority or its engineer all maps, plans or drawing deemed necessary to the safe and efficient connection of the Authority's facilities with the Member municipalities water system. No construction shall commence on any of the Authority's water distribution system until the Authority has, by its duly authorized representatives, approved and authorized such construction by issuing a notice to commence.

1. The Member may, at their own cost and expense:
 - a) Engage engineers or other professionals, to inspect the construction and installation.
 - b) If approved by MDEQ-DWD and USDA-RD participate in the installation and construction by contributing manpower and equipment.

- c) Provide traffic control and devices to alter traffic away from the construction site.
- d) Provide barricades to stop traffic from entering a dangerous area.
- e) Request installation of additional valves, meters, etc. for its use.

2. The Member shall not:

- a) Interfere, obstruct or take action to make the installation more difficult or costly.
- b) Alter or change the plans without written permission from the Authority.
- c) Allow connections to the water system until the Authority certifies that the system is ready for connection.
- d) Allow any cross connection with this water system that is not contemplated by the interconnection of the Member municipal water systems.

Construction Standards of the water system shall meet or exceed all Federal, State and Local Laws and Ordinances. Installation shall include a means to isolate each Member municipalities water system from the main water transmission line. All reasonable care shall be taken for the protection of the water system from leakage and frost penetration. For the benefit of the Authority and the Member the Authority's engineer shall keep record maps of the water system, including the connection points to the municipal system. These records shall be based on accurate field measurements taken during the process of construction, before the work is backfilled or otherwise made inaccessible. The engineer shall deliver, exact copies of the final record maps showing the locations of all new water mains and appurtenances as actually constructed to the system within the jurisdiction of the municipality to the Authority and the Member as promptly as possible after each job, contract, or section has been completed. The Authority and its contractor shall be responsible for any damage it does the Members municipal water system during the process of construction, which was actually caused by the construction and was not a preexisting faulty condition of the municipal system and repair or replacesaid damage before backfilling or closing the work site. The engineer shall notify the municipality of any item noticed being near failure, to allow the municipality the opportunity at its own expense to repair or replace the item prior to the backfilling, so long as, the repair does not unreasonably delay progress on the project. Any delay, the reasonableness thereof, shall be solely determined by the discretion of the engineer. Nothing in this agreement shall prohibit the Authority or the Township from acquiring, constructing or installing additional facilities to its water distribution system or from expanding and/or making improvements to its facility.

~~ARTICLE III~~

~~WATER SYSTEM USER ORDINANCES~~

~~The Member's shall have or enact Ordinances and administrative rules governing water system users that comply with this agreement and all Federal, State and other Local Laws. Said Ordinances shall be reviewed by the Authority and the MDEQ-DWD and the USDA.~~

~~RD and shall be satisfactory in form and content, the same to be approved by all parties.~~

ARTICLE ~~III~~^{IV}

OWNERSHIP

It is the intent of both parties to interconnect transmission mains for the purpose of providing an adequate and efficient water system that has a second source of potable fresh water. Ownership of the existing Phase I improvements lies with the Authority. Full title and absolute ownership of the water system, which shall be built or constructed during and as a result of this project, shall be, at all times during the term of this agreement, vested in the Authority. The Authority's water system constructed as a result of this project is fully described in the attached map. On 10/5/2040, At the end of the term of this agreement the Member shall purchase the water system that is located within its jurisdictional boundary for payment of one dollar to the Authority and the Authority shall provide the Member with a bill of sale. The Member's water systems jurisdictional boundary shall be its political physical boundary and shall include all facilities at the boundary up to and including the shutoff valve that isolates the Member's separate municipal system on the out flowing side. Bessemer Township's Water System as created by this project shall also include all facilities north of the Bessemer Township line located in Ironwood Township, Gogebic County, ML Said facilities shall include all lands, wells, pipes and equipment thereon. The meter vaults at a political boundary shall be non-severable property, as tenants in common, with the adjoining jurisdiction of the neighboring contiguous Member's municipal system.

ARTICLE V

OPERATION AND MAINTENANCE

Each Member's municipal government agrees that after installation of the Authority's water distribution system and from the time of being granted permission to connect to the Authority's system it will operate and maintain that portion of the Authority's water system that is located within their jurisdiction, as specified above, for the term of this agreement and thereafter until the same is abandoned. The Member agrees to provide a Michigan, State Certified Operator deemed necessary and operate the system in a reasonable and prudent manner in accordance with State and Federal Laws. The Authority shall not be charged for any cost incurred by a Member for operating the system. The Member agrees to perform routine maintenance, repair and replacement, at its own expense, to the Authority's water system the same as if it was an independent

contractor hired by the Authority to maintain its system. ~~So that the system is maintained in good working order by periodic cleaning and flushing of mains, the inspection of valves, minor repairs and maintenance of meters, pumps and other appurtenances. Normal and regular maintenance to structures to keep them sound and weather resistant. It shall be the Members responsibility to effect repairs and replacements to the Authority's water supply system, when the same is necessary to maintain high integrity and a good operational system.~~

If major water system improvements are deemed necessary in the future, the Authority agrees to cooperate and participate with its Members in obtaining additional financing for the capital improvements.

So long as the Member has the maintenance responsibilities pursuant to this agreement, then:

A. At any time the Member municipality finds that it can not maintain the Authority's system in good working order in accordance with a standard not less than the manufacturer's recommended procedure for each item it shall so notify the Authority and the Authority shall take such action as deemed appropriate to immediately correct the deficiencies in its system. The municipality shall be responsible to and liable for the cost of the maintenance and repair to the Authority, plus and allowance of 10% for administration of such repairs.

B. If at any time the Authority determines that the municipality is failing to appropriately maintain the system, the Authority may give the municipality a 30 day notice specifying the deficiency which needs remedied. If the municipality fails to take the corrective action within 30 days of receiving such notice, the Authority may make such corrections to its system and recover the cost from the municipality as stated in A above. The same shall be due and payable within 60 days of its billing date.

C. If at any time the Authority is required to retain legal counsel to collect for the costs of operation, maintenance or repair from a municipality/ Member herein, the municipality shall, pay the Authority its actual attorney's fees in the collection action.

D. The Member municipality agrees that if damage is caused due to the negligence of a third-party or intentional act of a third-party or act of God the municipality shall pursue with due diligence and cooperate with the Authority to collect from said third-party for all damages to the water system. If the municipality collects from the third-party it shall use said moneys for the replacement or repair of the system and/or remit the balance, if any to the Authority.

E. When two adjoining Constituent Member's jurisdictions connect a vault shall be provided with a meter, a check valve, and finally a shut-off valve on the out-flowing side. Each municipality shall be responsible for maintenance and repair on the out-flow side up to and including the shut-off valve and after the other Members shutoff valve on the intake side. The adjoining Members shall at all times until the total abandonment

of the system be equally responsible for maintenance of the meter vaults.

ARTICLE VI

FINANCING [Contract]

E.

9. The costs of the Phase I Improvements to the System to be financed with the bonds of the Authority shall be charged to and paid by the Local Units to the Authority in the manner and at the times herein set forth. The costs are hereby allocated to the Local Units in the following percentages, subject to adjustment as provided in this Agreement:

<u>City of Bessemer</u>	<u>79.8%</u>
<u>Township of Bessemer</u>	<u>20.2%</u>

The principal amount of the costs of the Phase I Improvements to the System to be paid by the Local Units shall be paid to the Authority in annual installments, plus interest and other expenses as hereinafter provided, on the business day preceding May 1 of each year, as set forth in Exhibit B to this Agreement. The bonds shall be payable in principle installments and shall mature over a period of not to exceed forty (40) years. Each Local Unit herein covenants and agrees to pay its proportionate share of the principal of and interest on the bonds so issued plus paying agent fees and other expenses for payment and administration of the bonds.

It is understood and agreed that the bonds of the Authority hereinbefore referred to will be issued in the anticipation of the above contractual obligation, with principle maturities on May 1st of each year, commencing with the year 2001, corresponding to the principle installment amounts, and the Local Units shall also pay to the Authority in addition to said principal installments, on the business day preceding May 1st and the business day preceding November 1st of each year, commencing the business day preceding November 1, 2000, or such later date as provided in the Bond Resolution, as accrued interest on the principle amount remaining unpaid, an amount sufficient to pay all interest due on the next succeeding interest payment date (May 1st and November 1st, respectively), or such other dates as provided in the Bond Resolution on said Authority bonds from time to time outstanding. (In the event the payment dates on the bonds of the Authority are changed in the Bond Resolution, the payment dates set forth in this Section 9 shall be adjusted accordingly without requirement of action by the Local Units and the Authority shall so advise the Local Units.) In addition, the maturity schedule set forth in Exhibit B may be adjusted by the Authority in the Bond Resolution.

[Par 17] Upon completion of the Phase I Improvements to the System the Board shall determine in accordance with the principles described in Article V herein, based upon the actual construction costs, a final allocation of the cost of the Phase I Improvements to the System between the Local Units and shall notify each Local Unit of the final allocation in writing addressed to the Clerk of the City and Clerk of the Township. The Board's allocation of cost shall determine each Local Unit's proportionate obligation and shall be final unless one or more of the Local Units

objects thereto in writing delivered to the Chairman of the Board within forty-five (45) days after receiving notice thereof. Any Local Unit objecting to the allocation shall have access to all records of the Authority relating to the Project. The Board shall hear and consider all objections to the allocation within thirty (30) days after the last objection is received by the Board. The Board shall then either revise or confirm its final allocation of cost and notify the Local Units thereof. The final allocation determined in accordance with this paragraph shall be conclusive and binding upon the parties hereto except in case of fraud, or mutual mistake of fact.

ARTICLE VI

ACCOUNTING AND COMPENSATION

~~The Authority shall supply and sell water from the Authority's water system to the Township, and the Township shall receive and purchase such water in accordance with the terms of this agreement for a minimum period of time. The minimum period of time is forty years from the date of issue of the bonds or until all bonds and debt for the construction, installation, maintenance and repair of the system have been paid in full.~~

The charges for water to be furnished pursuant to the terms of this contract shall be as follows:

~~—~~ Debt Retirement The Township shall pay to the Authority, for the Township's share of this projects costs, a flat fee charged each and every calendar quarter for the fixed cost of the Authority constructing the water system. The fixed cost represents the Authority's actual loan to be repaid to the bondholders, which includes principal and interest thereon and the amount needed to fund the reserve accounts as required by USDA-RD. An invoice shall be sent by the Authority to the Members approximately 30 days prior to the invoices due date. The Authority shall secure the payments received which are designated as Debt Retirement in a restricted bond and interest redemption fund account. The Township shall pay, each and every year for the term of this agreement, in accordance with a schedule adopted by the Board of the Authority. The amount charged Members shall comply with this paragraph and include the amount specified in the Financing Contract as shown in its amortization schedule.

A.

A.B. Consumption Charge The Township shall pay to the Authority a consumption charge based upon the amount of water delivered by the Authority to the Township, as measured by the meters installed by the Authority, maintained by the Township, and read by either or both, at such rate or rates as shall be fixed by resolution of the Board of Trustees of the Authority. The consumption charge shall be payable

monthly. An invoice shall be sent by the Authority to the Members approximately 30 days prior to the invoices due date, representing the water usage over the preceding month. The ~~initial~~ RATE shall be set per thousand gallons of water to cover the Authority's operating costs as estimated by the project engineers.

B.C. Rate Adjustments The charges for water shall be such that the gross income of the Authority, shall be sufficient to cover operation costs and conform with all of the requirements of Act No. 94 of the Michigan Public Acts of 1933 as amended, with such surplus as shall be necessary to fund the Authority's Operations and Maintenance Account, Bond Redemption Account, Bond Reserve Account and a Repair, Replacement and Improvement Account. Each Member shall maintain a set of books indicating its contributions and expenditures to the (Repair, Replacement and Improvement Account) Funded Depreciation Account for and on behalf of the Authority, and at the end of this agreement any balance of funds in the account shall be the individual Members's who funded said account. The Authority's Rate Adjustments shall be based only on the demonstrated need of the Authority as presented in an annual budget representing the Authority's cost for the system. The components of the rate shall be the Authority's employee's wages, insurance, cost of audit, and administrative expenses as approved by the Board. The Board of Trustees of the Authority shall establish by resolution, the Water Rate which shall be in effect each calendar year of the Agreement.

C.D. Late Charges All charges, including debt retirement and consumption charge, shall be subject to such penalties for non-payment as shall be provided from time to time by the Board of Trustees of the Authority. The initial penalty is 10% of the payment due if not received by the Authority within 5 days from the due date.

D.E. Township User Rates The Township shall by its ordinance establish a rate for water in the amount sufficient to promptly meet the obligations of the Township to the Authority, but in the event the receipts therefrom are not sufficient to pay all sums when due then said Township shall be responsible for any deficit. If the Township shall be required hereunder to pay any such deficit it may reimburse itself from future surplus receipts from its water users. The Township shall at all times have in force a sufficient ordinance to enforce the collection of its water charges, which ordinance shall provide that such charges shall be a lien upon the premises served and that such charges remaining unpaid or delinquent for a period of six (6) months or more, shall be certified by the clerk of the Township to the treasurer thereof, to be entered upon the next succeeding tax roll against the premises to which water services shall have been rendered. Should a Landlord inform the Township of non-responsibility then the Township shall have a procedure for Tenants deposits.

~~E.F.~~ Flow Meters All meters measuring water delivered by the Authority to a Member, as provided in paragraph B hereof, shall be initially furnished by the Authority and maintained by the Member. The Member agrees to maintain all said meters so that they will correctly measure all water which passes through them. The Member agrees to accept the Authority's estimate of quantities of water supplied during all periods in which the meters fail to measure correctly, provided there is a reasonable basis for such estimates, which are established by historical water use. The judgment of the Authority as to the condition and accuracy of all meters shall be binding upon the Member.

~~E. Remedies~~ The Authority shall have any and all remedies provided by law for the enforcement of the payment of any amount due it from its Members.

~~F.G.~~ Accounting The Member shall keep adequate records and use standard methods of accounting. At any time a Member is in default on the agreement to make timely payments under the provisions of this agreement, the Member shall on demand of the Authority make available its books and records.

I. Reservation The Township reserves unto itself the right to produce and furnish to itself from its own wells any amount of water from an approved source.

ARTICLE VII

MANAGEMENT

Constituent Members by and through its municipal board shall be considered an independent contractor hired to manage the Authority's water distribution system located within their ~~political~~ jurisdiction. The municipality shall manage the Authority's water distribution system as part of their municipal system, and provide procedures for deposits, meter readings, provide user billings, water charges for use in fire protection, enforce their ordinances, prescribe penalties, terminate service and take whatsoever action deemed reasonably necessary to manage their system in an efficient manner.

ARTICLE VIII

EXPANSION OF SYSTEM

The impact of any proposed new development on the water supply shall be carefully evaluated by the Authority prior to approving said expansion. The Authority shall not impair

the ability of the Authority to provide water to its current Members. The Authority shall allow each Member a 10% excess growth capacity over their projected volume usage as contained in the report of November 3, 1997 and may sell any excess capacity. The Members may add additional individual users as they arise without prior approval from the Authority. The Members shall receive prior approval from the Authority for commercial users with requirements of 3000 gallons or more per day. Any new development or addition which will expand the users of the system by the equivalent of 20 or more single family residential units shall receive prior approval of the Authority and the development shall pay a tap fee for the use of the Authority's existing infrastructure. The payment to the Authority shall be calculated by the cost of the remaining useful life of the infrastructure as the base cost. Multiplied by the amount of water used by the new development as it relates to the total water used by all of the users of the Authority's Members expressed as a fraction. The payment for the new development's purchase of their portion of the infrastructure, shall be financed by the Authority over the balance of the time period the Authority has remaining on its outstanding bonds on that infrastructure. For infrastructure already paid for by the Authority, the Authority may finance the purchase of its infrastructure for up to 20 years. Any surplus resulting from new development purchases of existing Authority infrastructure shall revert back to the participating Members in proportion to their original contributions to payment of the debts of the Authority from this project.

ARTICLE IX

CONTAMINATION & DISCONTINUANCE

A. Protection of the System For the protection of all Members and users supplied with water from the Authority's water system, the Members agree to guard carefully against all forms of contamination, and that, if at any time if contamination should occur, the Member or municipality in control of the area or areas affected shall immediately shut off and isolate their individual system. Once isolation of the Member's system is in effect, the Member's system shall continue to be isolated and remain so until the underlying condition causing the contamination has been abated and the water declared safe and fit for human consumption by the proper governmental health agencies having jurisdiction of the areas affected.

A. Discontinuance In the event proper operation of the system requires the Authority or one of its Members to discontinue temporarily all or part of the supply of water to the Authority or other Members, no claims of damages for such discontinuance shall be made by one Member against another Member or a Member against the Authority. Water service to the designated points of connection may be interrupted without warning only in the event of transmission and/or distribution water main breaks or other accidents. The Authority or Member shall immediately notify the other parties by telephone upon learning of an accidental interruption of service or drastic drop in pressure. Whenever water service to the

7 - (points of connection will be intentionally interrupted temporarily by the Authority or Member to facilitate repair, modification or connection to other facilities, the Authority or Member shall notify the other prior to such interruption, giving the Authority and other Members reasonable notice of the time, date and duration and the area affected by the interruption of service. Each Member's underlying municipality assumes the responsibility under this contract to maintain and repair the Authority's water system physically located within their jurisdiction, however, all Members agree in case of emergency to participate in mutual aid for the immediate restoration of water availability to users. The Authority's chairman or vice-chairman shall have the discretion of declaring a water emergency and activating the mutual aid provision of this agreement, requesting other Member's equipment and crews to report to the aid of the Member in peril. The responding Members to the mutual aid call shall be reimbursed their actual costs in responding by the Member in peril.

B. Delay in Performance No failure or delay in performance of the duties or responsibilities of this executed agreement by any party shall be deemed to be a breach thereof when such failure or delay is occasioned by or due to any act of God, strike, lock-out, walk-out, wars, riots, epidemics, explosions, sabotage, breakage, or accident to machinery or lines of pipe, the binding order of any court or governmental authority, or by any other cause, whether of the kind herein enumerated or otherwise so long as it was not within the control of the party claiming suspension, provided in no event, shall any cause or contingency relieve the Members underlying municipality from its obligation to make payment to the Authority as specified in this agreement.

C. Emergency In the event of an emergency during which the Authority is unable to provide water to its members or insufficient water to its members then all members shall share in the water available. Members shall increase their production and send water to the other Member in need of water, if possible. All members shall operate as a collective through the management of the Authority to resolve the emergency with the utmost of expediency consistent with public health and safety.

ARTICLE X

INDEMNIFICATION

Both Parties to this agreement, agrees to hold harmless the other party against and for any and all claims, costs, charges and expenses including without limitation, fees and expenses of attorneys, expert witnesses and other consultants, which may be imposed against the Authority by reason of the following occurring during the term of this agreement:

A. Any negligent or tortious act, error or omission of a party or any personnel, employees, subcontractors, or consultants in the construction, operation, or maintenance of its water system mains and facilities.

B. Any failure of a party or any of its personnel, employees, consultants, or subcontractors, to perform its obligations, either expressed or implied, under this agreement, or any negligent or tortious act, error or omission of a party its personnel, employees, consultants or subcontractors.

C. Any employee/ employer claim including workmen compensation, health insurance grievances, wrongful discharge and like type claims. The Member expressly acknowledges its independent contractor status.

D. If either party shall be held liable for any act or omission of the other party whatsoever, then that party at fault shall reimburse and indemnify the other party.

ARTICLE XI

TERM OF AGREEMENT

Upon execution of this Agreement by the legally and duly authorized representatives of the Member's municipal board and the Authority's board, this agreement shall become effective between the parties and remain effective for the term of forty (40) years from and after the date of closing of Rural Development's loan on [enter closing date].~~execution of the bonds funding this project or until payment in full of all bonds and debts to finance the construction of this project.~~ A Member to this agreement may not terminate its maintenance and management duties, pursuant to this agreement during the term of this agreement. However, the duties may by separate written contract between the Members be assigned to another Member or a Member may subcontract a contractor to fulfill its duties, so long as, the Authority during the term of this agreement, approves of said contract in advance of the duties being assumed.

ARTICLE XII

MISCELLANEOUS

18. All contracts for connection to the System, whether such connections are made during construction or after the Phase I Improvements to the System is placed in operation, shall be made by the Local Units. The actual Costs of such connections shall be paid by the Local Units, except to the extent that the costs of such connections are included in the cost of the Phase I Improvements to the System. [Taken from Financing Contract, par. 18]

A. Arbitration In the event of legal controversies between the Members the Members shall arbitrate the dispute. If a dispute arises between Members as to the construction of the system or any clause of this agreement or the rights or obligations of any party hereto, all such questions shall be determined by binding arbitration with each aggrieved Member selecting a representative to present the dispute. The two arbitrators shall select an additional neutral arbitrator. The majority decision of the arbitrators shall thereupon

determine the issue being arbitrated.

B. Insurance Each member through its underlying municipality shall, at all times during, and as part of this agreement be insured with appropriate workmen compensation insurance and comprehensive general liability insurance, covering premises, operations, products and completed operations, including broad form endorsement. Evidence of the insurance shall be filed with the Authority by each Member each year.

C. Entire Agreement This Agreement embodies the whole agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained herein. This final agreement shall supersede all previous communications, representations, or agreements either verbal or written that relate to this project between the parties hereto. Nothing in this contract shall affect any other contract the members may have with each other or with the Authority.

D. Severability It is understood and agreed by the parties hereto that if any part, term, or provision of this Agreement is held by the Courts to be illegal then the validity of the other remaining portions of this Agreement shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular part, term, or provision held to be invalid.

E. Amendments This Agreement may only be amended by written mutual agreement of the parties. However, no provision which a third party relies upon herein may be changed without the consent of that third party. Further, no provisions relied upon for the purpose of issuing bonds may be modified until all such bonds are paid in full.

F. Applicable Law This Agreement shall be construed and governed by the laws of the State of Michigan.

G. No Assignment This Agreement shall not be assigned without the consent of all the parties hereto and then only to a successor municipality of the member.

H. Binding Agreement The benefits of this Agreement shall flow to the parties herein and to the benefit of their successors and assigns of the respective parties and this agreement shall bind all those who hereinafter benefit therefrom.

IN WITNESS THEREOF; the parties hereto have caused this Agreement to be executed by their respective duly authorized officers, as of the day, month and year first above written.

WITNESSES: _____ GOGEBIC RANGE WATER AUTHORITY

Name: _____ By _____
Its Chairperson, Dennis Bertetto

Name: _____ By _____
Its Secretary, Isabelle E. Haapoja

_____ TOWNSHIP OF BESSEMER/MEMBER

Name: _____ By _____
Its Supervisor, G. Jean Verbos

Name: _____ By _____
Its Clerk, Hope Tarnaski

Prepared in the Law Office of:

James M. Bucknell

P.O. Box 101

Bessemer, MI

49911

TOWNSHIP OF BESSEMER

STATE OF MICHIGAN)
) SS:
COUNTY OF GOGEBIC)

I, the undersigned, Township Clerk of Bessemer Township, Gogebic County, Michigan do hereby certify that the attached contract was presented to the Township Board of said Township at its regular meeting held on ~~February 14, 2000~~, at which meeting all of the members of said Board were present, and the execution of said contract was authorized by the following resolution which is a true and complete copy of a resolution adopted on ~~February 14, 2000~~, the original of which is recorded in the official proceedings of the Township Board to-wit:

Moved by Board Member Tarnaski.
Seconded by Board Member Syreini.

RESOLVED: That a contract between the Gogebic Range Water Authority and the Township of Bessemer, whereby the said Authority shall supply and sell water from the Authority's water system to the Township of Bessemer and the Township of Bessemer shall receive and purchase such water for an indefinite period of time, but at least forty years, and the Authority shall furnish sufficient water at designated locations to meet all reasonable requirements of the Township of Bessemer, be and the same is hereby approved.

BE IT FURTHER RESOLVED That the Supervisor and Clerk of the Township of Bessemer be and are hereby authorized and directed to execute said contract with the Gogebic Range Water Authority.

YEAS: Verbos, Tarnaski, Pohjola, Sailer

NAYS: NONE

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 17-day of February, 2000.

Township Clerk, Hope Tarnaski

GOGEBIC RANGE WATER AUTHORITY

Project Description

January 27, 2000

1. Construction of two (2) 400 gpm wells.
2. Construction of small diameter, low pressure field water mains to an iron removal treatment facility.
3. Construction of an iron removal water treatment facility with discharge to BASA.
4. Construction of a 10-inch sewer from the iron removal plant to the BASA WWTP.
5. Construction of a 12 inch transmission main from the water treatment facility southeast up and over Blackjack Mountain, then 12-inch transmission south along Prospect Road crossing US-2 at the Ramsay Road intersection.
6. From this point east with a 16-inch main to tie into the existing GRWA at Saunders Road.
7. From the Ramsay intersection west with two 12-inch mains; one north and one south of US-2 to Cedar Street.
8. North along Cedar with a 16-inch main to Iron Street.
9. West along Iron Street with a 16-inch main to the intersection at Moore Street, then north to tie into a 10-inch pipe to the storage facility.

CHANGE ORDER NO.: [Number of Change Order]

Owner:	Bessemer Township	Owner's Project No.:	
Engineer:	C2AE	Engineer's Project No.:	23-0436
Contractor:	Ruotsala Construction, Inc.	Contractor's Project No.:	
Project:	Water Phase II – DWSRF LSR, DWSF Project No. 7616-01		
Contract Name:	Water Phase II – DWSRF LSR, DWSF Project No. 7616-01		
Date Issued:	April 8, 2025	Effective Date of Change Order:	April 8, 2025

The Contract is modified as follows upon execution of this Change Order:


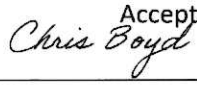
Description:

This change order is to extend the contract time to correspond with the USDA RD project for replacing the private side water services and connecting to the curb stop installed under the USDA RD project.

Attachments:

None

Change in Contract Price	Change in Contract Times
Original Contract Price: \$ <u>432,220.00</u>	Original Contract Times: Substantial Completion: <u>August 1, 2025</u> Ready for final payment: <u>October 1, 2025</u>
[[Increase]] [[Decrease]] from previously approved Change Orders No. 1 to No. *: \$ <u>0.00</u>	[[Increase]] [[Decrease]] from previously approved Change Orders No.1 to No. *: Substantial Completion: <u>N/A</u> Ready for final payment: <u>N/A</u>
Contract Price prior to this Change Order: \$ <u>432,220.00</u>	Contract Times prior to this Change Order: Substantial Completion: <u>August 1, 2025</u> Ready for final payment: <u>October 1, 2025</u>
[[Increase]] [[Decrease]] this Change Order: \$ <u>0.00</u>	Increase this Change Order: Substantial Completion: <u>One (1) Year</u> Ready for final payment: <u>One (1) Year</u>
Contract Price incorporating this Change Order: \$ <u>432,220.00</u>	Contract Times with all approved Change Orders: Substantial Completion: <u>August 1, 2026</u> Ready for final payment: <u>October 1, 2026</u>

By: <u></u>	Recommended By Engineer (if required)	By: <u></u>	Accepted by Contractor
Title: <u>Project Manager</u>		PM	
Date: <u>April 8, 2025</u>		4.10.25	
By: _____	Authorized by Owner	By: _____	Approved by Funding Agency (if applicable)
Title: _____		Title: _____	
Date: _____		Date: _____	