SPECIAL MEETING

BAY COUNTY BOARD OF COMMISSIONERS

A G E N D A

TUESDAY, FEBRUARY 17, 2014

4:15 P.M. (Or immediately following P-HS Committee meeting)

COMMISSION CHAMBERS, FOURTH FLOOR, BAY COUNTY BUILDING

PAGE NO.

I **CALL TO ORDER (CHAIRMAN KRYGIER)**

II **ROLL CALL**

III **INVOCATION**

IV **PLEDGE OF ALLEGIANCE**

V **CITIZEN INPUT**

VII **ITEMS FOR CONSIDERATION**

A. RESOLUTIONS:

1-67 1. No. 2015-41 - Amended Water Plant Cost Sharing Agreement (Department of Water and Sewer)

68 2. No. 2015-42 - Revised Lakeshore Beach Access Study Report (Environmental Affairs) **Note: The 111 page Report is not being reprinted but is on file in the Board of Commissioners' Office.)**

VIII **UNFINISHED BUSINESS**

IX **NEW BUSINESS**

X **MISCELLANEOUS**

XI **ANNOUNCEMENTS**

XII **CLOSED SESSION**

XIII **RECESS/ADJOURNMENT**

No. 2015-41

BAY COUNTY BOARD OF COMMISSIONERS

2/17/2015

RESOLUTION

BY: BAY COUNTY BOARD OF COMMISSIONERS (2/17/15)

WHEREAS, An Amended Water Plant Cost Sharing Agreement has been drafted, said Amended Agreement to supersede and operate in place and instead of the prior Agreement dated January 13, 2013; and

WHEREAS, The Amended Water Plant Cost Sharing Agreement has been reviewed by legal counsel for the involved entities (Bay County, City of Bay City and Bay County Road Commission); and

WHEREAS, Approval of the Amended Water Plant Cost Sharing Agreement by the City of Bay City and the Bay County Road Commission has been scheduled for February 16 and 17, 2015, respectively; Therefore, Be It

RESOLVED That the Bay County Board of Commissioners hereby approves the Amended Water Plant Cost Sharing Agreement and authorizes the Chairman of the Board and Bay County Clerk to execute said Amended Agreement which has been reviewed/approved by Corporation Counsel, on behalf of Bay County.

ERNIE KRYGIER, CHAIR
AND BOARD

DWS - Amended Water Plant Cost Sharing Agreement

MOVED BY COMM._____

SUPPORTED BY COMM._____

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
MICHAEL J. DURANCZYK				KIM J. COONAN				MICHAEL E. LUTZ			
ERNIE KRYGIER				THOMAS M. HEREK							
VAUGHN J. BEGICK				DONALD J. TILLEY							

VOTE TOTALS:
ROLL CALL: YEAS_____ NAYS_____ EXCUSED_____
VOICE: YEAS_____ NAYS_____ EXCUSED_____

DISPOSITION: ADOPTED_____ DEFEATED_____ WITHDRAWN_____
AMENDED_____ CORRECTED_____ REFERRED_____

AMENDED
WATER PLANT COST SHARING AGREEMENT

THIS AGREEMENT made and entered into on this _____ day of _____, 2015, by and between the CITY OF BAY CITY, a Michigan municipal corporation, of 301 Washington Avenue, Bay City, Michigan 48708, its successors and assigns, ("Bay City"), the BOARD OF COUNTY ROAD COMMISSIONERS OF THE COUNTY OF BAY, with offices at 2600 E. Beaver Road, Kawkawlin, Michigan 48631, as designated county agency for the County of Bay pursuant to Act 342, Public Acts of Michigan, 1939, as amended (the "Commission") and the BOARD OF COMMISSIONERS OF THE COUNTY OF BAY, with offices at 515 Center Avenue, Bay City, MI 48708 (the "County").

BACKGROUND RECITALS

A. Bay City owns and operates the existing Bay City Municipal Water Treatment Plant ("BCMWTP"). The BCMWTP provides treated water to the City of Essexville, Charter Township of Hampton, and the Commission under contract. The Commission, in turn, contracts to provide water services to other local municipalities.

B. Bay City, the Commission and certain municipalities receiving water through the BCMWTP have entered into a "Water Supply Agreement" dated January 30, 2013, a copy of which is attached hereto as Appendix "A" and incorporated herein. The Water Supply Agreement provides for construction of a new Bay Area Water Treatment Plant ("BAWTP").

C. Bay City has agreed to close and secure the BCMWTP contingent upon the construction and operation of the BAWTP as defined in the Water Supply Agreement.

D. Bay City and the Commission have agreed to share certain costs which will continue beyond the date that the BCMWTP is closed and secured.

E. Bay City has agreed to contribute assets in the form of capital, real and personal property to the Commission and/or County to facilitate the construction of the new BAWTP.

F. Bay City and the Commission entered into a "Water Plant Cost Sharing Agreement" dated January 25, 2013, a copy of which is attached as Appendix "B" (the "Prior Agreement"). Bay City and the Commission agree and intend this Amended Water Plant Cost Sharing Agreement to supersede and operate in place and instead of the prior Agreement and that upon execution of this Amended Water Plant Cost Sharing Agreement, the Prior Agreement shall have no effect and shall become null and void and shall no longer bind the City or the Commission.

THE AGREEMENT

Bay City, the Commission, and the County hereby agree as follows:

1. EFFECTIVE DATE OF AGREEMENT

This Agreement shall become effective upon execution by the Chief Executive Officer and the Clerk of the City of Bay City, the Chairman and Clerk of the Commission, and the Chair and the Clerk of the County.

2. PRIOR AGREEMENT

Upon execution, this Amended Water Plant Cost Sharing Agreement shall supersede the Prior Agreement which shall be revoked, annulled, voided, and shall no longer bind the parties hereto.

3. AGREEMENT TO SHARE DEBT FOR BCMWTP

A. Debt

Bay City incurred debt ($6,000,000.00 – Michigan Municipal Bond Authority – City of Bay City Project No. 7165-01) to finance improvements to the BCMWTP ("Debt"). The principal balance of the Debt as of October 1, 2014 is Three Million, Eight Hundred, and Ninety-Five Thousand Dollars ($3,895,000.00). The Debt payment obligations are defined in the "Michigan Municipal Bond Authority Debt Service Schedule for Project No. 7165-01", a copy of which is attached hereto as Appendix "C". The cost to service the Debt is currently paid by Bay City and allocated to the Commission and those entities supplied water through the BCMWTP.

B. Debt Sharing Agreement

On the date that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP, the Commission shall be assigned and shall assume one hundred percent (100%) of the remaining unpaid principal and interest on the Debt (computed as of the date that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP), and all obligations arising thereunder. The City, Commission, and County shall execute and provide all documentation as required by the State of Michigan Municipal Bond Authority to assume the debt and

obligations for the City of Bay City, Project No. 7165-01. The Commission shall pay the debt through the County, in regular installments, according to the bond payment schedule identified in Project No. 7165-01. The Commission and County may refinance the debt, at any time, but shall not refinance the debt to increase the outstanding principal balance or interest obligations without written approval of the "Parties" as defined in the Water Supply Agreement.

C. Allocation of Debt Costs

The Commission shall allocate the cost of Debt Service to the "Parties" as defined in the Water Supply Agreement in the same form and manner that "Debt Service" is allocated under paragraph 9(b) of the Water Supply Agreement.

4. AGREEMENT TO SHARE OPEB COSTS

A. OPEB CONTRIBUTION

Beginning in the year that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP, and continuing each year thereafter until year 2033, the Commission shall pay Bay City the sum of $143,647.00 per annum as partial reimbursement for Bay City's obligation for Other Post-Employment Benefits (OPEB) for retirees and eligible retirees. Bay City shall establish and notify the Commission of the annual payment due date at least forty-five (45) days before payment is due and the Commission shall make payment to Bay City at least fifteen (15) days before the due date.

B. Allocation of OPEB Costs

In each year that the OPEB contribution is made by the Commission to Bay City, the Commission shall allocate the sum paid ($143,647.00) to the "Parties" (other than the City of Bay City) as defined in the Water Supply Agreement in the same form and manner that "Operation and Maintenance Costs" are allocated under paragraph 9(c) of the Water Supply Agreement.

5. AGREEMENT TO SHARE MERS COSTS

A. MERS CONTRIBUTION

Beginning in the year that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP, and continuing each year thereafter until year 2024, the Commission shall pay Bay City the sum of

$75,471.00 per annum as partial reimbursement for Bay City's obligation for Municipal Employees Retirement System (MERS) contributions for retirees and eligible retirees. Bay City shall establish and notify the Commission of the annual payment due date at least forty-five (45) days before payment is due and the Commission shall make payment to Bay City at least fifteen (15) days before the due date.

B. ALLOCATION OF MERS COSTS

In each year that the MERS contribution is made by the Commission to Bay City, the Commission shall allocate the sum of ($75,471.00) to the "Parties" (other than the City of Bay City) as defined in the Water Supply Agreement in the same form and manner that "Operation and Maintenance Costs" are allocated under paragraph 9(c) of the Water Supply Agreement.

6. BAY CITY EMPLOYEES HIRED BY THE COMMISSION

The Commission, may, in its sole discretion, hire current Bay City employees assigned to the BCMWTP. Except as expressly set forth in paragraphs 3 and 4 of this Agreement regarding OPEB and MERS costs, the Commission shall have no obligation to pay accumulated or carryover benefits for or on behalf of former Bay City employees hired by the Commission.

7. CONTRIBUTION OF BCMWTP ASSETS

A. On the effective date of this Agreement, Bay City will contribute the following assets which shall be incorporated into and become part of the BAWTP:

(i) The North and South Lagoon Systems used over the years in the operation of the BCMWTP located at the northwest corner of Lauria Road and State Park Drive used in the operation of the BCMWTP.

(ii) The BCMWTP Water Plant Electrical Substation located near Euclid and Lauria Road used in the operation of the BCMWTP.

(iii) The existing Ten Million Gallon Finished Water Storage Tank used in the operation of the BCMWTP.

B. Until the date that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP, Bay City may continue to use, operate and control the assets identified in Paragraph 7(A) as necessary for the operation of the BCMWTP. If the BAWTP does not become operational and begin furnishing treated water in place of the BCMWTP, then, in that

event, the assets contributed by Bay City in Paragraph 7(A) shall revert to Bay City for operation of the BCMWTP.

C. Thirty (30) days after the date that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP, Bay City will contribute the following assets which shall be incorporated into and become part of the BAWTP:

(i) The Bay City Municipal Water Treatment Plant ("BCMWTP") as referenced in the Water Supply Agreement (which includes the physical plant structure, buildings, fixtures, equipment, infrastructure and appurtenance in place at the property located at the northeast corner of Lauria Road and Euclid Avenue, commonly known as 2691 N. Euclid Avenue, and the tools, equipment, and vehicles purchased by Bay City exclusively for operation of the BCMWTP as identified in the attached List of Tools, Equipment and Vehicles, Appendix "D".

(ii) The Existing Transmission System located on the BCMWTP site, limited to the pipes, structures, appurtenances, etc. located within the property lines of the current BCMWTP 17.15 acre parcel commonly known as 2691 N. Euclid Ave.

D. Thirty (30) days after the date that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP, the contributed assets identified in Paragraph 7(A) and 7(C) of this Agreement shall become part of the "Bay Area Water Treatment Plant" ("BAWTP"), titled to the County of Bay and held by the County of Bay for and on behalf of the "Parties" as defined by the Water Supply Agreement. The cost of incorporating these assets into the BAWTP, disconnecting these assets from the BCMWTP (including cutting, capping and disconnecting the connections from the BCMWTP to/with the lagoons), the cost of operating and maintaining these assets as part of the BAWTP (except as specifically set forth in Paragraph 10 of this Agreement), and the cost of disposing of or eliminating these assets (including demolishing the BCMWTP) shall be borne by the Commission and assessed and allocated to the "Parties" in the same form and manner that "Operation and Maintenance Costs" are allocated to the "Parties" under Paragraph 9(c) of the Water Supply Agreement.

E. Bay City shall retain ownership, possession, and control of the BCMWTP for the first thirty days after the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP. During that thirty-day period, Bay City shall close and secure the BCMWTP which shall include removing and disposing of chemicals and supplies for treatment and operations, draining tanks and lines, and emptying clarifiers and pipes. Bay City shall identify all costs associated with closing, and securing the BCMWTP (personnel costs shall be limited to hourly pay and benefits of six

(6) existing Bay City employees and shall not affect/alter the OPEB and MERS Cost Sharing Agreements set forth in Paragraphs 4 and 5 of this Agreement), and assess and allocate those costs as a "common to all" expense pursuant to the methodology currently in place between these parties for sharing "Operation and Maintenance costs" of the BCMWTP.

Bay City may continue to occupy and use the building and fixtures which house the BCMWTP and the real property known as 2691 N. Euclid Avenue, as a temporary public facility for a period not to exceed three (3) years from the date that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP. The City will not be assessed a lease or rent charge to occupy and use of the building during this period. The City shall be responsible for all utility, operational, maintenance, repair, liability insurance, property insurance, operations and activities insurance, other insurance, and all other costs to use and occupy the building and fixtures.

If the BAWTP does not become operational and begin furnishing treated water in place of the BCMWTP, then, in that event, assets contributed by Bay City in Paragraph 7(A) and (C) shall revert to Bay City for use in the operation of the BCMWTP.

8. CONTRIBUTION OF REAL PROPERTY

On the effective date of this Agreement, Bay City will contribute and deed to the County of Bay, real property (consisting of approximately 17.15 acres) located at the northeast corner of Lauria Road and Euclid Avenue, and further described in the "Property Survey" attached as Appendix "E", and the real property upon which the North and South Lagoon Systems described in Paragraph 7(A)(i) are located.

The real property contributed by Bay City will become part of the BAWTP, titled to the County of Bay and held by the County of Bay for and on behalf of the "Parties" as defined in the Water Supply Agreement. Between the effective date of this Agreement and the date that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP (and for three (3) years thereafter if Bay City decides to continue to use the building and fixtures which house the BCMWTP and the real property known as 2691 N. Euclid Ave., as a temporary public facility), the County of Bay shall provide the City of Bay City access to, and ingress and egress to and from, the BCMWTP for its continued operation, maintenance and repair and for any other reason requested by Bay City.

On the date that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP, the contributed real property shall become part of the "Bay Area Water Treatment Plant" titled to the County of Bay for and on behalf of the "Parties" as defined by the Water Supply Agreement. If the BAWTP does not become operational

and begin furnishing water in place of the BCMWTP, the real property shall be deeded from the County of Bay back to the City of Bay City.

9. CONTRIBUTED CAPITAL

Sixty (60) days after the date that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP, Bay City will pay the sum of Four Hundred, Seventy-Two Thousand Dollars ($472,000.00) to the Commission. This "contributed capital" shall become an asset of the BAWTP and shall be available to pay costs associated with the operation, maintenance and debt of the BAWTP.

10. LAGOON MAINTENANCE

The costs of lagoon maintenance and disposing of residual materials in a Type II landfill shall be borne by the Commission and assessed and allocated to the "Parties" in the same manner that "Operation and Maintenance Costs" are allocated under Paragraph 9(c) of the Water Supply Agreement.

The costs of disposing of residual materials in a non-Type II landfill shall be assessed and allocated as follows:

1) Within ninety (90) days after the date that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP, Bay City shall remove, advertise, and place for sale the "Backup Generator," outside fuel storage tank and structure in which the Backup Generator is housed which are used in the operation of the BCMWTP. Proceeds from the sale, less the costs of sale, shall be placed in an interest bearing account created and held by Bay City subject to these terms of escrow:

    a) The escrow shall begin on the date of sale and shall terminate five (5) years after the date of sale of the Backup Generator.

    b) The escrow funds (plus interest) shall be used to pay "additional costs", if any, incurred for disposal of those residual materials from the South Lagoon, if any, which cannot, by law, be disposed of in a Type II landfill. The "additional costs" shall be defined as the difference between the actual cost incurred for disposal of materials from the South Lagoon which could not be disposed of in a Type II landfill and the cost which would have been incurred disposing of the same quantity of materials in a Type II landfill.

c) Upon termination of escrow, the funds remaining in escrow, plus interest shall be retained by Bay City and the account closed.

2) If there are insufficient funds in escrow to pay the costs of non-Type II disposal, the costs shall be assessed and allocated to the "Parties" in the same manner that Operation and Maintenance Costs are allocated under Paragraph 9(C) of the Water Supply Agreement.

11. LIABILITY OF COMMISSION

Anything contained in this Agreement to the contrary notwithstanding, Bay City and the Commission understand and agree that any duty or obligation arising under this Agreement or otherwise on the part of the Commission shall not be enforced, compelled, sanctioned, or otherwise realized by requiring the Commission to pay any Party or other person any monies received by the Commission under, pursuant to or because of Michigan Public Act 51 of 1951, as amended.

12. APPLICABLE LAW

This Agreement was executed in the State of Michigan and shall be construed in accordance with the laws of the State of Michigan where applicable.

13. MULTIPLE AGREEMENTS

There are multiple agreements between the parties hereto, including the Water Supply Agreement and the Financing Agreement. This Agreement shall be construed consistent with and as part of the other existing agreements between these parties.

14. MODIFICATION OF AGREEMENT

This Agreement may be changed or modified only by written document signed by the parties hereto. Any prior representations or understandings by and between the parties which are not expressly set forth in this Agreement and/or the Water Supply Agreement and/or the Financing Agreement are waived.

15. EXISTING WATER CONTRACTS

Neither this Agreement nor the Water Supply Agreement nor Financing Agreement between these parties shall be interpreted to extend, modify or amend the Agreement to supply water between Bay City, the Commission and/or any other party currently supplied water through the BCMWTP.

16. CAPTIONS

The Captions in this Agreement are for convenience only and shall not be construed as part of this Agreement or in any way to amplify or modify the terms and provisions thereof.

17. EXECUTION AND COUNTERPARTS

This Agreement may be executed in several counterparts and when so executed will be considered to be an original.

As of the above date, the parties hereto have executed this Agreement.

City of Bay City:

By: _____
Christopher Shannon, Mayor

By: _____
Dana Muscott, Clerk

Bay County Department of Water and Sewer
By: Board of County Road Commissioners of the County of Bay, Michigan

By: _____
Edward L. Rivet, Vice-Chairman

By: _____
Danean Wright, Clerk

Board of Commissioners, County of Bay:

By: _____
Ernie Krygier, Chair

By: _____
Cynthia Luczak, Clerk

Dated: _____, 2015

LIST OF RETIREES

ID #:	Last Name:	First Name:	City Sen.:	Dept Sen:	Defined benefit:	Defined contrib.:
5289	Levengood	Thomas	9/17/1973	7/15/1975		X
3917	Snobeck	Mike	1/15/1990	1/15/1990	X	expected to retire Feb 2013
3919	Kowalski	Sue	9/4/1990	9/4/1990	X	
5334	Jankowski	Luke	10/28/1991	10/20/1993		X

Appendix A

Water Supply Agreement

Dated January 30, 2013

Appendix A

WATER SUPPLY AGREEMENT

Board of County Road Commissioners of the County of Bay
City of Bay City
Charter Township of Hampton
City of Essexville
Charter Township of Bangor
Beaver Township
Frankenlust Township
Fraser Township
Kawkawlin Township
Merritt Township
Charter Township of Monitor
City of Pinconning
Charter Township of Portsmouth
Charter Township Williams

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WATER SUPPLY AGREEMENT

This Water Supply Agreement ("this Agreement"), dated this 30th day of January, 2013, is made by and between the Board of County Road Commissioners of the County of Bay, as designated county agency for the County of Bay pursuant to Act 342, Public Acts of Michigan, 1939, as amended (the "Commission"), the City of Bay City ("Bay City"), and the Charter Township of Hampton ("Hampton Township"), the City of Essexville ("Essexville"), the Charter Township of Bangor ("Bangor Township"), the Township of Beaver ("Beaver Township"), the Township of Frankenlust ("Frankenlust Township"), the Township of Fraser ("Fraser Township"), the Township of Kawkawlin ("Kawkawlin Township"), the Township of Merritt ("Merritt Township"), the Charter Township of Monitor ("Monitor Township"), the City of Pinconning ("Pinconning"), the Charter Township of Portsmouth ("Portsmouth Township"), and the Charter Township of Williams ("Williams Township"), all Michigan municipal corporations (collectively, the "Parties").

Background Recitals

Bay City owns and operates the Bay City Municipal Water Treatment Plant and Transmission System. Bay City provides treated water to the City of Essexville, Charter Township of Hampton, and the Commission under contract. The Commission in turn sells treated water to the Parties, other than Bay City, City of Essexville, and Charter Township of Hampton. The Commission also operates and maintains some of the Local Units' Water Distribution Systems.

The Parties intend to finance and construct the Bay Area Water Treatment Plant pursuant to a Financing Agreement with the County of Bay. The Bay Area Water Treatment Plant will be used to provide treated water to the Parties. The Bay Area Water Treatment Plant will be acquired, constructed, operated, administered and maintained for the sole use and benefit of the Parties and their various water users, and the Parties shall pay all costs in connection therewith.

The Commission, for and on behalf of the Parties, will enter into an Agreement with the Saginaw-Midland Municipal Water Supply Corporation ("SMMWSC") to furnish raw, untreated water at a capacity up to 22 million gallons per day (22 MGD) at terms consistent with the Raw Water Agreement.

Bay City will operate, maintain, and repair the Existing Transmission System providing treated water from the Bay Area Water Treatment Plant to the Parties at the Existing Transmission Connection Points pursuant to the current methodology determining transmission costs. The methodology shall continue until such time as the

Parties, excluding Bay City, construct a New Transmission System and separate from the Existing Transmission System.

The Parties are authorized to enter into this Agreement pursuant to the provisions of Act 342, Public Acts of Michigan, 1939, as amended, and Act 35, Public Acts of Michigan, 1951, as amended.

1. The Agreement.

The Commission will provide treated water and related water services to and for the Parties pursuant to the terms and conditions of this Agreement.

2. Definitions.

The following terms, when used throughout this Agreement, are defined as follows:

(a) "Bay Area Water Treatment Plant" – The yet to be constructed Membrane Filtration Water Treatment Plant with a design capacity of 17.4 MGD, expandable to 26 MGD, Raw Water Supply Lines sufficient to transmit raw, untreated water from the SMMWSC to the Membrane Filtration Water Treatment Plant, the Treated Water Transmission Line(s) necessary to transmit treated water from the Membrane Filtration Water Treatment Plant to the Existing and/or New Transmission System, the water storage, water metering, water connection, facilities and appurtenances, including all improvements and additions subsequently made thereto and all real and personal property acquired under the terms of the Financing Agreement including all contract and contract rights associated therewith and/or otherwise described therein.

(b) "Cash Needs Approach" – The method of determining annual operating revenue requirements based on cash needs, including but not limited to, operation and maintenance expense, debt service, reserves, and capital expenditures from current revenues.

(c) "Commission Service Area" – Those areas receiving water from the Bay City Municipal Water Treatment Facility through the Commission via Bay County Water Supply System #1, the Bangor-Monitor Metropolitan Water District, Kawkawlin Metropolitan Water District, Beaver Road Water Association, the Wisner Township Water Distribution System, and the Pinconning Township Water Distribution System.

(d) "Existing Transmission Connection Points" – Locations to which Bay City currently transmits treated water to the other Local Units (the location where Bay City's Transmission System ends and the other Party's Water Distribution System begins).

(e) "Existing Transmission System" – Facilities and infrastructure by which treated water is transmitted from the Bay City Municipal Water Treatment Facility or the Bay Area Water Treatment Plant to the Existing Transmission Connection Points.

(f) "Expansion Costs" – Costs associated with expanding the capacity of the Bay Area Water Treatment Plant beyond 17.4 MGD including, but not limited to, capital expenditures, the cost of financing capital expenditures, and the cost to own, operate and maintain additional infrastructure to expand the Bay Area Water Treatment Plant beyond 17.4 MGD.

(g) "Financing Agreement" – The Agreement between the County of Bay and the Parties to finance the costs of the Bay Area Water Treatment Plant, a copy of which upon adoption shall be attached hereto as Exhibit A and incorporated herein.

(h) "Local Units" - The City of Bay City ("Bay City"), the Charter Township of Hampton ("Hampton Township"), the City of Essexville ("Essexville"), the Charter Township of Bangor ("Bangor Township"), the Township of Beaver ("Beaver Township"), the Township of Frankenlust ("Frankenlust Township"), the Township of Fraser ("Fraser Township"), the Township of Kawkawlin ("Kawkawlin Township"), the Township of Merritt ("Merritt Township"), the Charter Township of Monitor ("Monitor Township"), the City of Pinconning ("Pinconning"), the Charter Township of Portsmouth ("Portsmouth Township"), and the Charter Township of Williams ("Williams Township").

(i) "Local Units Service Area" – The area within each Local Unit's municipal boundary and those areas currently receiving water from a Local Unit through the Bay City Municipal Water Treatment Facility, except for the Commission Service Area.

(j) "New Transmission Connection Points" – Locations designated by all or a portion of the Parties where the Commission may, in the future, transmit treated water from the Bay Area Water Treatment Plant to each Party.

(k) "New Transmission System" – Facilities and infrastructure, which may be constructed, necessary to transmit treated water from the Bay Area Water Treatment Plant to all or a portion of the Parties at the New Transmission Connection Points. All or a portion of the Parties, except for Bay City, will determine whether a New Transmission System(s) is constructed and if so, how the costs associated therewith will be shared and allocated between the participating Parties, except for Bay City.

(l) "Operating Reserves" – Excess assets, cash, materials, and supplies, deemed necessary for the continuous operation of the Bay Area Water Treatment Plant.

(m) "Party/Parties" – The Parties to this Agreement are the Commission as designated county agency for the County of Bay pursuant to Act 342, Public Acts of Michigan, 1939, as amended, and the Local Units.

(n) "Party's Water Distribution System" – The infrastructure and facilities owned and operated by each Party which distributes or transmits treated water from the Existing Transmission Connection Points to Retail Water Customers.

(o) "Raw Water Agreement" – An agreement to purchase raw water from the SMMWSC at a capacity up to 22 million gallons per day (22 MGD), at terms consistent with the Raw Water Proposal dated January 26, 2011 attached as Exhibit B.

(p) "Retail Water Customers" – Those customers and users of treated water and water services provided by this Agreement.

(q) "System Connection Fee" – A fee established by the Advisory Committee, implemented by the Commission, and assessed to any Party to recover the cost of planning, constructing, and/or servicing proposed new service areas.

(r) "Transmission Agreement" – The agreement between the participating Parties and Bay City setting forth the methodology determining transmission costs and any extension thereof between the participating Parties by which Bay City will continue to own, operate, and maintain the Existing Transmission System after December 31, 2015 and assess and allocate the costs thereof to the participating Parties.

(s) "Water Connection Fee" – A fee established by the Advisory Committee, implemented by the Commission, and assessed as provided in paragraph 23 to any Party which has increased its average annual billed water consumption above its five-year annual billed water consumption as established by the five-year period beginning July 1, 2010, and ending June 30, 2015.

3. Raw Water Source.

The Commission will enter into the Raw Water Agreement with the SMMWSC for and on behalf of the Parties.

4. Bay Area Water Treatment Plant.

(a) Financing. The Parties to this Agreement and the County of Bay will enter into a separate financing agreement (the "Financing Agreement") providing the financing for the construction of the Bay Area Water Treatment Plant. The costs will be financed through the issuance of revenue bonds or general obligation bonds by the County of Bay. The Commission has submitted an application to participate in the State of Michigan

Drinking Water Revolving Fund ("DWRF") Program. The Financing Agreement shall include the following essential terms and conditions:

(i) Pledge – The County of Bay and each Local Unit shall pledge its limited tax authority and full faith and credit to support its obligations under the Financing Agreement;

(ii) Repayment – The debt service shall be repaid, as it becomes due, over a period not to exceed 40 years unless the Advisory Committee approves the prepayment of all or any portion of the debt service. Any new debt service incurred during the term of this Agreement shall not extend beyond the duration of the existing debt service, unless approved by the Parties.

(iii) Liability – The Parties shall each be assigned, and shall each pay, a percentage of the annual, and any prepaid, debt service as defined in the Financing Agreement.

(b) Ownership and Title. For the duration of the Financing Agreement, the Bay Area Water Treatment Plant, including all contract rights in connection therewith and all improvements subsequently made thereto, shall be titled to the County of Bay and held by the County of Bay for and on behalf of the Parties. The Bay Area Water Treatment Plant shall not be sold, transferred or alienated, except upon the express unanimous written agreement of the Parties, except as security for repayment of principal and interest on the debt financing for the Bay Area Water Treatment Plant.

Immediately upon retirement of the debt service for the Bay Area Water Treatment Plant as described in the Financing Agreement:

(i) Title to the Bay Area Water Treatment Plant shall be transferred from the County of Bay to the Parties. Each Party shall be awarded an ownership interest in the Bay Area Water Treatment Plant equal to its pro rata share of the total billed water consumption of all Parties from the date of inception of this Agreement until the date of retirement of the debt service.

(ii) The Commission will continue to operate the Bay Area Water Treatment Plant pursuant to the terms of this Agreement, unless the Advisory Committee agrees, by approval of Parties representing at least 66% of the volume of billed water consumption in the previous fiscal year, to operate the Bay Area Water Treatment Plant by an "authority," an "intergovernmental agreement," or any other means permitted by law. The Advisory Committee shall provide the Commission a minimum of 24-months notice after voting of its decision to change the operating authority or entity.

(iii) All accumulated reserves will be transferred to the new operating authority or entity.

Each Party shall continue to own, operate, maintain, and repair its own Water Distribution System at its own cost and expense which shall not be shared or subsidized by the other Parties.

5. Transmission System.

(a) Existing Transmission System. Bay City owns and may continue to operate the Existing Transmission System which will be used to transport treated water from the Bay Area Water Treatment Plant to the Parties. Until December 31, 2015, the cost of maintenance and repair shall be identified by Bay City and assessed and allocated to each Party pursuant to the current methodology determining transmission costs. After December 31, 2015, if Bay City continues to operate all or a portion of the Existing Transmission System, Bay City and the participating Parties would need to negotiate and enter into a Transmission Agreement.

(b) New Transmission System. All or a portion of the Parties, except for Bay City, may, in their discretion, choose to construct a New Transmission System. The New Transmission System shall be financed and constructed under separate agreement between the participating Parties, except for Bay City. The cost of financing, constructing, operating, and maintaining a New Transmission System shall be identified by the Commission (if the Commission is a participating Party to the New Transmission System) and assessed and allocated to the participating Parties, except for Bay City. The participating Parties, except for Bay City, shall be assessed and shall pay all costs of constructing and operating a New Transmission System, including engineering and construction costs associated with disconnecting from the Existing Transmission System and connecting to a New Transmission System. Costs assessed by Bay City in paragraph 5(a) to any participating Party shall cease when a New Transmission System is placed into service.

(c) Connection Points. The Existing Transmission System transports water from the Bay Area Water Treatment Plant to the Parties at Existing Transmission Connection Points. The Existing Transmission Connection Points shall be maintained unless and until the Parties, except for Bay City, physically disconnect from the Existing Transmission System and establish a New Transmission System. Thereafter, New Transmission System Connection Points shall be established by agreement between the participating Parties.

6. Decommission of Bay City Municipal Water Treatment Facility.

Specific costs to decommission the existing Bay City Municipal Water Treatment Facility at 2691 N. Euclid Avenue will be shared between the Parties as specified in the Water Plant Cost Sharing Agreement between Bay City and the Commission dated January ____, 2013.

7. Capacity.

(a) Capacity. The Parties shall be assigned a "benchmark water consumption" based on each Party's five (5) year average annual billed water consumption beginning July 1, 2010, and ending June 30, 2015.

The design capacity of the Bay Area Water Treatment Plant is 17.4 MGD. The cost of financing capital expenditures necessary to increase the design capacity above 17.4 MGD shall be allocated between the Parties. The allocation of the Expansion Costs shall be based on each Party's share of the total increased water consumption above the assigned benchmark.

Capital expenditures and the cost of financing capital expenditures attributable to expanding infrastructure, transmission, connection points, or new service areas, shall be borne by any Party requiring the new infrastructure or infrastructure repair or improvement.

8. Water Rights.

(a) Water Service and Service Area. The Commission shall provide and each Party shall receive and pay for water and water services provided by the Commission at the wholesale water rates established by this Agreement within each Party's Service Area as defined herein.

(b) Prohibition of Sale/Receipt of Other Water. The Parties shall not sell, receive or deliver water outside of their respective Service Area unless approved by the Advisory Committee and the Commission. Boundary water users may continue to be served as permitted by existing and future boundary agreements between Parties to this Agreement and shall not be considered Additional Areas of Service as provided in paragraph 23 of this Agreement. The Parties shall neither purchase nor obtain water from any other source except for emergency purposes or as provided herein.

9. Budget and Water Rates.

Commission staff shall annually prepare a budget which shall include all revenues, expenses, and debt incurred in order to procure, operate, maintain, and improve the Bay

Area Water Treatment Plant as provided in this Agreement. No later than thirty (30) days prior to adoption of the budget by the Commission, a copy of the proposed budget and proposed wholesale water usage rate shall be provided to the Parties and the Advisory Committee for review and recommendation.

The Commission shall establish annually, a "Wholesale Water Usage Rate" for treated water delivered by the Commission to the Parties using the Cash Needs Approach of ratemaking and estimated billed water consumption per paragraph 9(g). The Commission shall perform an internal rate study identifying all costs incurred in the operation and maintenance of the Bay Area Water Treatment Plant. The Wholesale Water Usage Rate shall include and be based upon the following elements and be allocated to each Party based on the annual Volume/Flow of treated water consumed by each Party, expressed as a percentage of the whole:

(a) Raw Water Costs: The annual cost of raw water from the SMMWSC.

(b) Cost of Debt Service: The annual cost of Debt Service as defined by the Financing Agreement.

(c) Operation and Maintenance Costs: The annual cost of operating and maintaining the Bay Area Water Treatment Plant, as defined by the internal rate study.

(d) Reserves: The annual cost of reserves, as established by the Commission with input from the Advisory Committee.

The Commission, upon recommendation from the Advisory Committee, shall establish reserves for:

(1) Bay Area Water Treatment Plant;
(2) Membrane Replacement;
(3) Other Capital Equipment Replacement;
(4) Storage; and
(5) Working Capital.

The Commission shall establish reserves and may utilize any independent analysis or study that the Advisory Committee deems appropriate per paragraph 12.

(e) Administrative Costs: Annual administrative costs, as determined by the Commission with input from the Advisory Committee, shall be allocated to each Party.

The Advisory Committee may evaluate the indirect administrative costs allocated by the Commission through a biennial indirect cost allocation plan and study. In no event shall allocated indirect administrative costs exceed five percent of the annual system

revenue requirements. Allocated indirect administrative costs represent the expenses of doing business that are not readily identified with the Bay Area Water Treatment Plant, but are necessary for the general operation of the Bay Area Water Treatment Plant and the conduct of activities it performs.

(f) Revenues: All revenues derived from the sale of water from (or use of) the Bay Area Water Treatment Plant, all Water Connection Fees, all System Connection Fees, all late payment charges, penalties and fees, as described in this Agreement, shall be applied to reduce the costs outlined in subparagraph (a) – (e) above.

(g) Estimated Water Consumption: As a component of preparing the annual budget, the Commission's staff shall estimate annual billed water consumption based upon the total billed water consumption and trend for the most recent four (4) year period beginning July 1 and ending June 30, and taking into consideration other factors that may affect water consumption.

If costs of procuring and/or operating the Bay Area Water Treatment Plant accrue, or working capital is needed before System revenues are being generated and are adequate, the Commission may prorate such costs to each Party based upon each Party's pro-rata share of their five (5) year average annual billed water consumption beginning July 1, 2008, and ending June 30, 2013.

10. Billing.

Bills for all water delivered pursuant to this Agreement shall be rendered monthly or quarterly as agreed upon between the Commission with each Party. All bills must be paid on or before the due date shown thereon, which date shall be not less than twenty-one (21) days from the date of delivery to each Party. Bills not paid on or before the due date shall carry a service charge of one percent (1%) per month until paid.

11. Fiscal Year, Annual Audit.

The fiscal year of the Commission is January 1 through December 31 of each year. The Commission will keep consistent, accurate records relating to all costs and expenses incurred or allocated to the operation of the Bay Area Water Treatment Plant including costs of administration, acquisition, construction, financing, operation and maintenance. An annual audit of the Bay Area Water Treatment Plant shall be conducted by a certified public accountant. The results of the audit and all records related thereto shall be made available to the Advisory Committee. Expense of the audit and auditor's notes shall be deemed an operating expense of the Bay Area Water Treatment Plant. Should the annual audit determine that the costs or revenues have been calculated, accounted for, or assessed differently than how the annual audit allocates same, then the appropriate

adjustments shall be made and applied to adjust the rate or assessment for the following fiscal year.

12. Advisory Committee.

(a) Creation of Advisory Committee. The Parties to this Agreement hereby create and establish an Advisory Committee.

(b) Membership. Each Party to this Agreement shall appoint one member to the Advisory Committee for so long as the Party determines. Each Party shall notify the Commission within fifteen (15) days of the appointment of their member or any future appointments. The Committee shall meet, organize, and operate in accordance with rules, procedures, and bylaws (if any) established by vote of the Advisory Committee members consistent with Voting Rights in paragraph 12(c).

(c) Voting Rights. Each Committee member shall be assigned weighted voting rights based on his or her Party's pro rata share of billed water consumption for the previous full fiscal year beginning January 1 and ending December 31. Advisory Committee actions and recommendations shall require the approval of the Parties representing more than 50% of the volume of billed water consumption in the previous fiscal year unless otherwise designated in this Agreement.

(d) Advisory Committee's Authority.

Commission Staff shall request Advisory Committee input, support, review and recommendations to include, but not limited to, the following issues before taking them to the Commission:

(1) The Annual Budget to include raw water costs, cost of debt service, operation and maintenance costs, direct and indirect administrative costs, and revenues derived from and/or attributable to the Bay Area Water Treatment Plant;
(2) The establishment and review of all reserves;
(3) The Wholesale Water Usage Rate calculation;
(4) New Transmission Connection Points;
(5) Any decision that involves the expansion and/or improvement of the Bay Area Water Treatment Plant and the allocation of the costs in connection therewith;
(6) The addition of a Local Unit within the County of Bay or the expansion of any Local Units' Service Area;
(7) Any billing disputes under this Agreement;
(8) Water benchmark assignments;
(9) Prepayment of all or any portion of the debt service;

(10) Meter maintenance and replacement plan approval;
(11) The selection of a mediator or arbitrator pursuant to paragraph 27.

Committee recommendations either in support of or against a Commission Staff agenda item for presentation to the Commission will not be unreasonably withheld by the Advisory Committee. All recommendations must be presented to the Commission.

The Advisory Committee may direct the early retirement or prepayment of debt associated with the Bay Area Water Treatment Plant and may also direct expansion or improvement of the Bay Area Water Treatment Plant consistent with Voting Rights in paragraph 12(c).

The Advisory Committee may, in its discretion, but no more than once every two years, retain the services of a professional rate consultant, professional certified public accountant, or professional engineer to assist in the ratemaking process, to perform periodic rate studies, to perform a periodic methodology review, to perform a cost allocation study, and/or to assist in financial policy making, establish reserves or perform other services deemed necessary by the Advisory Committee, in its sole discretion.

(e) Access to Records. The Commission shall provide the Advisory Committee with complete access to all records regarding financing, ownership, operation, maintenance, capital and non-capital expenditures, administrative costs, allocations, fees, billings, receipts, expenses, and actions regarding the Bay Area Water Treatment Plant and New Transmission System. Each Party to the Agreement, upon written request from the Advisory Committee, shall provide all records, documents, and materials regarding financing, ownership, operation, maintenance, capital and non-capital expenditures, administrative costs, allocations, fees, billings, receipts, expenses, and actions regarding the Bay Area Water Treatment Plant and Existing and/or New Transmission System relating to the Commission and the Party's Water Distribution System.

13. Meters.

(a) Accuracy. Each Party is responsible for the accuracy of its metering equipment and shall repair and replace inaccurate and non-functioning meter equipment as soon as practicable, not to exceed 15 days from the date of discovery, or such other date agreed to by the Commission.

(b) Testing. Each Party shall submit to the Commission and the Advisory Committee its plan for meter maintenance and replacement. Each Party shall conduct periodic evaluations of its metering equipment based upon the manufacturer's recommendations and industry standards derived from the AWWA for the equipment used. Each Party shall report the results of its periodic evaluations to the Advisory Committee. The Advisory Committee, at its discretion, may direct additional or more

frequent testing and evaluation of metering equipment for any Party. If any Party's metering equipment is found to be inaccurate or ineffective, the Advisory Committee may, at its discretion, direct that Party to make prompt replacement or repair. Further, the Advisory Committee may direct adjustments to the volume/flow percentages and the corresponding rates/costs allocated to any Party where metering facilities are deemed inaccurate or ineffective.

14. Emergency Discontinuance.

The Commission and the Parties each hereby reserve the right to temporarily discontinue the supply of water to any water mains or pipes, without notice in times of emergency, and with notice where it is, upon its determination, necessary for purposes of testing, repairing, or replacing water mains, meters, or other of its facilities serving the Party's Water Distribution System. No claim for damages for such discontinuance shall be made against the other Parties.

15. Protection against Contamination.

For the protection of all consumers of water, the Commission, and the Parties agree to take reasonable efforts to guard against all forms of contamination. Should contamination be detected at any time, the area or areas affected shall immediately be shut-off and isolated and remain so until such condition shall have been abated and the water has been declared again safe and fit for human consumption. The decision of the Commission in this respect shall be final. The Commission is hereby given the right, at any time deemed by it necessary, to inspect the water service equipment within the affected area, to review construction and chlorination and protective devices, and to do or have done any and all things necessary to protect the quality of the water supply. Any labor and/or equipment furnished by the Commission required for such purpose shall be paid for by the Party or Parties that are the source of or causing the contamination. Each Party shall have a written cross-connection inspection program and shall provide a copy of such program to the Commission. The Parties may jointly administer their cross-connection program through the Commission, provided that the costs of administering such programs shall only be borne by those Parties and shall not be a cost of the Bay Area Water Treatment Plant. In the event any Party detects contamination, it shall promptly notify the other Parties and the Commission.

16. Temporary Restriction on Use of Water.

If, due to circumstances beyond the control of the Commission, e.g., prolonged dry spells, the capacity of the Bay Area Water Treatment Plant becomes temporarily inadequate for short periods of time to meet the peak demands of all users of its water, then each Party shall, at the request of the Commission, immediately impose and enforce like restrictions on its water users.

17. Water from Other Source.

The Parties will not permit water from any other source or supply to mix or comingle with the supply from the Bay Area Water Treatment Plant, except in case of emergency, and then only such water shall be used as shall meet the requirements of the Michigan Department of Environmental Quality (or any successor agency) and in the minimum quantities necessary to relieve the emergency.

18. Responsibility for Quality of Water

The Commission shall deliver treated/potable water from the Bay Area Water Treatment Plant to the Existing and/or New Transmission System(s) consistent with EPA and DEQ regulations. The Commission shall sample and monitor the water quality. The Commission shall not be liable for temporary water quality or pressure fluctuations.

In the event the Commission and the Parties decide to disconnect from the Existing Water Transmission System, the Commission shall provide treated/potable water to the New Transmission System at New Transmission Connection Points established by recommendation of the Advisory Committee and approved by the Commission.

Each Party shall provide water service to its Water Users consistent with EPA and DEQ regulations. In order to meet regulatory requirements, each Party shall sample water quality and provide samples to the Commission upon request.

19. Operating Liability.

The Commission will attempt to provide and maintain regular and uninterrupted water service under this Agreement, but shall not be liable for any injuries or damages to any Party or its customers, or any other party caused by contamination, interruptions, main breaks, water damage, loss of supply or pressure, or any other cause beyond the control of the Commission. The Parties agree that the water facilities and service provided under this Agreement are a governmental function, as defined in Public Act No. 170 of 1964, as amended.

20. Term.

This Agreement shall remain in effect for a period of forty (40) years and annually thereafter, unless (a) extended by written agreement signed by the Parties hereto representing at least 66% of the volume of billed water consumption in the previous fiscal year, or (b) terminated by vote of the Advisory Committee as provided in paragraph 4(b) of this Agreement. This Agreement remains binding on the Commission and each Party until all bonds, notes and indebtedness associated with the procurement of the Bay Area

Water Treatment Plant have been satisfied and retired in full. Thereafter, any Party may choose to terminate its rights and obligations under the Agreement upon thirty (30) days written notice. The termination of the rights and obligations of any Party under the terms of this Agreement shall constitute a surrender of that Party's property rights in the Bay Area Water Treatment Plant but shall not dissolve or affect the Agreement regarding the remaining Parties.

21. Maintenance, Operation, and Repair of Systems.

The Parties shall each be responsible for and shall maintain, operate, and repair their own facilities to adequately provide for the performance of this Agreement, unless otherwise agreed in writing.

22. Other Services.

The Commission will perform such additional services for any Party as may from time to time be agreed upon at a rate of compensation to be agreed upon.

23. Additional Areas of Service.

Subject to sufficient capacity being available at the Bay Area Water Treatment Plant, the Advisory Committee may approve or deny requests of any Party to expand its Local Units Service Area. The Advisory Committee may establish a System Connection Fee for any Party permitted to expand its Local Units Service Area. Further, the Advisory Committee may authorize the Commission to assess a Water Connection Fee to any Party seeking to expand its Local Units Service Area, or add new Retail Water Customer if, but only if, service to the new Retail Water Customers will require expansion of the Bay Area Water Treatment Plant beyond the design capacity of 17.4 MGD.

The System Connection Fees and Water Connection Fees shall be treated as revenues assessed and allocated as defined within the ratemaking provisions of this Agreement.

The Advisory Committee will grant or deny requests to extend Local Units Service Areas with approval of Advisory Committee Members representing more than 50% of the volume of billed water consumption in the previous fiscal year.

24. Force Majeure.

No failure or delay in performance of this 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, strikes, lockouts, wars, terrorism, riots, epidemics, explosions, sabotage,

breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority, or any other cause, not within the control of the Party claiming suspension; provided that no cause or contingency shall relieve the Parties or the Customers of their obligation to make payment for water provided to the Parties or Customers by the Commission.

25. Assignment.

No Party to this Agreement shall, without the prior written consent of the other Parties, assign, transfer, or convey its interest or any part thereof under this Agreement to any other entity, private or public, except that the Parties shall retain the right to assign all of their rights, obligations, and liabilities under this Agreement to a water or utility authority or other entity created to serve the area. If any Party shall by operation of law be merged into or be succeeded by another governmental agency or municipal corporation, its successor shall be bound by the terms of this Agreement as if originally a Party hereto.

26. Notices.

All written notices and other documents to be delivered or transmitted hereunder shall be addressed to the respective Parties at such address or addresses as shall be specified by the Parties from time to time. Written notices or other documents may be delivered in person, transmitted by facsimile, or by ordinary or certified mail, properly addressed with sufficient postage.

27. Dispute Resolution Process.

Any Party to this Agreement wishing to challenge the water rate, and/or the assessment or allocation of water charges, and/or to dispute any action taken by the Advisory Committee and/or the Commission must serve Notice of Challenge on the Commission and the Advisory Committee within 30 days from the date of the event or occurrence which triggers the dispute. The written notice must identify the following:

(1) The factual basis for the dispute;
(2) The error in the process;
(3) The perceived misallocation of costs, fees or rates;
(4) The adverse effect on the aggrieved Party;
(5) The terms and conditions of the Agreement which have not been complied with.

Upon receipt of written Notice, the Commission and the Advisory Committee will have thirty (30) days in which to resolve the challenge and/or make necessary

corrections, where applicable. In the event that the challenge is not resolved and the Party serving the Notice of Challenge is not satisfied with the recommendation of the Advisory Committee, unless the Parties agree otherwise, such claims, disputes or other matters shall be subject to mediation as provided herein as a condition precedent to litigation:

(i) The Party serving the Notice of Challenge shall give notice to the other Parties and, in writing, propose a meeting within thirty (30) days after serving the Notice of Challenge in which to discuss and attempt to resolve the challenge.

(ii) In the event the meeting between the Parties to resolve the challenge does not resolve the dispute or does not take place within said thirty (30) day period, the Commission shall designate, upon recommendation of the Advisory Committee, an independent mediator who shall convene a meeting of the Parties within a period of thirty (30) days of the later of the initial meeting between the Parties or the date the Notice of Challenge was served pursuant to subparagraph (i) above. The mediator shall render his or her decision within fourteen (14) days of said meeting. The Parties may, by mutual written agreement, extend the time periods required under this subparagraph.

(iii) The purpose of mediation is to attempt to resolve the dispute between the Parties. The mediator shall not be empowered with the authority to render a binding opinion or award.

(iv) In the event the independent mediator's attempt to resolve the dispute between the Parties fails, unless the Parties agree to binding arbitration as outlined below or otherwise agree to settle the challenge, then each Party will be free to pursue recovery of claims at law.

Arbitration shall be conducted on the following limited, expedited basis. The Commission and the Party serving the Notice of Challenge may agree upon one arbitrator; otherwise there shall be three (3) arbitrators, one named in writing by the Commission, upon recommendation of the Advisory Committee, and the Party that served the Notice of Challenge, within fifteen (15) days after notice of arbitration is served by either Party upon the other, and a third arbitrator selected by these two (2) arbitrators within fifteen (15) days thereafter. No one shall serve as an arbitrator who is in any manner, directly or indirectly, financially interested in this Agreement or in the affairs of either Party.

The arbitration hearing shall be conducted no later than one hundred twenty (120) days after receipt of written demand for arbitration, unless agreed to otherwise by the Parties. The arbitration hearing will take place at a mutually agreeable time and place

within the corporate boundaries of the County of Bay. Seven (7) days before arbitration, each Party shall serve the arbitrator(s) and all other Parties with an Arbitration Brief containing a concise Statement of Issues to be arbitrated and supporting argument, and a witness list identifying each witness the Party intends to call, including experts and the topics and subject matter about which each witness will testify. The arbitration hearing shall be conducted in accordance with the Rules of Procedure established by the AAA.

No later than fifteen (15) days after the arbitration has been completed, the arbitrator(s) shall submit in writing a determination affirming or adjusting the established rate and/or matter in dispute. The arbitrator's decision shall be conclusive and binding on all Parties to the arbitration. The arbitrator's decision may be entered in State or Federal Court with jurisdiction over the Parties for enforcement, if necessary, however, the scope of the arbitrator's review shall be limited to the review of the annual rate making process and the applicability of the rules set forth in this Agreement. The arbitrator(s) shall have no authority to determine whether repairs, alterations or improvements to the system were appropriately made or whether the costs associated therewith were properly incurred. The arbitrator's authority is limited to the proper application of the rate making process as specified by the terms and conditions of this Agreement.

28. Remedies.

The Parties to this Agreement retain all rights, remedies and actions as defined by Michigan law. The Parties may seek to enforce this Agreement in any court of competent jurisdiction and/or by alternative dispute resolution as agreed to by the Parties herein. This Agreement and any dispute resolution provisions contained herein shall not be construed as a waiver of any right or remedy available in law and/or in equity.

29. Insurance.

The Commission shall maintain insurance on the Bay Area Water Treatment Plant, and any Party's Water Distribution System operated and maintained by the Commission in a commercially reasonable amount providing coverage for property loss, liability and defense costs. The costs of insuring the Bay Area Water Treatment Plant shall be assessed as an operation and maintenance cost as defined in paragraph 9(c). The cost of insuring any Party's Water Distribution System operated and maintained by the Commission shall be assessed to the Party that owns the Water Distribution System in question.

30. Liability of Commission.

Anything contained in this Agreement to the contrary notwithstanding, the Parties understand and agree that any duty or obligation arising under this Agreement or otherwise on the part of Commission shall not be enforced, compelled, sanctioned, or

otherwise realized by requiring the Commission to pay any Party or other person any monies received by the Commission under, pursuant to or because of Michigan Public Act 51 of 1951, as amended.

31. Miscellaneous.

(a) Waiver. The waiver by any Party of a breach or violation of any provision of this Agreement shall not be a waiver of any subsequent breach or violation of the same or any other provision of this Agreement.

(b) Unenforceability. If any paragraph or provision of the Agreement is unenforceable for any reason, the unenforceability thereof shall not impair the remainder of this Agreement, which shall remain in full force and effect.

(c) Entire Understanding. This Agreement represents the entire understanding and agreement between the Parties hereto.

(d) Captions. The captions in this Agreement are for convenience only and shall not be considered as part of this Agreement or in any way to amplify or modify the terms and provisions hereof.

(e) Modification. This Agreement may be changed or modified only by a written document signed by the Parties hereto representing at least 66% of the volume of billed water consumption in the previous fiscal year.

(f) Interpretation of Agreement. The Parties acknowledge that each Party has had the opportunity to participate in the drafting of this Agreement. As a result, in the event of any ambiguity in this Agreement, it shall not be interpreted for or against any Party on account of the drafting by any Party.

32. Effective Date of Agreement.

This Agreement will become effective upon the approval of the legislative bodies of the Parties when duly executed by the Chief Executive Officer and Clerk of each Local Unit and the Chairman and Clerk of the Commission.

[Remainder of page intentionally left blank]

33. Execution in Counterparts.

This Agreement may be executed in several counterparts and when so executed will be considered to be an original.

BOARD OF COUNTY ROAD COMMISSIONERS OF THE COUNTY OF BAY, as designated county agency for the County of Bay pursuant to Act 342 of 1939, as amended

By: _____
Richard S. Gromaski, Chairman

By: _____
Jackie McCarthy, Clerk

Dated: 1-30, 2013

CITY OF BAY CITY

By: _____
Christopher Shannon, Mayor

By: _____
Dana L. Muscott, Clerk

Dated: 1-30, 2013

CHARTER TOWNSHIP OF HAMPTON

By: _____
Thomas J. Foret, Supervisor

By: _____
Pamela J. Wright, Clerk

Dated: 1-30, 2013

CITY OF ESSEXVILLE

By: _____
Russell R. Tanner, Mayor

By: _____
Sarah J. Wilcox, Clerk

Dated: 1-30, 2013

CHARTER TOWNSHIP OF BANGOR

By: _____
Terry Watson, Supervisor

By: _____
Dawn Bublitz, Clerk

Dated: 1-30, 2013

TOWNSHIP OF BEAVER

By: _____
Ronald D. Robbins, Supervisor

By: _____
Stacey M. Mieske, Clerk

Dated: 1-30, 2013

TOWNSHIP OF FRANKENLUST

By: _____
Ronald Campbell, Supervisor

By: _____
Donna L. Reichard, Clerk

Dated: 1-30, 2013

TOWNSHIP OF FRASER

By: _____
Mark C. Galus, Supervisor

By: _____
Jodi A. Kime, Deputy Clerk

Dated: 1-30, 2013

TOWNSHIP OF KAWKAWLIN

By: _____
Dennis J. Bragiel, Supervisor

By: _____
Gregory A. Petrimoulx, Clerk

Dated: 1-30, 2013

TOWNSHIP OF MERRITT

By: _____
David Schabel, Supervisor

By: _____
Kathy Bremer, Clerk

Dated: 1-30, 2013

CHARTER TOWNSHIP OF MONITOR

By: Gary A. Brandt
Gary A. Brandt

By: Cindy L. Kowalski
Cindy L. Kowalski, Clerk

Dated: 1-30, 2013

CITY OF PINCONNING

By: Jennifer L. DeLorge
Jennifer DeLorge, Mayor

By: Terri Hribek
Terri Hribek, Clerk

Dated: Jan. 30, 2013

CHARTER TOWNSHIP OF PORTSMOUTH

By: Robert J. Pawlak
Robert J. Pawlak, Supervisor

By: Judith F. Bukowski
Judith F. Bukowski, Clerk

Dated: 1-30, 2013

CHARTER TOWNSHIP OF WILLIAMS

By: Paul M. Wasek
Paul M. Wasek, Supervisor

By: Amy Charney
Amy Charney, Clerk

Dated: January 30, 2013

EXHIBIT A

(Financing Agreement with County of Bay)

EXHIBIT B

SAGINAW MIDLAND
MUNICIPAL WATER SUPPLY CORPORATION

4678 S. THREE MILE ROAD • BAY CITY, MI 48706 • PH. 989-684-2220 • FAX 989-684-7741

January 26, 2011

Mr. Tom Paige, Utility Director
Bay County Dept. of Public Works
3933 Patterson
Bay City, MI 48706

Re: Raw Water Proposal

Dear Mr. Paige:

The Saginaw-Midland Municipal Water Supply Corporation (Corporation) is pleased to submit a proposal to supply raw water to the City of Bay City (City), Bay County, Hampton Township, and the City of Essexville, which have intentions to form a new Bay Area Water Authority (Authority).

The Corporation currently provides raw water to its owners, the Cities of Saginaw and Midland, as well as several wholesale customers. After considering both the current and future raw water needs of the City of Saginaw, City of Midland, as well as the needs of the Corporation's wholesale customers, it has been determined that the Corporation could meet their needs and provide up to 22 MGD of raw water to the Authority.

A recently updated rate model based on the utility basis methodology is used to determine rates for the Corporation's wholesale raw water customers. The rate model calculates the rate for the Authority to be $0.63 per 1,000 gallons based on 2010 financial and flow data. This rate includes the cost of the Corporation financing the $2.2M of capital improvements associated with serving the Authority specifically and a $5,000 per month Capacity Charge. The rate is being provided for planning and comparison purposes. The rate would be calculated when the Authority begins taking delivery of the raw water and then recalculated on an annual basis.

Following are general terms of the proposal to supply raw water:

- Contract format would be similar to the Wholesale Water Contract used by existing wholesale customers. A template/draft contract is attached.
- Contract length would be 40 years (same as existing customers).
- The Corporation would agree to supply up to 22 MGD of raw water to the existing Bay City Water Treatment Plant site, which would be owned and operated by the Authority.
- Corporation to supply raw water to a connection point located along Old Kawkawlin Road between Beaver Road and Lauria Road. The pipeline from the connection point to the existing Bay City Water Treatment Plant site would need to have a cross section equal to or larger than a 42-inch pipeline.

- Capital Improvements
    - Connection to 60-inch pipeline: Corporation infrastructure at this location would be improved to include a tie-in to the 60-inch ductile iron pipeline, addition of valve(s), concrete vault, flow control valve(s), mag meter, and back-up power supply .
    - Improvements at the Pinconning Boost Station: to supply the Authority raw water, piping improvements will need to be completed at the Pinconning facility.
    - SCADA Updates
    - The cost of the pipeline connection, SCADA updates, and required improvements at the Pinconning Boost station are estimated to be $2,193,206 including engineering and contingency.
- The Authority's water treatment plant must have a minimum of 7 MG of usable raw water storage that will be used to buffer the daily flows and serve as reservoir in the event short-term raw water pipeline shut-down.
- Raw water flows to the Authority's water treatment plan can be controlled no better than +/- 1 MGD rate.
- Authority needs to maintain their existing raw water source as a back-up supply in the event of a long-term raw water pipeline shutdown. The intake and pumping facility must be well maintained, exercised on a regular basis, and have no deficiencies noted on the DNRE Sanitary Survey.
- Before the Raw Water Agreement would be approved, a formal agreement between Williams Township and the City of Midland would need to be reached on the water use policy in the MUGA area bordering both municipalities.

Please contact me if the Authority has any questions or concerns regarding this raw water proposal.

Sincerely,

Michael Quinnell
Manager

Enc.

STANDARD WHOLESALE RAW WATER SERVICE

AGREEMENT

between the

SAGINAW - MIDLAND MUNICIPAL WATER SUPPLY CORPORATION

and the

_____

THIS AGREEMENT, made this _____ day of _____, 20____, made by and between the Board of Trustees of the SAGINAW-MIDLAND MUNICIPAL WATER SUPPLY CORPORATION, herein referred to as the AUTHORITY, and the _____, a municipal corporation organized under the laws of the State of Michigan, hereinafter referred to as the PURCHASER.

WITNESSETH:

WHEREAS, the raw water system was created and is now functioning, pursuant to Act No. 130 of the Michigan Public Acts of 1945, as amended, and pursuant to Agreements executed July 25, 1946, by and between the City of Saginaw and the City of Midland, for the purpose of constructing, operating, controlling and managing a raw water supply system acquired and financed by said two Cities as a joint enterprise, which system consists of water intakes, pumping facilities, and water transmission mains designed to deliver raw, unfiltered water from Lake Huron at Whitestone Point to the cities of Saginaw and Midland; and

WHEREAS, the City of Saginaw and City of Midland have organized the Saginaw-Midland Municipal Water Supply Corporation, a water authority, created pursuant to Act No. 233 of the Michigan Public Acts of 1955, as amended, for the purpose of acquiring and financing additional intake, pumping and transmission facilities. All said facilities are now under the operation, control and management of the Authority; and

WHEREAS, the raw water distribution system owned and operated by the Authority has the production capacity to provide raw water for an agreed time and in agreed quantities to certain Authority-designated municipalities; and

WHEREAS, the Purchaser owns, operates, and maintains a filtered water treatment system, fully approved by and in accordance with the rules of the Michigan Department of Environmental Quality and the provisions of the Safe Drinking Water Act (Act 399 PA 1976 and as amended), consisting of water treatment facilities, water storage facilities, and supplements thereto, as required to supply the potable water needs of its residents and its customers; and

WHEREAS, the Purchaser further desires to obtain a supply of raw-unfiltered water for said water treatment system from the present and future bulk water supply facilities of the Authority through which water is transmitted to the Saginaw and Midland area, and other locations, from Lake Huron:

NOW THEREFORE, it is agreed as follows:

-41-

1. The Authority agrees to sell and deliver a supply of raw, unfiltered water to the Purchaser. The Purchaser agrees to purchase a supply of raw, unfiltered water from the Authority subject to the terms and conditions stated hereinafter.

2. The Authority shall deliver water to the Purchaser at [Point(s) of Delivery Location(s)]. The Authority shall deliver raw water at flow rates that are able to meet the Purchaser's maximum allowable daily use as set forth in Exhibit "A" attached hereto and made a part hereof, except that nothing contained herein shall prohibit the Purchaser from temporarily drawing raw water on a daily basis in excess of the limitations described in Exhibit "A", when such excess use is expressly authorized by the Operating Manager of the Authority. However, such temporary authorization shall not serve to waive the limitations described in Exhibit "A", as the Authority shall be under no obligation to deliver quantities of water other than that which is provided in this Agreement. The Authority reserves the right, in its sole discretion, to limit the quantity of water delivered to Purchaser by any means necessary, including but not limited to the use of flow restriction devices, to ensure that quantities delivered do not exceed that which is set forth in Exhibit "A".

The Authority shall deliver water to the Purchaser at its existing point(s) of delivery until such time as the Authority may determine, in its sole discretion, that service at the existing point(s) of delivery be terminated in favor of a reconnection at a different point(s) of delivery meeting the delivery requirements of the Authority. All connections, supply piping and appurtenances must meet the Authority's specifications to make the reconnection at the new point(s) of delivery. If the Purchaser does not make a reconnection at the new point(s) of delivery designated by the Authority, this Agreement shall be deemed terminated and breached by the Purchaser, who shall be determined to have waived all rights and benefits conferred by the Agreement. In the event of termination, the Authority may enforce its contract rights and seek such damages as allowed in equity or law.

In the event the Authority requires a reconnection at a new point(s) of delivery, a minimum of 18 months notice of disconnection of the existing service will be provided to the Purchaser. The Purchaser shall be permitted, at its sole expense, to reconnect its water supply pipeline to said new connection at a place designated by the Authority. The Authority shall not be chargeable with any cost or expense for the installation, maintenance, or improvement of the new connection or the Purchaser's water supply pipeline modifications, extensions and appurtenances thereto from the new point(s) of delivery to its treatment facility.

3. The Purchaser agrees to pay for all raw, unfiltered water supplied by the Authority at such rates as the Authority may establish from time to time.

a. Rates and charges shall be computed pursuant to Exhibit "B", attached hereto and made a part hereof, which sets forth rates which shall apply upon the effective date hereof, and shall continue in effect for a period not to exceed three years thereafter. All rates hereunder shall be reviewed and revised by the Authority as appropriate to comply with the terms hereof at least once every three years. Rates computed shall, except as hereinafter otherwise provided, be subject to an annual minimum charge which shall be computed at the end of each calendar year by applying the then current commodity charge to the number of gallons set forth for that year in the column in Exhibit "A", entitled "Basis for Calculating Annual Minimum Charge". Purchaser's estimated annual consumption and maximum allowable daily use is agreed to be as set forth in said Exhibit "A".

b. The Authority may elect to install real-time water metering equipment at the water metering location for the purpose of securing hourly and daily water use data. Said metering capability would be installed and maintained at the expense of the Authority. The Purchaser agrees to allow and cooperate with the Authority to install and maintain the necessary equipment at the metering location. Maximum daily use data would provide substantiation for Maximum Allowable Daily Use data as shown in Exhibit "A" and excess water rate charges as shown in Exhibit "B".

c. The Authority shall give three (3) months' notice to the Purchaser of any change in the rate schedule, and such notice shall be in writing. Bills for meter capacity charges and water service charges shall be submitted monthly to the Purchaser and payment shall be due within twenty (20) days thereafter. Overdue bills shall be subject to a ten percent (10%) per month penalty for late payment. Water service to the Purchaser may be discontinued if any bill is not paid within sixty (60) days of the due date. The Purchaser hereby waives any and all claims for damages resulting from such a discontinuance of service.

d. Any service restored after termination pursuant to this shall be subject to a reconnection charge to be fixed by the Authority.

4. The Purchaser shall maintain suitable records of the numbers and sizes of service connections, the number of persons supplied, the type, size and number of buildings and facilities supplied, and the daily and hourly rates of consumption of water through the Purchaser's facilities. The Purchaser shall also maintain a map showing the area served and the distribution system supplying the area. These records shall be available to the Authority at all reasonable times, and copies shall be furnished free of charge to the Authority when required, but not more often than twice a year.

5. All unfiltered, raw water furnished by the Authority shall be measured by meters installed at or near the point(s) of delivery and shall be housed in an approved structure which shall also contain a recording pressure gauge, as well as necessary valves and appurtenances. The meter, recorders, valves, appurtenances and structures shall be furnished and installed at the expense of the Purchaser according to plans first approved by the Authority, and shall be installed under the supervision and inspection of the Authority or its authorized agents. Said meters shall be of a size and make satisfactory to both the Authority and the Purchaser and shall be operated within the limits specified by the American Water Works Association for such equipment for continuous 24-hour operation. The Authority shall have full and free access at all times to said installation and agrees to maintain metering and to cause prompt repairs, calibrations and/or adjustments as may from time to time be necessary. Said meter repairs shall be made at no expense to the Purchaser unless it can be shown that the necessity for such repairs was brought about by an improper act or neglect on the part of the Purchaser. The Purchaser agrees to accept the Authority's estimates of quantities of water supplied during all periods in which the meters fail to measure correctly all water supplied to the Purchaser, provided there is a reasonable basis for such estimates. The Purchaser agrees to be responsible for the ownership, maintenance and repair of the metering facilities, structure, piping, valves, and all appurtenances. Except for water metering, the Authority's responsibility terminates at the point(s) of delivery.

6. All water distributed by the Purchaser shall be filtered and treated and shall meet the requirements of all Federal and State safe drinking water laws and regulations as the same shall be enacted and amended. It is understood and agreed that the Purchaser will not, under any circumstances, permit water from any other source or supply to be introduced into its water supply system, nor any part thereof, or be mixed or mingled with water from the water supply system of the Authority, without the express prior permission of the Authority. The Authority reserves the right to protect its raw water supply system from water that may be introduced, or which may have a reasonable probability of being introduced into the Authority's raw water system. All measures taken by the Authority, including disconnection of Purchaser's water supply, shall be deemed as reasonable, except where it is established that the Authority acted willfully and with malice.

7. It is understood that the Authority may make chemical additions to the supply of water for such purposes as the Authority, in its sole discretion, deems necessary to prepare the water for transmission in its system. The addition of any chemical by the Authority shall not constitute an agreement by the Authority to continue to provide such chemical addition, and the same may be terminated at any time when deemed necessary by the Authority to do so in its sole discretion. It is understood that there are no express or implied warranties as to the pressure or quality of water transmitted by the Authority in its raw water supply system.

8. The Authority expressly reserves the right to discontinue temporarily, the supply of water, increase or reduce the water pressure, whenever, in the sole and exclusive judgment of the Authority, or its operating staff, it is necessary for the protection or efficient operation of its system. The Purchaser agrees that it shall be its exclusive responsibility to provide and utilize sufficient controlled water storage to meet the demands of its customers without drawing from the Authority's system during a period of service discontinuance as provided for herein or at any rate in excess of that which, if maintained constantly through each 24-hour day, would provide the total quantity of water necessary to supply the requirements of all the Purchaser's customers during the same 24-hour day, but not to exceed the maximum allowable daily use. No claims for damages resulting from any discontinuance in service shall be made by the Purchaser against the Authority, the City of Saginaw or the City of Midland. As such, the Purchaser holds harmless the Authority and its owner municipalities and waives any and all rights for any claim of injury or damages resulting from any discontinuance in service:

a. When the water supply discontinuance is required for system emergencies or uncontrollable distribution problems outside the Authority's control, the Authority shall promptly notify the Purchaser of such discontinuance and shall estimate the duration of said discontinuance.

b. When the said water supply discontinuance is required for system operating economies or controlled shutdowns of the pumping operations, it is the intention of the Authority to notify the Purchaser at least seven (7) days in advance as to the time and duration of such discontinuance.

c. Further, the Authority shall not be responsible for any disruption of service caused by labor strife, sabotage, civil commotions, catastrophe, disaster, national causes, domestic or foreign terrorism, failure of infrastructure or equipment, failure of electrical energy provider or any other circumstances or causes beyond the control of the Authority.

9. Water shall be distributed by the Purchaser only to the area within the limits and boundaries of the Purchaser, as described and depicted in Exhibit "C", attached hereto and incorporated herein. Purchaser shall not deliver, sell, transmit, distribute or otherwise provide water or water service outside the boundaries described and depicted in Exhibit "C" without the written permission of Authority, which shall be obtained by and through approval of its Board of Trustees. In order to protect the interests of the Authority's raw water system, the Purchaser agrees that no extensions, replacements or additions of water mains or pipes shall be made and no pumping, regulating, storage or other facilities shall be improved, modified or installed until clear and complete plans and specifications for such work shall have been submitted to and approved by the Authority. Such approval by the Authority shall be a condition precedent to any mutual agreement by the Purchaser and the Authority to modify, extend or improve service by the Purchaser.

10. The Authority shall be permitted to use streets, highways, alleys, and/or easements of the Purchaser for the purpose of constructing, maintaining, and operating such raw, unfiltered water transmission facilities as are necessary to adequately supply the Purchaser and other customers of the Authority. This consent is given in compliance with Article 7, Section 29, Michigan Constitution of 1963. In the event of such construction, the Authority shall request the Purchaser to execute such separate instruments granting rights-of-way in its streets, highways, and alleys as may be reasonably required by the Authority. The Authority shall restore all existing structures and/or improvements lying in the right-of-way of construction to as good a condition as before the construction took place, and shall save harmless the Purchaser from any and all liability, claims, lawsuits, actions or causes of action for damages for injuries or otherwise by reason of the construction work herein provided for. Any such facilities constructed, maintained and operated under this section shall remain in perpetuity the property of the Authority and shall not be operated or maintained by any other than employees of the Authority or its authorized representatives. Should Purchaser fail to grant permission or otherwise fail to allow access as described herein, the Authority shall be under no obligation whatsoever to perform under this Agreement and shall be authorized to terminate immediately the delivery of water to Purchaser.

11. The term of this Agreement shall commence upon the date of execution and will expire forty (40) years from the date of execution. Either party may terminate this Agreement after the expiration of said period, upon one year's written notice served upon the other party by delivering the same to the Secretary of the Authority or to the Purchaser as the case may be, or at any time upon consent of both parties.

12. Neither party to this Agreement shall assign any rights, duties or obligations provided herein except as assumed by any lawfully established successor in interest to the Authority or Purchaser. No third party beneficiary rights shall be created in any person or entity by any of the terms or conditions of this Agreement.

13. This Agreement shall take effect upon its execution by the duly authorized officials of the respective parties.

14. This Agreement is made between the Authority and Purchaser only and shall not be construed to confer rights or benefits on any customer, user, or other person or entity receiving water by any means of delivery from the Purchaser.

15. This Agreement, together with the attachments and exhibits specifically referenced in the Agreement constitute the entire agreement between the Authority and the Purchaser with respect to the matters contained in this Agreement, and supersedes all prior oral or written representations and agreements. This Agreement may be amended only by written agreement of the Authority and the Purchaser.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective authorized officers on the day and year shown.

PURCHASER:

_____
Date

_____
Date

_____
Date

As approved by:
CITY OF SAGINAW

_____
Date

SAGINAW-MIDLAND MUNICIPAL WATER SUPPLY CORPORATION

_____
Chairman Date

_____
Vice-Chairman Date

_____
Secretary-Treasurer Date

As approved by:
CITY OF MIDLAND

_____
Date

SAGINAW-MIDLAND MUNICIPAL WATER SUPPLY CORPORATION

EXHIBIT "A"

Column 1	Column 2	Column 3		Column 4
Period	Estimated Annual Consumption	Basis for Calculation Annual Minimum Charge		Maximum Allowable Daily Use
		A	B	(Million Gallons)
		% of Col. 2	(Million Gallons)	Col. 2 / 365 x 250%

EXHIBIT "B"

Saginaw-Midland Municipal Water Supply Corporation

Wholesale Water Rates
for
Raw, Unfiltered Water
Effective – [date]

Meter Size	Monthly Capacity Charge	Commodity Charge*

*Commodity Charge is based upon the water used.

All accounts are billed monthly.

Appendix B

Water Plant Cost Sharing Agreement

Dated January 25, 2013

Appendix B

WATER PLANT COST SHARING AGREEMENT

THIS AGREEMENT made and entered into on January 25, 2013, by and between the CITY OF BAY CITY, a Michigan municipal corporation, of 301 Washington Avenue, Bay City, Michigan 48708, its successors and assigns, ("Bay City"), and the BOARD OF COUNTY ROAD COMMISSIONERS OF THE COUNTY OF BAY, with offices at 2600 E. Beaver Road, Kawkawlin, Michigan 48631, as designated county agency for the County of Bay pursuant to Act 342, Public Acts of Michigan, 1939, as amended (the "Commission").

BACKGROUND RECITALS

A. Bay City owns and operates the existing Bay City Municipal Water Treatment Plant ("BCMWTP"). The BCMWTP provides treated water to the City of Essexville, Charter Township of Hampton, and the Commission under contract. The Commission, in turn, contracts to provide water services to other local municipalities.

B. Bay City, the Commission and certain municipalities receiving water through the BCMWTP have entered into a "Water Supply Agreement", a copy of which is attached hereto and incorporated herein. The Water Supply Agreement provides for construction of a new Bay Area Water Treatment Plant ("BAWTP").

C. Bay City has agreed to decommission the BCMWTP contingent upon the construction and operation of the BAWTP as defined in the Water Supply Agreement.

D. Bay City and the Commission have agreed to share certain costs which will continue beyond the date that the BCMWTP is decommissioned.

E. Bay City has agreed to contribute certain real and personal property to the Commission to facilitate the construction of the new BAWTP.

THE AGREEMENT

Bay City and the Commission hereby agree as follows:

1. EFFECTIVE DATE OF AGREEMENT

This Agreement shall become effective upon execution of the Water Supply Agreement and this Agreement, by the Chief Executive Officer and Clerk of the City of Bay City and the Chairman and Clerk of the Commission. If the Water Supply Agreement is not executed by either party to this Agreement and/or if the new BAWTP is not constructed as defined by the Water Supply Agreement then, this Agreement shall become null and void and shall not be binding on either party hereto.

2. AGREEMENT TO SHARE DEBT FOR BCMWTP

A. Debt

Bay City incurred debt to finance improvements to the BCMWTP ("Debt"). The principal balance of the Debt as of October 1, 2012 is Four Million, Four Hundred, Fifty-Five Thousand Dollars ($4,455,000.00). The Debt payment obligations are defined in the "Michigan Municipal Bond Authority Debt Service Schedule for Project No. 7165-01". The cost to service the Debt is currently paid by Bay City and allocated to the Commission and those entities supplied water through the BCMWTP.

B. Debt Sharing Agreement

The Commission agrees to pay one-half of the remaining unpaid principal and interest on the Debt, computed as of the date that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP. The Commission shall pay its one-half interest in the Debt to the City of Bay City, in regular installments according to the bond payment schedule identified in Project No. 7165-01. Bay City shall notify the Commission of the amount and due date of each bond payment approximately forty-five (45) days before it is due. The Commission shall pay to Bay City each bond payment at least fifteen (15) days before it is due. Bay City may refinance this debt but shall not refinance the debt to increase the outstanding principal balance or interest obligations without written approval by the Commission.

C. Allocation of Debt Costs

The Commission shall allocate the cost of Debt Service to the "Parties" (other than the City of Bay City) as defined in the Water Supply Agreement in the same form and manner that "Debt Service" is allocated under paragraph 9(b) of the Water Supply Agreement.

3. AGREEMENT TO SHARE OPEB COSTS

A. OPEB CONTRIBUTIONS

Bay City incurs actuarially determined Annual Required Contributions ("ARC") for Other Post-Employment Benefits ("OPEB") for Retirees assigned to the BCMWTP as of January 1, 2013, and employees assigned to the BCMWTP who are eligible to retire between January 1, 2013, and the date that the BAWTP becomes operational and begins furnishing treated water ("Eligible Retirees"). A list of Eligible Retirees is attached. A portion of the costs incurred by Bay City is currently allocated to those entities receiving treated water from the BCMWTP.

B. OPEB Sharing Agreement

Beginning on the date that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP and continuing through June 30, 2033, the Commission shall be assigned and shall pay to Bay City one-half of the actuarially determined Annual Required Contribution (ARC) for OPEB for Retirees and Eligible Retirees. Bay City shall notify the Commission of the amount of each annual required OPEB contribution approximately forty-five (45) days before it is due and the Commission shall pay each annual required OPEB contribution at least fifteen (15) days before it is due.

C. Allocation of OPEB Costs

The Commission shall allocate its share of the OPEB contributions to the "Parties" (other than the City of Bay City) as defined in the Water Supply Agreement on the same form and manner that "Operation and Maintenance Cost" are allocated under paragraph 9(c) of the Water Supply Agreement.

4. AGREEMENT TO SHARE MERS COSTS

A. MERS CONTRIBUTIONS

Bay City incurs the actuarially determined Annual Required Contributions ("ARC") for Municipal Employees Retirement System ("MERS") for Retirees assigned to the BCMWTP as of January 1, 2013, and employees assigned to the BCMWTP who are eligible to retire between January 1, 2013, and the date that the BAWTP becomes operational and begins furnishing treated water ("Eligible Retirees"). A list of Eligible Retirees is attached. A portion of the costs incurred by Bay City is currently allocated to those entities receiving treated water from the BCMWTP.

B. MERS SHARING AGREEMENT

Beginning on the date that the BAWTP becomes operational and begins furnishing treated water in place of the BCMWTP and continuing through June 30, 2024, the Commission shall be assigned and shall pay to Bay City one-half of the actuarially determined Annual Required Contribution (ARC) for MERS for Retirees and Eligible Retirees. Bay City shall notify the Commission of the amount of each annual MERS contribution approximately forty-five days before it is due and the Commission shall pay its share of each MERS contribution at least fifteen days before it is due.

C. ALLOCATION OF MERS COSTS

The Commission shall allocate its share of the MERS contributions to the "Parties" (other than the City of Bay City) as defined in the Water Supply Agreement in the same form and manner that "Operation and Maintenance Cost" are allocated under paragraph 9(c) of the Water Supply Agreement.

5. BAY CITY EMPLOYEES HIRED BY THE COMMISSION

The Commission, may, in its sole discretion, hire current Bay City employees assigned to the BCMWTP. Except as expressly set forth in paragraphs 3 and 4 of this Agreement regarding OPEB and MERS costs, the Commission shall have no obligation to pay accumulated or carryover benefits for or on behalf of former Bay City employees hired by the Commission.

6. CONTRIBUTION OF BCMWTP ASSETS

Bay City will contribute the following assets, if (but only if) they are incorporated in and become part of the BAWTP:

(a) The existing Ten Million Gallon Finished Water Storage Tank from the BCMWTP, and

(b) The existing Backup Generator from the BCMWTP.

The contributed assets shall become part of the "Bay Area Water Treatment Plant", titled to the County of Bay and held by the County of Bay on behalf of "The Parties" as defined by the Water Supply Agreement. The cost of incorporating these assets into the BAWTP shall be born by the Commission and assessed and allocated to the "Local Units" as a cost of acquiring the BAWTP.

7. CONTRIBUTION OF REAL PROPERTY

Bay City will contribute real property (consisting of approximately five and one-half acres) located at the northeast corner of Lauria Road and Euclid Avenue, if, the BAWTP is constructed at that location. The real property contributed by Bay City will become part of the "Bay Area Water Treatment Plant", titled to the County of Bay and held by the County of Bay for and on behalf of "The Parties" as defined in the Water Supply Agreement.

8. LIABILITY OF COMMISSION

Anything contained in this Agreement to the contrary notwithstanding, Bay City and the Commission understand and agree that any duty or obligation arising under this Agreement or otherwise on the part of Commission shall not be enforced, compelled, sanctioned, or otherwise realized by requiring the Commission to pay any Party or other person any monies received by the Commission under, pursuant to or because of Michigan Public Act 51 of 1951, as amended.

9. APPLICABLE LAW

This Agreement was executed in the State of Michigan and shall be construed in accordance with the laws of the State of Michigan where applicable.

10. MULTIPLE AGREEMENTS

There are multiple agreements between the parties hereto, including the Water Supply Agreement and the Financing Agreement. This Agreement shall be construed consistent with and as part of the other existing agreements between these parties.

11. MODIFICATION OF AGREEMENT

This Agreement may be changed or modified only by written document signed by the parties hereto. Any prior representations or understandings by and between the parties which are not expressly set forth in this Agreement and/or the Water Supply Agreement and/or the Financing Agreement are waived.

12. EXISTING WATER CONTRACTS

Neither this Agreement nor the Water Supply Agreement nor Financing Agreement between these parties shall be interpreted to extend, modify or amend the Agreement to supply water between Bay City, the Commission and/or any other party currently supplied water through the BCMWTP.

13. CAPTIONS

The Captions in this Agreement are for convenience only and shall not be construed as part of this Agreement or in any way to amplify or modify the terms and provisions thereof.

14. EXECUTION AND COUNTERPARTS

This Agreement may be executed in several counterparts and when so executed will be considered to be an original.

As of the above date, the parties hereto have executed this Agreement.

City of Bay City:

By: _____
Christopher Shannon, Mayor

By: _____
Dana Muscott, Clerk

Bay County Department of Water and Sewer
By: Board of County Road Commissioners of the County of Bay, Michigan

By: _____
Richard S. Gromaski, Chairman

By: _____
Jackie McCarthy, Clerk

Dated: January 23, 2013

LIST OF ELIGIBLE RETIREES

ID #:	Last Name:	First Name:	City Sen.:	Dept Sen:	Defined benefit:	Defined contrib.:
5289	Levengood	Thomas	9/17/1973	7/15/1975		X
3917	Snobeck	Mike	1/15/1990	1/15/1990	X	expected to retire Feb 2013
3919	Kowalski	Sue	9/4/1990	9/4/1990	X	
5334	Jankowski	Luke	10/28/1991	10/20/1993		X

Appendix C

Michigan Municipal Bond Authority
Debt Service Schedule for Project 7165-01

Appendix C

$6,000,000.00
Michigan Municipal Bond Authority
Debt Service Schedule
City of Bay City Project #7165-01
Loan Summary

DATE	PRINCIPAL PAYMENT	INTEREST 2.125%	PERIOD TOTAL	FISCAL TOTAL	PRINCIPAL BALANCE
04/01/06		9,420.11	9,420.11	9,420.11	6,000,000.00
10/01/06		30,717.79	30,717.79		
04/01/07	245,000.00	63,226.44	308,226.44	338,944.23	5,755,000.00
10/01/07		61,146.88	61,146.88		
04/01/08	250,000.00	61,146.88	311,146.88	372,293.76	5,505,000.00
10/01/08		58,490.63	58,490.63		
04/01/09	255,000.00	58,490.63	313,490.63	371,981.26	5,250,000.00
10/01/09		55,781.25	55,781.25		
04/01/10	260,000.00	55,781.25	315,781.25	371,562.50	4,990,000.00
10/01/10		53,018.75	53,018.75		
04/01/11	265,000.00	53,018.75	318,018.75	371,037.50	4,725,000.00
10/01/11		50,203.13	50,203.13		
04/01/12	270,000.00	50,203.13	320,203.13	370,406.26	4,455,000.00
10/01/12		47,334.38	47,334.38		
04/01/13	275,000.00	47,334.38	322,334.38	369,668.76	4,180,000.00
10/01/13		44,412.50	44,412.50		
04/01/14	285,000.00	44,412.50	329,412.50	373,825.00	3,895,000.00
10/01/14		41,384.38	41,384.38		
04/01/15	290,000.00	41,384.38	331,384.38	372,768.76	3,605,000.00
10/01/15		38,303.13	38,303.13		
04/01/16	295,000.00	38,303.13	333,303.13	371,606.26	3,310,000.00
10/01/16		35,168.75	35,168.75		
04/01/17	300,000.00	35,168.75	335,168.75	370,337.50	3,010,000.00
10/01/17		31,981.25	31,981.25		
04/01/18	305,000.00	31,981.25	336,981.25	368,962.50	2,705,000.00
10/01/18		28,740.63	28,740.63		
04/01/19	315,000.00	28,740.63	343,740.63	372,481.26	2,390,000.00
10/01/19		25,393.75	25,393.75		
04/01/20	320,000.00	25,393.75	345,393.75	370,787.50	2,070,000.00
10/01/20		21,993.75	21,993.75		
04/01/21	325,000.00	21,993.75	346,993.75	368,987.50	1,745,000.00

10/01/21		18,540.63	18,540.63		
04/01/22	335,000.00	18,540.63	353,540.63	372,081.26	1,410,000.00
10/01/22		14,981.25	14,981.25		
04/01/23	340,000.00	14,981.25	354,981.25	369,962.50	1,070,000.00
10/01/23		11,368.75	11,368.75		
04/01/24	350,000.00	11,368.75	361,368.75	372,737.50	720,000.00
10/01/24		7,650.00	7,650.00		
04/01/25	355,000.00	7,650.00	362,650.00	370,300.00	365,000.00
10/01/25		3,878.13	3,878.13		
04/01/26	365,000.00	3,878.13	368,878.13	372,756.26	0.00
Total:	**6,000,000.00**	**1,402,908.18**	**7,402,908.18**	**7,402,908.18**	**-**

Appendix D

List of Tools, Equipment, and Vehicles

Appendix D

List of Tools, Equipment and Vehicles

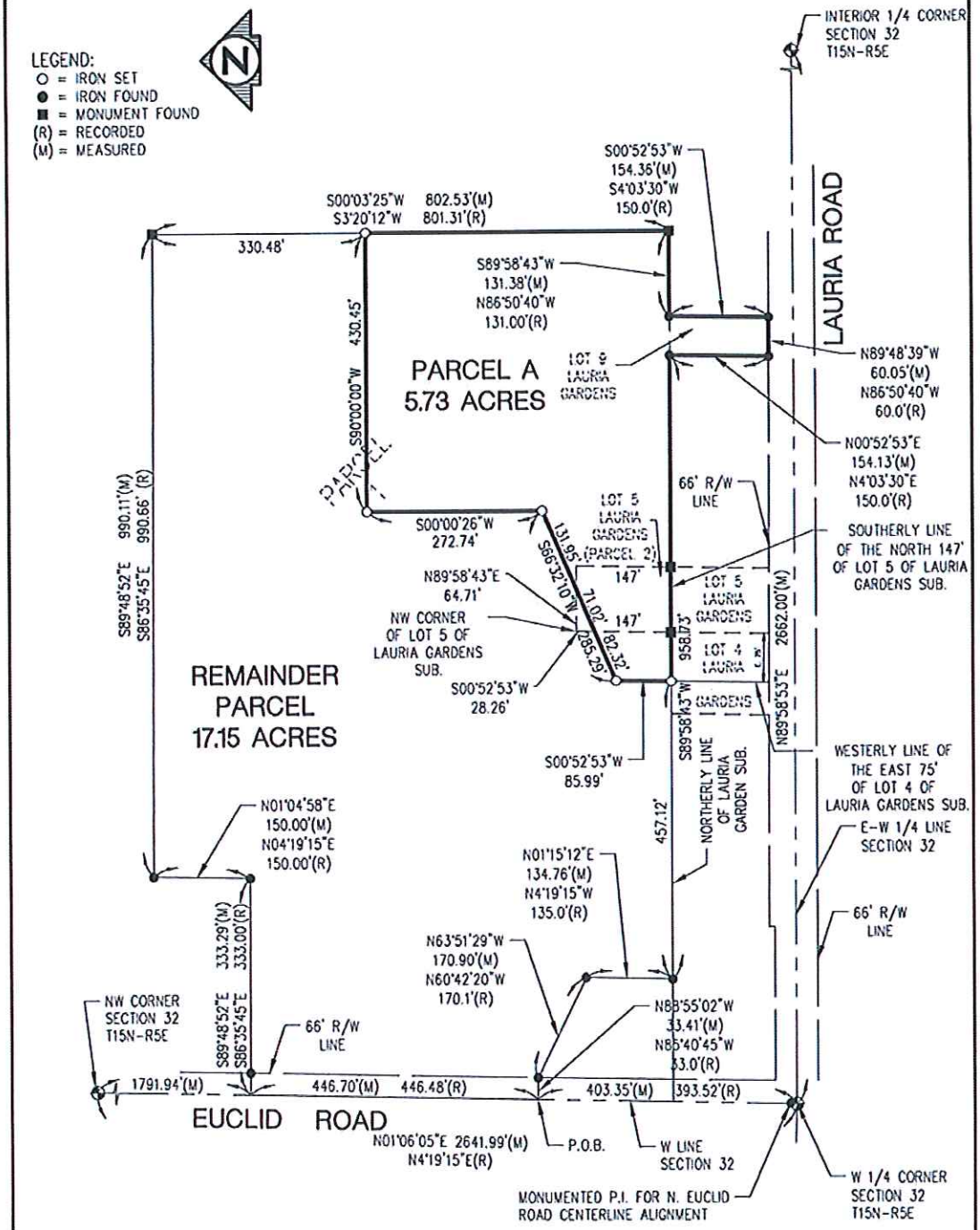
To be provided by City of Bay City within 60 days of approval of this Amended Water Plant Cost Sharing Agreement

Appendix E

Property Survey

CERTIFIED SURVEY

I, PAUL N. BROWN, P.S. No. 33134 HEREBY CERTIFY THAT THE ATTACHED SURVEY HAS BEEN COMPLETED IN ACCORDANCE WITH PUBLIC ACT 132 OF 1970, AS AMENDED, AND THAT THE RATIO OF CLOSURE OF LATITUDES AND DEPARTURES IS NOT GREATER THAN 1 IN 10,000



BEARINGS ARE REFERENCED TO MICHIGAN STATE PLANE COORDINATE SYSTEM, SOUTH ZONE, NAD83 (2011)

CDM SMITH BCWTP

SECTION 32 T15N - R5E BANGOR TOWNSHIP
BAY COUNTY, MICHIGAN

FIELD:	MDJ/MWR/WLS/SMF
DRAWN:	ANK
CHECKED:	PNB
DATE:	AUGUST 23, 2013
REVISED:	AUGUST 29, 2013
SHEET:	1 OF 4
SCALE:	1" = 200'

0 1 INCHES
0 100 200 FEET

STATE OF MICHIGAN PAUL N. BROWN PROFESSIONAL SURVEYOR No. 33134 PROFESSIONAL SURVEYOR

ROWE PROFESSIONAL SERVICES COMPANY
The ROWE Building
540 S. Saginaw St., Ste. 200; P. O. Box 3748
Flint, MI 48502
O: (810) 341-7500
F: (810) 341-7573
www.rowepsc.com

JOB NO.: 13C0034

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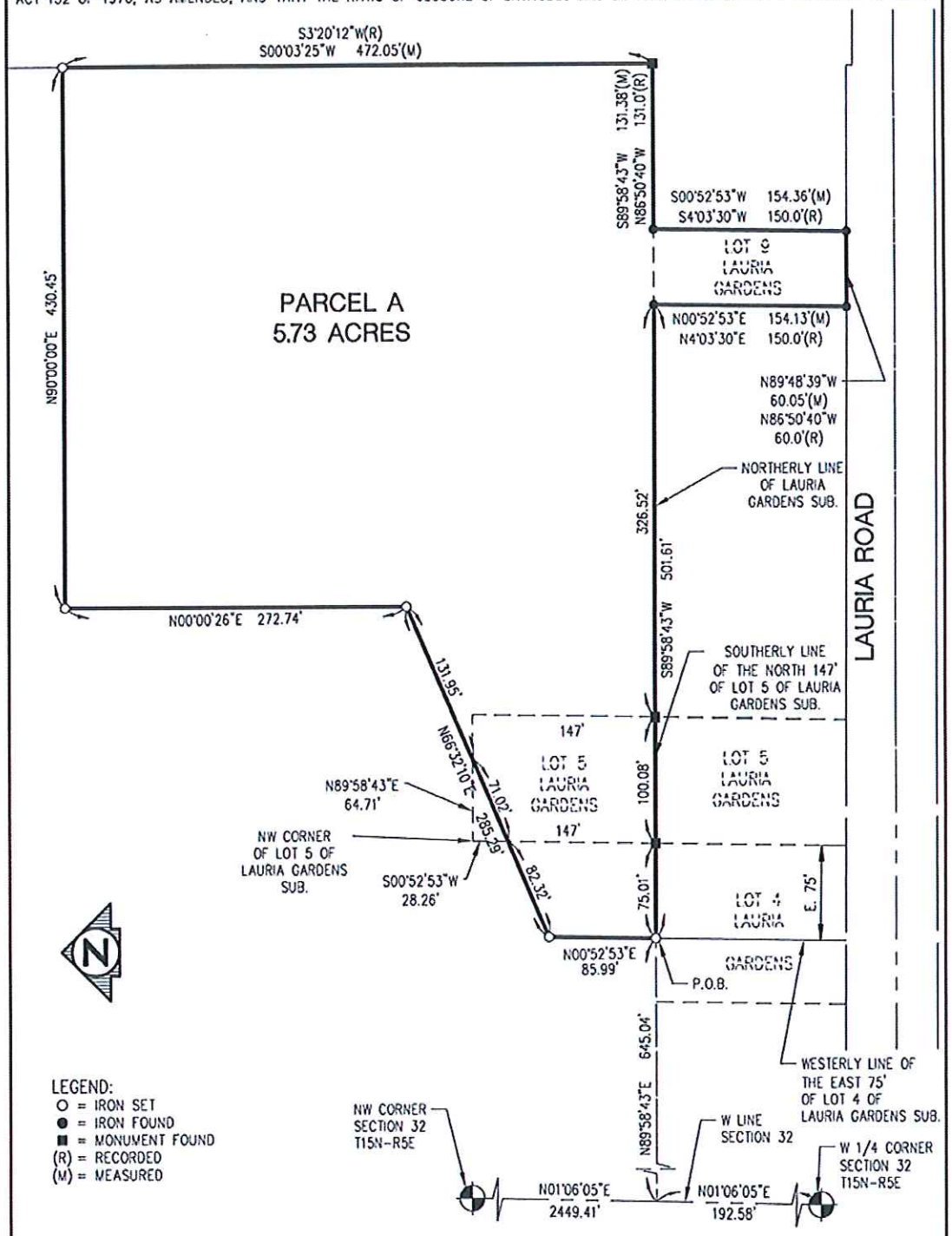
CERTIFIED SURVEY

I, PAUL N. BROWN, P.S. No. 33134 HEREBY CERTIFY THAT THE ATTACHED SURVEY HAS BEEN COMPLETED IN ACCORDANCE WITH PUBLIC ACT 132 OF 1970, AS AMENDED, AND THAT THE RATIO OF CLOSURE OF LATITUDES AND DEPARTURES IS NOT GREATER THAN 1 IN 10,000



BEARINGS ARE REFERENCED TO MICHIGAN STATE PLANE COORDINATE SYSTEM, SOUTH ZONE, NAD83 (2011)

CDM SMITH
BCWTP

SECTION 32 T15N - R5E BANGOR TOWNSHIP
BAY COUNTY, MICHIGAN

FIELD:	MDJ/MWR/WLS/SMF
DRAWN:	ANK
CHECKED:	PNB
DATE:	AUGUST 23, 2013
REVISED:	AUGUST 29, 2013
SHEET:	2 OF 4
SCALE:	1" = 100'

0 1 INCHES
0 50 100 FEET

STATE OF MICHIGAN
PAUL N. BROWN
PROFESSIONAL SURVEYOR
No. 33134
REGISTERED PROFESSIONAL SURVEYOR

JOB NO.: 13C0034

ROWE PROFESSIONAL SERVICES COMPANY
The ROWE Building
540 S. Saginaw St., Ste. 200; P. O. Box 3748
Flint, MI 48502
O: (810) 341-7500
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www.rowepsc.com

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CERTIFIED SURVEY

I, PAUL N. BROWN, P.S. No. 33134 HEREBY CERTIFY THAT THE ATTACHED SURVEY HAS BEEN COMPLETED IN ACCORDANCE WITH PUBLIC ACT 132 OF 1970, AS AMENDED, AND THAT THE RATIO OF CLOSURE OF LATITUDES AND DEPARTURES IS NOT GREATER THAN 1 IN 10,000

DESCRIPTION AS PROVIDED:

PARCEL 1:
LOT 9 OF LAURIA GARDENS SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 7 OF PLATS, PAGE 21, BAY COUNTY RECORDS AND PART OF THE NORTHWEST 1/4 OF SECTION 32, TOWN 15 NORTH, RANGE 5 EAST, TOWNSHIP OF BANGOR, BAY COUNTY, MICHIGAN, ALL BEING DESCRIBED AS: COMMENCING AT THE WEST 1/4 CORNER OF SECTION 32, TOWN 15 NORTH, RANGE 5 EAST, BANGOR TOWNSHIP, BAY COUNTY, MICHIGAN; THENCE NORTH 4 DEGREES 19 MINUTES 15 SECONDS EAST 393.52 FEET ALONG THE WEST SECTION LINE TO THE POINT OF BEGINNING; THENCE NORTH 4 DEGREES 19 MINUTES 15 SECONDS EAST 446.48 FEET ALONG THE WEST SECTION LINE; THENCE SOUTH 86 DEGREES 35 MINUTES 45 SECONDS EAST 333.0 FEET; THENCE NORTH 4 DEGREES 19 MINUTES 15 SECONDS EAST 150.0 FEET, PARALLEL TO THE WEST SECTION LINE; THENCE SOUTH 86 DEGREES 35 MINUTES 45 SECONDS EAST 990.66 FEET; THENCE SOUTH 3 DEGREES 20 MINUTES 12 SECONDS WEST 801.31 FEET; THENCE NORTH 86 DEGREES 50 MINUTES 40 SECONDS WEST 131.0 FEET ALONG THE NORTHERLY LINE OF LOT 10 "LAURIA GARDENS SUBDIVISION"; THENCE SOUTH 4 DEGREES 03 MINUTES 30 SECONDS WEST 150.0 FEET ALONG THE EASTERLY LINE OF LOT 9; THENCE NORTH 86 DEGREES 50 MINUTES 40 SECONDS WEST 60.0 FEET ALONG THE SOUTHERLY LINE OF LOT 9; THENCE NORTH 4 DEGREES 03 MINUTES 30 SECONDS EAST 150.0 FEET ALONG THE WESTERLY LINE OF LOT 9; THENCE NORTH 86 DEGREES 50 MINUTES 40 SECONDS WEST 326.9 FEET ALONG THE NORTHERLY LINE OF "LAURIA GARDENS SUBDIVISION"; THENCE NORTH 4 DEGREES 03 MINUTES 30 SECONDS EAST 147.0 FEET; THENCE NORTH 86 DEGREES 50 MINUTES 40 SECONDS WEST 100.0 FEET; THENCE SOUTH 4 DEGREES 03 MINUTES 30 SECONDS WEST 147.0 FEET; THENCE NORTH 86 DEGREES 50 MINUTES 40 SECONDS WEST 532.0 FEET ALONG THE NORTHERLY LINE OF "LAURIA GARDENS SUBDIVISION" EXTENDED WESTERLY; THENCE NORTH 4 DEGREES 19 MINUTES 15 SECONDS EAST 135.0 FEET; THENCE NORTH 60 DEGREES 42 MINUTES 20 SECONDS WEST 170.1 FEET; THENCE NORTH 85 DEGREES 40 MINUTES 45 SECONDS WEST 33.0 FEET TO THE POINT OF BEGINNING.

PARCEL 2:
THE NORTH 147 FEET OF LOT 5 OF LAURIA GARDENS SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 7 OF PLATS, PAGE 21, BAY COUNTY RECORDS.

TAX ITEM NO. 010-032-100-100-00

PROPOSED PARCEL "A" DESCRIPTION:

LOT 9 AND PART OF LOT 5 OF LAURIA GARDENS SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 7 OF PLATS, PAGE 21, BAY COUNTY RECORDS AND PART OF THE NORTHWEST 1/4 OF SECTION 32, TOWN 15 NORTH, RANGE 5 EAST, TOWNSHIP OF BANGOR, BAY COUNTY, MICHIGAN, BEING MORE PARTICULARLY DESCRIBED AS BEGINNING AT A POINT FROM THE WEST 1/4 CORNER OF SECTION 32 WHICH IS N01°06'05"E, ALONG THE WEST LINE OF SAID SECTION 32, 192.58 FEET AND N89°58'43"E, ALONG THE WESTERLY EXTENSION OF THE NORTHERLY PLAT LINE OF LAURIA GARDENS SUBDIVISION, 645.04 FEET TO THE NORTHWEST CORNER OF THE EAST 75 FEET OF LOT 4 OF SAID RECORDED PLAT TO THE POINT OF BEGINNING; THENCE N00°52'53"E, ALONG THE NORTHERLY EXTENSION OF SAID WESTERLY LINE OF THE EAST 75 FEET OF SAID LOT 4, 85.99 FEET; THENCE N66°32'10"E, 82.32 FEET TO A POINT ON THE WEST LINE OF LOT 5 OF SAID RECORDED PLAT, SAID POINT BEING S00°52'53"W, 28.26 FEET FROM THE NORTHWEST CORNER OF SAID LOT 5; THENCE CONTINUING N66°32'10"E, 71.02 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 5, SAID POINT BEING N89°58'43"E, 64.71 FEET FROM THE NORTHWEST CORNER OF SAID LOT 5; THENCE CONTINUING N66°32'10"E, 131.95 FEET; THENCE N00°00'26"E 272.74 FEET; THENCE N90°00'00"E, 430.45 FEET; THENCE S00°03'25"W, 472.05 FEET TO A FOUND MONUMENT; THENCE S89°58'43"W, ALONG THE NORTHERLY PLAT LINE OF SAID RECORDED PLAT, 131.38 FEET TO THE NORTHEAST CORNER OF LOT 9 OF SAID RECORDED PLAT; THENCE S00°52'53"W, ALONG THE EAST LINE OF SAID LOT 9, 154.36 FEET; THENCE N89°48'39"W, ALONG THE SOUTH LINE OF SAID LOT 9, 60.05 FEET; THENCE N00°52'53"E, ALONG THE WEST LINE OF SAID LOT 9, 154.13 FEET; THENCE S89°58'43"W, ALONG THE NORTHERLY LINE OF SAID RECORDED PLAT, 326.52 FEET TO A FOUND MONUMENT; THENCE S89°58'43"W, ALONG THE SOUTHERLY LINE OF THE NORTH 147' OF SAID LOT 5 OF SAID RECORDED PLAT, 100.08 FEET TO A FOUND MONUMENT; THENCE S89°58'43"W, ALONG THE NORTHERLY LINE OF SAID RECORDED PLAT, 75.01 FEET TO THE NORTHWEST CORNER OF THE EAST 75 FEET OF LOT 4 OF SAID RECORDED PLAT TO THE POINT OF BEGINNING. CONTAINING 5.73 ACRES OF LAND AND BEING SUBJECT TO ANY EASEMENTS, RESTRICTIONS OR RIGHTS OF WAY OF RECORD.

PROPOSED REMAINDER PARCEL DESCRIPTION:

PART OF LOT 5 OF LAURIA GARDENS SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 7 OF PLATS, PAGE 21, BAY COUNTY RECORDS AND PART OF THE NORTHWEST 1/4 OF SECTION 32, TOWN 15 NORTH, RANGE 5 EAST, TOWNSHIP OF BANGOR, BAY COUNTY, MICHIGAN, BEING MORE PARTICULARLY DESCRIBED AS BEGINNING AT A POINT WHICH IS N01°06'05"E, ALONG THE WEST LINE OF SAID SECTION 32, 403.35 FEET FROM THE WEST 1/4 CORNER OF SAID SECTION 32; THENCE CONTINUING N01°06'05"E, ALONG SAID WEST LINE, 446.70 FEET; THENCE S89°48'52"E, 333.29 FEET; THENCE N01°04'58"E, 150.00 FEET; THENCE S89°48'52"E, 990.11 FEET TO A FOUND MONUMENT; THENCE S00°03'25"W, 330.48 FEET; THENCE S90°00'00"W, 430.45 FEET; THENCE S00°00'26"W, 272.74 FEET; THENCE S66°32'10"W, 131.95 FEET TO A POINT ON THE NORTH LINE OF LOT 5 OF LAURIA GARDENS SUBDIVISION, SAID POINT BEING N89°58'43"E, 64.71 FEET FROM THE NORTHWEST CORNER OF SAID LOT 5; THENCE CONTINUING S66°32'10"W, 71.02 FEET TO A POINT ON THE WEST LINE OF SAID LOT 5 OF SAID RECORDED PLAT, SAID POINT BEING S00°52'53"W, 28.26 FEET FROM THE NORTHWEST CORNER OF SAID LOT 5; THENCE CONTINUING S66°32'10"W, 82.32 FEET TO A POINT ON THE NORTHERLY EXTENSION OF THE WESTERLY LINE OF THE EAST 75 FEET OF LOT 4 OF SAID RECORDED PLAT, THENCE S00°52'53"W, ALONG SAID NORTHERLY EXTENSION, 85.99 FEET TO TO THE NORTHWEST CORNER OF THE EAST 75 FEET OF SAID LOT 4 OF SAID RECORDED PLAT; THENCE S89°58'43"W, ALONG THE NORTH LINE OF SAID RECORDED PLAT, 457.12 FEET; THENCE N01°15'12"E 134.76 FEET; THENCE N63°51'29"W, 170.90 FEET; THENCE N88°55'02"W, 33.41 FEET TO THE POINT OF BEGINNING. CONTAINING 17.15 ACRES OF LAND AND BEING SUBJECT TO ANY EASEMENTS, RESTRICTIONS OR RIGHTS OF WAY OF RECORD.

BEARINGS ARE REFERENCED TO MICHIGAN STATE PLANE COORDINATE SYSTEM, SOUTH ZONE, NAD83 (2011)

CDM SMITH
BCWTP

SECTION 32 T15N - R5E BANGOR TOWNSHIP
BAY COUNTY, MICHIGAN

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www.rowepsc.com

FIELD:	MDJ/MWR/WLS/SMF
DRAWN:	ANK
CHECKED:	PNB
DATE:	AUGUST 23, 2013
REVISED:	AUGUST 29, 2013
SHEET:	3 OF 4
SCALE:	N/A

0 1 INCHES
0 FEET

STATE OF MICHIGAN
PAUL N. BROWN
PROFESSIONAL SURVEYOR
No. 33134
LICENSED PROFESSIONAL SURVEYOR

JOB NO.: 13C0034

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CERTIFIED SURVEY

I, PAUL N. BROWN, P.S. No. 33134 HEREBY CERTIFY THAT THE ATTACHED SURVEY HAS BEEN COMPLETED IN ACCORDANCE WITH PUBLIC ACT 132 OF 1970, AS AMENDED, AND THAT THE RATIO OF CLOSURE OF LATITUDES AND DEPARTURES IS NOT GREATER THAN 1 IN 10,000

SECTION CORNER WITNESSES:

WEST 1/4 CORNER OF SECTION 32, T15N-R5E, BANGOR TOWNSHIP, BAY COUNTY, MICHIGAN
FOUND COUNTY REMONUMENTATION MONUMENT

N12°E	9.70'	FOUND REMONUMENTATION CAP #26454 IN MONUMENT BOX (ERRONEOUS 1/4 CORNER)
N50°E	54.80'	FOUND TAG #43066 IN NORTHWEST FACE OF UTILITY POLE
S60°E	39.73'	CENTERLINE OF HYDRANT
S80°W	65.25'	NE BLOCK FOUNDATION HOUSE

NORTHWEST CORNER OF SECTION 32, T15N-R5E, BANGOR TOWNSHIP, BAY COUNTY, MICHIGAN
FOUND COUNTY REMONUMENTATION MONUMENT

S19°E	55.50'	HYDRANT STEM
S48°W	74.35'	PK NAIL AND TAG EAST FACE OF POWER POLE
N36°W	100.30'	PK NAIL NO TAG WEST FACE OF POWER POLE
N46°E	43.50'	CENTER WATER VALVE
N36°W	100.40'	SET NAIL AND ROWE TAG WEST FACE OF POWER POLE

INTERIOR 1/4 CORNER OF SECTION 32, T15N-R5E, BANGOR TOWNSHIP, BAY COUNTY, MICHIGAN
FOUND COUNTY REMONUMENTATION MONUMENT

NORTH	2.50'	OF THE CENTERLINE OF LAURIA ROAD
N15°E	31.55'	FOUND BM SPIKE IN WEST FACE OF POWER POLE
N70°W	65.00'	TOP CENTER OF HYDRANT
S30°E	33.50'	CENTER OF SANITARY MANHOLE
S40°W	85.70'	NORTHWEST BLOCK CORNER OF HOUSE #2769

BEARINGS ARE REFERENCED TO MICHIGAN STATE PLANE COORDINATE SYSTEM, SOUTH ZONE, NAD83 (2011)

CDM SMITH
BCWTP

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BAY COUNTY, MICHIGAN

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SHEET:	4 OF 4
SCALE:	N/A

0 1 INCHES
0 FEET

STATE OF MICHIGAN
PAUL N. BROWN
PROFESSIONAL SURVEYOR
NO. 33134
LICENSED PROFESSIONAL SURVEYOR

JOB NO.: 13C0034

No. 2015-42

BAY COUNTY BOARD OF COMMISSIONERS

2/17/2015

RESOLUTION

BY: BAY COUNTY BOARD OF COMMISSIONERS

WHEREAS, On December 9, 2014, the Bay County Board of Commissioners adopted resolution no. 2014-266 approving the Lakeshore & Beachfront Access Study Report, as revised; and

WHEREAS, Further revisions to the Lakeshore & Beachfront Access Study Report have been made requiring Board approval; Therefore, Be It

RESOLVED That the Bay County Board of Commissioners approves the Lakeshore & Beachfront Access Study Report (on file in the Board of Commissioners' Office) and authorizes the Chairman of the Board and the Bay County Executive to execute the Report Approvals on behalf of Bay County.

ERNIE KRYGIER, CHAIR
AND BOARD

Env Affairs - Lakeshore & Beachfront Access Study Report - Revised

MOVED BY COMM._____

SUPPORTED BY COMM._____

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
MICHAEL J. DURANCZYK				KIM J. COONAN				MICHAEL E. LUTZ			
ERNIE KRYGIER				THOMAS M. HEREK							
VAUGHN J. BEGICK				DONALD J. TILLEY							

VOTE TOTALS:
ROLL CALL: YEAS_____ NAYS_____ EXCUSED_____
VOICE: YEAS_____ NAYS_____ EXCUSED_____

DISPOSITION: ADOPTED_____ DEFEATED_____ WITHDRAWN_____
AMENDED_____ CORRECTED_____ REFERRED_____