



City Council Agenda

November 17, 2025
7:00 p.m.

City Council Chambers
97 N. Broad Street
Hillsdale, MI 49242

Reconvene from November 10, 2025

III. Oath of Office (Board of Canvassers to Certify Election after November 11, 2025) Mayor Seat- Scott Sessions (Reconvene meeting to November 17, 2025)

IV. Public Comments on Non-Agenda Items

V. Adjournment

I. Call to Order and Pledge of Allegiance

II. Roll Call

III. Approval of Agenda

IV. Public Comments on Agenda Items

V. Consent Agenda

- A. Approval of Bills
 - 1. City and BPU Claims of October 30, 2025: \$1,060,832.76
 - 2. Payroll of November 6, 2025: \$204,787.26
- B. City Council Minutes of November 3, 2025
- C. City Council Minutes of November 10, 2025
- D. Finance Minutes of November 3, 2025
- E. Noise Variance- Hillsdale College Founding Fest

VI. Communications/Petitions

- A. Comcast Letter
- B. Police/Fire Chief S. Hephner Resignation
- C. Hillsdale County Commissioner Update – Doug Ingles

VII. Introduction and Adoption of Ordinances/Public Hearing

VIII. Old Business

IX. New Business

- A. MDOT Performance Resolution
- B. Hillsdale County Equalization Dept. Renewal of Contract for GIS Mapping Services
- C. Re-forming the F.A.I.R. Committee
- D. Electric, Water & Sewer Cost of Service Studies
- E. Tallgrass Energy Project

F. Kearsarge Solar Project

X. Miscellaneous Reports

A. Proclamation: None

B. Appointments: Housing Commission – Cami Emerson
TIFA Board – Felicia Ray-Finch
TIFA Board – Chris Sumnar

C. Other- None

XI. General Public Comment

XII. City Manager’s Report

XIII. Council Comment

XIV. Adjournment

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INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
EXP CHECK RUN DATES 10/30/2025 - 10/30/2025
BOTH JOURNALIZED AND UNJOURNALIZED
PAID

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GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 101 GENERAL FUND					
Dept 000.000					
101-000.000-231.105	DUE TO MMERS-RETIREMENT CONT.	MERS	RETIREMENT	14,552.64	1274
			Total For Dept 000.000	14,552.64	
Dept 172.000 CITY MANAGER					
101-172.000-956.200	MEAL - CITY MGR MEETING LUNCHEON	CARD SERVICES CENTER	D. MACKIE CREDIT CARD	18.37	1273
			Total For Dept 172.000 CITY MANAGER	18.37	
Dept 175.000 ADMINISTRATIVE SERVICES					
101-175.000-802.000	TEAMVIEWER LICENSE	CARD SERVICES CENTER	B. JANES CREDIT CARD	625.58	1273
			Total For Dept 175.000 ADMINISTRATIVE SERVICES	625.58	
Dept 191.000 FINANCE DEPARTMENT					
101-191.000-726.000	POCKET FOLDERS	CURRENT OFFICE SOLUTIONS	POCKET FOLDERS	42.15	111702
101-191.000-801.000	ACCOUNTING SERVICES - SEPT 2025	THE WOODHILL GROUP, LLC	ACCOUNTING SERVICES - SEPT 2025	3,244.47	111746
			Total For Dept 191.000 FINANCE DEPARTMENT	3,286.62	
Dept 215.000 CITY CLERK DEPARTMENT					
101-215.000-726.000	WALL CLOCK, DEPOSIT BAGS	AMAZON CAPITAL SERVICES, I	GLOVES - DPS; WALL CLOCK, DEPOSIT BAGS	229.09	111689
101-215.000-734.000	POSTAGE	CARD SERVICES CENTER	K. PRICE CREDIT CARD	554.67	1273
101-215.000-801.000	COPIER LEASES - CITY	CURRENT OFFICE SOLUTIONS	COPIER LEASES - CITY	183.85	111702
			Total For Dept 215.000 CITY CLERK DEPARTMENT	967.61	
Dept 253.000 CITY TREASURER					
101-253.000-964.000	BILL BACK - PARCEL# 30 006 222 2	HILLSDALE CO TREASURER	BILL BACK - PARCEL# 30 006 222 277 11	270.27	111716
			Total For Dept 253.000 CITY TREASURER	270.27	
Dept 257.000 ASSESSING DEPARTMENT					
101-257.000-801.000	COPIER LEASES - CITY	CURRENT OFFICE SOLUTIONS	COPIER LEASES - CITY	109.83	111702
101-257.000-810.000	DAILY NEWS SUBSCRIPTION	CARD SERVICES CENTER	K. THOMAS CREDIT CARD	25.00	1273
101-257.000-956.000	TRAINING & SEMINARS	SHILA KIANDER	ASSESSOR CON ED - 2027 RENEWAL	120.00	111737
			Total For Dept 257.000 ASSESSING DEPARTMENT	254.83	
Dept 262.000 ELECTIONS					
101-262.000-726.000	POSTAGE	CARD SERVICES CENTER	K. PRICE CREDIT CARD	375.80	1273
			Total For Dept 262.000 ELECTIONS	375.80	
Dept 265.000 BUILDING AND GROUNDS					
101-265.000-726.000	WATER - CITY HALL	HEFFERNAN SOFT WATER SERV	WATER DELIVERY SERVICE	16.10	111715
101-265.000-801.000	MATS - CITY HALL	CINTAS CORPORATION	MATS - CITY HALL	27.20	111696
101-265.000-801.000	MATS - CITY HALL	CINTAS CORPORATION	MATS - CITY HALL	27.20	111696
101-265.000-801.000	CITY HALL MATS	CINTAS CORPORATION	CITY HALL MATS	27.20	111696
101-265.000-801.000	QUARTERLY ELEVATOR MAINTENANCE	SCHINDLER ELEVATOR CORPOR	QUARTERLY ELEVATOR MAINTENANCE 11/1/202	761.22	111736
			Total For Dept 265.000 BUILDING AND GROUNDS	858.92	
Dept 270.000 HUMAN RESOURCES					
101-270.000-810.000	SHRM MEMBERSHIP	CARD SERVICES CENTER	L. SERGENT CREDIT CARD	299.00	1273
101-270.000-860.000	REIMB MILAGE TO MERS CONFERENCE	BRIAN BENNETT	REIMB MILAGE TO MERS CONFERENCE	385.00	111694
101-270.000-956.200	HOTEL - MERS CONFERENCE	CARD SERVICES CENTER	L. SERGENT CREDIT CARD	690.00	1273
			Total For Dept 270.000 HUMAN RESOURCES	1,374.00	
Dept 301.000 POLICE DEPARTMENT					
101-301.000-726.000	POSTAGE	CARD SERVICES CENTER	S. HEPHNER CREDIT CARD	7.10	1273
101-301.000-742.000	CLOTHING / UNIFORMS	CARD SERVICES CENTER	S. HEPHNER CREDIT CARD	80.56	1273
101-301.000-801.000	COPIER LEASES - CITY	CURRENT OFFICE SOLUTIONS	COPIER LEASES - CITY	31.03	111702

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Fund 101 GENERAL FUND					
Dept 301.000 POLICE DEPARTMENT					
101-301.000-930.000	ONE TIRE AND RIM FOR UNIT 2-5	NORM'S TIRE & SERVICE	ONE TIRE AND RIM FOR UNIT 2-5	181.62	111726
101-301.000-956.000	AHA SKILLS CHECK OFF-BLS SKILLS	CARD SERVICES CENTER	S. HEPHNER CREDIT CARD	41.45	1273
101-301.000-956.005	STATE TRAINING FUNDS	CITY OF JACKSON	SOUTHERN MI TRAINING CONSORTIUM MEMBER	1,467.20	111697
Total For Dept 301.000 POLICE DEPARTMENT				1,808.96	
Dept 336.000 FIRE DEPARTMENT					
101-336.000-801.000	CAD IMPORT- DATA REPORTING	ESO SOLUTIONS	CAD IMPORT- DATA REPORTING	1,511.26	111708
Total For Dept 336.000 FIRE DEPARTMENT				1,511.26	
Dept 441.000 PUBLIC SERVICES DEPARTMENT					
101-441.000-726.000	CORRECTION TAPE	AMAZON CAPITAL SERVICES, I	CORRECTION TAPE - DPS, DIAL-A-RIDE	20.90	111689
101-441.000-726.000	GLOVES - DPS	AMAZON CAPITAL SERVICES, I	GLOVES - DPS; WALL CLOCK, DEPOSIT BAGS	107.51	111689
101-441.000-726.000	4 SIDED CHUCK KEYRETURN	GELZER HJ & SON INC	4 SIDED CHUCK KEYRETURN	(9.99)	111711
101-441.000-726.000	KEY CHUCK EXCHANGE	GELZER HJ & SON INC	KEY CHUCK EXCHANGE	6.99	111711
101-441.000-726.000	SOCKETS, DUCT TAPE	GELZER HJ & SON INC	SOCKETS, DUCT TAPE	19.92	111711
101-441.000-726.000	WATER - 149 WATERWORKS	HEFFERNAN SOFT WATER SERV	WATER DELIVERY SERVICE	8.04	111715
101-441.000-726.008	SAFETY TRAINING	CARD SERVICES CENTER	K. KEASAL CREDIT CARD	8.52	1273
101-441.000-801.000	DPS MATS, MOP	CINTAS CORPORATION	MATS, SHOP RAGS, FENDER SKIRT, MOP	34.07	111696
101-441.000-801.000	MATS	CINTAS CORPORATION	MATS, RAGS, FENDER SKIRT,	34.07	111696
101-441.000-801.000	COPIER LEASES - CITY	CURRENT OFFICE SOLUTIONS	COPIER LEASES - CITY	197.50	111702
101-441.000-955.588	SCREENING/TESTING - HERNANDEZ, J	JONESVILLE HEALTH CARE PLI	SCREENING/TESTING - BLAKE, V/HERNANDEZ,	90.00	86310
101-441.000-956.000	IMSA CONFERENCE - RECERTIFICATIO	IMSA, MICHIGAN SECTION	IMSA CONFERENCE - RECERTIFICATION	930.00	111719
101-441.000-956.000	2025 INTRO TO ROADSOFT TRAINING	CARD SERVICES CENTER	J. BLAKE CREDIT CARD	30.00	1273
Total For Dept 441.000 PUBLIC SERVICES DEPARTMENT				1,477.53	
Dept 447.000 ENGINEERING SERVICES					
101-447.000-726.000	UNIFORM - R. STIVERSON	POWERS CLOTHING, INC.	UNIFORM - R. STIVERSON	81.00	111730
Total For Dept 447.000 ENGINEERING SERVICES				81.00	
Dept 567.000 CEMETERIES					
101-567.000-726.000	FOUNDATION - LAKEVIEW JONES	BECKER & SCRIVENS CONCRETE	FOUNDATION - LAKEVIEW JONES	42.77	111692
101-567.000-726.000	FOUNDATION - LAKEVIEW ELLIOTT	BECKER & SCRIVENS CONCRETE	FOUNDATION - LAKEVIEW ELLIOTT	42.77	111692
101-567.000-801.000	CITYWIDE TREE TRIMMING/REMOVAL - LONSBERY, JEFFREY		CITYWIDE TREE TRIMMING/REMOVAL	450.00	111700
101-567.000-801.000	CITYWIDE TREE TRIMMING/REMOVAL - LONSBERY, JEFFREY		CITYWIDE TREE TRIMMING/REMOVAL	575.00	111700
101-567.000-801.000	CEMTERY MOWING CONTRACT EXTENSIO	TKC LAWN SNOW AND WOOD LLC	CEMTERY MOWING CONTRACT EXTENSION TO	6,690.00	111747
Total For Dept 567.000 CEMETERIES				7,800.54	
Dept 595.000 AIRPORT					
101-595.000-726.000	MEMO BOOK, POST IT, PENS, STORAG	CARD SERVICES CENTER	T. STEBELTON CREDIT CARD	182.21	1273
101-595.000-801.000	MERCHANT EQUIP RENTAL BILLING	AVFUEL CORP	MERCHANT EQUIP RENTAL BILLING	20.00	1272
101-595.000-801.000	REFUELING TRUCK RENTAL BILLING	AVFUEL CORP	REFUELING TRUCK RENTAL BILLING	950.00	1272
Total For Dept 595.000 AIRPORT				1,152.21	
Dept 701.000 PLANNING DEPARTMENT					
101-701.000-801.000	CONTRACTUAL SERVICES	CE & A PROFESSIONAL SERVIC	PREEMPLOYMENT DRUG TEST	56.50	111695
101-701.000-801.000	COPIER LEASES - CITY	CURRENT OFFICE SOLUTIONS	COPIER LEASES - CITY	109.83	111702
101-701.000-801.372	POSTAGE	CARD SERVICES CENTER	K. THOMAS CREDIT CARD	25.54	1273
101-701.000-810.000	REGION 2 PLANNING COMMISSION FY	REGION 2 PLANNING COMMISSI	REGION 2 PLANNING COMMISSION FY 2026 ME	2,169.72	111733
Total For Dept 701.000 PLANNING DEPARTMENT				2,361.59	
Dept 756.000 PARKS					
101-756.000-801.000	CITYWIDE TREE TRIMMING/REMOVAL - LONSBERY, JEFFREY		CITYWIDE TREE TRIMMING/REMOVAL	4,375.00	111700
101-756.000-801.000	BENCH PAD - SANDY BEACH	DRY MAR TRUCKING & DIRTWO	BENCH PAD - SANDY BEACH	50.00	111705

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Fund 101 GENERAL FUND					
Dept 756.000 PARKS					
101-756.000-801.000	RIVER CLEAN UP - UNION & OAK 9 L	WICKHAM TREE SERVICE, LLC	RIVER CLEAN UP - UNION & OAK 9 LOADS	1,500.00	111752
		Total For Dept 756.000 PARKS		5,925.00	
		Total For Fund 101 GENERAL FUND		44,702.73	
Fund 202 MAJOR ST./TRUNKLINE FUND					
Dept 450.000 STREET SURFACE					
202-450.000-726.000	MAJOR PATCH	GERKEN MATERIAL, INC	PATCH - MAJOR	143.52	111712
202-450.000-726.000	MAJOR PATCH	GERKEN MATERIAL, INC	PATCH	308.16	111712
202-450.000-726.000	PATCH	GERKEN MATERIAL, INC	PATCH	136.80	111712
		Total For Dept 450.000 STREET SURFACE		588.48	
Dept 470.000 TREES					
202-470.000-801.000	CITYWIDE TREE TRIMMING/REMOVAL	- LONSBERRY, JEFFREY	CITYWIDE TREE TRIMMING/REMOVAL	325.00	111700
202-470.000-801.000	CITYWIDE TREE TRIMMING/REMOVAL	- LONSBERRY, JEFFREY	CITYWIDE TREE TRIMMING/REMOVAL	2,412.50	111700
202-470.000-801.000	CONTRACTUAL SERVICES	WICKHAM TREE SERVICE, LLC	RIVER CLEAN UP - UNION & OAK 9 LOADS	1,500.00	111752
		Total For Dept 470.000 TREES		4,237.50	
Dept 480.000 DRAINAGE					
202-480.000-726.000	DRAIN REPAIR 150 FAYETTE ST - MA	BECKER & SCRIVENS CONCRETE	DRAIN REPAIR 150 FAYETTE ST - MAJOR	85.25	111692
		Total For Dept 480.000 DRAINAGE		85.25	
		Total For Fund 202 MAJOR ST./TRUNKLINE FUND		4,911.23	
Fund 203 LOCAL STREET FUND					
Dept 450.000 STREET SURFACE					
203-450.000-726.000	LOCAL PATCH	GERKEN MATERIAL, INC	PATCH	920.16	111712
203-450.000-726.000	PATCH	GERKEN MATERIAL, INC	PATCH	185.84	111712
203-450.000-726.000	PATCH	GERKEN MATERIAL, INC	PATCH	7.92	111712
203-450.000-801.000	ASHALT REPAIR - AZALEA CT	RDK'S ASPHALT & SEALCOATIN	ASHALT REPAIR - AZALEA CT	2,000.00	111732
		Total For Dept 450.000 STREET SURFACE		3,113.92	
Dept 470.000 TREES					
203-470.000-801.000	CITYWIDE TREE TRIMMING/REMOVAL	- LONSBERRY, JEFFREY	CITYWIDE TREE TRIMMING/REMOVAL	2,300.00	111700
203-470.000-801.000	CITYWIDE TREE TRIMMING/REMOVAL	- LONSBERRY, JEFFREY	CITYWIDE TREE TRIMMING/REMOVAL	4,500.00	111700
203-470.000-801.000	CONTRACTUAL SERVICES	WICKHAM TREE SERVICE, LLC	TREE REMOVAL - 40 - 42 RIVER ST	4,800.00	111752
203-470.000-801.000	CONTRACTUAL SERVICES	WICKHAM TREE SERVICE, LLC	RIVER CLEAN UP - UNION & OAK 9 LOADS	1,000.00	111752
		Total For Dept 470.000 TREES		12,600.00	
		Total For Fund 203 LOCAL STREET FUND		15,713.92	
Fund 204 MUNICIPAL STREET FUND					
Dept 175.000 ADMINISTRATIVE SERVICES					
204-175.000-964.000	BILL BACK - PARCEL# 30 006 222 2	HILLSDALE CO TREASURER	BILL BACK - PARCEL# 30 006 222 277 11	122.63	111716
		Total For Dept 175.000 ADMINISTRATIVE SERVICES		122.63	
		Total For Fund 204 MUNICIPAL STREET FUND		122.63	
Fund 247 TAX INCREMENT FINANCE ATH.					
Dept 000.000					
247-000.000-300.000	TIFA LOAN PAYMENT - PRINCIPAL	SOUTHERN MI BANK & TRUST	TIFA LOAN PAYMENT	20,000.00	1276
		Total For Dept 000.000		20,000.00	
Dept 900.000 CAPITAL OUTLAY					

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Fund 247 TAX INCREMENT FINANCE ATH.					
Dept 900.000 CAPITAL OUTLAY					
247-900.000-806.000	TRANSFER OF DAWN THEATER LIQUOR	ADKISON NEED ALLEN & RENT	TRANSFER OF DAWN THEATER LIQUOR LICENSE	1,914.00	111687
247-900.000-993.000	TIFA LOAN PAYMENT - INTEREST	SOUTHERN MI BANK & TRUST	TIFA LOAN PAYMENT	990.00	1276
Total For Dept 900.000 CAPITAL OUTLAY				2,904.00	
Total For Fund 247 TAX INCREMENT FINANCE ATH.				22,904.00	
Fund 271 LIBRARY FUND					
Dept 790.000 LIBRARY					
271-790.000-726.000	K-CUP BREWERS, COFFEE CREAMER	CARD SERVICES CENTER	R. DOBSKI CREDIT CARD	1,009.01	1273
271-790.000-802.000	USB ADAPTER CABLE	CARD SERVICES CENTER	R. DOBSKI CREDIT CARD	20.81	1273
271-790.000-802.000	TEAMVIEWER LICENSE	CARD SERVICES CENTER	B. JANES CREDIT CARD	61.10	1273
271-790.000-880.000	HEAT GUN NOZZLES KIT	CARD SERVICES CENTER	R. DOBSKI CREDIT CARD	9.99	1273
271-790.000-920.000	503691550 - 12 N MANNING - LIBRA	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 12 N MANNING	39.58	1267
271-790.000-964.000	BILL BACK - PARCEL# 30 006 222 2	HILLSDALE CO TREASURER	BILL BACK - PARCEL# 30 006 222 277 11	19.93	111716
Total For Dept 790.000 LIBRARY				1,160.42	
Dept 792.000 LIBRARY - CHILDREN'S AREA					
271-792.000-726.000	HARD TRAVEL CASE, CARD BOX CASE	CARD SERVICES CENTER	R. DOBSKI CREDIT CARD	101.33	1273
271-792.000-982.001	BOOKS - FROM DONATION MONIES	CARD SERVICES CENTER	R. DOBSKI CREDIT CARD	134.95	1273
Total For Dept 792.000 LIBRARY - CHILDREN'S AREA				236.28	
Total For Fund 271 LIBRARY FUND				1,396.70	
Fund 582 ELECTRIC FUND					
Dept 000.000					
582-000.000-110.000	CONDUIT - 2" PVC SCHEDULE 4	KENDALL ELECTRIC	CONDUIT 3 MEADOWS	1,304.76	111721
582-000.000-110.000	TRANSFORMER ONE TIME USE LOKS	POWER LINE SUPPLY	TRANSFORMER LOCKS	304.50	111729
582-000.000-110.000	SMALL LED	POWER LINE SUPPLY	STREET LIGHTS	1,577.55	111729
582-000.000-110.000	PHOTO CELL BRACKET	POWER LINE SUPPLY	INVENTORY	53.52	111729
582-000.000-110.000	LUG 3 SPACE 2 STR - 600 4 BOLT	POWER LINE SUPPLY	TRANSFORMER CONNECTIONS	646.92	111729
582-000.000-158.000-201009	UPS PACKAGE - TESTING	HILLSDALE MARKET HOUSE, IN	UPS PACKAGE - TESTING	28.89	111717
582-000.000-158.000-215063	CIP - THREE MEADOWS EXPANSION 20	BECKER & SCRIVENS CONCRETE	2NS SAND	161.70	111692
582-000.000-158.000-215063		WISCONSIN LIGHTING LAB, IN	3 MEADOWS LIGHT POLES	12,360.00	111753
582-000.000-202.100	4CCH	BEMIS, SAMANTHA C-N	UB refund for account: 026667	118.00	111693
582-000.000-202.100	4CCH	COWELL, ERICA L	UB refund for account: 026802	100.00	111701
582-000.000-202.100	4CCH	DEUMAN, JOSEPH	UB refund for account: 018672	137.39	111703
582-000.000-202.100	4CCH	DILLER, JOHNATHON R	UB refund for account: 026694	25.23	111704
582-000.000-202.100	4CCH	FRANCIS, HANNAH N	UB refund for account: 026544	128.25	111710
582-000.000-202.100	4CCH	GIFFORD, JIMMIE D	UB refund for account: 025038	58.00	111713
582-000.000-202.100	4ENBK1	MARSHALL PROPERTY MANAGEMEN	UB refund for account: 010303	23.21	111724
582-000.000-202.100	4ENBK1	STATE OF MICHIGAN	UB refund for account: 018275	352.30	111739
582-000.000-202.100	4CCH	STATE OF MICHIGAN	UB refund for account: 026667	310.57	111740
582-000.000-202.100	4CCH	STATE OF MICHIGAN	UB refund for account: 026802	69.99	111741
582-000.000-202.100	4CCH	STEVENS, HEATHER L	UB refund for account: 024062	111.42	111742
582-000.000-264.000	CITY SHARE OF AMP ASSETS	MICHIGAN SOUTH CENTRAL POW	MSCPA MEMBER POWER BILLING - SEPT 2025	10,000.00	1275
Total For Dept 000.000				27,872.20	
Dept 175.000 ADMINISTRATIVE SERVICES					
582-175.000-726.000	PRINTER STAND CSR FRONT ENTRY	AMAZON CAPITAL SERVICES, I	PRINTER STAND CSR FRONT ENTRY	13.99	111689
582-175.000-801.000	MATS - 45 MONROE ST	CINTAS CORPORATION	MATS - 45 MONROE ST	2.50	111696
582-175.000-801.000	MATS - 45 MONROE ST	CINTAS CORPORATION	MATS - 45 MONROE ST	2.50	111696
582-175.000-801.000	POSTAGE MACHINE 11/18/25-2/17/25	QUADIENT LEASING USA, INC	POSTAGE MACHINE 11/18/25-2/17/25	234.07	111731
582-175.000-801.000	ACCOUNTING SERVICES -SEPT 2025	THE WOODHILL GROUP, LLC	ACCOUNTING SERVICES - SEPT 2025	1,622.24	111746

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Fund 582 ELECTRIC FUND					
Dept 175.000 ADMINISTRATIVE SERVICES					
582-175.000-801.000	CREDIT CARD PROCESSING FEES - SE	INVOICE CLOUD, INC.	CREDIT CARD PROCESSING FEES - SEPT 2025	217.30	679
582-175.000-801.000	SCREENING/TESTING - BORDERS, R	JONESVILLE HEALTH CARE PLI	SCREENING/TESTING - BORDERS, R	100.00	86310
582-175.000-802.000	TECHNICAL SERVICES	AMAZON CAPITAL SERVICES, I	RUBBER DOOR BUMPERS	6.99	111689
582-175.000-802.000	PDQ DEPLOY LICENSE	CARD SERVICES CENTER	B. JANES CREDIT CARD	312.79	1273
582-175.000-810.000	STANDARD SDS INDEX/STANDARD, GHS	HSI WORKPLACE COMPLIANCE S	STANDARD SDS INDEX/STANDARD, GHS, SAFET	1,011.04	111718
582-175.000-810.000	APPA MEMBERSHIP	CARD SERVICES CENTER	D. MACKIE CREDIT CARD	1,200.00	1273
582-175.000-880.000	SNACKS - PUBLIC POWER WEEK	CARD SERVICES CENTER	L. SERGENT CREDIT CARD	59.61	1273
582-175.000-906.000	2026 ECONOMIC DEVELOPMENT SPONSO	EDP OF HILLSDALE COUNTY	2026 ECONOMIC DEVELOPMENT SPONSORSHIP	7,500.00	111706
582-175.000-956.200	HOTEL FOR K. LOPRESTO MPSI - SPR	COMFORT INN & CONFERENCE C	HOTEL FOR K. LOPRESTO MPSI - SPRING 202	275.62	111698
582-175.000-956.200	DINNER - MMEA CONFERENCE	CARD SERVICES CENTER	D. MACKIE CREDIT CARD	730.40	1273
Total For Dept 175.000 ADMINISTRATIVE SERVICES				13,289.05	
Dept 544.000 OPERATIONS					
582-544.000-726.000	500W EQUIV LED CORN BULBS	AMAZON CAPITAL SERVICES, I	500W EQUIV LED CORN BULBS	80.85	111689
582-544.000-726.000	COMBO WRENCH	FAMILY FARM & HOME	COMBO WRENCH	3.50	111709
582-544.000-726.000	NUTS/BOLTS/WASHERS/WRENCH SET	FAMILY FARM & HOME	NUTS/BOLTS/WASHERS/WRENCH SET	37.42	111709
582-544.000-726.000	FASTENERS & ANCHORS	GELZER HJ & SON INC	FASTENERS & ANCHORS	25.98	111711
582-544.000-726.000	DUCT TAPE	GELZER HJ & SON INC	DUCT TAPE	7.94	111711
582-544.000-726.000	8PK BATTERY	GELZER HJ & SON INC	8PK BATTERY	24.99	111711
582-544.000-726.000	16PK BATTERIES	GELZER HJ & SON INC	16PK BATTERIES	23.49	111711
582-544.000-726.000	REFILL JUGS - 201 WATERWORKS DR	HEFFERNAN SOFT WATER SERV	REFILL JUGS - 201 WATERWORKS DR	8.16	111715
582-544.000-726.000	2X4-10' #2 SPF	JONESVILLE LUMBER	2X4-10' #2 SPF	5.30	111720
582-544.000-726.000	PLYWOOD/CONST SPF/SCREWS	JONESVILLE LUMBER	PLYWOOD/CONST SPF/SCREWS	143.97	111720
582-544.000-726.000	WELDING SERVICE	WHITE'S WELDING SERVICE	WELDING SERVICE	20.00	111751
582-544.000-726.000	WATER	CARD SERVICES CENTER	B. JANES CREDIT CARD	112.98	1273
582-544.000-726.008	PANIC ALARM BUTTON	AMAZON CAPITAL SERVICES, I	PANIC ALARM BUTTON	94.99	111689
582-544.000-726.008	FIRST AID SUPPLIES	CINTAS CORPORATION	FIRST AID SUPPLIES	124.63	111696
582-544.000-726.008	GLOVES	CARD SERVICES CENTER	K. KEASAL CREDIT CARD	379.46	1273
582-544.000-730.000	PLATE/SCREW PAN/NUTS	ALTA EQUIPMENT COMPANY	PLATE/SCREW PAN/NUTS	58.65	111688
582-544.000-730.000	TRAILER LIGHTS AND 7 PIN ADAPTER	AMAZON CAPITAL SERVICES, I	TRAILER LIGHTS AND 7 PIN ADAPTER	98.98	111689
582-544.000-730.000	BATTERY 24 MO 850 CCA	FAMILY FARM & HOME	BATTERY 24 MO 850 CCA	179.99	111709
582-544.000-730.000	WD-40/POWERSCRUB/TRUCK COATING	FAMILY FARM & HOME	WD-40/POWERSCRUB/TRUCK COATING	67.95	111709
582-544.000-730.000	SUPPLIES	FAMILY FARM & HOME	SUPPLIES	69.99	111709
582-544.000-730.000	FASTENERS & ANCHORS	GELZER HJ & SON INC	FASTENERS & ANCHORS	2.20	111711
582-544.000-730.000	OIL CHANGE 2022 CHEVY COLORADO	PARNEY'S CAR CARE, LLC	OIL CHANGE 2022 CHEVY COLORADO	99.64	111727
582-544.000-730.000	BREAKAWAY SWITCH	PERFORMANCE AUTOMOTIVE	BREAKAWAY SWITCH	26.38	111728
582-544.000-730.000	HEAT SHRINK TUBIN/SHRINK AST	PERFORMANCE AUTOMOTIVE	HEAT SHRINK TUBIN/SHRINK AST	8.88	111728
582-544.000-730.000	LONG LIFE MINI	PERFORMANCE AUTOMOTIVE	LONG LIFE MINI	3.49	111728
582-544.000-730.000	REPAIR TAMP FOR DIGGER TRUCK	POWER LINE SUPPLY	REPAIR TAMP	536.54	111729
582-544.000-730.000	VINYL SET - GREEN REFLECTIVE HIL	STOCKHOUSE CORPORATION	VINYL SET - GREEN REFLECTIVE HILLSDALE	90.00	111744
582-544.000-730.000	LATCH-ADJ LEVER/RELAY	VERMEER OF MICHIGAN, INC	LATCH-ADJ LEVER/RELAY	245.61	111750
582-544.000-730.000	FOAMING DEGREASER	CARD SERVICES CENTER	K. KEASAL CREDIT CARD	219.50	1273
582-544.000-739.000	MSCPA MEMBER POWER BILLING - SEP	MICHIGAN SOUTH CENTRAL POW	MSCPA MEMBER POWER BILLING - SEPT 2025	854,292.49	1275
582-544.000-740.300	504504154 - 201 WATERWORKS XX -	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 201 WATERWORKS X	20.31	1270
582-544.000-740.400	504504154 - 201 WATERWORKS XX -	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 201 WATERWORKS X	20.30	1270
582-544.000-801.000	SEPT MOWING	BAXTER LAWN AND SNOW SERV	SEPT MOWING	2,475.00	111691
582-544.000-801.000	CALIBRATE STACK TEMP	UIS SCADA, INC.	CALIBRATE STACK TEMP	1,432.00	111749
582-544.000-920.000	504504154 - 201 WATERWORKS - PP	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 201 WATERWORKS	40.61	1269
582-544.000-930.000	3/4 T & P RLF VL 150LB	AMERICAN COPPER AND BRASS,	3/4 T & P RLF VL 150LB	34.53	111690
582-544.000-930.000	2160BC 5/16X4 EYE BOLT	FAMILY FARM & HOME	2160BC 5/16X4 EYE BOLT	22.47	111709
582-544.000-930.546	3 HOLE/GREY BOX/COVER/MOUNT	KENDALL ELECTRIC	3 HOLE/GREY BOX/COVER/MOUNT	92.07	111721
582-544.000-930.546	REPAIRS & MAINT. - SUBSTATIONS	KENDALL ELECTRIC	LAMP/MED BASE	833.02	111721

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Fund 582 ELECTRIC FUND					
Dept 544.000 OPERATIONS					
582-544.000-930.546	REPAIRS & MAINT. - SUBSTATIONS	KENDALL ELECTRIC	LED SELECTABLE LAMP	555.86	111721
582-544.000-956.000	HOTEL FOR RENO SMITH DURING TRAI	COMFORT INN	HOTEL FOR RENO SMITH DURING TRAINING	472.50	111699
582-544.000-970.000-215051	DUMP TRUCK BUILD ON PROVIDED CHA	TRUCK & TRAILER SPECIALTIF	DUMP TRUCK BUILD AND OUTFIT	25,583.00	111748
Total For Dept 544.000 OPERATIONS				888,675.62	
Total For Fund 582 ELECTRIC FUND				929,836.87	
Fund 588 DIAL A RIDE					
Dept 596.000 DIAL-A-RIDE					
588-596.000-726.000	CORRECTIN TAPE	AMAZON CAPITAL SERVICES, I	CORRECTION TAPE - DPS, DIAL-A-RIDE	20.90	111689
588-596.000-726.000	SAFE: DIA-A-RIDE	AMAZON CAPITAL SERVICES, I	SAFE: DIA-A-RIDE	179.99	111689
588-596.000-920.000	507035798 - 981 DEVELOPMENT DR	- MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 981 DEVELOPMENT I	49.46	1271
588-596.000-955.588	SCREENING/TESTING - BLAKE, V	JONESVILLE HEALTH CARE PLI	SCREENING/TESTING - BLAKE, V/HERNANDEZ,	15.00	86310
Total For Dept 596.000 DIAL-A-RIDE				265.35	
Total For Fund 588 DIAL A RIDE				265.35	
Fund 590 SEWER FUND					
Dept 000.000					
590-000.000-158.000-215065	COLLEGE HOTEL SEWER WORK ENGINEE	TETRA TECH, INC	COLLEGE HOTEL SEWER WORK ENGINEERING AI	2,809.68	111745
590-000.000-202.100	SCCH	MARSHALL PROPERTY MANAGEME	UB refund for account: 010303	18.67	111724
Total For Dept 000.000				2,828.35	
Dept 175.000 ADMINISTRATIVE SERVICES					
590-175.000-726.000	PRINTER STAND CSR FRONT ENTRY	AMAZON CAPITAL SERVICES, I	PRINTER STAND CSR FRONT ENTRY	7.00	111689
590-175.000-801.000	MATS - 45 MONROE ST	CINTAS CORPORATION	MATS - 45 MONROE ST	1.25	111696
590-175.000-801.000	MATS - 45 MONROE ST	CINTAS CORPORATION	MATS - 45 MONROE ST	1.25	111696
590-175.000-801.000	POSTAGE MACHINE 11/18/25-2/17/25	QUADIENT LEASING USA, INC	POSTAGE MACHINE 11/18/25-2/17/25	117.04	111731
590-175.000-801.000	ACCOUNTING SERVICES - SEPT 2025	THE WOODHILL GROUP, LLC	ACCOUNTING SERVICES - SEPT 2025	811.12	111746
590-175.000-801.000	CREDIT CARD PROCESSING FEES - SE	INVOICE CLOUD, INC.	CREDIT CARD PROCESSING FEES - SEPT 2025	108.65	679
590-175.000-802.000	TEAMVIEWER LICENSE	CARD SERVICES CENTER	B. JANES CREDIT CARD	156.39	1273
590-175.000-810.000	STANDARD SDS INDEX/STANDARD, GHS	HSI WORKPLACE COMPLIANCE S	STANDARD SDS INDEX/STANDARD, GHS, SAFE1	505.52	111718
590-175.000-906.000	2026 ECONOMIC DEVELOPMENT SPONSO	EDP OF HILLSDALE COUNTY	2026 ECONOMIC DEVELOPMENT SPONSORSHIP	3,750.00	111706
590-175.000-956.200	HOTEL FOR K. LOPRESTO MPSI - SPR	COMFORT INN & CONFERENCE C	HOTEL FOR K. LOPRESTO MPSI - SPRING 202	137.82	111698
Total For Dept 175.000 ADMINISTRATIVE SERVICES				5,596.04	
Dept 546.000 OPERATIONS					
590-546.000-726.000	NITRILE GLOVES	LOU'S GLOVES, INC	NITRILE GLOVES	157.00	111723
590-546.000-726.000	WATER	CARD SERVICES CENTER	B. JANES CREDIT CARD	56.49	1273
590-546.000-726.008	FIRST AID SUPPLIES	CINTAS CORPORATION	FIRST AID SUPPLIES	98.49	111696
590-546.000-726.008	REFUND: SAFETY GLASSES	CARD SERVICES CENTER	K. KEASAL CREDIT CARD	8.53	1273
590-546.000-801.000	101 GALLOWAY - GRIT DUMPSTER REM	REPUBLIC SERVICES OF KALAM	101 GALLOWAY - GRIT DUMPSTER REMOVAL	1,831.54	111734
590-546.000-930.000	OX DITCH BOLTS	FAMILY FARM & HOME	OX DITCH BOLTS	56.07	111709
590-546.000-930.000	GORILLA TAP	FAMILY FARM & HOME	GORILLA TAP	14.99	111709
590-546.000-930.000	7/8-9 TAP	MCMASTER - CARR	7/8-9 TAP	85.22	111725
590-546.000-930.000	AIR FILTER P/U	PERFORMANCE AUTOMOTIVE	AIR FILTER P/U	42.68	111728
Total For Dept 546.000 OPERATIONS				2,351.01	
Total For Fund 590 SEWER FUND				10,775.40	
Fund 591 WATER FUND					
Dept 000.000					
591-000.000-202.100	WCCH	MARSHALL PROPERTY MANAGEME	UB refund for account: 010303	18.12	111724

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Fund 591 WATER FUND					
Dept 000.000					
591-000.000-202.100	WBK1	STEVENS, HEATHER L	UB refund for account: 030422	109.03	111743
Total For Dept 000.000				127.15	
Dept 175.000 ADMINISTRATIVE SERVICES					
591-175.000-726.000	PRINTER STAND CSR FRONT ENTRY	AMAZON CAPITAL SERVICES, I	PRINTER STAND CSR FRONT ENTRY	7.00	111689
591-175.000-801.000	MATS - 45 MONROE ST	CINTAS CORPORATION	MATS - 45 MONROE ST	1.25	111696
591-175.000-801.000	MATS - 45 MONROE ST	CINTAS CORPORATION	MATS - 45 MONROE ST	1.25	111696
591-175.000-801.000	POSTAGE MACHINE 11/18/25-2/17/25	QUADIENT LEASING USA, INC	POSTAGE MACHINE 11/18/25-2/17/25	117.04	111731
591-175.000-801.000	ACCOUNTING SERVICES - SEPT 2025	THE WOODHILL GROUP, LLC	ACCOUNTING SERVICES - SEPT 2025	811.12	111746
591-175.000-801.000	CREDIT CARD PROCESSING FEES - SE	INVOICE CLOUD, INC.	CREDIT CARD PROCESSING FEES - SEPT 2025	108.65	679
591-175.000-802.000	PDQ DEPLOY LICENSE	CARD SERVICES CENTER	B. JANES CREDIT CARD	156.39	1273
591-175.000-810.000	STANDARD SDS INDEX/STANDARD, GHS	HSI WORKPLACE COMPLIANCE S	STANDARD SDS INDEX/STANDARD, GHS, SAFET	505.52	111718
591-175.000-906.000	2026 ECONOMIC DEVELOPMENT SPONSO	EDP OF HILLSDALE COUNTY	2026 ECONOMIC DEVELOPMENT SPONSORSHIP	3,750.00	111706
591-175.000-956.200	HOTEL FOR K. LOPRESTO MPSI - SPR	COMFORT INN & CONFERENCE C	HOTEL FOR K. LOPRESTO MPSI - SPRING 202	137.81	111698
Total For Dept 175.000 ADMINISTRATIVE SERVICES				5,596.03	
Dept 543.000 OPERATIONS					
591-543.000-726.000	WATER	CARD SERVICES CENTER	B. JANES CREDIT CARD	56.49	1273
591-543.000-726.008	FIRST AID SUPPLIES	CINTAS CORPORATION	FIRST AID SUPPLIES	98.49	111696
591-543.000-726.008	REFUND: SAFETY GLASSES	CARD SERVICES CENTER	K. KEASAL CREDIT CARD	8.52	1273
591-543.000-930.000	MISC 6 IN FITTINGS	AMERICAN COPPER AND BRASS,	MISC 6 IN FITTINGS	302.22	111690
591-543.000-930.000	EPOXY	PERFORMANCE AUTOMOTIVE	EPOXY	22.69	111728
591-543.000-930.000	STANDARD CAPSULE	PERFORMANCE AUTOMOTIVE	STANDARD CAPSULE	12.39	111728
591-543.000-930.990	1" SS STIFFENER	AMERICAN COPPER AND BRASS,	1" SS STIFFENER	232.20	111690
591-543.000-930.990	1" CTS 250 PSI 500' POLY COIL	AMERICAN COPPER AND BRASS,	1" CTS 250 PSI 500' POLY COIL	763.34	111690
591-543.000-930.990	REPAIRS & MAINT. - LEAD SERVICES	AMERICAN COPPER AND BRASS,	1" CTS 250 PSI 100' POLY COIL	98.57	111690
591-543.000-930.990	1" CTS 250 PSI 100' POLY COIL	AMERICAN COPPER AND BRASS,	1" CTS 250 PSI 100' POLY COIL	88.71	111690
591-543.000-930.990	CONTRACTED LSL REPLACEMENTS	RJT CONSTRUCTION CO.	FYE 2026 LEAD SERVICE LINE REPLACEMENTS	6,710.00	111735
591-543.000-930.990	CONTRACTED LSL REPLACEMENTS	RJT CONSTRUCTION CO.	FYE 2026 LEAD SERVICE LINE REPLACEMENTS	12,032.50	111735
Total For Dept 543.000 OPERATIONS				20,426.12	
Total For Fund 591 WATER FUND				26,149.30	
Fund 640 REVOLVING MOBILE EQUIP. FUND					
Dept 443.000 MOBILE EQUIPMENT MAINTENANCE					
640-443.000-726.000	DPS SHOP RAGS, FENDER SKIRT	CINTAS CORPORATION	MATS, SHOP RAGS, FENDER SKIRT, MOP	9.27	111696
640-443.000-726.000	SHOP RAGS, FENDER SKIRT	CINTAS CORPORATION	MATS, RAGS, FENDER SKIRT,	9.27	111696
640-443.000-726.000	SHOP SUPPLIES: NUTS, SCREWS, FIT	ELECTRICAL TERMINAL INC.	SHOP SUPPLIES: NUTS, SCREWS, FITTINGS	49.78	111707
640-443.000-726.000	SOCKET SETS	FAMILY FARM & HOME	SOCKET SETS	59.98	111709
640-443.000-726.000	1/4" SANDING DISC	GELZER HJ & SON INC	1/4" SANDING DISC	8.69	111711
640-443.000-726.000	SHOP SUPPLIES	PERFORMANCE AUTOMOTIVE	SHOP SUPPLIES	106.47	111728
640-443.000-730.000	HARDWARE #20.4	GELZER HJ & SON INC	HARDWARE #20.4	4.68	111711
640-443.000-730.000	FILTER ELEMENTS - #153	GREENMARK EQUIPMENT	FILTER ELEMENTS - #153	117.50	111714
640-443.000-730.000	VEH./EQUIP. MAINT. SUPPLIES	PERFORMANCE AUTOMOTIVE	MAINTENANCE SUPPLIES VEHICLE #'S 142, 5	16.37	111728
640-443.000-730.000	VEHICLE MAINTENANCE - #52	PERFORMANCE AUTOMOTIVE	VEHICLE MAINTENANCE - #52	78.53	111728
640-443.000-730.000	VEH./EQUIP. MAINT. SUPPLIES #52.	PERFORMANCE AUTOMOTIVE	VEHICLE/EQUIP. MAINTENANCE SUPPLIES - #	83.55	111728
640-443.000-730.000	VEH./EQUIP. MAINT. SUPPLIES - #	PERFORMANCE AUTOMOTIVE	OIL, OIL FILTER - #'S 142,144	39.65	111728
640-443.000-730.000	VEH./EQUIP. MAINT. SUPPLIES	WHITE'S WELDING SERVICE	4' 3/4X3/16 FLAT #16.5	10.00	111751
640-443.000-801.000	ANNUAL COLULMN LIFT INSPECTION	KESSLER EQUIPMENT COMPANY	ANNUAL COLULMN LIFT INSPECTION	500.00	111722
640-443.000-801.000	REPAIR 2 CYLINDERS - #21.4	SOS SERVICE INC.	REPAIR 2 CYLINDERS - #21.4	436.00	111738
640-443.000-801.000	WELD/REPAIR CLAM BUCKET #21.4	WHITE'S WELDING SERVICE	WELD/REPAIR CLAM BUCKET #21.4	2,463.00	111751
640-443.000-920.000	505153845 - 149 WATERWORKS - RME	MICHIGAN GAS UTILITIES	NATURAL GAS UTILITY - 149 WATERWORKS	43.07	1268

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GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #	
Fund 640 REVOLVING MOBILE EQUIP. FUND						
Dept 443.000 MOBILE EQUIPMENT MAINTENANCE		Total For Dept 443.000 MOBILE EQUIPMENT MAINTENANCE			4,035.81	
		Total For Fund 640 REVOLVING MOBILE EQUIP. FUND			4,035.81	
Fund 663 FIRE VEHICLE & EQUIPMENT FUND						
Dept 336.000 FIRE DEPARTMENT						
663-336.000-964.000	BILL BACK - PARCEL# 30 006 222 2	HILLSDALE CO TREASURER	BILL BACK - PARCEL# 30 006 222 277 11	18.82	111716	
		Total For Dept 336.000 FIRE DEPARTMENT			18.82	
		Total For Fund 663 FIRE VEHICLE & EQUIPMENT FUND			18.82	

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Fund Totals:					
			Fund 101 GENERAL FUND	44,702.73	
			Fund 202 MAJOR ST./TRUNK	4,911.23	
			Fund 203 LOCAL STREET F	15,713.92	
			Fund 204 MUNICIPAL STRE	122.63	
			Fund 247 TAX INCREMENT I	22,904.00	
			Fund 271 LIBRARY FUND	1,396.70	
			Fund 582 ELECTRIC FUND	929,836.87	
			Fund 588 DIAL A RIDE	265.35	
			Fund 590 SEWER FUND	10,775.40	
			Fund 591 WATER FUND	26,149.30	
			Fund 640 REVOLVING MOBIL	4,035.81	
			Fund 663 FIRE VEHICLE &	18.82	
Total For All Funds:				1,060,832.76	

CITY COUNCIL MINUTES

City of Hillsdale
November 3, 2025
7:00 P.M.

Regular Meeting

Call to Order and Pledge of Allegiance

Mayor Pro Tem Paladino opened the meeting with the Pledge of Allegiance.

Roll Call

Mayor Pro Tem Paladino called the meeting to order. Clerk Price took roll call.

Council Members present:	Joshua Paladino, Mayor Pro Tem
	R Greg Stuchell, Ward 1
	Jacob Bruns, Ward 1
	William Morrissey, Ward 2
	Matthew Bentley, Ward 2
	Gary Wolfram, Ward 3
	Bob Flynn, Ward 3
	Robert Socha, Ward 4

Council Members absent:	None
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Also Present: David Mackie (City Manager), Attorney Tom Thompson, Katy Price (City Clerk), Jason Blake (DPS Director), Brandon Janes (IT), Sam Fry (Assistant City Manager), Larry Walworth, Penny Myers, Cindy Pratt, Frank Payne Jr, Howard Spence, Shoshanna Finegan, Eric Lewis, Corinna Lewis, Luke Robison, Colm Maines, Cathy Kelemen, Mark Nichols, Elias McConnell, Sarah Maier, Michelle Hebert, Melissa DesJardin, Brian DesJardin, James Thomas, Joseph Hendee.

Motion by Councilman Bentley, support by Councilman Flynn, to excuse Councilmen Bruns and Socha's absences.

Voice vote, approved unanimously.

Approval of Agenda

Motion by Councilman Morrissey, supported by Councilman Flynn to accept the agenda as presented.

Voice vote, approved unanimously.

Public Comment

David Hambleton, Ward 4, commented on Special Assessment Districts. Restoring the streets without the SADs.

Eric Coykendall, Ward 4, commented on Special Assessment Districts. Capping the SAD amount for residents.

Jonathan Meekel, 34 W. South St., commented on Special Assessment Districts and Neighborhood Road Fund through the state.

Jill Hardway, Ward 1, commented on Special Assessment Districts.

Jason Blake, DPS, stated no SADs were assigned in the previous meeting minutes. Council authorized engineer to draft drawings.

James Thomas, 2200 Barr St., commented on minutes of October 20th, Camp Hope, Council duty to uphold the court- protection of property.

Consent Agenda

- A. Approval of Bills
 - 1. City and BPU Claims of October 16, 2025: \$301,179.18
 - 2. Payroll of October 23, 2025: \$202,337.81
- B. City Council Minutes of October 20, 2025
- C. Finance Minutes of October 20, 2025
- D. Investment Report as of 9/30/25
- E. Q1 Financial Report as of 9/30/25

Motion by Council Member Flynn seconded by Council Member Morrissey to approve the Consent Agenda.

Roll Call:

Councilman Flynn	Aye
Councilman Stuchell	Aye
Councilman Wolfram	Aye
Mayor Pro Tem Paladino	Aye
Councilman Bentley	Aye
Councilman Morrissey	Aye
Councilman Socha	Aye
Councilman Bruns	Aye

Motion passed 8-0

Communication/Petitions

- A. Purposed with Autism's Holiday Bazaar
- B. MFEI Sunlight Award – Clerk Price
- C. Hillsdale County Commissioner Verbal Update – Doug Ingles

Commissioner Ingles gave a report on County Parks.

Introduction and Adoption of Ordinances

None.

Old Business

None.

New Business

A. Audit Presentation

Yeo & Yeo, Mike Rolka gave the Audit presentation on draft numbers.

B. FY 25-26 Budget Amendments

Motion by Council Member Flynn, seconded by Council Member Stuchell to approve the FY 25-26 Budget Amendments as presented. **Resolution #3655.**

Roll Call:

Councilman Flynn	Aye
Councilman Morrisey	Aye
Councilman Socha	Aye
Councilman Stuchell	Aye
Councilman Wolfram	Aye
Mayor Pro Tem Paladino	Aye
Councilman Bentley	Aye
Councilman Bruns	Aye

Motion passed 8-0

C. Enterprise Fleet Management Services

Motion by Council Member Morrisey, seconded by Council Member Stuchell to authorize the City Manager to enter into a fleet management service agreement with Enterprise for the replacement of the six oldest DPS vehicles.

Roll Call:

Councilman Morrisey	Aye
Councilman Socha	Aye
Councilman Stuchell	Aye
Councilman Wolfram	Aye
Mayor Pro Tem Paladino	Aye
Councilman Bentley	Aye
Councilman Bruns	Aye
Councilman Flynn	Aye

Motion passed 8-0

Miscellaneous Reports

- A. Proclamations – Family Court Awareness Month, Michelle Causto, Family Court Advocate spoke and gave statistics.
- B. Appointments- LAC DART – Teresa Welch

Motion by Council Member Bentley, seconded by Council Member Stuchell to approve appointment of LAC DART – Teresa Welch.

Voice vote, approved unanimously.

- C. Other – None

General Public Comment

Jason Blake / Sam Fry, City Staff, commented on the Neighborhood Road Funds, MTF or Act 51 funds and is unclear from the State.

Jonathan Meekel, ward 3, spoke on \$400k funds for Neighborhood Road Funds for FY 2026.

Larry Walworth, ward 3, spoke on code enforcement and police department.

CJ Toncray, ward 3, spoke on Road Diet in Jonesville.

Jack McLain, 1445 S. Bunn Rd., commented on parks, homelessness and voting.

City Manager's Report

City Manager Mackie reviewed report in the packet.

Council Comment

Councilman Flynn asked Attorney Thompson about the upcoming November election and Mayor Pro Tem position.

Adjournment

Motion by Councilmember Flynn, seconded by Councilmember Stuchell to adjourn the meeting.

By a voice vote, the motion passed unanimously.

The meeting Adjourned at 8:50 p.m.

Joshua Paladino, Mayor Pro Tem

Katy Price, City Clerk

CITY COUNCIL MINUTES

City of Hillsdale
November 10, 2025
8:00 P.M.

Regular Meeting

Call to Order and Pledge of Allegiance

Mayor Pro Tem Paladino opened the meeting with the Pledge of Allegiance.

Roll Call

Mayor Pro Tem Paladino called the meeting to order. Deputy Clerk Loren took roll call.

Council Members present:	Joshua Paladino, Mayor Pro Tem
	Jacob Bruns, Ward 1
	R Greg Stuchell, Ward 1
	William Morrissey, Ward 2
	Matthew Bentley, Ward 2
	Gary Wolfram, Ward 3
	Bob Flynn, Ward 3
	Robert Socha, Ward 4

Council Members absent:	None
-------------------------	------

Also Present: Michelle Loren (Deputy City Clerk), Brandon Janes (IT), Scott Sessions.

Approval of Agenda

Motion by Councilman Flynn, supported by Councilman Bruns to accept the agenda as presented.

Voice vote, approved unanimously.

Public Comment

None

New Business

Motion by Council Member Socha seconded by Council Member Wolfram to reconvene the meeting to November 17, 2025 for the Mayor's Oath of Office as Board of Canvassers will review and certify the November 4, 2025 election after November 11, 2025.

Voice vote, approved unanimously.

Adjournment

Motion by Councilmember Socha, seconded by Councilmember Flynn to adjourn the meeting.

By a voice vote, the motion passed unanimously.

The meeting Adjourned at 8:07 p.m.

Joshua Paladino, Mayor Pro Tem

Michelle Loren, Deputy City Clerk

CITY OF HILLSDALE FINANCE COMMITTEE

Place: City Hall Second Floor Conference Room

Date: November 3, 2025

Time: 6:26 PM

PRESENT:

COMMITTEE: Will Morrissey, Gary Wolfram, Matt Bentley, Jacob Bruns

STAFF: Jason Blake (Director of Public Services), David Mackie (City Manager),
Sam Fry (Assistant City Manager)

PUBLIC: None

BOARD OF PUBLIC UTILITIES AND CITY OF HILLSDALE ACCOUNTS PAYABLE

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE

Questions asked on Invoice Distribution Report by Finance Committee:

Fund 582

Department 175: MIOSHA compliance data sheets

: Economic development program annual sponsorship

Fund 590

Department 000: Hillsdale College will reimburse

Motioned by Wolfram and seconded by Bruns to approve

Motioned passed 4-0

Motioned by Bruns and seconded by Bentley to adjourn

Motion passed 4-0

Adjournment 6:35 PM

Minutes prepared by Gary Wolfram

City of Hillsdale

Agenda Item Summary

Meeting Date: November 3, 2025
Agenda Item: **Consent Agenda**
Subject: Noise Variance, Founding Fest

Background:

Hillsdale College is requesting a noise variance for their annual "Founding Fest" to be held on Saturday December 6, 2025 from 5:00 p.m. till 9:00 p.m. Event will be held in the parking lot located at the corner of N. West St. and College St. See attached email and letter for further information.

Recommendation:

Approval is recommended as this is an annual event.

Scott A. Hephner

A handwritten signature in black ink, appearing to read "Scott A. Hephner", with a long horizontal flourish extending to the right.

Chief of Police / Fire Chief

October 30th, 2025

Scott A. Hephner
Chief of Police
97 Broad Street
Hillsdale, MI 49242

Dear Chief Hephner:

Hillsdale College would like to request a noise variance for Saturday, December 6th, 2025 starting at 5:00 p.m. and ending at 9:00 p.m. for The Founding Fest. We will be celebrating the day Hillsdale was founded and this event will take place on campus in the parking lot at the corner of West Street and College Street.

If you have any questions, please call me at 607-2597, or Kaeleigh Di Cello at (517) 607-2461. Thank you for your assistance.

Respectfully submitted,

John Wilmer

John Wilmer
Director of Security
JW/ajs

Scott Hephner

From: Ashley Stuchell <astuchell@hillsdale.edu>
Sent: Thursday, October 30, 2025 11:04 AM
To: Scott Hephner
Subject: Hillsdale College Founding Fest
Attachments: Founders Fest NV letter 10-30-25.pdf

Chief Hephner,

Good morning. Please see the attached request for the Founding Fest noise variance.

Event: Founding Fest

Location: Lot across from the townhomes (same as last year)

Date: Saturday, December 6th, 2025

Time: 5pm-9pm

Guest Count: ~1250 persons

Purpose: Celebrate Hillsdale's Birthday, enroll campus in the Founding and Mission of the College

Activities: alpacas, winter market, hot chocolate, chili bars, music, caroling with the choir, campfires and s'mores, Christmas tree lighting, craft-making station (ornaments/cards/etc.), and more. NO ALCOHOL.

Points of Contact:

Kaeleigh Di Cello (kdicello@hillsdale.edu) - Young Alumni Programs Coordinator

David Stanton (dstanton@hillsdale.edu) - Senior Director of Alumni

Thank you,

Ashley Stuchell | Office Manager

Hillsdale College Security

33 East College St. | Office: 517-607-2535 | Patrol: 517-398-1522 | Ext: 517-607-2597



HILLSDALE COLLEGE
PURSUING TRUTH · DEFENDING LIBERTY SINCE 1844

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.



November 5, 2025

Mr. Dave Mackie, Manager
City of Hillsdale
97 North Broad Street
Hillsdale, MI 49242

Re: Removal of Channels Owned by Versant from Digital Economy Tier

Dear Mr. Mackie:

As part of our ongoing commitment to keep you and our customers informed about changes to Xfinity TV services, we wanted to update you that Comcast's right to continue carrying channels owned by Versant on the legacy video tiers will expire on January 8, 2026. The impacted channels remain available through other Xfinity product tiers.

Impacted customers are being notified with the bill message below. We will continue to provide updates to you and our customers as they become available.

TV Update: Effective January 8, 2026, CNBC, E!, MSNBC (rebranding to MS Now on November 15, 2025), Oxygen, SYFY, and USA will no longer be included in your current TV package. These channels will still be available with Popular TV, the Sports & News genre pack (CNBC and MSNBC), and the Entertainment genre pack (E!, Oxygen, SYFY, and USA).

Additionally, pursuant to P.A. 480 of 2006, Section 9 (4), Comcast Cable's local operating entity hereby reports that Comcast does not deny access to services to any group of potential residential subscribers because of the race or income of the residents in the local area. A similar report will be filed with the Michigan Public Service Commission.

Sincerely,

Eric Woody
Manager, Government & Regulatory Affairs
Comcast, Heartland Region
41112 Concept Drive
Plymouth, MI 48170

David Mackie, City Manager

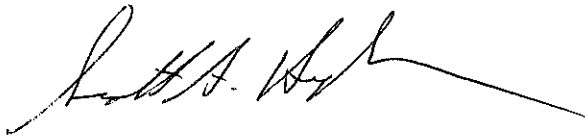
Laura Sergent, Human Resources

November 6, 2025

This letter is my official retirement notification to the City of Hillsdale. My last day of employment will be December 1, 2025.

Regards,

Scott A. Hephner

A handwritten signature in black ink, appearing to read "Scott A. Hephner", with a long horizontal flourish extending to the right.

Chief of Police / Fire Chief

City of Hillsdale

Agenda Item Summary

Meeting Date: November 17, 2025

Agenda Item: New Business

SUBJECT: Application for Annual ROW (Right-of-Way) Permit from MDOT
(Resolution)

BACKGROUND PROVIDED BY: DPS Director, Jason Blake

Each year it is necessary for the City to adopt a resolution which is required by the Michigan Department of Transportation for purposes of issuing individual permits to use its M-99 rights-of-way within the City boundaries. The Department of Public Services, the Board of Public Utilities, the Police Department and the Fire Department require use of the right-of-way from time to time (street maintenance, special events etc.). Enclosed for Councils review is the “Performance Resolution for Municipalities” Upon approval, this Resolution authorizes the Director of DPS, BPU and Assistant City Manager to apply for an annual maintenance permit in addition to permits for various uses throughout the year.

RECOMMENDATION:

Staff recommends that Council adopt the attached Resolution.

**PERFORMANCE RESOLUTION FOR
MUNICIPALITIES**

This Performance Resolution (Resolution) is required by the Michigan Department of Transportation for purposes of issuing to a Municipality an "Individual Permit for Use of State Highway Right of Way", and/or an "Annual Application and Permit for Miscellaneous Operations within State Highway Right of Way".

RESOLVED WHEREAS, the _____
(County, City, Village, Township, etc.)

hereinafter referred to as the "MUNICIPALITY," periodically applies to the Michigan Department of Transportation, hereinafter referred to as the "DEPARTMENT," for permits, referred to as "PERMIT," to construct, operate, use and/or maintain utilities or other facilities, or to conduct other activities, on, over, and under State Highway Right of Way at various locations within and adjacent to its corporate limits;

NOW THEREFORE, in consideration of the DEPARTMENT granting such PERMIT, the MUNICIPALITY agrees that:

1. Each party to this *Resolution* shall remain responsible for any claims arising out of their own acts and/or omissions during the performance of this *Resolution*, as provided by law. This *Resolution* is not intended to increase either party's liability for, or immunity from, tort claims, nor shall it be interpreted, as giving either party hereto a right of indemnification, either by Agreement or at law, for claims arising out of the performance of this Agreement.
2. If any of the work performed for the MUNICIPALITY is performed by a contractor, the MUNICIPALITY shall require its contractor to hold harmless, indemnify and defend in litigation, the State of Michigan, the DEPARTMENT and their agents and employee's, against any claims for damages to public or private property and for injuries to person arising out of the performance of the work, except for claims that result from the sole negligence or willful acts of the DEPARTMENT, until the contractor achieves final acceptance of the MUNICIPALITY Failure of the MUNICIPALITY to require its contractor to indemnify the DEPARTMENT, as set forth above, shall be considered a breach of its duties to the DEPARTMENT.
3. Any work performed for the MUNICIPALITY by a contractor or subcontractor will be solely as a contractor for the MUNICIPALITY and not as a contractor or agent of the DEPARTMENT. The DEPARTMENT shall not be subject to any obligations or liabilities by vendors and contractors of the MUNICIPALITY, or their subcontractors or any other person not a party to the PERMIT without the DEPARTMENT'S specific prior written consent and notwithstanding the issuance of the PERMIT. Any claims by any contractor or subcontractor will be the sole responsibility of the MUNICIPALITY.
4. The MUNICIPALITY shall take no unlawful action or conduct, which arises either directly or indirectly out of its obligations, responsibilities, and duties under the PERMIT which results in claims being asserted against or judgment being imposed against the State of Michigan, the Michigan Transportation Commission, the DEPARTMENT, and all officers, agents and employees thereof and those contracting governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract. In the event that the same occurs, for the purposes of the PERMIT, it will be considered as a breach of the PERMIT thereby giving the State of Michigan, the DEPARTMENT, and/or the Michigan Transportation Commission a right to seek and obtain any necessary relief or remedy, including, but not by way of limitation, a judgment for money damages.
5. The MUNICIPALITY will, by its own volition and/or request by the DEPARTMENT, promptly restore and/or correct physical or operating damages to any State Highway Right of Way resulting from the installation construction, operation and/or maintenance of the MUNICIPALITY'S facilities according to a PERMIT issued by the DEPARTMENT.

6. With respect to any activities authorized by a PERMIT, when the MUNICIPALITY requires insurance on its own or its contractor's behalf it shall also require that such policy include as named insured the State of Michigan, the Transportation Commission, the DEPARTMENT, and all officers, agents, and employees thereof and those governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract.
7. The incorporation by the DEPARTMENT of this *Resolution* as part of a PERMIT does not prevent the DEPARTMENT from requiring additional performance security or insurance before issuance of a PERMIT.
8. This *Resolution* shall continue in force from this date until cancelled by the MUNICIPALITY or the DEPARTMENT with no less than thirty (30) days prior written notice provided to the other party. It will not be cancelled or otherwise terminated by the MUNICIPALITY with regard to any PERMIT which has already been issued or activity which has already been undertaken.

BE IT FURTHER RESOLVED that the following position(s) are authorized to apply to the DEPARTMENT for the necessary permit to work within State Highway Right of Way on behalf of the MUNICIPALITY.

Title and/or Name:

I HEREBY CERTIFY that the foregoing is a true copy of a resolution adopted by

the _____
(Name of Board, etc.)
of the _____ of _____
(Name of MUNICIPALITY) (County)
at a _____ meeting held on the _____ day
of _____ A.D. _____.

Signed

Title

Print Signed Name

Signed _____

Title _____

Print Signed Name _____

City of Hillsdale

Agenda Item Summary

Meeting Date: November 17, 2025

Agenda Item: New Business

Subject: Hillsdale County Equalization Department – Renewal of Contract for GIS Mapping Services

BACKGROUND PROVIDED BY STAFF (City Assessor, Kimberly Thomas)

The Hillsdale County Equalization Department provides certain services to local units on a contract basis. The City of Hillsdale has contracted for GIS and parcel mapping for over 10 years. The contracts run for a period of 3 years. Attached is a letter regarding the renewal of the current contract and certain fee changes for available services. The City participates under Option 1, and there is no change in the fee for that option for this contract period.

RECOMMENDED MOTION:

Staff recommends the contract be approved for renewal for the period commencing January 1, 2026 and ending December 31, 2028 and the clerk and mayor be authorized to sign the agreement.

EQUALIZATION & LAND INFORMATION

HILLSDALE COUNTY, MICHIGAN

33 McCollum St. - Suite 223
Hillsdale MI 49242-1688
Phone: (517) 439-9166
Email: n.wheeler@hillsdalecounty.gov



November 3, 2025

Katy Price, Clerk
City of Hillsdale
97 N Broad St
Hillsdale, MI 49242

Dear Clerk,

This letter is regarding the agreement for various services provided by the Hillsdale County Equalization Department in assisting local assessing units in the property tax administration process. Enclosed is a renewal of the current agreement that expires at the end of 2025 and is for a period of three (3) years commencing January 1, 2026 and ending December 31, 2028.

At their October 28, 2025 meeting the Hillsdale County Board of Commissioners approved an update to the fee schedule. The following is a summary of the fee schedule changes:

Option 1 \$1.20/parcel - No Change

Option 2 Includes Option 1 Services plus:

Summer Tax Bill/Roll Processing from \$0.50/Parcel to \$0.75/Parcel

Winter Tax Bill/Roll Processing from \$0.50/Parcel to \$0.75/Parcel

Assessment Change Notices from \$0.10/Notice to \$0.15/Parcel

Message on back of tax bill from \$0.085/Bill to \$0.10/Bill

Summer Reminder Bills from \$0.10/Bill to \$0.15/Bill

Newsletter/Insert 1-sided = \$0.10/Page (B&W) or \$0.15/Page (Color) - No Change

Newsletter/Insert 2-sided = \$0.15/Page (B&W) or \$0.20/Page (Color) - No Change

Folding Services from \$0.025/Piece to \$0.03/Piece

As part of the resolution to update the fee schedule, a portion of the fees paid by the local units will continue to be dedicated to future aerial imagery acquisitions and technology expenses pertaining to the County's Geographic Information System (GIS). Contributions to both the aerial replacement account and GIS Tech Fund will be increased from the current five (5) cents a parcel to ten (10) cents a parcel for a total of twenty (20) cents a parcel dedicated to these two accounts.

As we had in the previous agreement, we will be requiring all local units that choose the option in which the County processes the tax bills and tax rolls to make a declaration as to the source of certain data utilized in the processing and printing.

Over->

I ask that you please review, sign the enclosed agreements, return one original to this office and retain the other for your records. We look forward to continuing the excellent relationship that we have enjoyed with the local units and if you should have any questions or concerns, I would be more than happy to address them. Please call me at (517) 439-9166 or e-mail at n.wheeler@hillsdalecounty.gov

Sincerely,

A handwritten signature in black ink, appearing to read "Nicolas L. Wheeler", with a stylized flourish at the end.

Nicolas L. Wheeler, Director
Hillsdale County Equalization

Enclosures

EQUALIZATION & LAND INFORMATION SERVICE AGREEMENT COUNTY OF HILLSDALE, MICHIGAN

This agreement dated October 28, 2025 between Hillsdale County (*hereinafter referred to as the County*) and the City of Hillsdale (*hereinafter referred to as the City*) is to provide various services for a period of three (3) years commencing January 1, 2026 through December 31, 2028.

The County will provide all services for the option chosen below in accordance with Michigan Property Tax Law and the Michigan State Tax Commission Assessor's Manual. The County shall incur all normal expenses necessary while performing the services provided to the City under this agreement.

Under this agreement the City shall select one (1) of the following two (2) options and shall be billed annually the associated fee(s) for the option chosen:

Note: Services offered in the option chosen by the City but not utilized by the City does not affect the fee charged for that option except for a reduction to the number of copies of tax bills printed noted below.

Fee Schedule for Services to Townships and Cities
--

Option 1			
- Parcel Mapping			
- Process Approved Land Divisions (GIS & Assessing Software)			
- Name & Address Changes (Township/City Provided, Deeds and other sources)*			
- Availability of a mapping/description analyst to:			
Township/City Officials, Tax Payers & General Public			
- Property tax description audits (generally from deeds)*			
- Millage Request Forms (L-4029) Filled out with Truth			
in Taxation Hearing Information supplied			
- Personal Property Statements			
- Assessment Rolls	\$1.20	/	Parcel

Option 2			
- Includes all services in Option 1 plus	\$1.20	/	Parcel
- Summer Tax Bills & Tax Rolls (w/ alpha listings)**	\$0.75	/	Parcel
- Winter Tax Bills & Tax Rolls (w/ alpha listings)**	<u>\$0.75</u>	/	Parcel
	\$2.70	/	Parcel

* The City Council must indicate whether the name, addresses and tax descriptions utilized in the printing of tax bills and tax rolls will be from either the City Assessor or the County maintained database.

** Tax Bills & Receipts are currently printed on 3 separate pieces of paper 1- (Green for Summer Bills & Pink for Winter Bills) 1-Yellow (Treasurer Copy) 1-White (Pre-Printed Receipt). Any units that do not have all three printed may deduct 5 cents a parcel for each form not used. Summer tax billing will be billed following the completion of printing the summer tax bills and tax rolls at the rate of \$0.75 per parcel. Winter tax billing will be billed following the completion of printing the winter tax bills and tax rolls at the rate of \$0.75 per parcel along with the additional service charge for the chosen option.

Parcel count is based on the post March Board of Review parcel count each year. Tax exempt parcels will not be charged a per parcel fee.

Either party may cancel this agreement with a Ninety (90) day written notice should it be determined to not be in their best interest. The Ninety (90) day notice may be waived with the concurrence of both parties should the City elect to change options at any time during the three (3) year period.

Under the agreement, the City of Hillsdale confirms by council resolution its selection of option _____ and agrees to pay the fees associated with this option within 30 days of billing.
(Enter 1 or 2 above)

If option 2 is selected, the City further states that tax bills and tax rolls will be printed utilizing the _____ maintained database.
(Enter "City Assessor" or "County" above)

Authorized Signatures:

City of Hillsdale, Mayor

Dated

City of Hillsdale, Clerk

Dated



10/28/2025

Nicolas L. Wheeler, Director
Hillsdale County Equalization

Dated

City of Hillsdale

Agenda Item Summary

Meeting Date: November 17, 2025

Agenda Item #: New Business

SUBJECT: Re-forming the Funding Alternatives Identification & Recommendation (F.A.I.R.) Committee

BACKGROUND PROVIDED BY: MAYOR SCOTT SESSIONS

In 2016, the Hillsdale City Council created the Funding Alternatives Identification & Recommendation (F.A.I.R.) Committee made up of a cross-section of the community in order to research, study, and explore funding options for road and infrastructure improvements. The Committee's recommendations led to the adoption of a local streets millage and the use of special assessments to accelerate the pace of infrastructure repair work.

Nearly a decade later, substantial progress has been made; however, much work remains. With ongoing discussions about the special assessment policy, and new funding sources at the state level, I believe it is time to reconvene the Committee. Its purpose will be to evaluate current funding mechanisms, evaluate potential alternatives, and build consensus around recommendations to help guide future infrastructure funding policy and sustain the momentum the City has achieved.

Proposed Membership

- Mayor of Hillsdale
- Eight (8) Hillsdale City Councilmembers
- City of Hillsdale Planning Commission Chairperson
- City of Hillsdale Economic Development Corporation Board Chairperson
- City of Hillsdale Tax Increment Finance Authority Board Chairperson
- Hillsdale Board of Public Utilities Board Chairperson
- Hillsdale College Designated Representative
- Hillsdale Community Schools Superintendent or Designated Representative
- Hillsdale Hospital Chief Executive Officer or Designated Representative
- Five (5) members of the public, consisting of:
 - One (1) mayoral selection at-large
 - One (1) resident from each of the City's four wards, jointly agreed upon by the two councilmembers representing each ward

RECOMMENDATION:

City Council approve the re-forming of the F.A.I.R. Committee with the membership structure described above.

City of Hillsdale

Agenda Item Summary

Meeting Date: November 17, 2025

Agenda Item: New Business

SUBJECT: Electric, Water & Sewer Cost of Service Studies

BACKGROUND PROVIDED BY: David Mackie, City Manager BPU Director

The BPU's last Cost of Service (COS) studies were done in the spring of 2022 by Utility Financial Solutions (UFS). Given market changes over the last several years, the BPU Board and staff believe it's important to update our COS models to ensure the BPU's rate structures are appropriate and in line with the utilities' needs.

Attached are proposals to perform COS studies for the Electric, Water and Sewer Departments from UFS. The cost breakdown is as follows and can be found on the last page of each proposal:

Electric

COS Study	\$24,500
Power Cost Adjustment Review	\$ 5,000
Contingency (5%)	<u>\$ 1,475</u>
Subtotal	\$30,975

Water

COS Study	\$18,500
Contingency (5%)	<u>\$ 925</u>
Subtotal	\$19,425

Sewer

COS Study	\$18,500
Contingency (5%)	<u>\$ 925</u>
Subtotal	\$19,425

Total	\$69,825
-------	----------

RECOMMENDATION:

Approve the COS studies plus contingencies in the amount of \$69,825 with UFS and authorize the City Manager to execute the associated agreements.



Hillsdale Board of Public Utilities

Electric Cost of Service Study

November 6, 2025



Corporate location:

Utility Financial Solutions, LLC

185 Sun Meadow Court

Holland, MI USA 49424

Submitted Respectfully by:

Dawn Lund, Vice President

Utility Financial Solutions, LLC

dlund@ufswest.com

(231) 218-9664

November 6, 2025

David Mackie, City Manager
City of Hillsdale
97 N. Broad Street
Hillsdale, MI 49242

Utility Financial Solutions, LLC (UFS) is pleased to submit a proposal to provide an electric cost of service, financial projection, and rate design for Hillsdale Board of Public Utilities. Our proposal is based on years of experience navigating complex financial challenges for municipal utilities around the United States.

We approach challenges strategically, partnering with your team to understand your goals before using innovative processes and in-depth research to determine the best solution to suit your needs. We stay on top of industry trends and anticipate challenges to help you solve existing problems and prepare your utility for long-term success. Our methodology and educational components have earned us a reputation as the preferred provider of rate studies in the United States.

Our project team members are experts in their respective fields and instruct for leading utility groups including the American Public Power Association, Southern Gas Association, and the National Association of Regulatory Utility Commissioners. Our specialized team of accountants, engineers, and economists have years of industry-specific experience to help ensure that you reach your goals. UFS was incorporated in 2001 and brings decades of experience to your utility.

For your project, UFS will complete the study and provide an executive report detailing the process to help communicate with members of your governing body and community. The goal of these efforts is to:

- Establish and maintain long-term financial stability.
- Educate on principals of cost of service and financial planning.
- Earn positive engagement from members of government

We appreciate the opportunity to submit this proposal and look forward to discussing it with you. If you have questions or need additional information, please contact me at (231) 218-9664.

Sincerely,

A handwritten signature in black ink, appearing to read "Dawn Lund", with a long, sweeping horizontal line extending to the right.

Dawn Lund
Vice-President, Utility Financial Solutions, LLC

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Understanding of Project Requirements

Summary of Scope of Services for the Electric Department

Described below is an overview of the services UFS will provide. Greater detail is included within the detailed scope of service section. The list below includes sections not directly identified within the proposal but are critical in meeting the needs of the community and the utility department.

1. **Development of Long-Term Financial Projections** – These studies are included as part of the UFS scope and are critical in development of a long-term rate strategy. Our study incorporates the strategic plan, funding of long-term capital plans, amount, and timing of any financing needs, and balances the financial stability of the electric department. The long-term financial projection and development of key financial targets is discussed in the detailed work plan of our proposal.
2. **Cost of Service Study** – This study identifies the cost of providing services to each class of customer. Our electric study identifies the cost by customer class for general rate components including variable charges (commodity), capacity related costs (demand), and facilities charges for each customer based on meter sizes or service level. The cost of service study will break out each rate component. Examples of these breakouts include identification of power supply costs, transmission costs, and distribution costs by service level.
3. **Customer Rate Designs** – The cost of service study provides solid empirical input on sustainable long-term rate structures, however, rate impacts on customers and achieving goals and objectives of each community is a significant factor in proper design of utility rates. UFS' rate design study identifies impacts on customers at various levels of usage. This function assists the governing body in making informed decisions and understanding impacts on customers and the community.
4. **Review of Cost Adjustment** (optional) – A cost adjustment is one of the most critical factors in ensuring long-term financial stability of the Utility. UFS will review the current implementation process to ensure its properly recovering costs and the fluctuations to customers are limited. UFS cost adjustment studies are easy to use and ensure fluctuations in the true up result in limited impacts on customers.
5. **Presentation to Staff & Governing Body** – The presentation to staff and the governing body serves two purposes:
 - i. Obtain approval of rate adjustments, rate designs, and to obtain guidance during the rate design process.
 - ii. Equally important is the education provided to the governing body to understand the importance of maintaining financial stability, how rates are used to achieve community goals and objectives, and why certain components such as a customer charge are used by utilities. UFS staff are skilled at obtaining guidance needed to develop rates and providing education to allow the governing body to make informed decisions during this process.

6. Reports (PDF)

i. Executive Summary Report –

- ~ Summarization of the financial projection results, key financial targets and recommended long term rate track needed to achieve financial stability for the utility.
- ~ Summarization of the cost of service results and cost-based rate structures for consideration in design of utility rates.
- ~ Description of the major assumptions used in development of the financial projection and cost of service study.
- ~ Considerations on future rate adjustments and movement toward cost of service
- ~ The executive summary is used to obtain input from the governing body prior to designing utility rates.

ii. Rate Design Report –

- ~ Summary of anticipated revenue to be received from the rate design and impacts on customers at various usage levels.

Summary of Ability

A summary of the firm's ability to achieve the Utility's project goals.

Introduction

The Utility is requesting an Electric Cost of Service Study and Financial Plan to assess and evaluate the existing rates to ensure the utility operations and maintenance, capital improvement program, depreciation, and debts are adequately funded, while rate impacts are minimized. UFS has the staff available to complete the project in the Utility's desired timeframe. UFS' ability to achieve the Utility's project goals is best demonstrated by our references (noted in a later section) and our organized and well thought out processes outlined below.

Project Set Up

After project award, if selected, UFS will conduct a kick-off meeting to review the information request and confirm the project schedule and deliverables. As data is gathered by the Utility, UFS will process and enter it into the study. Progress calls will be scheduled to address any questions and to review outstanding data requests. UFS will analyze revenues by completing a revenue "proof" to ensure that the monthly billing units provided calculate out to the reported sales revenue when multiplied by current rate schedules.

Revenue Requirements

We will analyze operating expenses and test year budgets. Expenses are itemized at the finest level of detail available from the Utility and forecasted for the test year. Expenses are then categorized such that appropriate allocations can be applied, and costs distributed to the contributing rate class. A similar approach is applied to the Utility's fixed asset net book value and depreciation costs and incorporates the capital improvement program for interim and test years. Together, the expenses, depreciation and a rate of return comprise the revenue requirements of the system. These revenue requirements will flow through to both the cost of service study and the financial projection study.

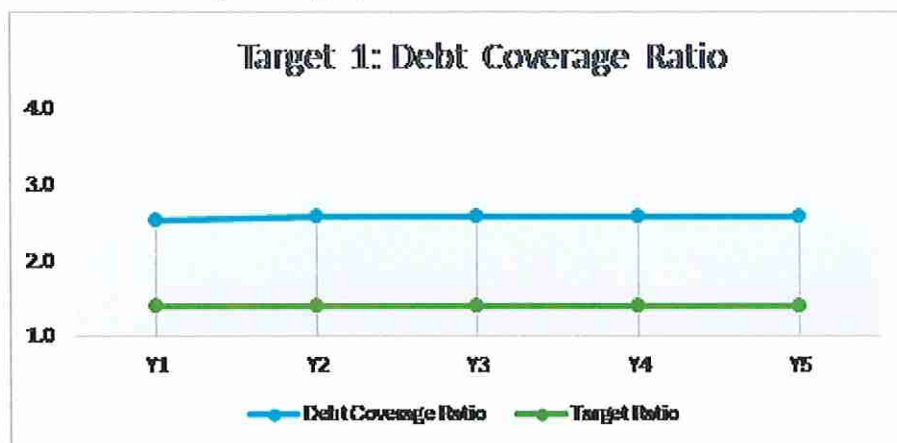
Financial Projection

UFS' financial analysis and the subsequent cost of service studies are unique in their ability to easily change from cash basis revenue requirements to Utility Basis revenue requirements. The financial analysis includes both cash basis targets such as cash reserves and debt coverage; and accrual basis targets such as rate of return. UFS studies also include a review of secondary financial targets such as debt to equity ratios, age of system, days cash on hand and working capital requirements as part of the overall assessment of the financial health of the utility. The financial projection will incorporate assumptions such as inflation, anticipated changes in expenses, debt issuances, and capital improvements. The financial projection incorporates targets to help ensure the long-term financial stability of the Utility is maintained or improved and develop a plan for rate adjustments.

Target One: Debt Coverage Ratio

Based on review of bond issues and debt service schedules, the principal and interest expense will be identified and incorporated into the analysis. We will provide a table as shown below to compare projected Debt Service Ratios with requirements in the Bond Ordinance.

Sample Report Table: Debt Coverage Ratio graph and calculation:



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Net Income	\$ 996,826	\$ 997,462	\$ 945,213	\$ 826,113	\$ 758,497
Add Depreciation/Amortization Expense	2,565,601	2,609,101	2,732,859	2,921,523	3,057,531
Add Interest Expense	764,408	726,408	688,408	648,408	606,408
Cash Generated from Operations	\$ 4,326,835	\$ 4,332,971	\$ 4,366,480	\$ 4,396,044	\$ 4,422,436
Debt Principal and Interest	\$ 1,714,408	\$ 1,676,408	\$ 1,688,408	\$ 1,698,408	\$ 1,706,408
Projected Debt Coverage Ratio (Covenants)	2.52	2.58	2.59	2.59	2.59
Minimum Debt Coverage Ratio	1.40	1.40	1.40	1.40	1.40

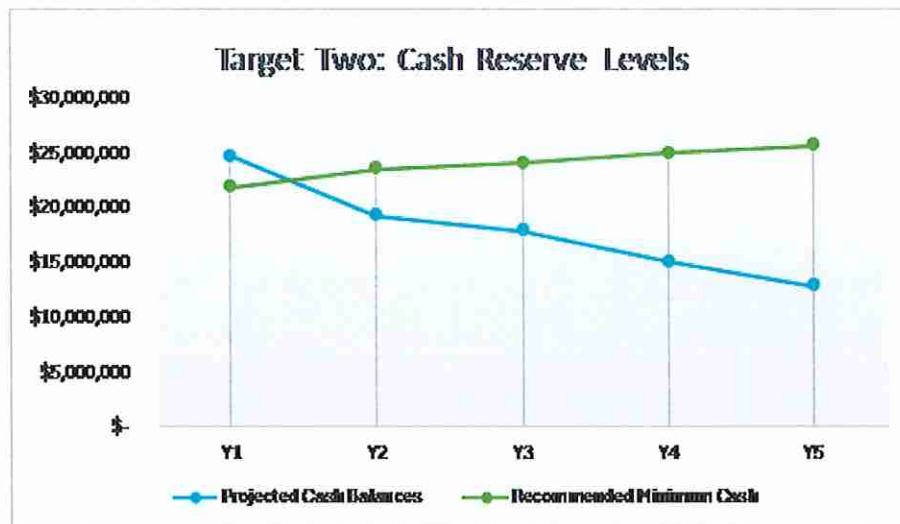
Target Two: Minimum Cash Reserve Calculation

To help ensure timely completion of capital improvements and enable the utility to meet requirements for large, unexpected expenditures and risk factors, the recommended minimum level of cash reserves will be identified. Development of the minimum cash reserves considers several factors.

A sample list is below:

- Working capital
- Variations in expenses
- Capital improvement programs
- Annual bond payments
- Exposure to catastrophic events such as extreme weather

Sample Report Table: Minimum Cash Reserves



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Minimum Cash Reserve Allocation					
Operation & Maintenance Less Depreciation Expense	25%	25%	25%	25%	25%
Supply Expense	25%	25%	25%	25%	25%
Historical Rate Base	2%	2%	2%	2%	2%
Current Portion of Debt Service Payment	83%	83%	83%	83%	83%
Five Year Capital Improvements - Net of Bond Proceeds	20%	20%	20%	20%	20%
% Plant Depreciated	56%	54%	55%	55%	59%
Calculated Minimum Cash Level					
Operation & Maintenance Less Depreciation Expense	\$ 6,589,952	\$ 6,762,400	\$ 6,941,318	\$ 7,153,036	\$ 7,281,393
Supply Expense	8,381,482	9,722,132	9,982,984	10,548,544	11,075,971
Historical Rate Base	1,527,454	1,689,254	1,769,511	1,877,918	1,877,918
Current Portion of Debt Service Payment	1,391,419	1,401,379	1,409,679	1,416,319	1,462,799
Five Year Capital Improvements - Net of Bond Proceeds	3,939,646	3,939,646	3,939,646	3,939,646	3,939,646
Minimum Cash Reserve Levels	\$ 21,829,953	\$ 23,514,811	\$ 24,043,138	\$ 24,935,463	\$ 25,637,727
Projected Cash Reserves	\$ 24,692,803	\$ 19,224,903	\$ 17,829,253	\$ 15,047,239	\$ 12,790,153

Target Three: Operating Income

The optimal target for setting rates is the establishment of a target operating income to consistently fund capital improvements and replacements.

Development of this target considers the following:

- Interest expense on the outstanding debt
- Inflationary increase on asset replacement costs
- Assets contributed by customers to the Utility

Sample Report Table: Target Operating Income



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Target Operating Income Determinants					
Net Book Value/Working Capital	\$ 33,525,928	\$ 38,888,526	\$ 39,931,938	\$ 42,194,174	\$ 38,927,644
Outstanding Principal on Debt	\$ 18,160,200	\$ 17,210,200	\$ 16,210,200	\$ 15,160,200	\$ 14,060,200
System Equity	\$ 15,365,728	\$ 21,678,326	\$ 23,721,738	\$ 27,033,974	\$ 24,867,444
Target Operating Income Allocation					
Interest on Debt	4.21%	4.22%	4.25%	4.28%	4.31%
System Equity	7.06%	6.73%	6.87%	6.90%	7.48%
Target Operating Income					
System Equity	\$ 1,085,106	\$ 1,459,590	\$ 1,629,338	\$ 1,864,944	\$ 1,859,437
Target Operating Income	\$ 1,849,514	\$ 2,185,998	\$ 2,317,746	\$ 2,513,352	\$ 2,465,845
Projected Operating Income	\$ 2,728,770	\$ 2,599,641	\$ 2,394,956	\$ 2,247,337	\$ 2,037,669
Rate of Return in %	5.5%	5.6%	5.8%	6.0%	6.3%

Five-Year Projection Summary

The projections will be summarized, and development of alternative rate tracks will be reviewed and compared to each financial target to help ensure the future financial stability of the utility. We will work with Management and the Governing body in review and development of five-year strategies and rate track. All adjustments are tied to the cost of service study for the test year, so results can easily be updated, and sensitivities run within the same study.

Projected Summary Financial before Rate Adjustments

Fiscal Year	Projected Rate Adjustments	Adjusting Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash	Capital Improvements Plan	Debt Coverage Ratio
Year 1	0.0%	\$ 2,728,770	\$ 3,038,480	\$ 16,392,621	\$ 18,099,160	\$ 6,065,000	1.10
Year 2	0.0%	2,711,845	3,019,772	14,592,541	19,169,551	2,175,000	1.11
Year 3	0.0%	2,622,411	3,061,319	10,964,992	19,674,886	4,012,870	1.11
Year 4	0.0%	2,473,225	3,149,568	5,938,354	20,516,844	5,420,360	1.12
Year 5	0.0%	2,380,491	3,098,229	4,959,247	20,862,261	1,380,000	1.12

Projected Summary Financials with Rate Adjustment and \$5.0 Million Bond Issuance

Fiscal Year	Projected Rate Adjustments	Adjusting Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash	Capital Improvements Plan	Debt Coverage Ratio
Year 1	2.0%	\$ 3,350,054	\$ 3,038,480	\$ 17,013,904	\$ 18,099,160	\$ 6,065,000	1.26
Year 2	2.0%	3,972,613	3,019,772	22,477,689	19,169,551	2,175,000	1.44
Year 3	2.0%	4,216,200	3,061,319	21,453,355	19,674,886	4,012,870	1.53
Year 4	2.0%	4,407,444	3,149,568	21,578,377	20,516,844	5,420,360	1.62
Year 5	2.0%	4,662,614	3,098,229	21,908,593	20,862,261	1,380,000	1.71

Electric Cost of Service Study

The development of the cost of service study incorporates the revenue requirement identified as part of the financial projection. This section describes the additional procedures used in development of the cost of service study and sample outputs from previous studies.

Load Profile Information

Load profile information identifies how customers use electricity at various times of the day and is critical to ensure the cost of service study is accurate and defensible. UFS works with utility staff in identification of the appropriate sources of load research information. We will analyze information from the following sources:

- Electronic meters installed on time of use and other customers
- Load research information available from other sources
- Analysis of substation feeders
- Utilize our database of existing load research obtained from other utilities

The load research information identifies the monthly load factors for each class, how much is being used by the class at the peak time of the day when power supply demand or transmission demand charges are determined. The load research information is compared with the hourly system hourly load data to determine the class contributions. The information is then used to determine the class share of transmission and power supply costs.

Development of Allocators

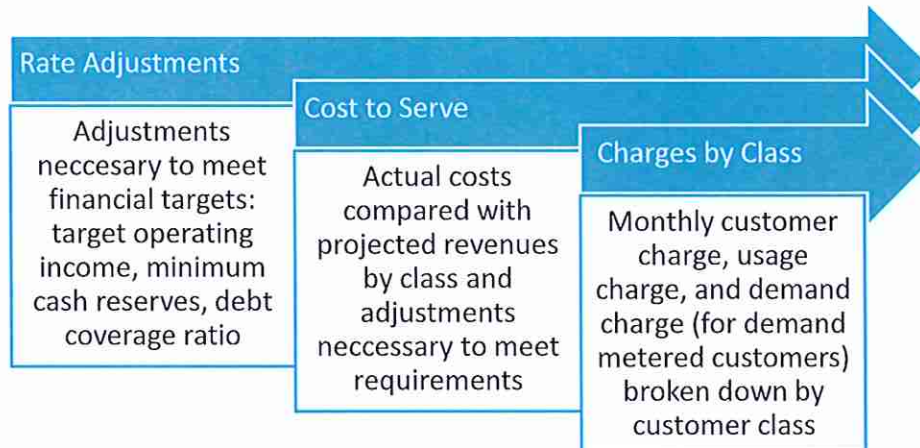
The load profile information for each class is used to determine the allocation factors used to allocate expenses based on cost-causation. Examples of cost causation include the identification of the date and time power supply demand charges are determined and each class usage at the time of the peak demands. A summary of the costs where specific allocation factors need to be developed are listed below.



Prepare Cost of Service Analysis

Customer classes are typically established based on differences in load and usage patterns. How customers use electricity dictates the cost of providing many utility services.

The cost of service portion of the study will determine the following:



A summary of the cost of service analysis is developed similar to the following table:

Customer Class	Cost of Service	Projected Revenues	% Change
Residential A	\$ 4,672,077	\$ 4,183,897	11.7%
General Secondary B	3,032,446	2,974,374	2.0%
Street Light Service S	144,370	133,504	8.1%
Secondary Energy & Demand C	3,144,714	3,072,174	2.4%
Primary Energy & Demand D	20,191,294	20,700,210	-2.5%
	\$ 31,184,901	\$ 31,064,159	0.4%

The cost of service column from the table above identifies the cost to provide service to each class of customers and is compared with the projected revenues from each class. The percent change is the rate adjustment necessary for each class to achieve cost of service. We typically do not recommend rates move fully to cost of service, but as part of the discussions with staff and Council we develop a plan to move classes toward cost of service to minimize rate impacts on any specific customer class.

Development of new rate classes

As part of the initial discussions with management and review of the existing rate tariffs, we will discuss with utility staff if new rate classes should be considered or if existing rate classes should be combined. Rate classes are created based on similarity in usage patterns, but often utilities will develop new rate classes to create incentives for customers to shift usage to periods of time where power supply costs are lower such as on and off peak time periods for time of use rates.

Examples of new rate class developments are listed below.

- **Standby charges** – Cost isolated by investment in facilities to serve customers on a standby basis.
- **Interruptible Loads** – Rates to promote interruptible loads that reflect the savings to the Utility. Our study will isolate costs by power supply demand, energy, and transmission to identify the potential cost savings of an interruptible customer.
- **Seasonal Rates** – The cost of service study allocates costs to each rate class based on seasonal time period. The time periods will be identified through review of system loads and power supply and transmission costs.
- **Time of Use** – For time of use rates to be effective in sending the proper price signal, the cost of service analysis is supplemented with marginal costs to identify and recommend appropriate charges on a time of use basis.
- **Economic Development Rates** – Rates can be developed to promote economic development by attracting new customers or expansion of existing customers. It is important economic development rates be developed using a marginal cost approach to ensure existing customers are not unduly subsidizing any reduce rates or fees charged under an economic development program.
- **Other Potential Rates are listed below:**
 - ~ Public education rates
 - ~ Green Rates
 - ~ Net Metering Rates
 - ~ Aggregation Rates

New rate designs may result in additional charges for the services provided by UFS. As part of the initial kick off conference call, we should discuss if any potential new rate classes are being considered.

Breakdown of cost of service rate structure by type of expense for each class of customers

UFS cost of service studies identify cost in a summary and a detail cost breakdown for each class of customers. For example, the summary of costs identifies the class cost breakdown by customer charge, power supply demand, transmission demand, distribution demand and energy costs. An example is shown below:

Customer Class	Monthly Customer Charge	Distribution Rate	Power Supply			
			Summer		Winter	
			Demand	Energy	Demand	Energy
Residential A	\$ 13.65	\$ 0.0249	\$ 0.0181	\$ 0.0479	\$ 0.0101	\$ 0.0353
General Secondary B	26.60	0.0288	0.0311	0.0550	0.0136	0.0319
Street Light Service S	-	0.0175	-	0.0689	-	0.0300
Secondary Energy & Demand C	120.60	8.52	12.09	0.0577	4.88	0.0313
Primary Energy & Demand D	223.90	7.24	12.38	0.0573	4.85	0.0296

In addition, further breakdowns are available in the studies depending on the needs of the utility. A sample detailed breakdown of distribution costs is shown below:

Rate Breakdown	kWh		kWh		KW	
	Residential A	General Secondary B	Secondary Energy & Demand C	Primary Energy & Demand D		
Demand Breakdown						
Distribution	\$ 0.0110	\$ 0.0117	\$ 3.44	\$ 2.95		
Transmission	0.0059	0.0084	2.91	2.91		
Transformer	0.0027	0.0029	0.73	-		
Substation	0.0052	0.0057	1.43	1.39		
Direct	-	-	-	-		
Subtotal - kWh, kW, HP Charge	\$ 0.0248	\$ 0.0287	\$ 8.51	\$ 7.25		
Customer Breakdown						
Distribution Customer Costs	\$ 6.07	\$ 12.13	\$ 54.59	\$ 109.18		
Transformer Customer Costs	2.07	4.14	18.62	-		
Meter O&M	0.57	0.57	2.87	39.11		
Meter Reading	0.13	0.13	1.15	2.30		
Billing	0.08	0.15	0.70	1.39		
Services	1.20	2.41	10.83	8.23		
Customer Service	3.54	7.08	31.84	63.68		
Customer Charge \$/Meter	\$ 13.66	\$ 26.61	\$ 120.60	\$ 223.89		

Rate Design

A five-year rate track will be provided with the financial projection, along with a one-year rate design. Design of electric rates uses input from the cost of service study as guidance on changes to rate classes and the rate components for each rate class. Cost of service results are one factor in design of electric rates for customers. Other factors must be considered such as impact on customers, social and environmental issues, and philosophy of the utility's governing body.

The rate design study identifies the impacts on customers at various usage levels and is listed by rate class, meter size and usage level.

UFS will develop and recommend a schedule of electric rates designed to generate adequate revenues and reflect or move toward the recommended rate adjustment. Rate designs for the existing rate structure are typically provided for one year. Additional years' rate design may be added at an additional cost.

Please note that all rate designs outside of the current rate structure will be charged hourly.

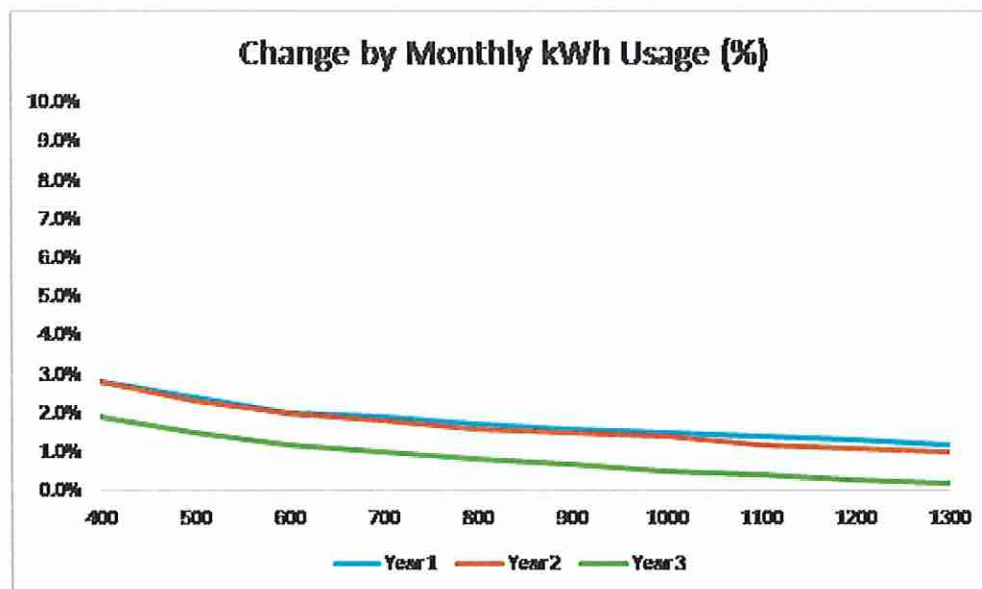
Summary of overall rate adjustments for each class – Electric

Customer Class	Projected Revenues Under Current Rates	Projected Revenues Under Proposed Rates Year 1	Projected Percentage Change Year 1
Residential A	\$ 4,183,897	\$ 4,272,065	2.11%
General Secondary B	2,974,374	3,019,822	1.53%
Street Light Service S	133,504	135,687	1.64%
Secondary Energy & Demand C	3,072,174	3,125,649	1.74%
Primary Energy & Demand D	20,700,210	20,956,423	1.24%
Totals	\$ 31,064,159	\$ 31,509,646	1.43%

Electric Sample Rate Design, Multi Year

Projected Residential Rates

Rates	Current	Year 1	Year 2	Year 3	COS Rates
Monthly Facilities Charge:					
All Customers	\$ 11.75	\$ 13.25	\$ 14.75	\$ 16.25	\$ 18.86
Energy Charge:					
Winter All Energy	\$ 0.1018	\$ 0.1019	\$ 0.1020	\$ 0.1020	\$ 0.10383
Summer Block 1 (First 20 kWhs per day)	0.1100	0.1100	0.1100	0.1070	0.10383
Summer Block 2 (Excess)	0.1249	0.1240	0.1220	0.1190	0.10383
Revenue from Rate	\$ 10,337,868	\$ 10,553,155	\$ 10,762,483	\$ 10,879,557	\$ 11,175,415
Change from Previous		2.1%	2.0%	1.1%	



Average Monthly Bill Increase by Usage

	Year 1		Year 2		Year 3	
All Energy	\$	%	\$	%	\$	%
400	\$1.52	2.8%	\$1.53	2.8%	\$1.10	1.9%
500	\$1.52	2.4%	\$1.53	2.3%	\$1.00	1.5%
600	\$1.53	2.0%	\$1.54	2.0%	\$0.90	1.2%
700	\$1.20	1.9%	\$1.49	1.8%	\$0.80	1.0%
800	\$1.47	1.7%	\$1.42	1.6%	\$0.70	0.8%
900	\$1.44	1.6%	\$1.35	1.5%	\$0.60	0.7%
1000	\$1.41	1.5%	\$1.29	1.4%	\$0.50	0.5%
1100	\$1.38	1.4%	\$1.22	1.2%	\$0.40	0.4%
1200	\$1.35	1.3%	\$1.15	1.1%	\$0.30	0.3%
1300	\$1.32	1.2%	\$1.09	1.0%	\$0.20	0.2%

Review of Power Cost Adjustment

Power cost adjustments (PCA) are used by many municipal electric utilities to help ensure power costs are recovered from customers in a timely fashion and the electric utility remains financially stable. A PCA reduces the utility's risk and exposure to changes in power supply costs or changes in transmission charges and helps ensure retail customers are not over or undercharged for electricity in any given year. A PCA must be implemented properly to ensure dramatic changes in the PCA do not occur on a month to month basis leading to customer complaints. UFS has implemented PCAs for electric utilities around the nation and has extensive experience in identifying the most appropriate method that balances customer impacts while maintaining the financial health of the utility. UFS will review the risks and monthly power cost to identify the most appropriate method.

Listed below are general methods used by utilities. Several variations of each method also exist.

- **Monthly (Quarterly, Semi Annual) PCA** – Typically calculated each month or period of time such as quarterly. This methodology tends to result in dramatic changes in the PCA at the time of the true up and may result in increased complaints from customers.
- **Annual PCA** – The power costs are trued-up each year and significant changes can occur at the beginning of each year. Also, the Utility must maintain significant reserves to provide funds to cover the fluctuations in the power costs.
- **Rolling average PCA** – Tends to smooth out the fluctuations while maintaining the financial integrity of the utility. Costs are reviewed each month with small changes occurring with the goal of balancing power costs at the end of a specific period of time such as 12 months.
- **Forecasted PCA Monthly Review** – Based on the annual budget then adjusted monthly to reflect actual power supply costs.

Implementing a new power cost adjustment mechanism or reviewing an existing mechanism may result in additional charges for the services provided by UFS.

Meetings, Reports, and Presentations

Meetings

The following meetings are anticipated (conducted virtually):

- Kickoff meeting – Clarify scope of services and expectations of management.
- Data Verification – Verify data collected.
- Financial Review – Review assumptions used in the long-term projections.
- Review draft reports with management.
- Presentation as requested by management such as review report with Governing body.

Format of Reports

UFS reports are typically separated into the reports listed below:

- **Power Point Summary** – A concise presentation of study results that is shared with management and staff. This summary will include graphs, charts, tables, and findings.
- **Executive Summary Report (PDF)** – An overview that identifies the objectives, process, and results of the rate study in a clear and concise format.
- **Rate Design** – The rate design includes the following:
 - ~ Comparison of the current and proposed rates.
 - ~ Expected revenues generated from proposed rates.
 - ~ Impact on customer classes at various usage levels or load factors within each rate class.

Presentation of Cost of Service and Rate Design Study

A critical aspect of the study is the clear and concise presentation to the governing body of the utility. UFS professionals are skilled at explaining and working with advisory and governing bodies to ensure decisions are based on information they can understand and apply to their community.

Firm Qualifications

This section discusses UFS' experience and qualifications assisting municipalities with cost of service and financial analysis. UFS personnel are recognized as national experts and include highly qualified, motivated, experienced, and knowledgeable professionals. UFS' reputation has resulted in industry leading status shown by the number of clients we serve, our frequent requests to instruct classes and speak at conferences around the nation and our frequent requests to serve as expert witnesses on rate related issues.

UFS' experience includes completion of rate studies in 43 states, Guam, several Caribbean Islands and Canada. This provides UFS with the experience and knowledge to provide creative solutions.

UFS is the industry leader in electric, water, and sewer studies. Our national experience is summarized below:

In Demand → UFS has completed numerous rate studies for electric, water, sewer, gas, telecommunications, and solid waste.

Diverse → UFS is the preferred provider of rate services for municipalities, electric cooperatives, and members of Joint Action Agencies.

Innovative → UFS is leading the industry in development of Time of Use rates including variations of Variable Peak Pricing, Dynamic Pricing and Real Time Pricing.

Reliable → Our methodologies on establishing financial targets and cash reserve policies have become industry standards and have assisted utilities in improving bond ratings with Fitch, S&P and Moody's.

Supported → Our establishment of rates for customers located outside city limits have been accepted in State Courts and resulted in UFS becoming expert witnesses and arbitrators on rate disputes across the United States.

Experienced → UFS has provided electric, gas, water, wastewater, and telecommunications services to some of largest utilities in the country including Nashville TN, Knoxville TN, Sacramento Municipal Utility District, Rochester MN, Imperial Irrigation District CA, Austin TX, Huntsville AL, Columbia MO, and Lansing MI.

Knowledgeable → We are frequent speakers on special rate topics around the United States including APPA's National Conference, APPA's Educational Institutes, E&O Workshop, Legal Conferences, Business and Financial Workshop, numerous webinars topics and state conferences in over 15 states.

A sample of recent presentations are listed below:

- ~ Development of Key Financial Targets
- ~ Information provided by Cost of Service Studies
- ~ Cash Reserve Policies for Municipal Utilities
- ~ Development of Utility Extension Policies
- ~ Cost of Service Challenges and Solutions
- ~ Appropriate levels of Contributions to City (Payment in lieu of Tax)
- ~ The Rate Race
- ~ Development of Avoided Cost and Rate Designs for Distributed Generation

Teachers → UFS personnel are the instructors on cost of service and financial planning courses offered through the American Public Power Association (APPA), American Water Works Association (AWWA), and the National Association of Regulatory Utility Commissioners (NARUC), EUCI, and Southern Gas Association. UFS' industry leading status has resulted in courses on distributed generation to the US Department of Energy.

These courses include the following:

- ~ Basic Cost of Service
- ~ Intermediate Cost of Service
- ~ Advanced Cost of Service
- ~ Financial Planning
- ~ Utility Financial Check-up
- ~ Cost of Service and Rate Design for Distributed Generation
- ~ Development of Line Extension Policies
- ~ Rate Structures to promote Energy Conservation
- ~ Rate Structures to create Revenue Stability
- ~ Advanced issues in Rate Design
- ~ Advanced issues in Cost Allocations

UFS holds a commitment to the following:

- **Quality Control** – Proper quality control and management help ensure the accomplished work is in alignment with the project scope, is completed timely, within budget and the results are accurate and defensible. The quality controls developed by UFS are specific to utility rate studies and are based on our prior experience working with electric utilities.
- **Timeliness of Studies** – Part of the quality control includes the timely completion of the rate studies. UFS experience in completing studies provides us the ability to complete the studies as requested and discussed in the initial kick-off meeting.
- **Financial Strength** – UFS commenced business in 2001 and has the highest financial rating by Dunn and Bradstreet.
- **Independence** – UFS maintains its independence throughout its engagements to help ensure unbiased recommendations to the governing bodies. We do not provide services that could impair our independence such as engineering, accounting, or auditing services.
- **Diverse Staff Backgrounds** – Proper development of rate studies require knowledge in accounting, finance, economics, and engineering. UFS staff has diverse backgrounds that include degrees in accounting (CPA), engineering, finance, economics, information technology and degrees in Water Purification Technology.

Proposed service team including titles:

Mark Beauchamp – President
Dawn Lund – Vice President
Dan Kasbohm – Manager
Mike Johnson – Manager
Chris Lund – Business and Technology Manager
Jillian Jurczyk – Manager
Joan Bakenhus – Senior Financial Analyst
Robert Blank – Senior Financial Analyst
Janel Albrecht – Financial Analyst
Jayde Dono – Financial Analyst

Staff Availability

UFS has adequate staff available to complete the tasks in the timeline requested.

Resumes

The next section consists of resumes of UFS team members.

References

Coldwater Board of Public Utilities – Coldwater, MI

Client Contact: Tom Eldridge

Phone: 517-279-9531

Email: teldridge@coldwater.org



Utility	Electric	Water	Wastewater
Services Provided	2014 – Present	2017 – Present	2017 – Present
Scope of Work	- Long-term financial projection, review of financial targets, and long-term rate track - Cost of service study and one-year rate design - Cost of service, financial projection, and rate design updates - Reports and presentations to governing body		
	- Power cost adjustment - Time of Use rate study - Large solar array analysis - Review optional hourly EV rates, hourly solar rates, hourly time of use rates - Electric vehicle rate study - Cost of service and financial projection updates	AMP for MDEQ requirements	SAW grant rate methodology
Additional Information	In addition to the studies listed above, UFS has provided a financial projection and rate study for CBPU's fiber utility.		

Norwich Public Utilities – Norwich, CT

Client Contact: Laura Huren, Division Manager

Phone: 860-823-4508

Email: laurahuren@npumail.com



Utility	Electric	Gas	Water	Wastewater
Services Provided	2019 – 2022	2019 – 2025	2019	2019
Scope of Work	- Long-term financial projections, review of financial targets, and long term rate track - Cost of service study and multi-year rate design - Cost allocation review - Depreciation review - Review of financial policies - Reports and presentations to governing body - Training of basic cost of service concepts and rate planning			
	Review of overhead rates	Update cost of service rate structure and rate design		

Holland Board of Public Works – Holland, MI

Client Contact: Dave Koster

Phone: 616-355-1562

Email: dkoster@hollandbpw.com



Holland Board of Public Works

Utility	Electric	Water	Wastewater
Services Provided	2009 – Present	2009 – 2024	2009 – 2024
Scope of Work	- Long-term financial projections, review of financial targets, and long term rate track - Cost of service study and multi-year rate design - Updates between 2016 and 2022		
	- Large customer rate for high load factor - Green Rate Alternatives - Time of use rate analysis - Value of solar analysis - Solar with storage analysis - Pole attachment study - Stranded cost study - Large customer rate alternatives - EV charging rates for public and residential	- Review of wholesale water rates - Consolidation study with neighboring utility	- Rate designs updated annually - Planned funding for a large anaerobic digester project - Review of debt defeasance for a large project and impact on financials - Additional capacity valuation - Financial capability assessment
Additional Information	In addition to the studies listed above, UFS has provided a financial projection and feasibility study for HBPW's fiber utility.		

Town of Middletown – Middletown, DE

Client Contact: Morris Deputy, Town Manager

Phone: 302-378-9120

Email: mdeputy@middletown.delaware.gov



Utility	Electric	Water	Wastewater
Services Provided	2018 – Present	2018 – Present	2018 – Present
Scope of Work	- Long-term financial projections, review of financial targets, and long term rate track - Cost of service study, and one-year rate designs - Reports and presentations to governing body		
	- Design school rate - Identify power factor rate - Transition of customers - Design large customer rate	- Rate alternatives - Impact analysis	- Rate alternatives - Impact analysis

Project Schedule

Our experience with cost of service and rate design studies allows us to conduct a cost effective and efficient study. The following is the tentative project schedule for completion of the cost of service and rate design. This schedule will be finalized during the initial project kick-off meeting with management.

<i>Task</i>	<i>Expected Completion – Twelve Weeks</i>
Initial Meeting – Preparation of Information Request	Week One
Completion of Information Request by Client	Week Two
Planning/Set-up Study	Week Three – Five
Development of Revenue Requirements	Week Six – Seven
Cost of Service Analysis Component/Functional Costs	Week Eight - Nine
Review Rate Design and Alternatives	Week Ten
Report, Recommendations & Presentation of Draft	Week Eleven
Final Report	Week Twelve

The completion of the project on the proposed schedule is dependent on the cooperation of various departments within the Utility to prepare the information request in a timely manner.

Proposed Professional Services Agreement

Prices, terms, and conditions are good for a period of 90 days from this proposal date. Payment will be made through submission of invoice which itemizes the work performed.

Electric Cost of Service, Financial Projection, One-Year Rate Design \$24,500
(Optional) Review of Power Cost Adjustment \$5,000

Total above does not include onsite meetings, out of pocket travel expenses, or travel time.

Anticipated Meetings (Virtual, unless noted):

- Project kickoff
- Data collection summary
- Financial review summary
- Draft report with management
- Final report with management

Deliverables (for all utilities):

- Final Report (PDF), detailing:
 - Long-term Financial Projection and Rate Track
 - Minimum cash reserve determination
 - Debt service ratio
 - Target operating income
 - Cost of Service Analysis
 - One-Year Rate Design
 - Review of Power Cost Adjustment (Optional)

Hourly Rates (travel is discounted at 50%)

Mark Beauchamp	\$ 375.00
Dawn Lund	\$ 350.00
Dan Kasbohm	\$ 310.00
Mike Johnson	\$ 310.00
Chris Lund	\$ 310.00
Jillian Jurczyk	\$ 295.00
Robert Blank	\$ 195.00
Joan Bakenhus	\$ 190.00
Support Staff	\$ 70.00 – \$ 170.00

Out of Scope Pricing:

Out of scope work hours will be billed at the current hourly rates in effect at the time the services are performed.

Onsite meetings, if requested and agreed upon, will be billed as out of scope. Out of pocket expenses will be billed at cost.

All rate designs outside of the current rate structure or additional years of rate design will be charged hourly.

We look forward to exceeding your expectations. Please sign, date, and return to clund@ufswest.com at your earliest convenience.

Sincerely,



Dawn Lund
 Vice-President, Utility Financial Solutions, LLC

Date: _____

Accepted By: _____

City of Hillsdale



Hillsdale Board of Public Utilities

Water Cost of Service Study

November 6, 2025



Corporate location:

Utility Financial Solutions, LLC

185 Sun Meadow Court

Holland, MI USA 49424

(616) 393-9722

Fax (888) 566-4430

Submitted Respectfully by:

Dawn Lund, Vice President

Utility Financial Solutions, LLC

dlund@ufswest.com

(231) 218-9664

November 6, 2025

David Mackie, City Manager
City of Hillsdale
97 N. Broad Street
Hillsdale, MI 49242

Utility Financial Solutions, LLC (UFS) is pleased to submit a proposal to provide a water cost of service, financial projection, and rate design for Hillsdale Board of Public Utilities. Our proposal is based on years of experience navigating complex financial challenges for municipal utilities around the United States.

We approach challenges strategically, partnering with your team to understand your goals before using innovative processes and in-depth research to determine the best solution to suit your needs. We stay on top of industry trends and anticipate challenges to help you solve existing problems and prepare your utility for long-term success. Our methodology and educational components have earned us a reputation as the preferred provider of rate studies in the United States.

Our project team members are experts in their respective fields and instruct for leading utility groups including the American Public Power Association, Southern Gas Association, and the National Association of Regulatory Utility Commissioners. Our specialized team of accountants, engineers, and economists have years of industry-specific experience to help ensure that you reach your goals. UFS was incorporated in 2001 and brings decades of experience to your utility.

For your project, UFS will complete the study and provide an executive report detailing the process to help communicate with members of your governing body and community. The goal of these efforts is to:

- Establish and maintain long-term financial stability.
- Educate on principals of cost of service and financial planning.
- Earn positive engagement from members of government.

We appreciate the opportunity to submit this proposal and look forward to discussing it with you. If you have questions or need additional information, please contact me at (231) 218-9664.

Sincerely,

A handwritten signature in black ink, appearing to read "Dawn Lund", with a stylized, flowing script.

Dawn Lund
Vice-President, Utility Financial Solutions, LLC

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Understanding of Project Requirements

Summary of Services for a Water Utility

Described below is an overview of the services UFS will provide. Greater detail is included within the detailed scope of service section. The list below includes sections not directly identified within the proposal but are critical in meeting the needs of the community and the utility department.

1. **Development of Long-Term Financial Projections** – These studies are included as part of the UFS scope and are critical in development of a long-term rate strategy. Our study incorporates the strategic plan, funding of long-term capital plans, amount, and timing of any financing needs, and balances the financial stability of the departments. The long-term financial projection and development of key financial targets is discussed in the detailed work plan of our proposal.
2. **Cost of Service Study** – This study identifies the cost of providing services to each class of customer. Our studies identify the cost by customer class for general rate components including variable charges (commodity/volume), capacity related costs (demand), and facilities charges for each customer based on meter sizes or service level. The cost of service study will breakout each rate component. Examples of these breakouts include identification of supply costs and distribution/collection costs by service level.
3. **Customer Rate Designs** – The cost of service study provides solid empirical input on sustainable long-term rate structures, however, rate impacts on customers and achieving goals and objectives of each community is a significant factor in proper design of utility rates. UFS' rate design study identifies impacts on customers at various levels of usage/volume. This function assists the governing body in making informed decisions and understanding the impacts on customers and the community.
4. **Presentation to Staff & Governing Body** – The presentation to staff and the governing body serves two purposes:
 - i. Obtain approval of rate adjustments, rate designs, and to obtain guidance during the rate design process.
 - ii. Equally important is the education provided to the governing body to understand the importance of maintaining financial stability, how rates are used to achieve community goals and objectives, and why certain components such as a customer charge are used by utilities. UFS staff are skilled at obtaining guidance needed to develop rates and providing education to allow the governing body to make informed decisions during this process.

5. Reports (PDF)

i. Executive Summary Report –

- ~ Summarization of the financial projection results, key financial targets and recommended long term rate track needed to achieve financial stability for the utility.
- ~ Summarization of the cost of service results and cost-based rate structures for consideration in design of utility rates.
- ~ Description of the major assumptions used in development of the financial projection and cost of service study.
- ~ Considerations on future rate adjustments and movement toward cost of service
- ~ The executive summary is used to obtain input from the governing body prior to designing utility rates.

ii. Rate Design Report –

- ~ Summary of anticipated revenue to be received from the rate design and impacts on customers at various usage levels.

Summary of Ability

A summary of the firm's ability to achieve the Utility's project goals.

Introduction

The Utility is requesting a Cost of Service Study and Financial Plan to assess and evaluate the existing rates to ensure the utility operations and maintenance, capital improvement program, depreciation, and debts are adequately funded, while rate impacts are minimized. UFS has the staff available to complete the project in the Utility's desired timeframe. UFS' ability to achieve the Utility's project goals is best demonstrated by our references (noted in a later section) and our organized and well thought out processes outlined below.

Project Set Up

After project award, if selected, UFS will conduct a kick-off meeting to review the information request and confirm the project schedule and deliverables. As data is gathered by the Utility, UFS will process and enter it into the study. Progress calls will be scheduled to address any questions and to review outstanding data requests. UFS will analyze revenues by completing a revenue "proof" to ensure that the monthly billing units provided calculate out to the reported sales revenue when multiplied by current rate schedules.

Revenue Requirements

We will analyze operating expenses and test year budgets. Expenses are itemized at the finest level of detail available from the Utility and forecasted for the test year. Expenses are then categorized such that appropriate allocations can be applied, and costs distributed to the contributing rate class. A similar approach is applied to the Utility's fixed asset net book value and depreciation costs and incorporates the capital improvement program for interim and test years. Together, the expenses, depreciation and a rate of return comprise the revenue requirements of the system. These revenue requirements will flow through to both the cost of service study and the financial projection study.

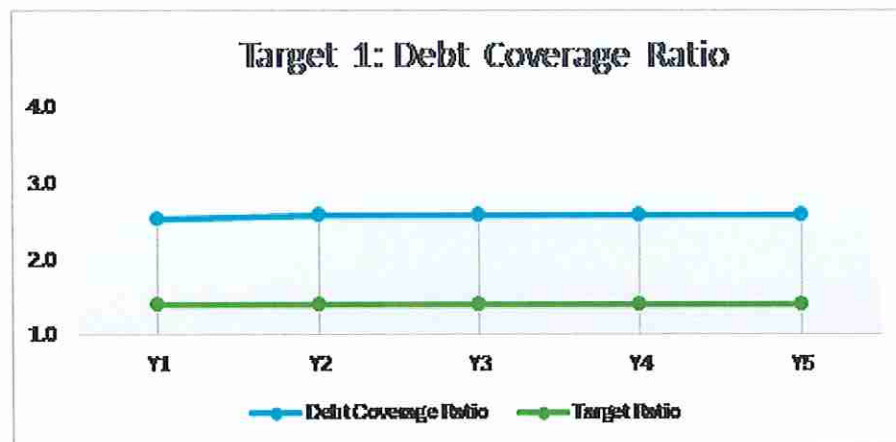
Financial Projection

UFS' financial analysis and the subsequent cost of service studies are unique in their ability to easily change from cash basis revenue requirements to Utility Basis revenue requirements. The financial analysis includes both cash basis targets such as cash reserves and debt coverage; and accrual basis targets such as rate of return. UFS studies also include a review of secondary financial targets such as debt to equity ratios, age of system, days cash on hand and working capital requirements as part of the overall assessment of the financial health of the utility. The financial projection will incorporate assumptions such as inflation, anticipated changes in expenses, debt issuances, and capital improvements. The financial projection incorporates targets to help ensure the long-term financial stability of the Utility is maintained or improved and develop a plan for rate adjustments.

Target One: Debt Coverage Ratio

Based on review of bond issues and debt service schedules, the principal and interest expense will be identified and incorporated into the analysis. We will provide a table as shown below to compare projected Debt Service Ratios with requirements in the Bond Ordinance.

Sample Report Table: Debt Coverage Ratio Graph and Calculation



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Net Income	\$ 996,826	\$ 997,462	\$ 945,213	\$ 826,113	\$ 758,497
Add Depreciation/Amortization Expense	2,565,601	2,609,101	2,732,859	2,921,523	3,057,531
Add Interest Expense	764,408	726,408	688,408	648,408	606,408
Cash Generated from Operations	\$ 4,326,835	\$ 4,332,971	\$ 4,366,480	\$ 4,396,044	\$ 4,422,436
Debt Principal and Interest	\$ 1,714,408	\$ 1,676,408	\$ 1,688,408	\$ 1,698,408	\$ 1,706,408
Projected Debt Coverage Ratio (Covenants)	2.52	2.58	2.59	2.59	2.59
Minimum Debt Coverage Ratio	1.40	1.40	1.40	1.40	1.40

Target Two: Minimum Cash Reserve Calculation

To help ensure timely completion of capital improvements and enable the utility to meet requirements for large, unexpected expenditures and risk factors, the recommended minimum level of cash reserves will be identified. Development of the minimum cash reserves considers several factors.

A sample list is below:

- Working capital
- Variations in expenses
- Capital improvement programs
- Annual bond payments
- Exposure to catastrophic events such as extreme weather

Sample Report Table: Minimum Cash Reserves



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Minimum Cash Reserve Allocation					
Operation & Maintenance Less Depreciation Expense	25%	25%	25%	25%	25%
Supply Expense	25%	25%	25%	25%	25%
Historical Rate Base	2%	2%	2%	2%	2%
Current Portion of Debt Service Payment	83%	83%	83%	83%	83%
Five Year Capital Improvements - Net of Bond Proceeds	20%	20%	20%	20%	20%
% Plant Depreciated	56%	54%	55%	55%	59%
Calculated Minimum Cash Level					
Operation & Maintenance Less Depreciation Expense	\$ 6,589,952	\$ 6,762,400	\$ 6,941,318	\$ 7,153,036	\$ 7,281,393
Supply Expense	8,381,482	9,722,132	9,982,984	10,548,544	11,075,971
Historical Rate Base	1,527,454	1,689,254	1,769,511	1,877,918	1,877,918
Current Portion of Debt Service Payment	1,391,419	1,401,379	1,409,679	1,416,319	1,462,799
Five Year Capital Improvements - Net of Bond Proceeds	3,939,646	3,939,646	3,939,646	3,939,646	3,939,646
Minimum Cash Reserve Levels	\$ 21,829,953	\$ 23,514,811	\$ 24,043,138	\$ 24,935,463	\$ 25,637,727
Projected Cash Reserves	\$ 24,692,803	\$ 19,224,903	\$ 17,829,253	\$ 15,047,239	\$ 12,790,153

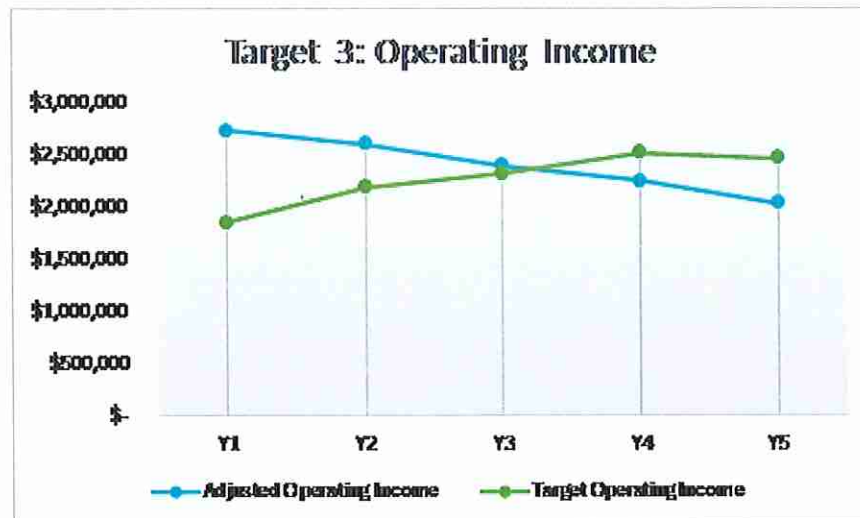
Target Three: Operating Income

The optimal target for setting rates is the establishment of a target operating income to consistently fund capital improvements and replacements.

Development of this target considers the following:

- Interest expense on the outstanding debt
- Inflationary increase on asset replacement costs
- Assets contributed by customers to the Utility

Sample Report Table: Target Operating Income



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Target Operating Income Determinants					
Net Book Value/Working Capital	\$ 33,525,928	\$ 38,888,526	\$ 39,931,938	\$ 42,194,174	\$ 38,927,644
Outstanding Principal on Debt	\$ 18,160,200	\$ 17,210,200	\$ 16,210,200	\$ 15,160,200	\$ 14,060,200
System Equity	\$ 15,365,728	\$ 21,678,326	\$ 23,721,738	\$ 27,033,974	\$ 24,867,444
Target Operating Income Allocation					
Interest on Debt	4.21%	4.22%	4.25%	4.28%	4.31%
System Equity	7.06%	6.73%	6.87%	6.90%	7.48%
Target Operating Income					
System Equity	\$ 1,085,106	\$ 1,459,590	\$ 1,629,338	\$ 1,864,944	\$ 1,859,437
Target Operating Income	\$ 1,849,514	\$ 2,185,998	\$ 2,317,746	\$ 2,513,352	\$ 2,465,845
Projected Operating Income	\$ 2,728,770	\$ 2,599,641	\$ 2,394,956	\$ 2,247,337	\$ 2,037,669
Rate of Return in %	5.5%	5.6%	5.8%	6.0%	6.3%

Five-Year Projection Summary

The projections will be summarized, and development of alternative rate tracks will be reviewed and compared to each financial target to help ensure the future financial stability of the utility. We will work with Management and the Governing body in review and development of five-year strategies and rate track. All adjustments are tied to the cost of service study for the test year, so results can easily be updated, and sensitivities run within the same study.

Projected Summary Financial before Rate Adjustments

Fiscal Year	Projected Rate Adjustments	Adjusting Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash	Capital Improvements Plan	Debt Coverage Ratio
Year1	0.0%	\$ 2,728,770	\$ 3,038,480	\$ 16,392,621	\$ 18,099,160	\$ 6,065,000	1.10
Year2	0.0%	2,711,845	3,019,772	14,592,541	19,169,551	2,175,000	1.11
Year3	0.0%	2,622,411	3,061,319	10,964,992	19,674,886	4,012,870	1.11
Year4	0.0%	2,473,225	3,149,568	5,938,354	20,516,844	5,420,360	1.12
Year5	0.0%	2,380,491	3,098,229	4,959,247	20,862,261	1,380,000	1.12

Projected Summary Financials with Rate Adjustment and \$5.0 Million Bond Issuance

Fiscal Year	Projected Rate Adjustments	Adjusting Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash	Capital Improvements Plan	Debt Coverage Ratio
Year1	2.0%	\$ 3,350,054	\$ 3,038,480	\$ 17,013,904	\$ 18,099,160	\$ 6,065,000	1.26
Year2	2.0%	3,972,613	3,019,772	22,477,689	19,169,551	2,175,000	1.44
Year3	2.0%	4,216,200	3,061,319	21,453,355	19,674,886	4,012,870	1.53
Year4	2.0%	4,407,444	3,149,568	21,578,377	20,516,844	5,420,360	1.62
Year5	2.0%	4,662,614	3,098,229	21,908,593	20,862,261	1,380,000	1.71

Water Cost of Service Study

The development of the cost of service study incorporates the revenue requirement identified as part of the financial projection. This section describes the additional procedures used in development of the cost of service study and sample outputs from previous studies.

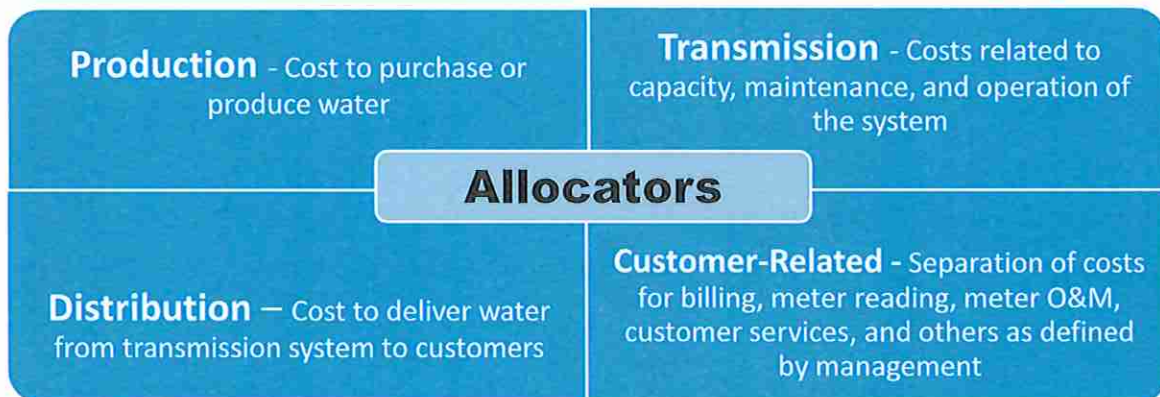
Load Profile Information

Load profile information identifies how customers use water and is critical to ensure the cost of service study is accurate and defensible. UFS works with utility staff in identification of the appropriate sources of load research information. We will analyze information from the following sources:

- Review internal usage patterns available
- Supplement peak ratio information from generic sources
- Review peak loadings on water production readings
- Analyze peak month loadings from billing statistics

Development of Allocators

A critical part of the cost of service study is the development of allocation factors from customer's usage patterns. These allocators are used to allocate the fixed capacity costs, semi-variable operating costs, variable costs, and customer related costs. An example for water is the identification of peak ratios (max month, max day, max hour). A summary of the costs where specific allocation factors need to be developed are listed below.



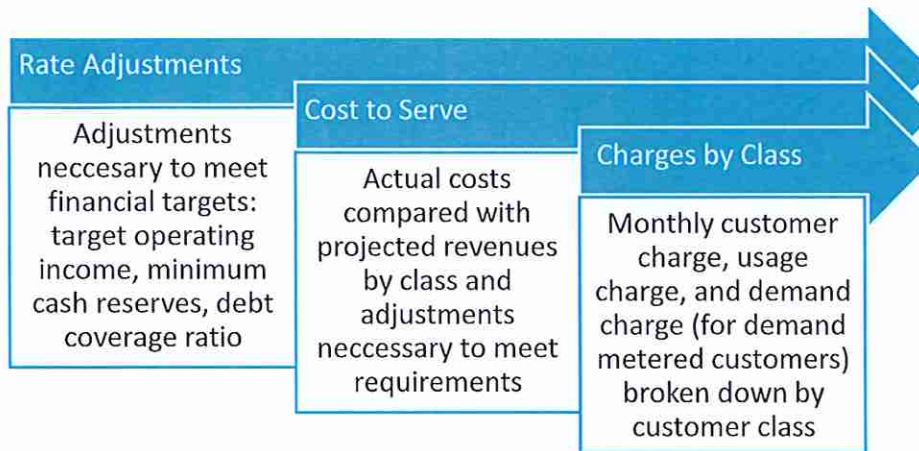
Prepare Cost of Service Analysis

Consistent with AWWA's "Manual of Water Supply Practices" we will conduct an analysis to isolate cost by customer class. Peak usage ratios will be established using the following information:

- Review of pumping statistics
- Review of peak loadings on water production
- Review of monthly usage for each customer class and meter size (billing statistics)

Customer classes are typically established based on differences in load and usage patterns. How customers use the water dictates the cost of providing many utility services.

The cost of service portion of the study will determine the following:



We apply the peak to average ratio by customer class to further determine the base, max day, and max hour factors.

Customer Class	Base		Maximum Day			Maximum Hour		
	Annual Use	Average Rate	Capacity Factor	Total Capacity	Extra Capacity	Capacity Factor	Total Capacity	Extra Capacity
5/8" Meter	794,576	1.6	1.47	2.4	0.8	1.47	2.4	0.77
3/4" Meter	43,620	0.1	1.67	0.1	0.1	1.67	0.1	0.06
1" Meter	434,796	0.9	2.02	1.8	0.9	2.02	1.8	0.91
1-1/2" Meter	190,019	0.4	2.03	0.8	0.4	2.03	0.8	0.40
2" Meter	606,089	1.2	1.67	2.1	0.8	1.67	2.1	0.84
3" Meter	135,166	0.3	1.77	0.5	0.2	1.77	0.5	0.21
4" Meter	188,509	0.4	1.23	0.5	0.1	1.23	0.5	0.09
6" Meter	439,040	0.9	1.59	1.4	0.5	1.59	1.4	0.54
Total System	2,831,815	5.80		9.60	3.80		9.60	3.82

A summary of the cost of service analysis is developed similar to the following table:

Customer Class	Cost of Service	Projected Revenues	% Change
Residential	\$ 3,581,760	\$ 2,749,223	30.3%
Non Residential	5,327,113	4,249,812	25.3%
Meter Charges	3,642,412	3,632,903	0.3%
Fire Protection	250,429	374,501	-33.1%
Wholesale	4,628,057	4,640,963	-0.3%
Sprinkling Residential	358,037	103,156	247.1%
Sprinkling Non Residential	374,795	208,350	79.9%
	\$ 18,162,603	\$ 15,958,908	13.8%

The cost of service column from the table above identifies the cost to provide service to each class of customers and is compared with the projected revenues from each class. The percent change is the rate adjustment necessary for each class to achieve cost of service. We typically do not recommend rates move fully to cost of service, but as part of the discussions with staff and the governing body we develop a plan to move classes toward cost of service to minimize rate impacts on any specific customer class.

Rate Design

A five-year rate track will be provided with the financial projection, along with a one-year rate design. Design of water rates uses input from the cost of service study as guidance on changes to rate classes and the rate components for each rate class. Cost of service results are one factor in design of rates for customers. Other factors must be considered such as impact on customers, social and environmental issues, and philosophy of the utility's governing body.

The rate design identifies the impacts on customers at various usage levels and is listed by rate class, meter size and usage level.

UFS will develop and recommend a schedule of water rates designed to generate adequate revenues and reflect or move toward the recommended rate adjustment. Rate designs for the existing rate structure are typically provided for one year. Additional years' rate design may be added at an additional cost.

Please note that all rate designs outside of the current rate structure will be charged hourly.

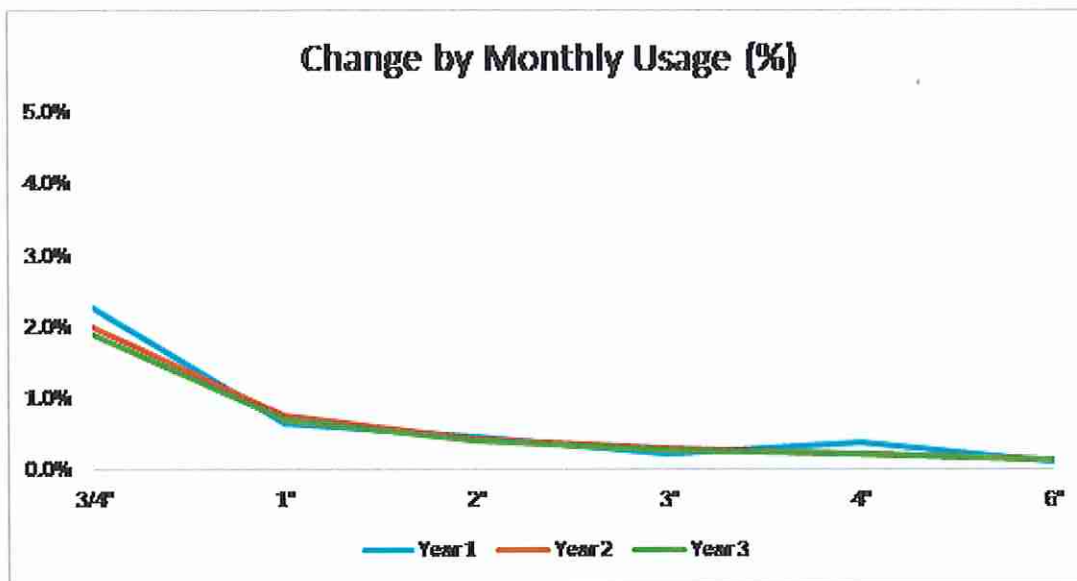
Summary of Overall Rate Adjustments – Water

<i>Charged per thousand gallons</i>	Water Utility		
	Current Charge	Proposed Charge Year 1	COS Rates
Commodity Charge - Inside City	\$ 4.57	\$ 4.66	\$ 5.01
Commodity Charge - Outside City	9.14	9.09	6.85
3/4" Meter Inside	12.00	13.00	13.95
1" Meter Inside	12.00	13.00	22.36
2" Meter Inside	48.00	53.00	61.10
4" Meter Inside	192.00	202.00	138.97
6" Meter Inside	432.00	432.00	213.53
3/4" Meter Outside	24.00	25.35	15.12
1" Meter Outside	24.00	25.35	24.20
2" Meter Outside	96.00	96.00	92.66
4" Meter Outside	384.00	384.00	230.61
6" Meter Outside	864.00	842.40	463.12
Total Revenue	\$ 1,772,678	\$ 1,861,311	
Proposed Rate Change		5.0%	

Water Sample Rate Design, Multi Year

Residential - Inside City

Rates	Current	Year 1	Year 2	Year 3	COS
Monthly Facilities Charge					
Meter Size					
3/4"	\$ 16.50	\$ 17.00	\$ 17.50	\$ 18.00	\$ 18.84
1"	40.22	40.00	40.00	40.00	28.23
2"	127.09	127.00	127.00	127.00	79.48
3"	253.43	253.00	253.00	253.00	166.73
4"	395.57	396.00	396.00	396.00	262.25
6"	790.44	790.00	790.00	790.00	491.00
Usage Charge Per 1,000 Gallons					
All Usage	\$ 6.55	\$ 6.68	\$ 6.78	\$ 6.87	\$ 8.05
Revenue from Rate	\$ 2,777,226	\$ 2,832,727	\$ 2,883,537	\$ 2,933,034	\$ 3,125,045
Change from Previous		2.0%	1.8%	1.7%	



Average Monthly Bill Increase by Usage

Meter	Year 1		Year 2		Year 3	
	\$	%	\$	%	\$	%
3/4"	\$1.12	2.3%	\$1.00	2.0%	\$0.97	1.9%
1"	\$0.52	0.7%	\$0.60	0.7%	\$0.56	0.7%
2"	\$0.84	0.5%	\$0.75	0.4%	\$0.71	0.4%
3"	\$0.68	0.2%	\$0.90	0.3%	\$0.85	0.3%
4"	\$1.73	0.4%	\$1.05	0.2%	\$0.99	0.2%
6"	\$1.04	0.1%	\$1.20	0.1%	\$1.13	0.1%

Meetings, Reports and Deliverables

Meetings

The following meetings are anticipated (conducted virtually):

- Kickoff meeting – Clarify scope of services and expectations of management.
- Data Verification – Verify data collected.
- Financial Review – Review assumptions used in the long-term projections.
- Review draft reports with management.
- Presentation as requested by management such as review report with Governing body.

Format of Reports

UFS reports are typically separated into the reports listed below:

- **Power Point Summary** – A concise presentation of study results that is shared with management and staff. This summary will include graphs, charts, tables, and findings.
- **Executive Summary Report (PDF)** – An overview that identifies the objectives, process, and results of the rate study in a clear and concise format.
- **Rate Design** – The rate design includes the following:
 - ~ Comparison of the current and proposed rates.
 - ~ Expected revenues generated from proposed rates.
 - ~ Impact on customer classes at various usage levels or load factors within each rate class.

Presentation of Cost of Service and Rate Design Study

A critical aspect of the study is the clear and concise presentation to the Governing body of the utility. UFS professionals are skilled at explaining and working with advisory and governing bodies to ensure decisions are based on information they can understand and apply to their community.

Firm Qualifications

This section discusses UFS' experience and qualifications assisting municipalities with cost of service and financial analysis. UFS personnel are recognized as national experts and include highly qualified, motivated, experienced, and knowledgeable professionals. UFS' reputation has resulted in industry leading status shown by the number of clients we serve, our frequent requests to instruct classes and speak at conferences around the nation and our frequent requests to serve as expert witnesses on rate related issues.

UFS' experience includes completion of rate studies in 43 states, Guam, several Caribbean Islands and Canada. This provides UFS with the experience and knowledge to provide creative solutions.

UFS is the industry leader in electric, water, and sewer studies. Our national experience is summarized below:

In Demand → UFS has completed numerous rate studies for electric, water, sewer, gas, telecommunications, and solid waste.

Diverse → UFS is the preferred provider of rate services for municipalities, electric cooperatives, and members of Joint Action Agencies.

Innovative → UFS is leading the industry in development of Time of Use rates including variations of Variable Peak Pricing, Dynamic Pricing and Real Time Pricing.

Reliable → Our methodologies on establishing financial targets and cash reserve policies have become industry standards and have assisted utilities in improving bond ratings with Fitch, S&P and Moody's.

Supported → Our establishment of rates for customers located outside city limits have been accepted in State Courts and resulted in UFS becoming expert witnesses and arbitrators on rate disputes across the United States.

Experienced → UFS has provided electric, gas, water, wastewater, and telecommunications services to some of the largest utilities in the country including Nashville TN, Knoxville TN, Sacramento Municipal Utility District, Rochester MN, Imperial Irrigation District CA, Austin TX, Huntsville AL, Columbia MO, and Lansing MI.

Knowledgeable → We are frequent speakers on special rate topics around the United States including APPA's National Conference, APPA's Educational Institutes, E&O Workshop, Legal Conferences, Business and Financial Workshop, numerous webinars topics and state conferences in over 15 states.

A sample of recent presentations are listed below:

- ~ Development of Key Financial Targets
- ~ Information provided by Cost of Service Studies
- ~ Cash Reserve Policies for Municipal Utilities
- ~ Development of Utility Extension Policies
- ~ Cost of Service Challenges and Solutions
- ~ Appropriate levels of Contributions to City (Payment in lieu of Tax)
- ~ The Rate Race
- ~ Development of Avoided Cost and Rate Designs for Distributed Generation

Teachers → UFS personnel are the instructors on cost of service and financial planning courses offered through the American Public Power Association (APPA), American Water Works Association (AWWA), and the National Association of Regulatory Utility Commissioners (NARUC), EUCI, and Southern Gas Association. UFS' industry leading status has resulted in courses on distributed generation to the US Department of Energy.

These courses include the following:

- ~ Basic Cost of Service
- ~ Intermediate Cost of Service
- ~ Advanced Cost of Service
- ~ Financial Planning
- ~ Utility Financial Check-up
- ~ Cost of Service and Rate Design for Distributed Generation
- ~ Development of Line Extension Policies
- ~ Rate Structures to promote Energy Conservation
- ~ Rate Structures to create Revenue Stability
- ~ Advanced issues in Rate Design
- ~ Advanced issues in Cost Allocations

UFS holds a commitment to the following:

- **Quality Control** – Proper quality control and management help ensure the accomplished work is in alignment with the project scope, is completed timely, within budget and the results are accurate and defensible. The quality controls developed by UFS are specific to utility rate studies and are based on our prior experience working with electric utilities.
- **Timeliness of Studies** – Part of the quality control includes the timely completion of the rate studies. UFS experience in completing studies provides us the ability to complete the studies as requested and discussed in the initial kick-off meeting.
- **Financial Strength** – UFS commenced business in 2001 and has the highest financial rating by Dunn and Bradstreet.
- **Independence** – UFS maintains its independence throughout its engagements to help ensure unbiased recommendations to the governing bodies. We do not provide services that could impair our independence such as engineering, accounting, or auditing services.
- **Diverse Staff Backgrounds** – Proper development of rate studies require knowledge in accounting, finance, economics, and engineering. UFS staff has diverse backgrounds that include degrees in accounting (CPA), engineering, finance, economics, information technology and degrees in Water Purification Technology.

Proposed service team including titles:

Mark Beauchamp – President
Dawn Lund – Vice President
Dan Kasbohm – Manager
Mike Johnson – Manager
Chris Lund – Business and Technology Manager
Jillian Jurczyk – Manager
Joan Bakenhus – Senior Financial Analyst
Robert Blank – Senior Financial Analyst
Janel Albrecht – Financial Analyst
Jayde Dono – Financial Analyst

Staff Availability

UFS has adequate staff available to complete the tasks in the timeline requested.

Resumes

The next section consists of resumes of UFS team members.

References

Coldwater Board of Public Utilities – Coldwater, MI

Client Contact: Tom Eldridge

Phone: 517-279-9531

Email: teldridge@coldwater.org



Utility	Electric	Water	Wastewater
Services Provided	2014 – Present	2017 – Present	2017 – Present
Scope of Work	- Long-term financial projection, review of financial targets, and long-term rate track - Cost of service study and one-year rate design - Cost of service, financial projection, and rate design updates - Reports and presentations to governing body		
	- Power cost adjustment - Time of Use rate study - Large solar array analysis - Review optional hourly EV rates, hourly solar rates, hourly time of use rates - Electric vehicle rate study - Cost of service and financial projection updates	AMP for MDEQ requirements	SAW grant rate methodology
Additional Information	In addition to the studies listed above, UFS has provided a financial projection and rate study for CBPU's fiber utility.		

Town of Middletown – Middletown, DE

Client Contact: Morris Deputy, Town Manager

Phone: 302-378-9120

Email: mdeputy@middletown.delaware.gov



Utility	Electric	Water	Wastewater
Services Provided	2018 – Present	2018 – Present	2018 – Present
Scope of Work	- Long-term financial projections, review of financial targets, and long term rate track - Cost of service study, and one-year rate designs - Reports and presentations to governing body		
	- Design school rate - Identify power factor rate - Transition of customers - Design large customer rate	- Rate alternatives - Impact analysis	- Rate alternatives - Impact analysis

Holland Board of Public Works – Holland, MI

Client Contact: Dave Koster

Phone: 616-355-1562

Email: dkoster@hollandbpw.com



Holland Board of Public Works

Utility	Electric	Water	Wastewater
Services Provided	2009 – Present	2009 – 2024	2009 – 2024
Scope of Work	- Long-term financial projections, review of financial targets, and long term rate track - Cost of service study and multi-year rate design - Updates between 2016 and 2022		
	- Large customer rate for high load factor - Green Rate Alternatives - Time of use rate analysis - Value of solar analysis - Solar with storage analysis - Pole attachment study - Stranded cost study - Large customer rate alternatives - EV charging rates for public and residential	- Review of wholesale water rates - Consolidation study with neighboring utility	- Rate designs updated annually - Planned funding for a large anaerobic digester project - Review of debt defeasance for a large project and impact on financials - Additional capacity valuation - Financial capability assessment
Additional Information	In addition to the studies listed above, UFS has provided a financial projection and feasibility study for HBPW's fiber utility.		

Project Schedule

Our experience with cost of service and rate design studies allows us to conduct a cost effective and efficient study. The following is the tentative project schedule for completion of the cost of service and rate design. This schedule will be finalized during the initial project kick-off meeting with management.

<i>Task</i>	<i>Expected Completion – Twelve Weeks</i>
Initial Meeting – Preparation of Information Request	Week One
Completion of Information Request by Client	Week Two
Planning/Set-up Study	Week Three – Five
Development of Revenue Requirements	Week Six – Seven
Cost of Service Analysis Component/Functional Costs	Week Eight - Nine
Review Rate Design and Alternatives	Week Ten
Report, Recommendations & Presentation of Draft	Week Eleven
Final Report	Week Twelve

The completion of the project on the proposed schedule is dependent on the cooperation of various departments within the Utility to prepare the information request in a timely manner.

Proposed Professional Services Agreement

Prices, terms, and conditions are good for a period of 90 days from this proposal date.

Payment will be made through submission of invoice which itemizes the work performed.

Water Cost of Service, Financial Projection, One-Year Rate Design \$18,500

Total above does not include onsite meetings, out of pocket travel expenses, or travel time.

Anticipated Meetings (Virtual, unless noted):

- Project kickoff
- Data collection summary
- Financial review summary
- Draft report with management
- Final report with management

Deliverables (for all utilities):

- Final Report (PDF), detailing:
 - Long-term Financial Projection and Rate Track
 - Minimum cash reserve determination
 - Debt service ratio
 - Target operating income (rate of return)
- Cost of Service Analysis
- One-Year Rate Design

Hourly Rates (travel is discounted at 50%)

Mark Beauchamp	\$ 375.00
Dawn Lund	\$ 350.00
Dan Kasbohm	\$ 310.00
Mike Johnson	\$ 310.00
Chris Lund	\$ 310.00
Jillian Jurczyk	\$ 295.00
Robert Blank	\$ 195.00
Joan Bakenhus	\$ 190.00
Support Staff	\$ 70.00 – \$ 170.00

Out of Scope Pricing:

Out of scope work hours will be billed at the current hourly rates in effect at the time the services are performed.

Onsite meetings, if requested and agreed upon, will be billed as out of scope. Out of pocket expenses will be billed at cost.

All rate designs outside of the current rate structure or additional years of rate design will be charged hourly.

We look forward to exceeding your expectations. Please sign, date, and return to clund@ufswest.com at your earliest convenience.

Sincerely,



Dawn Lund
Vice-President, Utility Financial Solutions, LLC

Date: _____

Accepted By: _____

City of Hillsdale



Hillsdale Board of Public Utilities

Wastewater Cost of Service Study Proposal

November 6, 2025



Corporate location:
Utility Financial Solutions, LLC
185 Sun Meadow Court
Holland, MI USA 49424
(616) 393-9722
Fax (888) 566-4430

Submitted Respectfully by:

Dawn Lund, Vice President
Utility Financial Solutions, LLC
dlund@ufswest.com
(231) 218-9664

November 6, 2025

David Mackie, City Manager
City of Hillsdale
97 N. Broad Street
Hillsdale, MI 49242

Utility Financial Solutions, LLC (UFS) is pleased to submit a proposal to provide a wastewater cost of service, financial projection, and rate design for Hillsdale Board of Public Utilities. Our proposal is based on years of experience navigating complex financial challenges for municipal utilities around the United States.

We approach challenges strategically, partnering with your team to understand your goals before using innovative processes and in-depth research to determine the best solution to suit your needs. We stay on top of industry trends and anticipate challenges to help you solve existing problems and prepare your utility for long-term success. Our methodology and educational components have earned us a reputation as the preferred provider of rate studies in the United States.

Our project team members are experts in their respective fields and instruct for leading utility groups including the American Public Power Association, Southern Gas Association, and the National Association of Regulatory Utility Commissioners. Our specialized team of accountants, engineers, and economists have years of industry-specific experience to help ensure that you reach your goals. UFS was incorporated in 2001 and brings decades of experience to your utility.

For your project, UFS will complete the study and provide an executive report detailing the process to help communicate with members of your governing body and community. The goal of these efforts is to:

- Establish and maintain long-term financial stability.
- Educate on principals of cost of service and financial planning.
- Earn positive engagement from members of government.

We appreciate the opportunity to submit this proposal and look forward to discussing it with you. If you have questions or need additional information, please contact me at (231) 218-9664.

Sincerely,



Dawn Lund
Vice-President, Utility Financial Solutions, LLC

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Understanding of Project Requirements

Summary of Services for a Wastewater Utility

Described below is an overview of the services UFS will provide. Greater detail is included within the detailed scope of service section. The list below includes sections not directly identified within the proposal but are critical in meeting the needs of the community and the utility department.

1. **Development of Long-Term Financial Projections** – These studies are included as part of the UFS scope and are critical in development of a long-term rate strategy. Our study incorporates the strategic plan, funding of long-term capital plans, amount, and timing of any financing needs, and balances the financial stability of the departments. The long-term financial projection and development of key financial targets is discussed in the detailed work plan of our proposal.
2. **Cost of Service Study** – This study identifies the cost of providing services to each class of customer. Our studies identify the cost by customer class for general rate components including variable charges (commodity/volume), capacity related costs (demand), and facilities charges for each customer based on meter sizes or service level. The cost of service study will breakout each rate component. Examples of these breakouts include identification of supply costs and distribution/collection costs by service level.
3. **Customer Rate Designs** – The cost of service study provides solid empirical input on sustainable long-term rate structures, however, rate impacts on customers and achieving goals and objectives of each community is a significant factor in proper design of utility rates. UFS' rate design study identifies impacts on customers at various levels of usage/volume. This function assists the governing body in making informed decisions and understanding the impacts on customers and the community.
4. **Presentation to Staff & Governing Body** – The presentation to staff and the governing body serves two purposes:
 - i. Obtain approval of rate adjustments, rate designs, and to obtain guidance during the rate design process.
 - ii. Equally important is the education provided to the governing body to understand the importance of maintaining financial stability, how rates are used to achieve community goals and objectives, and why certain components such as a customer charge are used by utilities. UFS staff are skilled at obtaining guidance needed to develop rates and providing education to allow the governing body to make informed decisions during this process.

5. Reports (PDF)

i. Executive Summary Report –

- ~ Summarization of the financial projection results, key financial targets and recommended long term rate track needed to achieve financial stability for the utility.
- ~ Summarization of the cost of service results and cost-based rate structures for consideration in design of utility rates.
- ~ Description of the major assumptions used in development of the financial projection and cost of service study.
- ~ Considerations on future rate adjustments and movement toward cost of service
- ~ The executive summary is used to obtain input from the governing body prior to designing utility rates.

ii. Rate Design Report –

- ~ Summary of anticipated revenue to be received from the rate design and impacts on customers at various usage levels.

Summary of Ability

A summary of the firm's ability to achieve the Utility's project goals.

Introduction

The Utility is requesting a Cost of Service Study and Financial Plan to assess and evaluate the existing rates to ensure the utility operations and maintenance, capital improvement program, depreciation, and debts are adequately funded, while rate impacts are minimized. UFS has the staff available to complete the project in the Utility's desired timeframe. UFS' ability to achieve the Utility's project goals is best demonstrated by our references (noted in a later section) and our organized and well thought out processes outlined below.

Project Set Up

After project award, if selected, UFS will conduct a kick-off meeting to review the information request and confirm the project schedule and deliverables. As data is gathered by the Utility, UFS will process and enter it into the study. Progress calls will be scheduled to address any questions and to review outstanding data requests. UFS will analyze revenues by completing a revenue "proof" to ensure that the monthly billing units provided calculate out to the reported sales revenue when multiplied by current rate schedules.

Revenue Requirements

We will analyze operating expenses and test year budgets. Expenses are itemized at the finest level of detail available from the Utility and forecasted for the test year. Expenses are then categorized such that appropriate allocations can be applied, and costs distributed to the contributing rate class. A similar approach is applied to the Utility's fixed asset net book value and depreciation costs and incorporates the capital improvement program for interim and test years. Together, the expenses, depreciation and a rate of return comprise the revenue requirements of the system. These revenue requirements will flow through to both the cost of service study and the financial projection study.

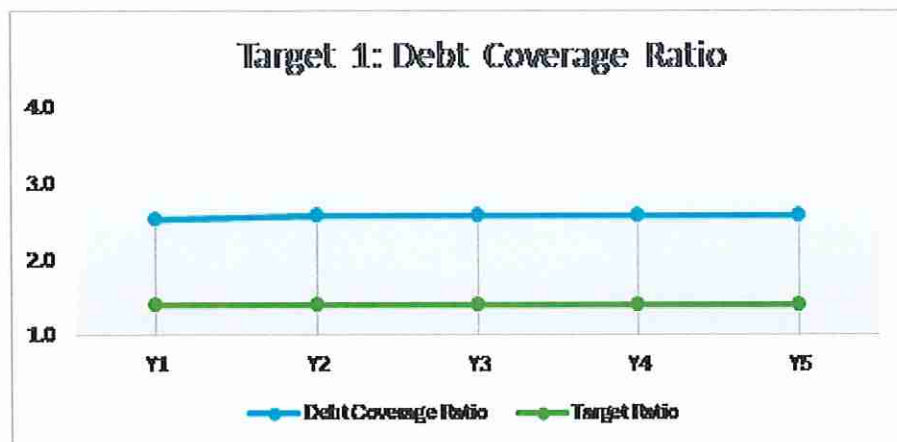
Financial Projection

UFS' financial analysis and the subsequent cost of service studies are unique in their ability to easily change from cash basis revenue requirements to Utility Basis revenue requirements. The financial analysis includes both cash basis targets such as cash reserves and debt coverage; and accrual basis targets such as rate of return. UFS studies also include a review of secondary financial targets such as debt to equity ratios, age of system, days cash on hand and working capital requirements as part of the overall assessment of the financial health of the utility. The financial projection will incorporate assumptions such as inflation, anticipated changes in expenses, debt issuances, and capital improvements. The financial projection incorporates targets to help ensure the long-term financial stability of the Utility is maintained or improved and develop a plan for rate adjustments.

Target One: Debt Coverage Ratio

Based on review of bond issues and debt service schedules, the principal and interest expense will be identified and incorporated into the analysis. We will provide a table as shown below to compare projected Debt Service Ratios with requirements in the Bond Ordinance.

Sample Report Table: Debt Coverage Ratio Graph and Calculation



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Net Income	\$ 996,826	\$ 997,462	\$ 945,213	\$ 826,113	\$ 758,497
Add Depreciation/Amortization Expense	2,565,601	2,609,101	2,732,859	2,921,523	3,057,531
Add Interest Expense	764,408	726,408	688,408	648,408	606,408
Cash Generated from Operations	\$ 4,326,835	\$ 4,332,971	\$ 4,366,480	\$ 4,396,044	\$ 4,422,436
Debt Principal and Interest	\$ 1,714,408	\$ 1,676,408	\$ 1,688,408	\$ 1,698,408	\$ 1,706,408
Projected Debt Coverage Ratio (Covenants)	2.52	2.58	2.59	2.59	2.59
Minimum Debt Coverage Ratio	1.40	1.40	1.40	1.40	1.40

Target Two: Minimum Cash Reserve Calculation

To help ensure timely completion of capital improvements and enable the utility to meet requirements for large, unexpected expenditures and risk factors, the recommended minimum level of cash reserves will be identified. Development of the minimum cash reserves considers several factors.

A sample list is below:

- Working capital
- Variations in expenses
- Capital improvement programs
- Annual bond payments
- Exposure to catastrophic events such as extreme weather

Sample Report Table: Minimum Cash Reserves



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Minimum Cash Reserve Allocation					
Operation & Maintenance Less Depreciation Expense	25%	25%	25%	25%	25%
Supply Expense	25%	25%	25%	25%	25%
Historical Rate Base	2%	2%	2%	2%	2%
Current Portion of Debt Service Payment	83%	83%	83%	83%	83%
Five Year Capital Improvements - Net of Bond Proceeds	20%	20%	20%	20%	20%
% Plant Depreciated	56%	54%	55%	55%	59%
Calculated Minimum Cash Level					
Operation & Maintenance Less Depreciation Expense	\$ 6,589,952	\$ 6,762,400	\$ 6,941,318	\$ 7,153,036	\$ 7,281,393
Supply Expense	8,381,482	9,722,132	9,982,984	10,548,544	11,075,971
Historical Rate Base	1,527,454	1,689,254	1,769,511	1,877,918	1,877,918
Current Portion of Debt Service Payment	1,391,419	1,401,379	1,409,679	1,416,319	1,462,799
Five Year Capital Improvements - Net of Bond Proceeds	3,939,646	3,939,646	3,939,646	3,939,646	3,939,646
Minimum Cash Reserve Levels	\$ 21,829,953	\$ 23,514,811	\$ 24,043,138	\$ 24,935,463	\$ 25,637,727
Projected Cash Reserves	\$ 24,692,803	\$ 19,224,903	\$ 17,829,253	\$ 15,047,239	\$ 12,790,153

Target Three: Operating Income

The optimal target for setting rates is the establishment of a target operating income to consistently fund capital improvements and replacements.

Development of this target considers the following:

- Interest expense on the outstanding debt
- Inflationary increase on asset replacement costs
- Assets contributed by customers to the Utility

Sample Report Table: Target Operating Income



Description	Projected Y1	Projected Y2	Projected Y3	Projected Y4	Projected Y5
Target Operating Income Determinants					
Net Book Value/Working Capital	\$ 33,525,928	\$ 33,888,526	\$ 39,931,938	\$ 42,194,174	\$ 38,927,644
Outstanding Principal on Debt	\$ 18,160,200	\$ 17,210,200	\$ 16,210,200	\$ 15,160,200	\$ 14,060,200
System Equity	\$ 15,365,728	\$ 21,678,326	\$ 23,721,738	\$ 27,033,974	\$ 24,867,444
Target Operating Income Allocation					
Interest on Debt	4.21%	4.22%	4.25%	4.28%	4.31%
System Equity	7.06%	6.73%	6.87%	6.90%	7.48%
Target Operating Income					
System Equity	\$ 1,085,106	\$ 1,459,590	\$ 1,629,338	\$ 1,864,944	\$ 1,859,437
Target Operating Income	\$ 1,849,514	\$ 2,185,998	\$ 2,317,746	\$ 2,513,352	\$ 2,465,845
Projected Operating Income	\$ 2,728,770	\$ 2,599,641	\$ 2,394,956	\$ 2,247,337	\$ 2,037,669
Rate of Return in %	5.5%	5.6%	5.8%	6.0%	6.3%

Five-Year Projection Summary

The projections will be summarized, and development of alternative rate tracks will be reviewed and compared to each financial target to help ensure the future financial stability of the utility. We will work with Management and the Governing body in review and development of five-year strategies and rate track. All adjustments are tied to the cost of service study for the test year, so results can easily be updated, and sensitivities run within the same study.

Projected Summary Financial before Rate Adjustments

Fiscal Year	Projected Rate Adjustments	Adjusting Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash	Capital Improvements Plan	Debt Coverage Ratio
Year1	0.0%	\$ 2,728,770	\$ 3,038,480	\$ 16,392,621	\$ 18,099,160	\$ 6,065,000	1.10
Year2	0.0%	2,711,845	3,019,772	14,592,541	19,169,551	2,175,000	1.11
Year3	0.0%	2,622,411	3,061,319	10,964,992	19,674,886	4,012,870	1.11
Year4	0.0%	2,473,225	3,149,568	5,938,354	20,516,844	5,420,360	1.12
Year5	0.0%	2,380,491	3,098,229	4,959,247	20,862,261	1,380,000	1.12

Projected Summary Financials with Rate Adjustment and \$5.0 Million Bond Issuance

Fiscal Year	Projected Rate Adjustments	Adjusting Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash	Capital Improvements Plan	Debt Coverage Ratio
Year1	2.0%	\$ 3,350,054	\$ 3,038,480	\$ 17,013,904	\$ 18,099,160	\$ 6,065,000	1.26
Year2	2.0%	3,972,613	3,019,772	22,477,689	19,169,551	2,175,000	1.44
Year3	2.0%	4,216,200	3,061,319	21,453,355	19,674,886	4,012,870	1.53
Year4	2.0%	4,407,444	3,149,568	21,578,377	20,516,844	5,420,360	1.62
Year5	2.0%	4,662,614	3,098,229	21,908,593	20,862,261	1,380,000	1.71

Wastewater Cost of Service Study

The development of the cost of service study incorporates the revenue requirement identified as part of the financial projection. This section describes the additional procedures used in development of the cost of service study and sample outputs from previous studies.

Development of Allocators

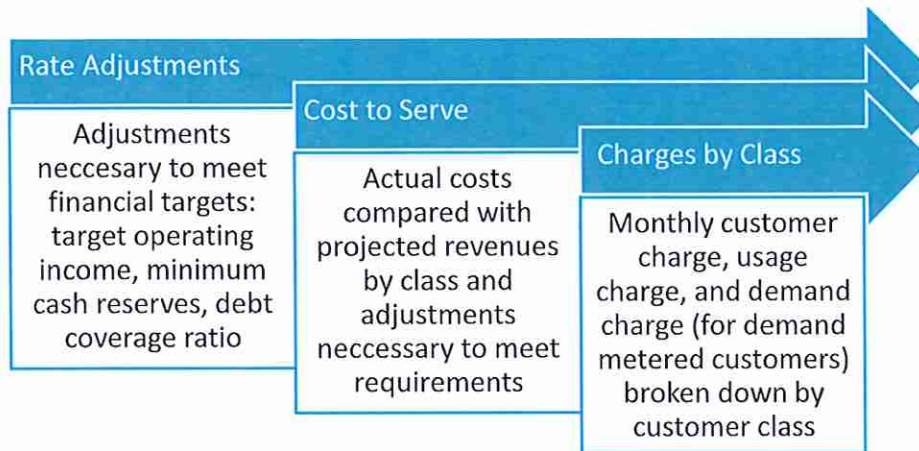
Expense categories will be analyzed and reviewed to determine an appropriate allocation factor. The allocation factor will be developed based on cost causation and allocated to each billing parameter. The allocation factors developed include peaking factors, flow characteristics, and customer related costs. A sample list of allocators is listed below.

Account Name	Volume	BOD	TSS	Phos	G&O	Cust	Total
Generation							
Salary & Benefits	53%	29%	14%	4%	0%	0%	100%
Production Electricity	58%	25%	13%	4%	0%	0%	100%
Production Water	53%	28%	12%	7%	0%	0%	100%
Gas Heating	53%	28%	12%	7%	0%	0%	100%
Oper Permits & Fees	53%	28%	12%	7%	0%	0%	100%
Other Expenses	53%	28%	12%	7%	0%	0%	100%
Operations							
Salary & Benefits	53%	29%	14%	4%	0%	0%	100%
Production/Treatment Chemicals	27%	32%	15%	26%	0%	0%	100%
Sludge Disposal	0%	74%	25%	1%	0%	0%	100%
Other Expenses	53%	28%	12%	7%	0%	0%	100%
Pollution Control	27%	32%	15%	26%	0%	0%	100%
Plant Maintenance	40%	40%	20%	0%	0%	0%	100%
Operations Allocation	40%	40%	20%	0%	0%	0%	100%
Technology Director Allocation	53%	29%	14%	4%	0%	0%	100%
Administration & General							
Insurance	54%	16%	12%	2%	0%	16%	100%
W/WW Engineering Allocation	0%	0%	0%	0%	0%	100%	100%
IT Allocation	0%	0%	0%	0%	0%	100%	100%
Other	54%	16%	12%	2%	0%	16%	100%
Facilities & Warehouse	0%	0%	0%	0%	0%	100%	100%
Accounting & Collecting							
Finance Allocation	54%	16%	12%	2%	0%	16%	100%
Accounting Allocation	54%	16%	12%	2%	0%	16%	100%
Corporate Allocation	54%	16%	12%	2%	0%	16%	100%
Personnel Allocation	54%	16%	12%	2%	0%	16%	100%
Other	54%	16%	12%	2%	0%	16%	100%
Collection							
Services / Maintenance	0%	0%	0%	0%	0%	100%	100%
Lift Station Maintenance	0%	0%	0%	0%	0%	100%	100%
Customer Service Allocation	0%	0%	0%	0%	0%	100%	100%
Meter Reading Allocation	0%	0%	0%	0%	0%	100%	100%
Billing Allocation	0%	0%	0%	0%	0%	100%	100%
Other	0%	0%	0%	0%	0%	100%	100%

Prepare Cost of Service Analysis

We will conduct an analysis to isolate cost by customer class. Customer classes are typically established based on differences in load and usage patterns. How customers use the water dictates the cost of providing many utility services.

The cost of service portion of the study will determine the following:



A summary of the cost of service analysis is developed similar to the following table:

Customer Type	Cost of Service Rates	Projected Revenues	Percentage Adjustment
5/8"	\$ 3,543,212	\$ 3,045,073	16%
3/4"	\$ 100,929	\$ 93,713	8%
1"	\$ 813,759	\$ 770,611	6%
1-1/2"	\$ 432,333	\$ 371,866	16%
2"	\$ 1,457,418	\$ 1,265,868	15%
3"	\$ 270,158	\$ 245,673	10%
4"	\$ 412,630	\$ 370,115	11%
6"	\$ 303,145	\$ 300,426	1%
Flat Rate	\$ 190,341	\$ 171,035	11%
Total	\$ 7,523,925	\$ 6,634,380	13.4%

The cost of service column from the table above identifies the cost to provide service to each class of customers and is compared with the projected revenues from each class. The percent change is the rate adjustment necessary for each class to achieve cost of service. We typically do not recommend rates move fully to cost of service, but as part of the discussions with staff and the governing body we develop a plan to move classes toward cost of service to minimize rate impacts on any specific customer class.

An example of monthly customer charge costs from the cost of service results is below.

	Current Unit			COS Monthly	
	Current Monthly Charge	Charge 1st and 2nd Block	Current Charge 3rd Block	Customer Charge	COS Unit Charge
In-City					
5/8"	\$ 9.45	\$ 2.18	\$ 2.05	\$ 10.53	\$ 2.08
1"	16.00	2.18	2.05	22.34	2.08
2"	52.25	2.18	2.05	72.16	2.08
3"	106.00	2.18	2.05	150.68	2.08
4"	168.00	2.18	2.05	270.92	2.08
6"	240.00	2.18	2.05	586.42	2.08
Outside City					
5/8"	\$ 14.50	\$ 3.68	\$ 2.89	\$ 17.15	\$ 2.93
1"	26.00	3.68	2.89	34.77	2.93
2"	78.25	3.68	2.89	105.06	2.93
4"	158.00	3.68	2.89	385.31	2.93
6"	248.00	3.68	2.89	821.48	2.93

Rate Design

A five-year rate track will be provided with the financial projection, along with a one-year rate design. Design of wastewater rates uses input from the cost of service study as guidance on changes to rate classes and the rate components for each rate class. Cost of service results are one factor in design of rates for customers. Other factors must be considered such as impact on customers, social and environmental issues, and philosophy of the utility's governing body.

The rate design identifies the impacts on customers at various usage levels and is listed by rate class, meter size and usage level.

UFS will develop and recommend a schedule of wastewater rates designed to generate adequate revenues and reflect or move toward the recommended rate adjustment. Rate designs for the existing rate structure are typically provided for one year. Additional years' rate design may be added at an additional cost.

Please note that all rate designs outside of the current rate structure will be charged hourly.

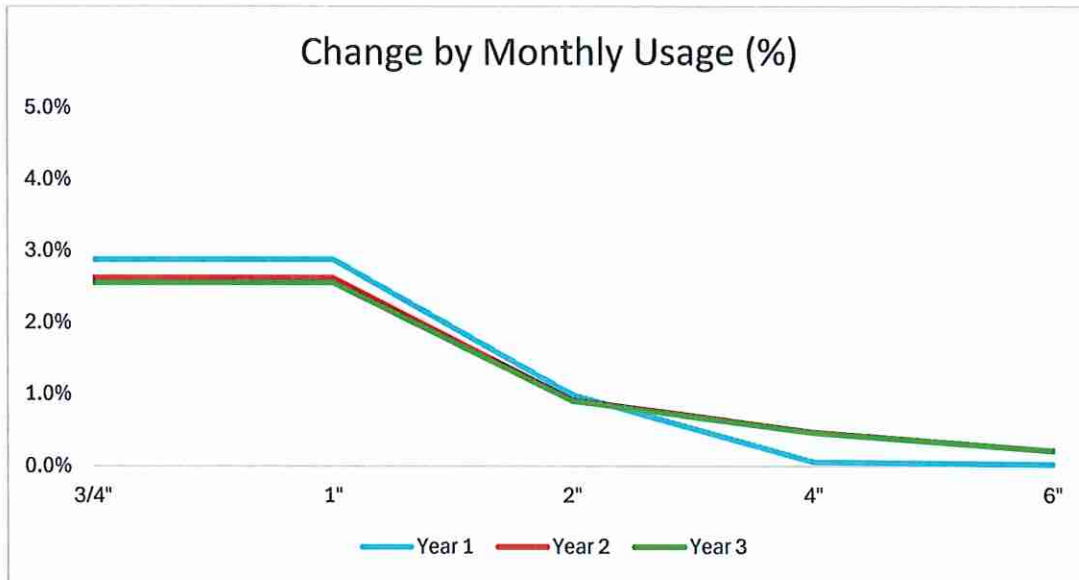
Summary of Overall Rate Adjustments – Wastewater

<i>Charged per thousand gallons</i>	Wastewater Utility		
	Current Charge	Proposed Charge Year 1	COS Rates
Commodity Charge - Inside City	\$ 7.87	\$ 8.00	\$ 7.88
Commodity Charge - Outside City	15.74	15.60	11.39
3/4" Meter Inside	14.00	14.50	11.39
1" Meter Inside	14.00	15.00	15.18
2" Meter Inside	56.00	56.50	40.83
4" Meter Inside	224.00	224.00	116.28
6" Meter Inside	504.00	504.00	187.33
3/4" Meter Outside	28.00	28.28	17.48
1" Meter Outside	28.00	29.25	26.30
2" Meter Outside	102.00	110.18	136.44
4" Meter Outside	425.70	436.80	297.85
6" Meter Outside	956.70	982.80	520.40
Total Revenue	\$ 2,418,218	\$ 2,514,946	
Proposed Rate Change		4.0%	

Wastewater Sample Rate Design, Multi Year

3/4" Meter Inside

Rates	Current	Year 1	Year 2	Year 3	COS
Monthly Facilities Charge					
Meter Size (Inside)					
3/4"	\$ 14.00	\$ 14.50	\$ 15.00	\$ 15.50	\$ 11.39
1"	14.00	14.50	15.00	15.50	15.18
2"	56.00	56.50	57.00	57.50	40.83
4"	224.00	224.00	225.00	226.00	116.28
6"	504.00	504.00	505.00	506.00	187.33
Usage Charge Per 1,000 Gallons					
All Usage (Inside)	\$ 7.87	\$ 8.00	\$ 8.09	\$ 8.18	\$ 7.88
Revenue from Rate	\$ 2,730,211	\$ 2,789,906	\$ 2,840,648	\$ 2,891,390	\$ 2,546,401
Change from Previous		2.2%	1.8%	1.8%	



Average Monthly Bill Increase by Meter Size per 1,000 Gallons

Meter	Year 1		Year 2		Year 3	
	\$	%	\$	%	\$	%
3/4"	\$0.63	2.9%	\$0.59	2.6%	\$0.59	2.6%
1"	\$0.63	2.9%	\$0.59	2.6%	\$0.59	2.6%
2"	\$0.63	1.0%	\$0.59	0.9%	\$0.59	0.9%
4"	\$0.13	0.1%	\$1.09	0.5%	\$1.09	0.5%
6"	\$0.13	0.0%	\$1.09	0.2%	\$1.09	0.2%

Meetings, Reports and Deliverables

Meetings

The following meetings are anticipated (conducted virtually):

- Kickoff meeting – Clarify scope of services and expectations of management.
- Data Verification – Verify data collected.
- Financial Review – Review assumptions used in the long-term projections.
- Review draft reports with management.
- Presentation as requested by management such as review report with Governing body.

Format of Reports

UFS reports are typically separated into the reports listed below:

- **Power Point Summary** – A concise presentation of study results that is shared with management and staff. This summary will include graphs, charts, tables, and findings.
- **Executive Summary Report (PDF)** – An overview that identifies the objectives, process, and results of the rate study in a clear and concise format.
- **Rate Design** – The rate design includes the following:
 - ~ Comparison of the current and proposed rates.
 - ~ Expected revenues generated from proposed rates.
 - ~ Impact on customer classes at various usage levels or load factors within each rate class.

Presentation of Cost of Service and Rate Design Study

A critical aspect of the study is the clear and concise presentation to the Governing body of the utility. UFS professionals are skilled at explaining and working with advisory and governing bodies to ensure decisions are based on information they can understand and apply to their community.

Firm Qualifications

This section discusses UFS' experience and qualifications assisting municipalities with cost of service and financial analysis. UFS personnel are recognized as national experts and include highly qualified, motivated, experienced, and knowledgeable professionals. UFS' reputation has resulted in industry leading status shown by the number of clients we serve, our frequent requests to instruct classes and speak at conferences around the nation and our frequent requests to serve as expert witnesses on rate related issues.

UFS' experience includes completion of rate studies in 43 states, Guam, several Caribbean Islands and Canada. This provides UFS with the experience and knowledge to provide creative solutions.

UFS is the industry leader in electric, water, and sewer studies. Our national experience is summarized below:

In Demand → UFS has completed numerous rate studies for electric, water, sewer, gas, telecommunications, and solid waste.

Diverse → UFS is the preferred provider of rate services for municipalities, electric cooperatives, and members of Joint Action Agencies.

Innovative → UFS is leading the industry in development of Time of Use rates including variations of Variable Peak Pricing, Dynamic Pricing and Real Time Pricing.

Reliable → Our methodologies on establishing financial targets and cash reserve policies have become industry standards and have assisted utilities in improving bond ratings with Fitch, S&P and Moody's.

Supported → Our establishment of rates for customers located outside city limits have been accepted in State Courts and resulted in UFS becoming expert witnesses and arbitrators on rate disputes across the United States.

Experienced → UFS has provided electric, gas, water, wastewater, and telecommunications services to some of the largest utilities in the country including Nashville TN, Knoxville TN, Sacramento Municipal Utility District, Rochester MN, Imperial Irrigation District CA, Austin TX, Huntsville AL, Columbia MO, and Lansing MI.

Knowledgeable → We are frequent speakers on special rate topics around the United States including APPA's National Conference, APPA's Educational Institutes, E&O Workshop, Legal Conferences, Business and Financial Workshop, numerous webinars topics and state conferences in over 15 states.

A sample of recent presentations are listed below:

- ~ Development of Key Financial Targets
- ~ Information provided by Cost of Service Studies
- ~ Cash Reserve Policies for Municipal Utilities
- ~ Development of Utility Extension Policies
- ~ Cost of Service Challenges and Solutions
- ~ Appropriate levels of Contributions to City (Payment in lieu of Tax)
- ~ The Rate Race
- ~ Development of Avoided Cost and Rate Designs for Distributed Generation

Teachers → UFS personnel are the instructors on cost of service and financial planning courses offered through the American Public Power Association (APPA), American Water Works Association (AWWA), and the National Association of Regulatory Utility Commissioners (NARUC), EUCI, and Southern Gas Association. UFS' industry leading status has resulted in courses on distributed generation to the US Department of Energy.

These courses include the following:

- ~ Basic Cost of Service
- ~ Intermediate Cost of Service
- ~ Advanced Cost of Service
- ~ Financial Planning
- ~ Utility Financial Check-up
- ~ Cost of Service and Rate Design for Distributed Generation
- ~ Development of Line Extension Policies
- ~ Rate Structures to promote Energy Conservation
- ~ Rate Structures to create Revenue Stability
- ~ Advanced issues in Rate Design
- ~ Advanced issues in Cost Allocations

UFS holds a commitment to the following:

- **Quality Control** – Proper quality control and management help ensure the accomplished work is in alignment with the project scope, is completed timely, within budget and the results are accurate and defensible. The quality controls developed by UFS are specific to utility rate studies and are based on our prior experience working with electric utilities.
- **Timeliness of Studies** – Part of the quality control includes the timely completion of the rate studies. UFS experience in completing studies provides us the ability to complete the studies as requested and discussed in the initial kick-off meeting.
- **Financial Strength** – UFS commenced business in 2001 and has the highest financial rating by Dunn and Bradstreet.
- **Independence** – UFS maintains its independence throughout its engagements to help ensure unbiased recommendations to the governing bodies. We do not provide services that could impair our independence such as engineering, accounting, or auditing services.
- **Diverse Staff Backgrounds** – Proper development of rate studies require knowledge in accounting, finance, economics, and engineering. UFS staff has diverse backgrounds that include degrees in accounting (CPA), engineering, finance, economics, information technology and degrees in Water Purification Technology.

Proposed service team including titles:

Mark Beauchamp – President
Dawn Lund – Vice President
Dan Kasbohm – Manager
Mike Johnson – Manager
Chris Lund – Business and Technology Manager
Jillian Jurczyk – Manager
Joan Bakenhus – Senior Financial Analyst
Robert Blank – Senior Financial Analyst
Janel Albrecht – Financial Analyst
Jayde Dono – Financial Analyst

Staff Availability

UFS has adequate staff available to complete the tasks in the timeline requested.

Resumes

The next section consists of resumes of UFS team members.

References

Coldwater Board of Public Utilities – Coldwater, MI

Client Contact: Tom Eldridge

Phone: 517-279-9531

Email: teldridge@coldwater.org



Utility	Electric	Water	Wastewater
Services Provided	2014 – Present	2017 – Present	2017 – Present
Scope of Work	- Long-term financial projection, review of financial targets, and long-term rate track - Cost of service study and one-year rate design - Cost of service, financial projection, and rate design updates - Reports and presentations to governing body		
	- Power cost adjustment - Time of Use rate study - Large solar array analysis - Review optional hourly EV rates, hourly solar rates, hourly time of use rates - Electric vehicle rate study - Cost of service and financial projection updates	AMP for MDEQ requirements	SAW grant rate methodology
Additional Information	In addition to the studies listed above, UFS has provided a financial projection and rate study for CBPU's fiber utility.		

Town of Middletown – Middletown, DE

Client Contact: Morris Deputy, Town Manager

Phone: 302-378-9120

Email: mdeputy@middletown.delaware.gov



Utility	Electric	Water	Wastewater
Services Provided	2018 – Present	2018 – Present	2018 – Present
Scope of Work	- Long-term financial projections, review of financial targets, and long term rate track - Cost of service study, and one-year rate designs - Reports and presentations to governing body		
	- Design school rate - Identify power factor rate - Transition of customers - Design large customer rate	- Rate alternatives - Impact analysis	- Rate alternatives - Impact analysis

Holland Board of Public Works – Holland, MI

Client Contact: Dave Koster

Phone: 616-355-1562

Email: dkoster@hollandbpw.com



Holland Board of Public Works

Utility	Electric	Water	Wastewater
Services Provided	2009 – Present	2009 – 2024	2009 – 2024
Scope of Work	• Long-term financial projections, review of financial targets, and long term rate track • Cost of service study and multi-year rate design • Updates between 2016 and 2022		
	• Large customer rate for high load factor • Green Rate Alternatives • Time of use rate analysis • Value of solar analysis • Solar with storage analysis • Pole attachment study • Stranded cost study • Large customer rate alternatives • EV charging rates for public and residential	• Review of wholesale water rates • Consolidation study with neighboring utility	• Rate designs updated annually • Planned funding for a large anaerobic digester project • Review of debt defeasance for a large project and impact on financials • Additional capacity valuation • Financial capability assessment
Additional Information	In addition to the studies listed above, UFS has provided a financial projection and feasibility study for HBPW's fiber utility.		

Project Schedule

Our experience with cost of service and rate design studies allows us to conduct a cost effective and efficient study. The following is the tentative project schedule for completion of the cost of service and rate design. This schedule will be finalized during the initial project kick-off meeting with management.

<i>Task</i>	<i>Expected Completion – Twelve Weeks</i>
Initial Meeting – Preparation of Information Request	Week One
Completion of Information Request by Client	Week Two
Planning/Set-up Study	Week Three – Five
Development of Revenue Requirements	Week Six – Seven
Cost of Service Analysis Component/Functional Costs	Week Eight - Nine
Review Rate Design and Alternatives	Week Ten
Report, Recommendations & Presentation of Draft	Week Eleven
Final Report	Week Twelve

The completion of the project on the proposed schedule is dependent on the cooperation of various departments within the Utility to prepare the information request in a timely manner.

Proposed Professional Services Agreement

Prices, terms, and conditions are good for a period of 90 days from this proposal date.

Payment will be made through submission of invoice which itemizes the work performed.

Wastewater Cost of Service, Financial Projection, One-Year Rate Design ... \$18,500

Total above does not include onsite meetings, out of pocket travel expenses, or travel time.

Anticipated Meetings (Virtual, unless noted):

- Project kickoff
- Data collection summary
- Financial review summary
- Draft report with management
- Final report with management

Deliverables (for all utilities):

- Final Report (PDF), detailing:
 - Long-term Financial Projection and Rate Track
 - Minimum cash reserve determination
 - Debt service ratio
 - Target operating income (rate of return)
 - Cost of Service Analysis
 - One-Year Rate Design

Hourly Rates (*travel is discounted at 50%*)

Mark Beauchamp	\$ 375.00
Dawn Lund	\$ 350.00
Dan Kasbohm	\$ 310.00
Mike Johnson	\$ 310.00
Chris Lund	\$ 310.00
Jillian Jurczyk	\$ 295.00
Robert Blank	\$ 195.00
Joan Bakenhus	\$ 190.00
Support Staff	\$ 70.00 – \$ 170.00

Out of Scope Pricing:

Out of scope work hours will be billed at the current hourly rates in effect at the time the services are performed.

Onsite meetings, if requested and agreed upon, will be billed as out of scope. Out of pocket expenses will be billed at cost.

All rate designs outside of the current rate structure or additional years of rate design will be charged hourly.

We look forward to exceeding your expectations. Please sign, date, and return to clund@ufsweb.com at your earliest convenience.

Sincerely,



Dawn Lund
Vice-President, Utility Financial Solutions, LLC

Date: _____

Accepted By: _____

Hillsdale Board of Public Utilities

City of Hillsdale

Agenda Item Summary

Meeting Date: November 17, 2025

Agenda Item: New Business

SUBJECT: Tallgrass Energy Project (may be closed session pursuant to Section 8(h) of PA 267 of 1976 to consider material exempt from discussion or disclosure by state or federal statute)

BACKGROUND PROVIDED BY: David Mackie, City Manager / BPU Director

Tallgrass is a waste heat to power project along the Rockies Express (REX) pipeline in Indiana and Ohio. It's recommended by American Municipal Power (AMP) that Hillsdale take up to 2.34 MWs of energy and capacity from the project to add to our energy portfolio. The project captures waste heat from compressor stations and converts the thermal energy to emissions-free electricity.

Attached is the resolution authorizing the Tallgrass power purchase agreement (PPA), the associated energy schedule and MSCPA's Supplemental Agreement.

RECOMMENDATION:

Discuss the Tallgrass project and approve the attached documents to participate in the PPA.

CITY OF HILLSDALE, MICHIGAN

RESOLUTION NO. _____

**TO APPROVE THE FORM AND AUTHORIZE THE EXECUTION OF
2027 WASTE HEAT ENERGY SCHEDULE WITH
AMERICAN MUNICIPAL POWER, INC.
AND TAKING OF OTHER ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the City of Hillsdale, Michigan ("Municipality") owns and operates an electric utility system for the sale of electric capacity and associated energy for the benefit of its customers; and

WHEREAS, in order to satisfy the electric capacity and energy requirements of its electric utility system, Municipality has heretofore purchased, or desires to purchase in the future, economical, reliable and environmentally sound capacity and energy and related services from, or arranged by, American Municipal Power, Inc. ("AMP"), of which Municipality is a Member; and

WHEREAS, AMP is a nonprofit corporation, organized to own and operate facilities, or to provide otherwise, for the generation, transmission or distribution of electric capacity and energy, or any combination thereof, and to furnish technical services on a cooperative, nonprofit basis, for the mutual benefit of AMP members ("Members"), such Members, including Municipality, being political subdivisions that operate, or whose members operate, municipal electric utility systems; and

WHEREAS, Municipality, acting individually, and through AMP with other political subdivisions of this and other states that own and operate electric utility systems jointly, endeavors to arrange for reliable, environmentally sound and reasonably priced supplies of electric capacity and energy and related services for ultimate delivery to its customers; and

WHEREAS, it is efficient and economical to act jointly in such regard; and

WHEREAS, Municipality has previously entered into a Master Services Agreement with AMP, AMP Contract No. C-12-2005-4628 (the "MSA"), which contemplates that Municipality may enter into various schedules for the provision of capacity and associated energy and related services from AMP to Municipality; and

WHEREAS, certain Members, including Municipality, have determined that they can utilize additional sources of reliable and economical generated electric capacity and energy on a long-term basis, and have requested that AMP arrange for the

same by acquiring interests through a purchased power agreement (PPA) in certain energy facilities; and

WHEREAS, in furtherance of this purpose, AMP has entered into purchase power agreement ("Waste Heat Power Agreement") with Tallgrass Hoosier Community Power, LLC, ("Tallgrass") under the terms of which AMP will purchase and Developer will supply and sell up to 9.84 MWac of capacity and associated energy and environmental attributes from the Waste Heat Energy generation project located in Midcontinent Independent System Operator ("MISO") footprint; and

WHEREAS, it is necessary and desirable for Municipality to enter into a schedule to the MSA to provide for an additional source of capacity, energy and environmental attributes; and

WHEREAS, through approval and execution of the 2027 Waste Heat Energy Schedule authorized below, Members now have the right, but not the obligation, to authorize and request AMP to acquire capacity and energy through the Waste Heat Power Agreement; and

WHEREAS, prior to the adoption of this Resolution AMP has (i) informed Municipality of the terms of the 2027 Waste Heat Energy Schedule; (ii) provided Municipality the opportunity to review the anticipated form of the Waste Heat Power Agreement; and (iii) offered representatives of Municipality the opportunity to ask such questions, review data and reports, conduct inspections and otherwise perform such investigations with respect to, as applicable, the acquisition of capacity and energy and the terms and conditions of the 2027 Waste Heat Energy Schedule authorized below as Municipality deems necessary or appropriate in connection herewith; and

WHEREAS, Municipality requests and authorizes AMP to explore an arrangement whereby AMP may prepay all or a portion of AMP's obligations to purchase energy, capacity and environmental attributes at some point during the term of the Waste Heat Power Agreement and finance the prepayment on behalf of Municipality through the issuance of bonds by AMP in order to achieve additional savings on the capacity, energy and environmental attributes derived from the Waste Heat Power Agreement that AMP can pass through to Municipality ("Prepay Agreement") subject to the additional requirements set forth in the 2027 Waste Heat Energy Schedule.

WHEREAS, after due consideration, Municipality has determined it is reasonable and in its best interests to proceed as authorized herein below and requests and authorizes AMP to acquire capacity and energy from the Developer upon the terms and conditions set forth in the Waste Heat Power Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HILLSDALE, MICHIGAN:

SECTION 1. That the 2027 Waste Heat Energy Schedule between Municipality and AMP, substantially in the form attached hereto or on file with the

Clerk, including Exhibits thereto, is approved, and the Authorized Representative of Municipality, identified below, is hereby authorized to execute and deliver the 2027 Waste Heat Energy Schedule with such changes as the Authorized Representative may approve as neither inconsistent with this Resolution nor materially detrimental to the Municipality, his or her execution of the 2027 Waste Heat Energy Schedule to be conclusive evidence of such approval. For purposes of this Resolution, Municipality's Authorized Representative is: David Mackie.

SECTION 2. That the Authorized Representative is hereby authorized to (i) acquire under the 2027 Waste Heat Energy Schedule, authorized above, a Contract Amount as defined in that Schedule of up to 2,340 kW, without bid; and (ii) authorize Municipality to extend the term of the 2027 Waste Heat Energy Schedule for an extended five year period; and (iii) elect whether Environmental Attributes will be credited to Municipality's MISO MRETS or MIRECS account or sold with the proceeds returned to Municipality; and, (iv) make any determinations and approvals required thereunder, if any, as the Authorized Representative shall deem necessary and advisable.

SECTION 3. If any section, subsection, paragraph, clause or provision or any part thereof of this Resolution shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Resolution shall be unaffected by such adjudication and all the remaining provisions of this Resolution shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

SECTION 4. That this Resolution shall take effect at the earliest date allowed by law.

SECTION 5. That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Resolution were taken in conformance with applicable open meetings laws and that all deliberations of this Council and of any committees that resulted in those formal actions were in compliance with all legal requirements including any applicable open meetings requirements.

RESOLUTION DECLARED ADOPTED.

PASSED IN OPEN COUNCIL MEETING THIS DAY, 17th DAY OF NOVEMBER 2025.

Scott Sessions, Mayor

Katy Price, City Clerk

CITY OF HILLSDALE, MICHIGAN

2027 WASTE HEAT ENERGY SCHEDULE

AMP Contract No. 2027-011951-SCHED

A Schedule to

American Municipal Power, Inc.

and

CITY OF HILLSDALE, MICHIGAN

Master Service Agreement No. C-12-2005-4628

WHEREAS, the City of Hillsdale, Michigan ("Municipality") and American Municipal Power, Inc., ("AMP") have entered into a Master Services Agreement ("MSA") under which certain services may be provided, pursuant to schedules entered into between Municipality and AMP; and

WHEREAS, AMP will enter into Tallgrass Waste Heat Energy Power Purchase Agreements with Tallgrass Hoosier Community Power, LLC ("Tallgrass") (the "Waste Heat Power Agreement") whereby AMP will purchase up to approximately 9.84 megawatts ("MW") of capacity and associated energy for a period of sixteen (16) years with an option for an additional five (5) year extended term, pursuant to the terms and conditions set forth therein; and

WHEREAS, the Waste Heat Power Agreement provides, among other things, an opportunity for the Municipality to receive from AMP capacity, energy and Environmental Attributes (as defined therein) from the waste heat electricity facility located in Decatur County, Indiana through this schedule to the MSA (the "2027 Waste Heat Energy Schedule").

NOW THEREFORE, in consideration of the mutual covenants and obligations set forth in this Agreement, the Parties agree as follows.

SECTION 1 - TERM

The term of this 2027 Waste Heat Energy Schedule shall be coterminous with the Waste Heat Power Agreement as defined therein; provided, however, that Municipality may extend the term for one additional five year period (the "Extended Term") with approval from Municipality's Authorized Representative, and further provided that Municipality's obligation to purchase and AMP's obligation to deliver capacity, energy and Environmental Attributes pursuant to this 2027 Waste Heat Energy Schedule are both contingent on the performance of Tallgrass pursuant to the Waste Heat Power Agreement.

SECTION 2 - SERVICES

AMP agrees to procure as Seller, pursuant to (and its obligations hereunder are specifically dependent upon) the Waste Heat Power Agreement, output up to approximately 9.84 MW of capacity, associated energy in megawatt-hours ("MWh"), and the Environmental Attributes for the benefit of participating Municipalities, including Municipality (the "Contract Amount"). Municipality agrees to take and pay for such capacity, energy and Environmental Attributes on a *pro rata* basis where and as available pursuant to the Waste Heat Power Agreement. Such *pro rata* amounts to be determined by multiplying the Municipality's percentage Contract Amount, as set forth on Exhibit B hereto, times the actual capacity and energy available from time to time under the Waste Heat Power Agreement.

SECTION 3 - DELIVERY POINT

The Delivery Point for this 2027 Waste Heat Energy Schedule shall be the "Delivery Point" as defined in the Waste Heat Power Agreements, which is the point where project power is delivered into Hoosier Energy's transmission system at 69 kV, unless the same is modified in writing by the Parties. There may also be a Secondary Delivery Point, or Points of Delivery. Municipality may change the Secondary Delivery Point(s) set forth on Exhibit D with AMP's consent, such consent not to be unreasonably withheld, provided that transmission to any modified Secondary Delivery Point shall be pursuant to appropriate Federal Energy Regulatory Commission ("FERC") tariffs at Municipality's expense, including the costs of any/all required ancillary services.

SECTION 4 - SCHEDULING

A. AMP shall cooperate with the Municipality to schedule the capacity and energy to a Secondary Delivery Point as set forth in Exhibit D.

B. Notwithstanding any other provision of this 2027 Waste Heat Energy Schedule and the MSA, Municipality shall, when available, take and pay for the Waste Heat-generated capacity, energy and Environmental Attributes.

SECTION 5 - DEPENDENCE ON WASTE HEAT POWER AGREEMENT

Municipality recognizes that AMP's ability to supply Waste Heat-generated capacity, energy and Environmental Attributes under this 2027 Waste Heat Energy Schedule is dependent upon AMP's ability to arrange for the same pursuant to the Waste Heat Power Agreement. Additionally, Municipality recognizes that AMP entered into the Waste Heat Power Agreement primarily for the benefit of Municipality and the other Members of AMP and that AMP, pursuant to the Waste Heat Power Agreement, has certain rights as well as certain obligations. Accordingly, Municipality agrees to cooperate with AMP in such a manner as to facilitate AMP's performance of its obligations thereunder and releases AMP from any liability due to Tallgrass's failure to perform.

SECTION 6 - RATES, CHARGES AND BILLING

A. Capacity, energy and Environmental Attributes made available pursuant to this 2027 Waste Heat Energy Schedule shall be charged at the base rates specified in the Waste Heat Power Agreement for the term of the Waste Heat Power Agreement as shown on Exhibit A and the costs set forth in Sections 6 (B) and (C) hereof, and the Capacity and Energy Rate Schedules as the same may be modified by AMP from time to time and pursuant to the billing provisions herein and in the MSA;

B. The net of the following costs shall be included as a component of a uniform rate adjustment to be charged hereunder for energy delivered or made available to Municipality: any ancillary service, congestion and marginal loss charges by MISO Midcontinent Independent System Operator ("MISO") or any other applicable Regional Transmission Organization ("RTO"), an appropriate allocation of AMP's energy control center, metering and other common costs of AMP reasonably allocable to the Waste Heat Power Agreement in the rates set forth on Exhibit A ("Rate Adjustment"). This creates a Project Energy Rate for the 2027 Waste Heat Energy Schedule consisting of the charges in Exhibit A as adjusted as set forth in this Section 6 (see Exhibit E – Example Project Energy Rate Calculation). The Municipality shall also be responsible for any additional ancillary service, congestion or marginal loss charges to its Secondary Delivery Point.

C. In addition to the other compensation to be paid to AMP pursuant to this 2027 Waste Heat Energy Schedule, Municipality shall also pay the AMP Energy Control Center Charge and the Service Fee B specified in the MSA (currently at a rate of \$0.00058 / kWh for Service Fee B).

SECTION 7 – INSTALLED CAPACITY CREDIT

Municipality will receive a pro-rata share of the net available Installed Capacity/PRA credits/charges (if any) from MISO.

SECTION 8 –ENVIRONMENTAL ATTRIBUTES

All Environmental Attributes available to AMP under the Waste Heat Power Agreement **will** be monetized by AMP at Municipality's direction and credited *pro rata*, to the Municipality. Such *pro rata* amounts to be determined by multiplying the Municipality's percentage Contract Amount times the actual Environmental Attributes available to AMP from time to time under the Waste Heat Power Agreement. Alternatively, in the event that Municipality wishes to represent the energy supplied hereunder as "renewable," at the written direction of Municipality, AMP may directly credit or retire the Environmental Attributes upon Municipality's direction through submission of the form in Exhibit C. Municipality may change its election at any point during the Term by providing written notice to AMP through the form in Exhibit C.

IN WITNESS WHEREOF, the Parties understand and agree to the terms and conditions contained herein and agree to be bound thereby.

CITY OF HILLSDALE, MICHIGAN

AMERICAN MUNICIPAL POWER, INC.

BY: _____

NAME: _____

TITLE: _____

DATE: _____

APPROVED AS TO FORM:

BY: _____

Municipality's Legal Counsel

BY: _____

Jolene M. Thompson

President/CEO

DATE: _____

APPROVED AS TO FORM:

BY: _____

Lisa G. McAlister

SVP and General Counsel

EXHIBIT A

RATE SCHEDULE for WASTE HEAT ENERGY*

Contract Price*:

2027:	\$68.50 / MWh
2028:	\$69.87 / MWh
2029:	\$71.27 / MWh
2030:	\$72.69 / MWh
2031:	\$74.15 / MWh
2032:	\$75.63 / MWh
2033:	\$77.14 / MWh
2034:	\$78.68 / MWh
2035:	\$80.26 / MWh
2036:	\$81.86 / MWh
2037:	\$83.50 / MWh
2038:	\$85.17 / MWh
2039:	\$86.87 / MWh
2040:	\$88.61 / MWh
2041:	\$90.38 / MWh
2042:	\$92.19 / MWh

*Reflects only those amounts that AMP will pay to Tallgrass. Service fees, or other applicable charges will have to be supplied and added.

EXHIBIT B

Capacity Schedule

	<u>kW</u>	<u>%</u>
Amount Of Total Capacity Under Waste Heat Agreements	9,840	100%
Contract Amount of Municipality's Capacity	2,340	23.8%

EXHIBIT C

Environmental Attributes

Form is needed to be completed in the event of a change in the Municipality's election. In the event that a form is not submitted, then AMP will sell Municipality's pro-rata share of Environmental Attributes and return proceeds of sale to Municipality.

For the years 2027 through 2042 plus any Extended Term, Municipality elects the following actions be taken in regard of the Municipality's pro-rata share of Environmental Attributes available under the Waste Heat Power Agreement:

_____ For the period _____ Municipality requests that AMP credit Municipality's pro-rata share of Environmental Attributes to Municipality's MISO MRETS or its successor account.

_____ For the period _____ Municipality requests that AMP sell Municipality's pro-rata share of Environmental Attributes and return proceeds of sale to Municipality.

CITY OF HILLSDALE, MICHIGAN

SIGNED BY: _____

DATE: _____

EXHIBIT D

SECONDARY DELIVERY POINTS

[TO COME]

EXHIBIT E

EXAMPLE 2027 WASTE HEAT SCHEDULE RATE CALCULATION

2027 Example Rate

Base Energy, Capacity and Environmental Attributes Rate = \$68.50 / MWh

MISO Charges = \$1.00 / MWh (estimated)

AMP Energy Control Center charge = \$0.65 / MWh (estimated)

Sale of RECs = (\$3.00 / MWh) (estimated)

Final Project Energy Rate (example) - \$67.15 / MWh

Service Fee B = \$0.58 / MWh

**TALLGRASS WASTE HEAT ENERGY SCHEDULE
RELATED AGREEMENT**

**SUPPLEMENT TO THE 2027 WASTE HEAT ENERGY SCHEDULE
BY AND BETWEEN
AMERICAN MUNICIPAL POWER, INC.
AND
CITY OF HILLSDALE, MICHIGAN
AND ITS AGENT,
MICHIGAN SOUTH CENTRAL POWER AGENCY**

THIS SUPPLEMENT TO THE 2027 WASTE HEAT ENERGY SCHEDULE (the “Supplement”), dated as of _____, 2025 relates to the 2027 Waste Heat Energy Schedule (the “Schedule” and together with this Supplement, the “Contract”) regarding the AMP Tallgrass Hoosier Community Power, LLC waste heat Purchase Agreements (“Tallgrass PPA”), dated as of July 16, 2025 and is made and entered into among American Municipal Power, Inc. (“AMP”) an Ohio corporation not for profit, on the one hand, and the City of Hillsdale, Michigan (the “Member”) and the Michigan South Central Power Agency (hereinafter “MSCPA”), a public body politic and corporate organized and existing under Act 448, Public Acts of Michigan, 1976, as amended, as agent for the Member, on the other hand.

WITNESSETH:

WHEREAS, AMP and the Member have entered into the Schedule relating to the sale by AMP and the purchase by the Member of power, energy and environmental attributes from the Tallgrass Hoosier waste heat power project (“Project”), and other sources; and

WHEREAS, the Member is a member of MSCPA and coordinates with, and receives all of its power supply needs from, MSCPA; and

WHEREAS, the Member and the Cities of Marshall and Coldwater and the Village of Clinton, each of which is a political subdivision of the State of Michigan (the “MSCPA Municipalities”), have established and entered into contracts with MSCPA to allow the MSCPA Municipalities to manage risks and to more economically arrange for the purchase and transmission of reliable power supply; and

TALLGRASS WASTE HEAT ENERGY SCHEDULE RELATED AGREEMENT

WHEREAS, this Supplement to the Schedule is a Related Agreement:

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and among the parties hereto as follows:

SECTION 1. Definitions and Explanations of Terms. As used herein all capitalized terms not defined herein shall have the meanings ascribed thereto in the Schedule.

SECTION 2. MSCPA as Agent for the Member. This Supplement, and a similar Supplement with the other MSCPA Municipalities, shall be entered into by AMP, each respective MSCPA Municipality and MSCPA, as agent for the MSCPA Municipalities. The Member hereby appoints, for the duration of the term of the Schedule, MSCPA as its agent for purposes of exercising and performing all of its rights, duties and obligations thereunder. In furtherance of the same, MSCPA shall exercise and perform all rights, duties and obligations of the Member under the Schedule, including but not limited to, the right to receive power and energy, the right to designate Points of Delivery and Secondary Points of Delivery, the right to direct AMP with respect to sales of power and energy on behalf of the Member, and the obligation to pay all Service Fees, Rates and Charges and other amounts owing thereunder by the Member. The Schedule is not intended to supersede the provisions of the contractual arrangements between the Member and MSCPA with respect to the obligation of MSCPA to provide, and of the Member to purchase from MSCPA, all of the Member's bulk power needs. In the event AMP fails to receive any payment when due from MSCPA under the Schedule, AMP shall immediately notify MSCPA and the Member of such failure, and shall immediately send an invoice to Member showing its share of any payment which AMP has failed to receive, and Member shall promptly pay, but only from the sources and with the priority specified in the Schedule, such share of the unpaid amounts; provided, however, that neither failure of AMP to send, nor of Member or of MSCPA to receive, such notice or invoice shall relieve Member of its obligation to make any payments required under the Schedule.

TALLGRASS WASTE HEAT ENERGY SCHEDULE RELATED AGREEMENT

Notwithstanding anything in the preceding paragraph, (i) no amendment to the Schedule be effective without the authorized signature of each of the Member and MSCPA, and (ii) in the event that each of MSCPA and the Member execute and deliver to AMP a Notice of Termination of Agency terminating the agency relationship established hereunder between MSCPA and the Member, thereafter the Member shall exercise and perform, for and on its own behalf, all of its rights, duties and obligations under the Schedule, and MSCPA shall be released from any duties and obligations thereunder.

SECTION 3. Source of Payments by MSCPA. The payment obligations of MSCPA under the Schedule are in accordance with the provisions of the Schedule, and MSCPA's obligations are payable solely from those revenues of its system established for the provision of power and energy to the MSCPA Municipalities, which revenues are paid to MSCPA by the Member and the other MSCPA Municipalities therefor.

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to the Tallgrass Waste Heat Energy Schedule to be executed by their proper officers respectively, being thereunto duly authorized, and their respective corporate seals, if any, to be hereto affixed.

AMERICAN MUNICIPAL POWER, INC.

By _____
Jolene M. Thompson
President/CEO

Approved as to form:

Lisa G. McAlister
SVP and General Counsel

**TALLGRASS WASTE HEAT ENERGY SCHEDULE
RELATED AGREEMENT**

CITY OF HILLSDALE, MICHIGAN

Title:

Approved as to form:

Title:

MICHIGAN SOUTH CENTRAL POWER AGENCY

Pamala M. Sullivan
Title: General Manager

Approved as to form:
Miller, Canfield, Paddock and Stone, P.L.C., General Counsel

Steven D. Mann

City of Hillsdale

Agenda Item Summary

Meeting Date: November 17, 2025

Agenda Item: New Business

SUBJECT: Kearsarge Solar Project (may be closed session pursuant to Section 8(h) of PA 267 of 1976 to consider material exempt from discussion or disclosure by state or federal statute)

BACKGROUND PROVIDED BY: David Mackie, City Manager / BPU Director

Kearsarge Solar is a seven location solar energy project located in Michigan and connected to Consumers Energy's distribution system. It's recommended by American Municipal Power (AMP) that Hillsdale take up to 8.10 MWs of energy and capacity from the project to add to our energy portfolio.

Attached is the resolution authorizing the Kearsarge Solar power purchase agreement (PPA), the associated energy schedule and MSCPA's Supplemental Agreement.

RECOMMENDATION:

Discuss the Kearsarge Solar project and approve the attached documents to participate in the PPA.

CITY OF HILLSDALE, MICHIGAN

RESOLUTION NO. _____

**TO APPROVE THE FORM AND AUTHORIZE THE EXECUTION OF
KEARSARGE SOLAR SCHEDULE WITH
AMERICAN MUNICIPAL POWER, INC.
AND TAKING OF OTHER ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the City of Hillsdale, Michigan ("Municipality") owns and operates an electric utility system for the sale of electric capacity and associated energy for the benefit of its customers; and

WHEREAS, in order to satisfy the electric capacity and energy requirements of its electric utility system, Municipality has heretofore purchased, or desires to purchase in the future, economical, reliable and environmentally sound capacity and energy and related services from, or arranged by, American Municipal Power, Inc. ("AMP"), of which Municipality is a Member; and

WHEREAS, AMP is a nonprofit corporation, organized to own and operate facilities, or to provide otherwise, for the generation, transmission or distribution of electric capacity and energy, or any combination thereof, and to furnish technical services on a cooperative, nonprofit basis, for the mutual benefit of AMP members ("Members"), such Members, including Municipality, being political subdivisions that operate, or whose members operate, municipal electric utility systems; and

WHEREAS, Municipality, acting individually, and through AMP with other political subdivisions of this and other states that own and operate electric utility systems jointly, endeavors to arrange for reliable, environmentally sound and reasonably priced supplies of electric capacity and energy and related services for ultimate delivery to its customers; and

WHEREAS, it is efficient and economical to act jointly in such regard; and

WHEREAS, Municipality has previously entered into a Master Services Agreement with AMP, AMP Contract No. C-12-2005-4628 (the "MSA"), which contemplates that Municipality may enter into various schedules for the provision of capacity and associated energy and related services from AMP to Municipality; and

WHEREAS, certain Members, including Municipality, have determined that they can utilize additional sources of reliable and economical solar-generated electric capacity and energy on a long-term basis, and have requested that AMP arrange for the same by acquiring interests through a purchased power agreement ("PPA") in certain solar energy facilities; and

WHEREAS, in furtherance of this purpose, AMP has entered into one or more purchase power agreements (collectively, the "Kearsarge Solar PPAs") with Kearsarge Solar LLC (collectively, the "Developer") under the terms of which AMP will purchase and Developer will supply and sell up to 27.35 MWac of capacity and associated energy and environmental attributes from the Kearsarge solar generation projects located in Vienna Township, Sage Township, Sherman Township, Hay Township, Eaton Rapids, Barry, and Sherwood, Michigan (collectively, "Kearsarge Michigan Solar Project") for a period of up to twenty (20) years plus 3 five-year extension options or thirty-five (35) years total; and

WHEREAS, it is necessary and desirable for Municipality to enter into a schedule to the MSA to provide for an additional source of capacity, energy and environmental attributes; and

WHEREAS, through approval and execution of the Kearsarge Solar Schedule authorized below, AMP is authorized to acquire capacity, energy and environmental attributes through the Kearsarge Solar PPAs; and

WHEREAS, prior to the adoption of this Resolution AMP has (i) informed Municipality of the terms of the Kearsarge Solar Schedule; (ii) provided Municipality the opportunity to review the final form or anticipated form of the Kearsarge Solar PPAs; and (iii) offered representatives of Municipality the opportunity to ask such questions, review data and reports, conduct inspections and otherwise perform such investigations with respect to, as applicable, the acquisition of capacity, environmental attributes and energy and the terms and conditions of the Kearsarge Solar Schedule authorized below as Municipality deems necessary or appropriate in connection herewith; and

WHEREAS, after due consideration, Municipality has determined it is reasonable and in its best interests to proceed as authorized herein below and requests and authorizes AMP to acquire capacity and energy from the Developer upon the terms and conditions set forth in the Kearsarge Solar PPAs.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HILLSDALE, MICHIGAN:

SECTION 1. That the Kearsarge Solar Schedule between Municipality and AMP, substantially in the form attached hereto or on file with the Clerk, including Exhibits thereto, is approved, and the Authorized Representative of Municipality, identified below, is hereby authorized to execute and deliver the Kearsarge Solar Schedule with such changes as the Authorized Representative may approve as neither inconsistent with this Resolution nor materially detrimental to the Municipality, his or her execution of the Kearsarge Solar Schedule to be conclusive evidence of such approval. For purposes of this Resolution, Municipality's Authorized Representative is: David Mackie.

SECTION 2. That the Authorized Representative is hereby authorized to (i) acquire under the Kearsarge Solar Schedule, authorized above, a Contract Amount as defined in that Schedule of up to 8,100 kW, without bid, and (ii) make any determinations and approvals required thereunder, if any, as the Authorized Representative shall deem necessary and advisable.

SECTION 3. If any section, subsection, paragraph, clause or provision or any part thereof of this Resolution shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Resolution shall be unaffected by such adjudication and all the remaining provisions of this Resolution shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

SECTION 4. That this Resolution shall take effect at the earliest date allowed by law.

SECTION 5. That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Resolution were taken in conformance with applicable open meetings laws and that all deliberations of this Council and of any committees that resulted in those formal actions were in compliance with all legal requirements including any applicable open meetings requirements.

RESOLUTION DECLARED ADOPTED.

PASSED IN OPEN COUNCIL MEETING THIS DAY, 17th DAY OF NOVEMBER 2025.

Scott Sessions, Mayor

Katy Price, City Clerk

**HILLSDALE, MICHIGAN
SOLAR ENERGY SCHEDULE TO
AMERICAN MUNICIPAL POWER, INC.
AND
HILLSDALE, MICHIGAN**

**MASTER SERVICES AGREEMENT
(AMP CONTRACT NO. C-12-2005-4628)**

WHEREAS, Hillsdale, Michigan ("Municipality") and American Municipal Power, Inc., ("AMP") have entered into a Master Services Agreement ("MSA") under which certain services may be provided, pursuant to schedules entered into between Municipality and AMP; and

WHEREAS, AMP has negotiated and executed one or more Power Purchase Agreements between AMP and Kearsarge Solar LLC ("Developer") (collectively, the "Kearsarge Solar PPAs") under the terms of which AMP is to purchase and Developer is to supply and sell up to approximately 27.35 MWac of capacity and associated energy from one or more solar generation projects for a period of twenty (20) years located with the MISO footprint and subject to 3 five-year Extended Terms at AMP's option; and

WHEREAS, the Kearsarge Solar PPAs provide, among other things, significant opportunities for the Municipality to receive from AMP reliable, economic, solar-generated renewable, capacity, energy and renewable attributes through this schedule to the MSA (the "Solar Energy Schedule").

SECTION 1 - TERM

The term of this Solar Energy Schedule shall be effective as of the Commercial Operation Date of the Kearsarge Solar PPAs (expected to be 2026/2027) as defined therein and shall thereafter be coterminous with the same, which is a twenty (20) year term; provided, however, that Municipality's obligation to purchase and AMP's obligation to deliver capacity, energy and renewable attributes pursuant to this Solar Energy Schedule are both contingent on Developer's performance pursuant to the Kearsarge Solar PPAs.

SECTION 2 - SERVICES

AMP agrees to procure as Seller, pursuant to (and its obligations hereunder are specifically dependent upon) the Kearsarge Solar PPAs, output up to approximately 27.35 MWac of capacity, associated energy ("MWh"), and renewable attributes for the benefit of the Municipality (the "Contract Amount"). Municipality agrees to take and pay for such capacity, energy and renewable attributes on a *pro rata* basis where and as available pursuant to the Kearsarge Solar PPAs. Such *pro rata* amounts to be determined by multiplying the Municipality's percentage Contract Amount, as set forth on Exhibit B hereto,

times the actual capacity and energy available from time to time under the Kearsarge Solar PPAs.

SECTION 3 - DELIVERY POINTS

The Delivery Points for this Solar Energy Schedule shall be the "Delivery Point" as defined in each Kearsarge Solar PPA - unless the same is modified in writing by the parties. The Delivery Points will be within the MISO footprint. There may also be a Secondary Delivery Point, or Points of Delivery. Municipality may change the Secondary Delivery Point(s) set forth on Exhibit D with AMP's consent, such consent not to be unreasonably withheld, provided that transmission to any modified Secondary Delivery Point shall be pursuant to appropriate Federal Energy Regulatory Commission ("FERC") tariffs at Municipality's expense, including the costs of any/all required ancillary services.

SECTION 4 - SCHEDULING

A. AMP shall cooperate with the Municipality to schedule the capacity and energy to a Delivery Point as directed by the Municipality.

B. Notwithstanding any other provision of this Solar Energy Schedule and the MSA, Municipality shall, when available, take and pay for the solar-generated capacity and energy.

SECTION 5 - DEPENDENCE ON KEARSARGE SOLAR PPAs

Municipality recognizes that AMP's ability to supply solar-generated capacity, energy and renewable attributes under this Solar Energy Schedule is dependent upon AMP's ability to arrange for the same pursuant to the Kearsarge Solar PPAs. Additionally, Municipality recognizes that AMP entered into the Kearsarge Solar PPAs primarily for the benefit of Municipality and the other Members of AMP and that AMP, pursuant to the Kearsarge Solar PPAs, has certain rights as well as certain obligations. Accordingly, Municipality warrants to cooperate with AMP in such a manner as to facilitate AMP's performance of its obligations thereunder and releases AMP from any liability due to Developer's failure to perform.

SECTION 6 - RATES, CHARGES AND BILLING

A. Capacity, energy and Environmental Attributes made available pursuant to this Solar Energy Schedule shall be charged at the base rates specified in the Kearsarge Solar PPAs (such rate to be less than \$80.00/MWh for the Initial Term) for the term of the Kearsarge Solar PPAs as shown on Exhibit A and the costs set forth in Sections 6 (B) and (C) hereof, and the Capacity and Energy Rate Schedules as the same may be modified by AMP from time to time and pursuant to the billing provisions herein and in the MSA;

B. The net of the following costs shall be included as a component of a uniform rate adjustment to be charged hereunder for energy delivered or made available to

Municipality: any ancillary service, congestion and marginal loss charges by MISO or any other applicable Regional Transmission Organization (“RTO”), an appropriate allocation of AMP’s energy control center, metering and other common costs of AMP reasonably allocable to the Solar PPA in the rates set forth on Exhibit A (“Rate Adjustment”). This creates a Project Energy Rate for the Solar Energy Schedule consisting of the charges in Exhibit A as adjusted as set forth in this Section 6 (see Exhibit E – Example Project Energy Rate Calculation). The Municipality shall also be responsible for any additional ancillary service, congestion or marginal loss charges to its Secondary Delivery Point.

C. In addition to the other compensation to be paid to AMP pursuant to this Solar Energy Schedule, Municipality shall also pay the AMP Energy Control Center Charge and the Service Fee B specified in the MSA (currently at a rate of \$0.58/ MWh for Service Fee B).

SECTION 7 – INSTALLED CAPACITY CREDIT

Municipality will receive a pro-rata share of the net available Installed Capacity/RPM credits/charges (if any) from the RTO where the Solar Project is located.

SECTION 8 – RENEWABLE ENERGY CREDITS

All Environmental Attributes available to AMP under the Kearsarge Solar PPAs may be monetized by AMP at Municipality’s direction and credited *pro rata*, to the Municipality. Such *pro rata* amounts to be determined by multiplying the Municipality’s percentage Contract Amount times the actual Environmental Attributes available to AMP from time to time under the Kearsarge Solar PPAs. Alternatively, in the event that Municipality wishes to represent the energy supplied hereunder as “renewable, at the direction of Municipality, AMP may directly credit or retire the Environmental Attributes or like environmental credits.

Municipality’s election of actions to be taken in regard to Municipality’s pro rata share of the Environmental Attributes shall be shown on Exhibit C. Municipality may change its election at any point during the Term by providing written notice to AMP.

CITY OF HILLSDALE, MICHIGAN

BY: _____

TITLE: _____

DATE:

APPROVED AS TO FORM:

Municipality’s Legal Counsel

AMERICAN MUNICIPAL POWER, INC.

BY: _____

Jolene M. Thompson
President/CEO

DATE: _____

APPROVED AS TO FORM:

BY: _____
Lisa G. McAlister
SVP and General Counsel

EXHIBIT A**RATE SCHEDULE for SOLAR ENERGY***

Start Date	End Date	Price (\$/MWh)*
Contract Year 1	Contract Year 20	\$80/MWh
Extended Term Contract Year 21	Extended Term Contract Year 25	\$90/MWh
Extended Term Contract Year 26	Extended Term Contract Year 30	\$100/MWh
Extended Term Contract Year 31	Extended Term Contract Year 35	\$110/MWh

*Reflects only those amounts that AMP will pay to Developer. Service fees, or other applicable charges will have to be supplied and added.

EXHIBIT B**Capacity Schedule**

<u>Member</u>	<u>kW</u>	<u>%</u>
Coldwater	14,600	53.4%
Marshall	4,290	15.7%
Hillsdale	8,100	29.6%
Clinton	360	1.3%
Total Amount of Capacity Under Kearsarge Solar PPAs (up to)	Up to 27,350	100%

EXHIBIT C

Environmental Attributes

For the years 20_____ through 20_____, Municipality elects the following actions be taken in regard of the Municipality's pro-rata share of Environmental Attributes available under the Kearsarge Solar PPAs:

_____ Municipality requests that AMP sell Municipality's pro-rata share of Environmental Attributes and return proceeds of sale to Municipality.

_____ Municipality requests that AMP credit Municipality's pro-rata share of Environmental Attributes to Municipality's MISO MRETS account.

EXHIBIT D

SECONDARY DELIVERY POINTS

[TO COME]

EXHIBIT E

EXAMPLE 2025 SOLAR SCHEDULE RATE CALCULATION

2025 Example Rate

Base Energy, Capacity and Environmental Attributes Rate = \$80.00 / MWh

MISO Operating Reserves = \$0.50 / MWh

AMP Energy Control Center Charge = \$0.20/MWh

Service Fee B = \$0.58/ MWh

Final Project Energy Rate (example) - \$81.28 / MWh

4933-2487-9989, v. 2

**KEARSARGE SOLAR SCHEDULE
RELATED AGREEMENT**

**SUPPLEMENT TO THE KEARSARGE SOLAR SCHEDULE
BY AND BETWEEN
AMERICAN MUNICIPAL POWER, INC.
AND
CITY OF HILLSDALE, MICHIGAN
AND ITS AGENT,
MICHIGAN SOUTH CENTRAL POWER AGENCY**

THIS SUPPLEMENT TO THE KEARSARGE SOLAR SCHEDULE (the "Supplement"), dated as of _____, 20__ relates to the Kearsarge Solar Schedule (the "Schedule" and together with this Supplement, the "Contract") regarding the AMP Kearsarge Power Purchase Agreements ("Kearsarge Solar PPAs"), dated as of _____, 20__ and is made and entered into among American Municipal Power, Inc. ("AMP") an Ohio corporation not for profit, on the one hand, and the City of Hillsdale, Michigan (the "Member") and the Michigan South Central Power Agency (hereinafter "MSCPA"), a public body politic and corporate organized and existing under Act 448, Public Acts of Michigan, 1976, as amended, as agent for the Member, on the other hand.

WITNESSETH:

WHEREAS, AMP and the Member have entered into the Schedule relating to the sale by AMP and the purchase by the Member of power, energy and environmental attributes from the Kearsarge Solar Project ("Project"), and other sources; and

WHEREAS, the Member is a member of MSCPA and coordinates with, and receives all of its power supply needs from, MSCPA; and

WHEREAS, the Member and the Cities of Marshall, Coldwater and the Village of Clinton, each of which is a political subdivision of the State of Michigan (the "MSCPA Municipalities"), have established and entered into contracts with MSCPA to allow the MSCPA Municipalities to manage risks and to more economically arrange for the purchase and transmission of reliable power supply; and

KEARSARGE SOLAR SCHEDULE RELATED AGREEMENT

WHEREAS, this Supplement to the Schedule is a Related Agreement:

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and among the parties hereto as follows:

SECTION 1. Definitions and Explanations of Terms. As used herein all capitalized terms not defined herein shall have the meanings ascribed thereto in the Schedule.

SECTION 2. MSCPA as Agent for the Member. This Supplement, and a similar Supplement with the other MSCPA Municipalities, shall be entered into by AMP, each respective MSCPA Municipality and MSCPA, as agent for the MSCPA Municipalities. The Member hereby appoints, for the duration of the term of the Schedule, MSCPA as its agent for purposes of exercising and performing all of its rights, duties and obligations thereunder. In furtherance of the same, MSCPA shall exercise and perform all rights, duties and obligations of the Member under the Schedule, including but not limited to, the right to receive power and energy, the right to designate Points of Delivery and Secondary Points of Delivery, the right to direct AMP with respect to sales of power and energy on behalf of the Member, and the obligation to pay all Service Fees, Rates and Charges and other amounts owing thereunder by the Member. The Schedule is not intended to supersede the provisions of the contractual arrangements between the Member and MSCPA with respect to the obligation of MSCPA to provide, and of the Member to purchase from MSCPA, all of the Member's bulk power needs. In the event AMP fails to receive any payment when due from MSCPA under the Schedule, AMP shall immediately notify MSCPA and the Member of such failure, and shall immediately send an invoice to Member showing its share of any payment which AMP has failed to receive, and Member shall promptly pay, but only from the sources and with the priority specified in the Schedule, such share of the unpaid amounts; provided, however, that neither failure of AMP to send, nor of Member or of MSCPA to receive, such notice or invoice shall relieve Member of its obligation to make any payments required under the Schedule.

KEARSARGE SOLAR SCHEDULE RELATED AGREEMENT

Notwithstanding anything in the preceding paragraph, (i) no amendment to the Schedule be effective without the authorized signature of each of the Member and MSCPA, and (ii) in the event that each of MSCPA and the Member execute and deliver to AMP a Notice of Termination of Agency terminating the agency relationship established hereunder between MSCPA and the Member, thereafter the Member shall exercise and perform, for and on its own behalf, all of its rights, duties and obligations under the Schedule, and MSCPA shall be released from any duties and obligations thereunder.

SECTION 3. Source of Payments by MSCPA. The payment obligations of MSCPA under the Schedule are in accordance with the provisions of the Schedule, and MSCPA's obligations are payable solely from those revenues of its system established for the provision of power and energy to the MSCPA Municipalities, which revenues are paid to MSCPA by the Member and the other MSCPA Municipalities therefor.

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to the Kearsarge Solar Schedule to be executed by their proper officers respectively, being thereunto duly authorized, and their respective corporate seals, if any, to be hereto affixed.

AMERICAN MUNICIPAL POWER, INC.

By _____
Jolene M. Thompson
President/CEO

Approved as to form:

Lisa G. McAlister
SVP and General Counsel

CITY OF HILLSDALE, MICHIGAN

Title:

**KEARSARGE SOLAR SCHEDULE
RELATED AGREEMENT**

Approved as to form:

City Law Director

MICHIGAN SOUTH CENTRAL POWER AGENCY

Pamala M. Sullivan
Title: General Manager

Approved as to form:
Miller, Canfield, Paddock and Stone, P.L.C., General Counsel

Steven D. Mann



Hillsdale Housing Commission

45 N. West Street Hillsdale, MI 49242

Phone: (517) 439-1210 Fax: (517) 439-9577

www.hillsdalehousing.org

Application for the Hillsdale Housing Commission

Name: Cami Emerson

Have you ever lived
at Hilltop?

No

Address:

Apt. #:

City: Brooklyn

How long have you
lived in Hillsdale?

N/A

State: MI

Zip: 49230

Phone:

Why do you want to be a Commissioner?

I work for WellWise Services Area Agency on Aging in the Community Transition Services (CTS) program. In this role I work closely with low-income participants to help them secure safe, affordable housing in our three-county region along with connecting them to long-term services and supports. I understand firsthand how critical affordable housing is to the health and well-being of older adults and adults with disabilities.

The Hillsdale Housing Commission plays a vital role in providing housing security to older adults and adults with disabilities in the Hillsdale community. Joining the Commission would allow me to advocate for residents, help connect residents to long-term services and supports, and contribute to the sustainability of affordable housing in Hillsdale. Thank you for your consideration.

Have you ever served on a volunteer board or commission before? ☐ Yes ☒ No

If "Yes" to above, please describe your previous board experience, including approximate dates of service.

Please return this completed form to the Hillsdale Housing Commission Administrative Office by:

Tuesday Oct. 21, 2025

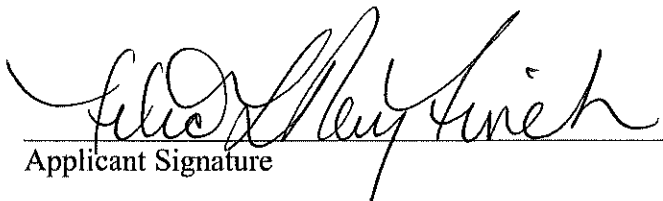
Describe any previous activities related to government: Served on TIFA recently

Please explain why you would be interested in serving on the council or committee: Resume position on TIFA
involvement in community

Please explain your understanding of the City of Hillsdale:
City manager, mayor, Council, Boards,
Served on TIFA prior

Additional comments: stepped down due to MLCC
Dawn Theater liquor license transfer

Please send your completed application to City of Hillsdale, City Manager at 97 North Broad Street, Hillsdale, MI 49242.


Applicant Signature

11-3-25
Date

Describe any previous activities related to government: _____

TIFA -- 11 prior years on the board and chaired for 10 of those years

BPU -- Served for 5 years

ZBA -- Prior chair

Please explain why you would be interested in serving on the council or committee: _____

I'm passionate about having a thriving downtown Hillsdale and making the investments we need to make that a reality.

Please explain your understanding of the City of Hillsdale:

I've lived in Hillsdale all but six years of my life and have served extensively on municipal boards. Hillsdale is a great community to live, work and raise a family.

Additional comments: _____

Please send your completed application to City of Hillsdale, City Manager at 97 North Broad Street, Hillsdale, MI 49242.

Christopher Sumnar

Applicant Signature

11/7/25

Date