

**VILLAGE OF NEWBERRY
WATER AND LIGHT BOARD MEETING
Tuesday, February 13, 2018
Meeting Location: 302 East McMillan Ave
Meeting Time: 5:30 p.m.**

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. APPROVAL OF AGENDA

5. APPROVAL OF MINUTES

1. Water and Light Board Meeting – Regular Session – Tuesday, January 9, 2018 at 5:30 p.m.

6. WATER AND LIGHT CHAIRPERSON ANNOUNCEMENTS

1. Moment of Silence for Mrs. Johnson

7. SUBMISSION OF BILLS AND FINANCIAL UPDATES

1. Water & Light – Monthly Bills – January n2018

582	Electric Fund		\$139,930.24
591	Water Fund		\$4,959.69
		Total:	\$144,889.93
582	Christmas Lights Fund – as of 2/13/2018		\$16,116.82

2. Water & Light – Cash Balance – December 2017

8. PUBLIC COMMENTS ON AGENDA ITEMS – Prior to consideration of official business, citizens may speak to a subject on today's agenda. Please limit comments to 3 minutes.

1. Letter from Eric Buckler

9. PETITIONS AND COMMUNICATIONS – Communications addressed to the Water and Light Board are distributed to all members and are acknowledged for information, or are referred to a committee or staff for follow-up.

1. Letter from Miller, Canfield, Paddock and Stone, P.L.C.

10. INTRODUCTION AND ADOPTION OF ORDINANCES AND RESOLUTIONS

1. None

11. REPORTS OF VILLAGE MANAGEMENT – The Village Manager, Assistant Village Manager, and Superintendent of Water and Light may submit reports or information to the Water and Light Board as updates and consideration.

1. Village Manager
 - a. Letter Submitted to USDA for 2017 Year-End Reporting
2. Assistant Village Manager
3. Superintendent of Water and Light

12. REPORTS OF COMMITTEES

1. None Prescheduled

13. UNFINISHED BUSINESS

1. None Prescheduled

14. NEW BUSINESS

1. None Prescheduled

15. PUBLIC COMMENTS – At the conclusion of the official business and public hearings, the agenda provides for public comment on any other matters citizens may wish to bring to the attention of the Water and Light Board. Please limit comments to 3 minutes as per General Village Law.

16. COMMENTS BY BOARD MEMBERS

17. ADJOURNMENT - REGULAR SESSION

NEWBERRY WATER & LIGHT BOARD
REGULAR MEETING MINUTES
January 9, 2018

Present: Chairman Medelis, Brown, Johnson, Vincent.

Absent: Feldhusen. (Feldhusen arrives at 5:35 p.m.)

Also Present: Superintendent - Perry, Assistant Village Manager - Vallad, Village Manager - James-Mesloh, Director of Human Resources & Community Engagement - Watkins, Clerk - Schummer, Mike Schnorr, E. Buckler, Don Jones, Steve Stiffler.

Call to Order: Chairman Medelis called the meeting to order at 5:30 p.m. at the Village of Newberry Offices, 302 East McMillan Avenue, followed by the Pledge of Allegiance.

Approval of Agenda: Moved by Johnson, support by Vincent, **CARRIED**, to approve agenda as submitted. Ayes: All. Absent: Feldhusen.

Minutes: Moved by Johnson, support by Brown, **CARRIED**, to approve the December 12, 2017, regular meeting minutes as written. Ayes: All. Absent: Feldhusen.

Water and Light Chairperson Announcements: The Chairman voiced his opinion regarding a Facebook page directed at the Village of Newberry.

Board member Feldhusen arrives – 5:35 p.m.

Submission of Bills and Financial Updates:

A.) Water & Light Monthly Bills – December 2017: Motion by Vincent, support by Johnson, **CARRIED**, to approve payment of the Electric Fund in the amount of \$191,944.29. Discussion followed. Ayes: All. Motion by Vincent, support by Brown, **CARRIED**, to pay the Water Fund in the amount of \$1,410.33. Discussion followed. Ayes: All.

B.) Christmas Lights Fund is currently at \$14,973.33. Discussion followed.

C.) Water & Light – Cash Balance – November 31, 2017, was reviewed.

Public Comments on Agenda Items: Comment was heard from: E. Buckler – 412 W. Ave. C.

Petitions and Communications: None.

Introduction and Adoption of Ordinances and Resolutions: None

Reports of Village Management:

Village Manager: James-Mesloh gave a verbal report.

Assistant Village Manager: Vallad gave a verbal report.

Superintendent of Water and Light: Perry gave a written as well as a verbal report.

Unfinished Business: None.

New Business: None

Public Comment: Comments were heard from: Don Jones – 514 E. Ave. B, E. Buckler – 412 W. Ave. C., Mike Schnorr – 306 E. Truman.

Comments by Board Members: Comment heard from: Johnson.

ADJOURNMENT: Motion by Brown, support by Feldhusen, **CARRIED**, to adjourn meeting at 6:08 p.m. Ayes: All.

These minutes are unapproved until voted on at the next meeting.

Terese Schummer, Clerk

Charles Medelis, Chairperson

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
		VERIZON	H-MAC SYSTEMS INC-BR HEATE	24.02
			450-0919 LINEMAN	53.34
		WEX BANK - SPEEDWAY UNIVERSAL	291-0608 SUPERINTENDENT	53.34
			ELECTRIC FUEL FOR DEC	341.67
			TOTAL:	517.88
POWER	ELECTRIC FUND	CLOVERLAND ELECTRIC CO-OP	JANUARY 2018 HYDRO BILLING	5,064.28
		CMS ENERGY RESOURCE MGT	1371.128 HYDRO BILL JAN 20	107,467.68
			TOTAL:	112,531.96
ENERGY OPTIMIZATION	ELECTRIC FUND	MECA	WECC MONTHLY IMP, MKT, INC	2,249.80
			TOTAL:	2,249.80
WATER SYSTEM	WATER FUND	DSTECH	MONITOR BACK OF SERVER	7.50
			ADDITIONAL GB STORAGE	63.82
			11-MICROSOFT OFFICE 365	80.75
			9-MONITORING, ANTIVIRUS	22.46
			1-MICROSOFT EXCHANGE	1.75
			REMOTE MONITORING W/PATCH	17.47
			W&L COMPUTER REPAIR	97.63
		NORTHERN CREDIT BUREAU	D BURKE #30093016	46.54
		FOSTER'S ACE HARDWARE	SNOWSCRAPER	7.99
			RAGS IN A BOX	9.99
			POOL/SPA TEST STRIPS	19.98
		GREAT LAKES FIRE & SAFETY EQUIPMENT	20# EXT-HYDRO & TESTED	66.00
		HAWKINS INC	AZONE 15-EPA NO.7870-5	81.90
		LYNN AUTO PART INC.	FT CHUCK	4.59
			SOCKET	4.69
		MICHIGAN MUNICIPAL WC FUND	PARK & TURN SIGNAL SOCKET	76.98
		NATIONAL OFFICE PRODUCTS	ELECT WORK COMP	613.93
			TAPE	11.50
			FASTENERS	12.50
			BILLING STOCK	250.65
			PAPER / TOWELS	96.49
		CORE & MAIN LP	HOSE/NOZZLE RINGS/PUMPER	1,400.91
		SONDEE, RACINE & DOREN, P.L.C.	LEGAL SERVICES FOR DEC 201	210.00
		TAHQUAMENON AREA CREDIT UNION	RAMADA-LINMAN CEU	104.94
			HEATERS	479.10
			ORANGE TO GREEN GEL PACKET	12.99
			H-MAC SYSTEMS INC-BR HEATE	24.02
			DESK CALENDARS	9.53
		USA BLUEBOOK	DPD 4 DISPENSER/3/8TUBEX3/	977.45
		WEX BANK - SPEEDWAY UNIVERSAL	WATER FUEL FOR DEC	145.64
			TOTAL:	4,959.69

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
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===== FUND TOTALS =====				
582	ELECTRIC FUND			139,930.24
591	WATER FUND			4,959.69

	GRAND TOTAL:			144,889.93

TOTAL PAGES: 3

SELECTION CRITERIA-----
SELECTION OPTIONS

VENDOR SET: 02-NEWBERRY WATER & LIGHT
VENDOR: All
CLASSIFICATION: All
BANK CODE: All
ITEM DATE: 0/00/0000 THRU 99/99/9999
ITEM AMOUNT: 99,999,999.00CR THRU 99,999,999.00
GL POST DATE: 1/31/2018 THRU 1/31/2018
CHECK DATE: 0/00/0000 THRU 99/99/9999

PAYROLL SELECTION

PAYROLL EXPENSES: NO
EXPENSE TYPE: N/A
CHECK DATE: 0/00/0000 THRU 99/99/9999

PRINT OPTIONS

PRINT DATE: None
SEQUENCE: By Department
DESCRIPTION: Distribution
GL ACCTS: NO
REPORT TITLE: W & L JAN 2018 PAYABLES
SIGNATURE LINES: 0

PACKET OPTIONS

INCLUDE REFUNDS: YES
INCLUDE OPEN ITEM:NO

G/L Account	Fund 582	Fund 583	Total Account Balance	Difference
000-001.014	16,112.72		16,112.72	27,400.90
				5.00
000-001.013 Cash	58,873.59	(31,112.04)	27,761.55	16,112.72
				350.65
				43,874.27
000-006.000 Direct Bill account	89,222.28	385,448.41	474,670.69	301,743.87
				57,685.77
				115,241.05
				474,670.69
000-003.000 Cash Investments	80,008.56	6,974.64	86,983.20	3,221.86
				75,786.70
				6,974.64
				86,983.20
TOTAL OPERATING CASH BALANCE	244,217.15	361,311.01	605,528.16	605,528.16
RESTRICTED ACCOUNTS				
004 Bond and Int Redemption 2005	-	33,309.39	33,309.39	
005 Bond and Int Redemption 2009	-	780.23	780.23	
006 Revenue Bond Reserve 2005	-	130,000.00	130,000.00	
007 Revenue Bond Reserve 2009	-	12,800.00	12,800.00	
008 Revenue Bond Reserve 2014	-	46,800.00	46,800.00	
010 Water Supply System RRI 2005	-	175,195.00	175,195.00	
011 Bond and Int Redemption 2014	-	45,096.00	45,096.00	
013 Water Supply System RRI 2014	-	443,980.62	443,980.62	
022 MISO CASH COLLATERAL	12,095.88	-	12,095.88	443,980.62
				12,095.88

First National Bank

Main Office:

P.O. Box 187 * 132 North State Street
St. Ignace, Michigan 49781
Voice: 906-643-6800 Fax: 906-643-6808

Les Cheneaux Branch

P.O. Box 177 - 192 S Meridian St.
Cedarville, MI 49719 * 906-484-2262

West Mackinac Branch

P.O. Box 142 - W11635 West U.S. 2
Naubinway, MI 49762 * 906-477-6263

Mackinac Island Branch

P.O. Box 534 - 534 Market St.
Mackinac Island, MI 49757 * 906-847-3732

Newberry Branch

P.O. Box 466 - 1014 S. Newberry Ave.
Newberry, MI 49868 * 906-293-5160

967233

NEWBERRY WATER & LIGHT BOARD
NEWBERRY SAVE THE BELLS
307 E MCMILLAN AVE
NEWBERRY MI 49868

Date 1/31/18 Page 1 of 1
ACCOUNT NUMBER

MUNICIPAL MONEY MARKET ACCOUNT NUMBER

PREVIOUS BALANCE
CREDITS TOTALING
DEBITS TOTALING
SERVICE CHARGE AMOUNT
INTEREST PAID
CURRENT STMT BALANCE

16,112.72
.00
.00
.00
4.10
16,116.82

Statement Dates 1/01/18 thru 1/31/18
DAYS IN STATEMENT PERIOD 31
AVERAGE LEDGER BAL 16,112
AVERAGE COLLECTED BAL 16,112
Interest Earned 4.10
Annual Percentage Yield Earned 0.30%
2018 Interest Paid 4.10

DEPOSITS AND OTHER CREDITS

DATE	DESCRIPTION	AMOUNT
1/31	INTEREST PAID 31 DAYS	4.10

DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE
1/01	16,112.72	1/31	16,116.82

INTEREST RATE SUMMARY

DATE	INTEREST RATE
12/31	.30%



February 6, 2018

To the Newberry Water & Light Board
Attn.: Charles Medelis, Board Chairman
301 E McMillan Ave
Newberry, MI 49868

Eric Buckler
Newberry, MI 49868

RE: Agenda Items for February 13, 2018 Regular Meeting of the Newberry Water & Light Board

Sir:

On the behalf of a number of citizens who plan to attend the upcoming W&L Board meeting (February 13, 2018), I hereby request the following items be added to meeting agenda to fully address public concerns and need for information on the following respective topics.

- 1) Asset Management Planning
- 2) Water Rate Review
- 3) 2018 Budgets for the Water and Electric Departments

This request comes in recognition that the typical public comment portion of the W&L Board meetings is not, nor will be sufficient to present pertinent factual and technical details of public concern.

Please notify me at your earliest possible convenience on this matter to effectively communicate your decision to the numerous village residents who plan on attending as well as the general public at large.

Sincerely yours,



Eric Buckler
(906) 450-3773

received
2-6-2018

mlb 3:30pm

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
TEL (313) 963-6420
FAX (313) 496-7500
www.millercanfield.com

MICHIGAN: Ann Arbor
Detroit • Grand Rapids
Kalamazoo • Lansing • Troy

FLORIDA: Tampa

ILLINOIS: Chicago

NEW YORK: New York

CANADA: Windsor

CHINA: Shanghai

MEXICO: Monterrey

POLAND: Gdynia

Warsaw • Wroclaw

SYLVIA DIMOV
TEL (313) 496-7542
FAX (313) 496-8450
E-MAIL dimov@millercanfield.com

January 16, 2018

Ms. Caryn E. Mitchell
U.S.D.A. Office of Rural Development
2003 Minneapolis Avenue
Gladstone MI 49837

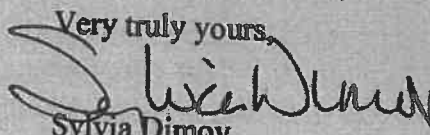
Re: \$6,263,000 Village of Newberry, County of Luce, State of Michigan, 2014
Water Supply System Revenue Bond (Taxable)

Dear Ms. Mitchell:

Pursuant to receiving notification that all loan funds have been disbursed for the above-referenced bond issues, Miller, Canfield, Paddock and Stone, P.L.C. has issued the Final Approving Opinions regarding the same. Enclosed please find an original opinion for each of the above-referenced issues.

If you require further documentation, please do not hesitate to contact me at the number listed above.

Very truly yours,


Sylvia Dimov
Paralegal

Enclosure

cc: Jennifer James-Mesloh, M.P.A., Ph.D.
Steven D. Mann, Esq.

30583234.1112018-00003

Founded in 1852
by Sidney Davy Miller

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Final Approving Opinion
October 16, 2017

Village of Newberry
County of Luce
State of Michigan

United States of America

We have acted as bond counsel to the Village of Newberry, County of Luce, State of Michigan (the "Village") in connection with the issuance by the Village of a bond in the principal amount of \$6,263,000, designated 2014 Water Supply System Revenue Bond (Taxable) (the "Bond"). In such capacity, we have examined such law and the transcript of proceedings relating to the issuance of the Bond and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bond is issued pursuant to Act 94, Public Acts of Michigan, 1933, as amended (the "Act"), Ordinance No. 2014-1 of the Village adopted on August 4, 2014 (the "Ordinance") and certain ordinances previously adopted by the Village as described in the Bond (together with the Ordinance, the "Ordinances"). Under the Ordinances, the Village has pledged certain revenues for the payment of the principal and interest on the Bond when due.

The Bond is in fully registered form bearing original issue date of November 21, 2014 payable as to principal and interest as provided in the Bond with the option of redemption prior to maturity in the manner, at the times and at the prices specified in the Bond.

As to questions of fact material to our opinion, we have relied on the representations of the Village contained in the Ordinances, and in the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bond is a valid and binding obligation of the Village, according to its tenor, payable solely and only from and secured by a statutory first lien on the revenues of the Village's Water Supply System (the "System"), after payment of the expenses of administration, operation and maintenance thereof (the "Net Revenues"), and is entitled to the benefits of the Ordinances and the Act.
2. The Bond is of equal standing and priority of lien as to the Net Revenues of the System and is equally secured with the Village's Water Supply System Revenue Bond, Series

Village of Newberry
United States of America

-2-

October 16, 2017

2005, November 210, 2005 and the Village's Water Supply System Revenue Bond, Series 2009, dated March 30, 2009 (together, the "Outstanding Bonds"). The Village has reserved the right to issue additional bonds of equal standing with the Bond and the Outstanding Bonds on conditions stated in the Ordinances.

3. The Village is obligated to charge and collect rates from every user of the service supplied by the System sufficient to provide adequate revenues for the payment of the expenses of administration, operation and maintenance of the System and for the payment of the principal of and interest on the Bond, the Outstanding Bonds and all other bonds payable from the revenues of the System, and to provide for such other expenditures and funds for the Bond and the Outstanding Bonds and the System as are required by the Ordinances.

4. Interest on the Bond is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. The Bond and interest thereon are exempt from taxation by the State of Michigan or by any taxing authority within the State of Michigan. We express no opinion regarding any other federal or state tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bond. Investors are urged to obtain independent tax advice based upon their particular circumstances. The tax opinions herein were not intended to be used, and cannot be used, for the purpose of avoiding taxpayer penalties. These opinions were written to support the promotion or marketing of the Bond.


The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

This opinion shall not be construed to pass upon the validity of the Loan Resolution (RUS Bulletin 1780-27) between the Village and the United States of America.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

By



Steven D. Mann

VILLAGE OF NEWBERRY



Moose Capital of Michigan

302 East McMillan Avenue, Newberry, MI 49868 Phone: 906-293-3433 Fax: 906-293-8569

February 5, 2018

Donald J. Gerrie, Jr.
Area Director
United States Department of Agriculture
Rural Development – Gladstone Michigan Office
2003 Minneapolis Avenue
Gladstone, MI 49837

Greetings Mr. Gerrie:

The enclosed information is included as requested for the year-end reporting requirements for USDA.

- 1) Audit – The fiscal year for the Village of Newberry is from January 1 – December 31. Therefore, the audit for fiscal year 2017 has not been completed as of this date. However, the State of Michigan Department of Treasury has been engaged to conduct an audit for fiscal year 2017 and that is scheduled for April 2018.
- 2) Annual Report – Since an audit for fiscal year 2017 has not been completed a balance sheet and income statement are enclosed for your review.
- 3) Annual Budget – Fiscal Year 2018 budget for the water fund is enclosed.
- 4) List of Officials – Enclosed
- 5) Rate Schedule – Enclosed
- 6) Supplemental Customer Information - Enclosed

If there is any additional information that is required, please do not hesitate to contact me: phone (906-293-3433) or email (manager@newberry.mi.gov). Thank you for your time and attention.

Sincerely,

Jennifer James-Mesloh, M.P.A., Ph.D.
Village Manager
Village of Newberry

VILLAGE OF NEWBERRY
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: DECEMBER 31ST, 2017

PAGE: 1

591-WATER FUND
FINANCIAL SUMMARY

100.00% OF FISCAL YEAR

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE SUMMARY</u>					
REVENUE	964,100.00	84,353.91	972,719.84	100.89	(8,619.84)
TOTAL REVENUES	964,100.00	84,353.91	972,719.84	100.89	(8,619.84)
=====					
<u>EXPENDITURE SUMMARY</u>					
ATTORNEY	0.00	0.00	442.50	0.00	(442.50)
WATER SYSTEM	964,100.00	6,454.84	796,011.97	82.57	168,088.03
TOTAL EXPENDITURES	964,100.00	6,454.84	796,454.47	82.61	167,645.53
=====					
REVENUES OVER/ (UNDER) EXPENDITURES	0.00	77,899.07	176,265.37	(	176,265.37)

VILLAGE OF NEWBERRY
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: DECEMBER 31ST, 2017

PAGE: 2

591-WATER FUND

100.00% OF FISCAL YEAR

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE</u>					
591-000-645.000 WATER SALES	650,000.00	82,046.86	657,942.80	101.22 (	7,942.80)
591-000-645.200 SERVICE FEES - WATER	500.00	750.00	1,541.34	308.27 (	1,041.34)
591-000-645.500 WATER- PENALTIES & LATE FEES	10,000.00	1,442.16	11,015.19	110.15 (	1,015.19)
591-000-645.600 BOND REVENUE	300,000.00	0.00	300,000.00	100.00	0.00
591-000-665.000 INTEREST EARNED	1,200.00	114.89	1,345.51	112.13 (	145.51)
591-000-686.000 REIMBURSEMENT	2,400.00	0.00	875.00	36.46	1,525.00
591-000-699.202 INTERFUND TRANSFERS IN - MAJOR	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUE	964,100.00	84,353.91	972,719.84	100.89 (	8,619.84)
<hr/>					
TOTAL REVENUES	964,100.00	84,353.91	972,719.84	100.89 (	8,619.84)
	=====	=====	=====	=====	=====

VILLAGE OF NEWBERRY
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: DECEMBER 31ST, 2017

591-WATER FUND

100.00% OF FISCAL YEAR

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
ATTORNEY					
591-266-801.200 LEGAL	0.00	0.00	442.50	0.00 (	442.50)
TOTAL ATTORNEY	0.00	0.00	442.50	0.00 (	442.50)
WATER SYSTEM					
591-536-702.000 WAGES	60,600.00	3,769.39	48,964.61	80.80	11,635.39
591-536-702.100 WAGE REIMBURSEMENT	0.00	0.00	0.00	0.00	0.00
591-536-705.000 VACATION PAY	0.00	0.00	0.00	0.00	0.00
591-536-706.000 HOLIDAY PAY	0.00	0.00	0.00	0.00	0.00
591-536-712.000 HEALTH INSURANCE BUYOUT	0.00	0.00	0.00	0.00	0.00
591-536-712.100 HEALTH SAVINGS ACCOUNT	0.00	0.00	0.00	0.00	0.00
591-536-712.200 RETIREE HEALTH INS BUYOUT	0.00	0.00	0.00	0.00	0.00
591-536-714.000 LONGEVITY	0.00	0.00	0.00	0.00	0.00
591-536-717.000 RETIREMENT - MERS - EMPLOYER P	0.00	0.00	0.00	0.00	0.00
591-536-719.000 HOSPITALIZATION	100,255.00	0.00	0.00	0.00	100,255.00
591-536-724.000 SICK PAY	0.00	0.00	0.00	0.00	0.00
591-536-725.000 WORKERS' COMPENSATION	0.00	0.00	0.00	0.00	0.00
591-536-726.000 LIFE INSURANCE	0.00	41.61	41.61	0.00 (	41.61)
591-536-727.000 OVERHEAD	48,000.00	1,755.03	39,646.08	82.60	8,353.92
591-536-728.000 OVERHEAD REIMBURSEMENT	0.00	0.00	0.00	0.00	0.00
591-536-752.000 OFFICE SUPPLIES	4,000.00	0.00	1,269.32	31.73	2,730.68
591-536-752.100 OPERATING SUPPLIES	3,000.00	1,202.22	2,382.46	79.42	617.54
591-536-753.000 TOOLS & EQUIP UND CAP THRESH	14,300.00	0.00	7,824.18	54.71	6,475.82
591-536-759.000 GAS, OIL & GREASE	2,500.00	0.00	2,033.21	81.33	466.79
591-536-801.000 PROFESSIONAL & CONTRACTUAL SER	10,000.00 (	385.37)	11,707.92	117.08 (	1,707.92)
591-536-801.200 LEGAL	0.00	0.00	0.00	0.00	0.00
591-536-802.000 COLLECTION EXPENSE	1,000.00	0.00	0.00	0.00	1,000.00
591-536-811.000 WATER CONSTRUCTION	300,000.00	0.00	300,350.65	100.12 (	350.65)
591-536-860.000 GAS-OIL-GREASE	0.00	0.00	0.00	0.00	0.00
591-536-888.000 ADMINISTRATIVE CHARGE	0.00	0.00	0.00	0.00	0.00
591-536-900.000 PUBLISHING & PRINTING	1,800.00	0.00	1,373.00	76.28	427.00
591-536-910.000 PROFESSIONAL DEVELOPMENT	5,400.00	0.00	543.50	10.06	4,856.50
591-536-913.000 TRAVEL	1,600.00	0.00	529.51	33.09	1,070.49
591-536-915.000 MEMBERSHIPS & SUBSCRIPTIONS	1,000.00	0.00	1,526.55	152.66 (	526.55)
591-536-921.000 CHARGE OFFS	0.00	0.00	0.00	0.00	0.00
591-536-929.000 REPAIR & MAINTENANCE	0.00	71.96	71.96	0.00 (	71.96)
591-536-932.000 VEHICLES REPAIRS & MAINTENANCE	1,000.00	0.00	0.00	0.00	1,000.00
591-536-935.000 PROPERTY LIABILITY INSURANCE	17,100.00	0.00	17,394.04	101.72 (	294.04)
591-536-956.000 MISCELLANEOUS	1,300.00	0.00	0.00	0.00	1,300.00
591-536-968.100 RRI FUND DEPRECIATION	14,745.00	0.00	0.00	0.00	14,745.00
591-536-991.100 PRINCIPAL NOTES PAYABLE 2005	34,000.00	0.00	34,000.00	100.00	0.00
591-536-991.200 BOND RESERVE 2005	14,600.00	0.00	0.00	0.00	14,600.00
591-536-991.300 PRINCIPAL 2009 JR WATER BOND	4,000.00	0.00	4,000.00	100.00	0.00
591-536-991.400 PRINCIPAL 2014 WATER BOND	105,000.00	0.00	105,000.00	100.00	0.00
591-536-992.100 INTEREST 2005	83,300.00	0.00	83,242.50	99.93	57.50
591-536-992.300 INTEREST 2009 JR WATER BOND	11,000.00	0.00	11,220.00	102.00 (	220.00)
591-536-992.400 INTEREST 2014 WATER BOND	124,600.00	0.00	122,890.87	98.63	1,709.13
591-536-995.202 INTERFUND TRANSFER OUT - MAJOR	0.00	0.00	0.00	0.00	0.00
TOTAL WATER SYSTEM	964,100.00	6,454.84	796,011.97	82.57	168,088.03

VILLAGE OF NEWBERRY
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: DECEMBER 31ST, 2017

591-WATER FUND

100.00% OF FISCAL YEAR

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
TOTAL EXPENDITURES	964,100.00	6,454.84	796,454.47	82.61	167,645.53
REVENUES OVER/ (UNDER) EXPENDITURES	0.00	77,899.07	176,265.37	(	176,265.37)

VILLAGE OF NEWBERRY
BALANCE SHEET
AS OF: DECEMBER 31ST, 2017

PAGE: 1

591-WATER FUND

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
ASSETS		
=====		
591-000-001.015	CASH - CHECKING	(32,867.07)
591-000-003.000	CASH INVESTMENTS	6,974.64
591-000-005.001	BOND & INT REDEMPTION 2005	33,309.39
591-000-005.002	BOND & INT REDEMPTION 2009	780.23
591-000-005.003	REVENUE BOND RESERVE 2005	130,000.00
591-000-005.004	REVENUE BOND RESERVE 2009	12,800.00
591-000-005.005	REVENUE BOND RESERVE 2014	46,800.00
591-000-005.006	WATER SUPPLY SYSTEM RRI 2005	175,195.00
591-000-005.007	BOND & INT REDEMPTION 2014	0.00
591-000-005.008	WATER SUPPLY SYSTEM RRI 2014	45,096.00
591-000-006.000	DIRECT BILL ACCOUNT	385,448.41
591-000-033.000	CUSTOMER ACCOUNTS RECEIVABLE	213,489.06
591-000-084.101	DUE FROM GENERAL FUND	13,041.15
591-000-084.582	DUE FROM ELECTRIC FUND	(79,920.10)
591-000-084.583	DUE FROM OLD WATER ACCOUNT	(750.54)
591-000-107.000	INVENTORY - WATER SUPPLIES	328.89
591-000-130.000	LAND	0.00
591-000-136.000	BUILDINGS	0.00
591-000-137.000	BUILDING DEPRECIATION	0.00
591-000-140.000	MACHINERY & EQUIPMENT	0.00
591-000-141.000	MACHINERY & EQUIPMENT DEPREC	0.00
591-000-146.000	OFFICE EQUIPMENT & FURNITURE	0.00
591-000-147.000	OFFICE EQUIP & FURN ACCUM DEPR	0.00
591-000-148.000	VEHICLES	0.00
591-000-149.000	VEHICLES ACCUM DEPRECIATION	0.00
591-000-152.000	WATER SYSTEM	5,626,169.21
591-000-153.000	ACCUM DEPRECIATION WATER SYSTE	(1,924,234.33)
591-000-158.000	CONSTRUCTION IN PROGRESS	6,061,046.45
		<u>10,712,706.39</u>
TOTAL ASSETS		10,712,706.39
		=====
LIABILITIES		
=====		
591-000-202.000	ACCOUNTS PAYABLE	135,178.47
591-000-214.101	DUE TO GENERAL FUND	(2,537.18)
591-000-214.203	DUE TO LOCAL STREETS	957.19
591-000-214.582	DUE TO ELECTRIC FUND	(93,064.05)
591-000-249.000	W/H DUE TO HSA FNB OF MARQUETT	0.00
591-000-251.000	ACCRUED INTEREST	0.00
591-000-251.000	ACCRUED INTEREST	56,469.00
591-000-257.000	ACCRUED WAGES PAYABLE	0.00
591-000-260.000	ACCRUED VACATION PAYABLE	16,667.58
591-000-261.000	ACCRUED SICK LEAVE	0.00
TOTAL LIABILITIES		<u>113,671.01</u>

VILLAGE OF NEWBERRY
BALANCE SHEET
AS OF: DECEMBER 31ST, 2017

PAGE: 2

591-WATER FUND

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
<u>EQUITY</u>		
=====		
591-000-300.000	BONDS PAYABLE	2,018,000.00
591-000-300.001	BONDS PAYABLE JR WATER BOND	272,000.00
591-000-300.002	BONDS PAYABLE 2014	5,759,000.00
591-000-390.000	FUND BALANCE	0.00
591-000-391.000	NET POSITION- INVT IN CAP ASS	2,373,770.01
591-000-392.000	NET POSITION - RESTRICTED	0.00
591-000-399.000	NET POSITION - UNRESTRICTED	0.00
	TOTAL BEGINNING EQUITY	10,422,770.01
	TOTAL REVENUES	972,719.84
	TOTAL EXPENDITURES	(796,454.47)
	TOTAL REVENUE OVER/(UNDER) EXPENSES	176,265.37
	TOTAL EQUITY & REV. OVER/(UNDER) EXP.	10,599,035.38
	TOTAL LIABILITIES, EQUITY & REV.OVER/(UNDER) EXP.	10,712,706.39
=====		

Village of Newberry
FY 2018 Budget Development
Water Fund - 591

Account Number	Account Descriptions	12/31/16 Final (1)	12/31/17 Projected (2)	12/31/18 Recommended Budget (3)
Water Fund				
Water Fund (591) Revenues				
591-000-645.000	BOND REVENUE	-	300,000.00	-
591-000-645.200	WATER SALES	-	650,000.00	960,900.00
591-000-645.500	SERVICE FEES - WATER	-	500.00	500.00
591-000-665.000	WATER- PENALTIES & LATE FEES	-	10,000.00	10,000.00
591-000-665.000	INTEREST EARNED	-	1,200.00	1,200.00
591-000-686.000	REIMBURSEMENT	-	2,400.00	2,400.00
	Fund 591 Total Revenues	-	964,100.00	975,000.00
Water Fund (591) Expenditures				
Water System				
591-536-702.000	WAGES	-	60,600.00	224,000.00
591-536-705.000	VACATION PAY	-	-	11,000.00
591-536-706.000	HOLIDAY PAY	-	-	12,000.00
591-536-712.000	HEALTH INSURANCE BUYOUT	-	-	13,900.00
591-536-713.000	OVERTIME	-	-	-
591-536-714.000	LONGEVITY	-	-	1,000.00
591-536-716.000	FUNERAL LEAVE	-	-	2,900.00
591-536-717.000	RETIREMENT - MERS - EMPLOYER P	-	-	19,940.00
591-536-719.000	HOSPITALIZATION	-	100,255.00	87,310.00
591-536-724.000	SICK PAY	-	-	5,000.00
591-536-725.000	WORKERS' COMPENSATION	-	-	3,625.00
591-536-726.000	LIFE INSURANCE	-	-	900.00
591-536-727.000	OVERHEAD	-	48,000.00	-
591-536-729.000	FINAL PAYOUT	-	-	15,000.00
591-536-752.000	OFFICE SUPPLIES	-	4,000.00	4,000.00
591-536-752.100	OPERATING SUPPLIES	-	3,000.00	3,000.00
591-536-753.000	TOOLS & EQUIP UND CAP THRESH	-	14,300.00	10,000.00
591-536-759.000	GAS OIL & GREASE	-	2,500.00	3,000.00
591-536-801.000	PROFESSIONAL & CONTRACTUAL SER	-	10,000.00	15,000.00
591-536-801.200	PROF & CONTRACTUAL SERV-LEGAL	-	-	2,500.00
591-536-802.000	COLLECTION EXPENSE	-	1,000.00	1,000.00
591-536-851.000	POSTAGE	-	-	1,000.00
591-536-900.000	PUBLISHING & PRINTING	-	1,800.00	1,800.00
591-536-910.000	PROFESSIONAL DEVELOPMENT	-	5,400.00	1,000.00
591-536-913.000	TRAVEL	-	1,600.00	1,000.00
591-536-915.000	MEMBERSHIPS & SUBSCRIPTIONS	-	1,000.00	1,700.00
591-536-932.000	VEHICLES REPAIRS & MAINTENANCE	-	1,000.00	1,000.00
591-536-935.000	PROPERTY LIABILITY INSURANCE	-	17,100.00	18,000.00
591-536-956.000	MISCELLANEOUS	-	1,300.00	1,300.00
591-536-968.100	RRI FUND DEPRECIATION	-	14,745.00	14,745.00
591-536-973.000	CAPITAL OUTLAY	-	-	105,890.00
591-536-991.100	PRINCIPAL NOTES PAYABLE 2005	-	34,000.00	34,000.00
591-536-991.200	BOND RESERVE 2005	-	14,600.00	14,600.00
591-536-991.300	PRINCIPAL 2009 JR WATER BOND	-	4,000.00	4,000.00
591-536-991.400	PRINCIPAL 2014 WATER BOND	-	105,000.00	105,000.00
591-536-992.100	INTEREST 2005	-	83,300.00	83,300.00
591-536-992.300	INTEREST 2009 JR WATER BOND	-	11,000.00	11,000.00
591-536-992.400	INTEREST 2014 WATER BOND	-	124,600.00	124,600.00
583-5-592-511	CONSTRUCTION	-	300,000.00	-
	Water System Total	-	964,100.00	959,010.00
	Fund 591 Total Expenditures	-	964,100.00	959,010.00
	Fund 591 Net Revenues/ Expenditures	-	-	15,990.00

Tickmark Legend:

(1) - FY 2016 final ending balances are per Village's TB and do not necessarily tie back to the audited financial statements

(2) - FY 2017 Projected balances are from the Village approved FY 2017 budget amendment.

(3) - The water fund was not included in the original FY 2018 budget that was approved by the Village

VILLAGE OF NEWBERRY

VILLAGE COUNCIL

MEMBER	ELECTED	ADDRESS	EMAIL	PHONE	CURRENT TERM/EXP
John DeWitt III <i>Village President</i>	2016	111 W John Street	president@newberrymi.gov	906-291-0578	2YR/11'2018
Sharon Brown <i>Pro-Temp</i>	2016	411 Handy Street	sbrown@newberrymi.gov	293-5332 H	4 YR/11'2020
Dan Hardenbrook	APPOINTED 8/17	224 Newberry Ave Apt. 2	dhardenbrook@newberrymi.gov		4YR/11'2018
Kelsey Auterson	APPOINTED 1/18		kauterson@newberrymi.gov		4YR/11'2020
A.J. Downey	APPOINTED 9/17	210 E. McMillan Ave	ajdowney@newberrymi.gov	906-291-1239	4YR/11'2018
Charles Medelis	2016	218 E. McMillan Ave	cmedelis@newberrymi.gov	293-8693 H	4YR/11'2020
Dennis Hendrickson	2014	418 E. Harrie Street	dhendrickson@newberrymi.gov	293-7000 H	4YR/11'2018

NEWBERRY WATER & LIGHT BOARD

Charles Medelis, <i>Chairman</i>	218 E. McMillan Ave	cmedelis@newberrymi.gov	293-8693 H	Council Appt.
Jim Johnson	415 W. Avenue A	jjohnson@newberrymi.gov	293-5087 H	Exp. October 2019
Sharon Brown	411 Handy Street	sbrown@newberrymi.gov	293-5332 H	Council Appt.
Larry Vincent	807 Newberry Ave	lvincent@newberrymi.gov	293-1952 H 906 322-6996 C	Exp. October 2018
Eric Feldhusen, <i>Customer, not elector</i>	13806 Shell Road	efeldhusen@newberrymi.gov	293-1909 H	Exp. October 2020 Apt. in 11/17

President makes necessary appointments; ratified by Council @ Oct Council Meeting Council Appointments may need to be made after elections, if Council changes.

ADMINISTRATION

					TERM/EXP
Dr. Jennifer James-Mesloh <i>Village Manager</i>	HIRED 1.2017	25 Lakeview Dr Marquette, MI 49866	manager@newberrymi.gov	293-3433 W	N/A
Terese Schummer, <i>Village Clerk</i>	ELECTED 2016	214 W. Truman Blvd	clerk@newberrymi.gov	293-3884 H 293-8805 W	2YR/11'2018
Rodney Kisro, <i>Village Treasurer</i>	ELECTED 2016	413 W. John St 413 W. John St	treasurer@newberrymi.gov	291-1631	2YR/11'2018
Buck Vallad, <i>Assistant Village Manager</i>	HIRED 6.2015	13903 Turnbull St	assistantmanager@newberrymi.gov	906-291-0606 C	N/A
John Wendt, <i>Fire Chief</i>	APPOINTED	211 W John Street	fire@newberrymi.gov	293-8344 H 906 450-0491 C	N/A

Revised 2.2018

NEWBERRY WATER AND LIGHT

FEE SCHEDULE — as of 11.20.17

All fees or estimates set forth shall be paid in advance.
 Updates approved by the Village Council on November 20, 2017

FEE DESCRIPTION All fees or estimates set forth shall be paid in advance.	FEE
NEW ACCOUNT - SERVICE FEE	\$ 30.00
RESIDENTIAL WATER – FLAT RATE PER MONTH	\$ 75.00
*SEASONAL RESIDENTIAL MONTHLY WATER SERVICE FEE *In addition to seasonal shut off & turn on fees	\$34.11
COMMERCIAL WATER – PER MONTH 1 REU = 3,000 gallons	\$ 75.00 per REU
RESIDENTIAL SEWER – FLAT RATE PER MONTH	\$ 35.00
SEASONAL RESIDENTIAL MONTHLY SEWER SERVICE FEE	\$10.30
COMMERCIAL SEWER – PER MONTH 1 REU = 3,000 gallons	\$ 35.00 per REU
COMMUNITY OUTREACH PROGRAMS – WATER & SEWER RATES Seasonal operations providing enrichment and outreach to the community, such as community gardens and museums, will only be required to pay fees for the months they are in operation. Programs may apply for Community Outreach Status by submitting a completed request form to the Village of Newberry.	See commercial rates
*RENTAL & LAND CONTRACT DEPOSITS *A copy of the lease or contract must be provided to place utilities in the tenant's name. *Landlord must submit a letter stating that they will keep the utilities in their name. If this occurs, no deposit is required.	\$250.00
COMMERCIAL ACCOUNTS DEPOSITS	
WATER, SEWER, & ELECTRIC	\$500.00
WATER & SEWER	\$300.00
ELECTRIC & SEWER	\$350.00
WATER	\$250.00
ELECTRIC	\$250.00
SEWER	\$100.00

FEE DESCRIPTION All fees or estimates set forth shall be paid in advance.	FEE
Up to 100 Feet: ABOVE GROUND ELECTRIC - NEW SERVICE BELOW GROUND ELECTRIC - NEW SERVICE Over 150 Feet:	\$ 50.00 \$ 50.00 plus time & materials Time plus materials
TURN ON/ TURN OFF FEE *per occurrence	\$ 50.00
DUSK TO DAWN LIGHT INSTALLATION POLE (\$7.00 PLUS TAX EACH MONTHLY BILL)	Cost of light \$100.00
TEMPORARY POLE One year time limit then must re-apply	\$ 100.00
METER TESTING	\$ 20.00
DISCONNECT PENALTY (PPLUS BALANCE OF UNPAID ACCT)	\$ 75.00
NEW WATER SERVICE - 3/4" 1" 2" & bigger NEW WATER; Out of town	\$500.00 \$600.00 Time plus materials \$250.00 plus time & materials
NEW SEWER SERVICE	\$500.00
*CAP OFF WATER SERVICE *RECONNECT WATER TO MAIN *Account must be current with no outstanding charges.	\$250.00 \$250.00
CAP OFF SEWER SERVICE (MUST BE INSPECTED)	\$ 00.00
DISCONNECT ELECTRIC	\$ 75.00
RECONNECT ELECTRIC AFTER LINE IS DROPPED/DISCONNECTED	\$ 50.00
REPLACEMENT OF WATER METER	\$ 125.00
BULK WATER USE (must provide own backflow) Hook-up (non-refundable) Per 10,000 gallons	\$100.00 \$75.00
POOL FILL UP Hook-up (non-refundable)	\$100.00

Revised 11.20.17

MICHIGAN RURAL WATER ASSOCIATION RATE EVALUATION PROGRAM

Village of Newberry						2017
FINAL RATE ANALYSIS						
	ANNUAL BUDGET	PERCENT BASE RATE	BASE FIXED	COST PER 3/4" METER	CONSUMPTION PORTION	COST / UNIT OF WATER
LABOR & BENEFITS	\$182,167	100%	\$182,167	\$13.80	\$0	\$0.00
OPERATIONAL EXPENSES	\$88,300	100%	\$88,300	\$6.69	\$0	\$0.00
LOANS, BONDS, INTEREST, ANNUAL PAYMENT	\$362,000	100%	\$362,000	\$27.42	\$0	\$0.00
EQUIPMENT REPLACEMENT, LIFT STATIONS, or WELLS		100%	\$0	\$0.00	\$0	\$0.00
EQUIPMENT REPLACEMENT, TREATMENT		100%	\$0	\$0.00	\$0	\$0.00
EQUIPMENT REPLACEMENT, TOWER, STORAGE		100%	\$0	\$0.00	\$0	\$0.00
EQUIPMENT REPLACEMENT, GENERAL	\$21,000	100%	\$21,000	\$1.59	\$0	\$0.00
CAPITAL IMPROVEMENT PROJECTS	\$188,243	100%	\$188,243	\$14.26	\$0	\$0.00
LAGOON CLEANING RESERVE	\$0		\$0	\$0.00	\$0	\$0.00
DEPRECIATION FUND	\$60,000	100%	\$60,000	\$4.55	\$0	\$0.00
USDA RURAL DEVELOPMENT RESERVE REQUIREMENTS	\$88,300	100%	\$88,300	\$6.69	\$0	\$0.00
TOTALS	\$990,009		\$990,009	\$75.00	\$0	\$0.00
NON OPERATING INCOME REDUCTION						
PERCENT OF REVENUE						0%
100%						
CALCULATED RATE - FOR 3/4" METER / REU PER MONTH						\$ 75.00
TOTAL ANNUAL REU'S 13,200						1,000 GAL.
ANTICIPATED WATER / SEWER SOLD 38,412,000						
RESERVE PORTION OF BUDGET 38%						
THE COST PER "UNIT / WATER" DOES INCLUDE INCLUDING OR DECLINING RATES			CURRENT RATES	\$7.50		\$9.25
ARE ANY GALLONS INCLUDED WITH THIS CALCULATED BASE RATE ?			INCREASE OF	\$67.50		(\$9.25)
IS BASE RATE PER REU, - OR PER METER SIZE?			RATE ADJUSTMENT GENERATES ADDITIONAL		\$535,698	
			\$1.00 INCREASE GENERATES	\$13,200		\$38,412

[illegible]

CAPITAL IMPROVEMENT FUND

Supplemental Customer Information

(This is required in addition to your audit or the income and expense information)

Borrower Name: Village of Newberry
Fiscal Year Ending: 2017

Definition of Single Family Customer – a line going to a home that houses only one family. Does not include duplexes, apartments, etc.

Water Purchased or Produced (gal. or cu ft):
Water Sold (gal. or cu ft):

Annual Amounts
59,776,000
44,227,000

NUMBER OF WATER CUSTOMERS

Water: Total Customers	<u>878</u>	
Number of Single Family Residential:	<u>730</u>	#1
Number of All Other Customers:	<u>148</u>	
**REU's or EDU's of Other Customers:	<u>222</u>	#2
Total REU's or EDU's (total of 1 + 2):	<u>1100</u>	

Sewage Treated (gal or cu ft): _____

NUMBER OF SEWER CUSTOMERS

Sewer: Total Customers	_____	
Number of Single Family Residential:	_____	#1
Number of All Other Customers:	_____	
**REU's or EDU's of Other Customers:	_____	#2
Total REU's or EDU's (total of 1 + 2):	_____	

** REU = Residential Equivalent Unit
EDU = Equivalent Dwelling Unit

** An example of this is: If the typical single family residential user uses 5,000 gallons of water per month, and you have an "Other" user using 20,000 gallons per month, that "Other" user is 4 EDU. If you do not have a metered water system, then you will estimate usage based on your best knowledge or according to your REU table with your rate ordinance.

VILLAGE OF NEWBERRY, Michigan
Water System Asset Management Program
Executive Summary
December 2017

This report contains the asset management program for the Village of Newberry water system.

CONCLUSION

The results of the asset management program user fee rate analysis indicated that a water rate increase was necessary to meet the adopted budget. At the July 2017 Village Council meeting the Village council adopted a flat \$75.00 per REU water rate structure. The results of the rate analysis can be found in Appendix 1.

CONFIRMATION OF INCOME

Based on a billing of 13,200 REU per year at \$75.00 per REU that gives an annual income of \$990,000 per year.

Village of Newberry			
CONCLUSION OF ANALYSIS			
	BASE RATE / READY TO SERVE CHARGE PER MONTH		
METER SIZE - INCHES	CURRENT RATES	CALCULATED RATES	DIFFERENCE
RES	\$7.50	\$75.00	\$67.50
COM	\$7.50	\$75.00	\$67.50

The above rates are based on an input budget of	\$990,000
The above rates are based on invoicing the following gallons of water / sewer	38,412,000
The above rates are based on the following number of customers	1,100
The above rates are based on the following number of Residential Equivalent Units (REU's)	13,200

One of the reasons for the increase with the establishment of the equipment replacement fund and the updated capital improvement plan. The equipment replacement and rehabilitation annual funding levels are based on anticipated expenses for the equipment listed in the program. These anticipated expenses are based on the past maintenance history of this equipment. The better and more accurate the maintenance records are the more accurate and realistic the future anticipated replacement and rehabilitation cost will be. It is therefore recommended that the Village continue to track the maintenance of the water system equipment and strive to improve the record keeping procedures. Better records equal a better asset management program as well as increased reliability of the water system. The current rate budget has these budget figures included and is currently supported 100% by the current water rates.

ASSET INVENTORY

The asset inventory will be tracked in a Microsoft excel spreadsheet by the Director of Public Works will maintain the file and make changes to the inventory as needed. The following asset are tracked 3 wells, water towers, valves, fire hydrants, water mains, water meters, and curb stops. Both meters, valves and mains are at the current time undergoing inventorying. Currently both an updated water main map including valves locations are sought from the Village's engineering firm. Additionally, the Village is currently setting aside \$21,000 for equipment replacement and \$60,000 funding depreciation. The Village also currently has multiple loans from the USDA – Rural Development office and is required to set aside \$88,300 in a repair, replacement and improvement fund.

CRITICAL ASSETS AND RECOMMENDATIONS

The Asset Inventory included in this report contains the following information

- a) Brief description of the asset, its required capacity (e.g. pump: 120 gpm), level of redundancy for the asset.
- b) Location of the asset;
- c) Year the asset was installed;
- d) Present condition of the asset (e.g. excellent, good, fair, poor);

Condition		Assessment
Condition Rating		Description
5		Asset Unserviceable - Over 50% of asset requires replacement
4		Significant deterioration - significant renewal/upgrade required (20 -40%)
3		Moderate deterioration - Significant maintenance required (10 -20%)
2		Minor Deterioration - Minor maintenance required (5%)
1		New of Excellent Condition - Only normal maintenance required

- e) Current asset (replacement) costs;

f) Criticality - Consequence of Failure

At the current time this is the rating system being used for "Criticality, Consequence of Failure" which comes from the MDEQ NPDES Wastewater Permit Asset Management Requirements.

Rating	Description	% Affected	Level
1	Minor Component Failure	0-25%	Asset
2	Major Component Failure	25-50%	Asset
3	Major Asset	0-25%	Asset
4	Multiple Asset Failure	25-50%	Facility / Sub-System
5	Major Facility Failure	50-100%	Facility

EXAMPLE:

If a "well pump" were to fail, the entire well is out of service, leaving the remaining wells to supply water. This could be listed as a # 3-5 depending on how many wells are needed for system demands.

If a single pump in a two-pump lift station were to fail this would most likely be a 2-3 as there is still one pump left and working.

If the control panel in a two-pump lift station failed and the entire pump station were down this would be a 4-5 rating

g) Probability of Failure (POF): FOR WATER MAINS AND VALVES

Per MDEQ Guidelines - Probability of failure is rated as follows.

Probability of Failure	
Performance Rating	Description
5	Imminent - Likely to occur in the life of the item
4	Probable - Will occur several times in the life of an item
3	Occasional - Likely to occur some- time in the life of an item
2	Remote - Unlikely but possible to occur in the life of an item
1	Improbable - So unlikely, it can be assumed occurrence may not be experienced

The following is a quote from the MDEQ Asset Management Guide.

To determine the probability of failure a utility needs to look at a number of factors: asset age, condition of asset, failure history, historical knowledge, experiences with that type of asset in general, maintenance records, and knowledge regarding how that type of asset is likely to fail. Below is an example of a ranking system for probability of failure

For this report Probability of Failure for water mains, and water valves is calculated by taking the average of:

Percent of life consumed (on a 1-5 scale)

Condition of item (on a 1-5 scale)

For items in the equipment replacement pages the Probability of Failure is calculated by taking the average of the

Percent of life consumed (on a 1-5 scale)

Percent of life until next rehab (on a 1-5 scale)

Condition of item (on a 1-5 scale)

h) A Criticality Rating = (Probability of Failure X the Consequence of Failure)

The Village of Newberry's water system currently consists of 3,550 feet of 2-inch water main. This main is under sized for proper fire protection and consideration should be given to replacement.

LEVEL OF SERVICE

Level of Service (LOS) defines the way in which the utility stakeholders want the utility to perform over the long term. The LOS plan was completed for the Village of Newberry and should become a fundamental part of how the utility is operated, through the setting of practical goals for the Village's water system. The complete LOS can be found in Appendix 2.

CAPITAL IMPROVEMENT PLAN

A capital improvement plan was completed as part of the asset management program. The Village is currently setting aside \$188,243 dollars per year for capital improvement projects. See notes above and enclosed capital improvement plan enclosed for details. The capital improvement program was developed based on a recent reliability study / general plan completed by the Village's Engineer, as well as system deficiencies noted by Village employees with the goal of saving a 50% down payment for most projects.

CAPITAL PROJECT	DESCRIPTION OF PROJECT	1-5 PRIORITY	ESTIMATED PROJECT COST	AMOUNT FUNDED BY RATES	COMPLETE IN YEAR	IS THIS YEAR FLEXIBLE?	MONEY RESERVED ANNUALLY
New Tower	Replacement 1937 tower		\$750,000	\$375,000	2031	Yes	\$ 26,786
Water Main Final Replacement	CP-1 E. Linka Street		\$1,202,715	\$601,358	2021	Yes	\$ 150,339
Well Rehab #4	CP-2 Newberry & B Street		\$631,260	\$315,630	2025	Yes	\$ 39,454
Well rehab #6	CP-3 John Street		\$325,126	\$162,563	2025	Yes	\$ 20,320
Well Rehab #7	W-1 Well Back-Up Gen		\$100,000	\$100,000	2028	Yes	\$ 9,091
	MP-7 Water Meter Truck		\$40,000	\$40,000	2025	Yes	\$ 5,000

5) Revenue Structure (See results of rate study at beginning of this report)

The Revenue Structure of this report contains the following items;

- OM&R Budget and Rate Evaluation for the entire water system.
- Amount in the replacement fund for current year and anticipated amount for upcoming years.
- Replacement fund of all assets with a useful life of 25 years or less;
- Expenditures for maintenance, corrective action and capital improvements
- Rate calculation demonstrating sufficient revenues to cover OM&R expenses,

Replacement money reserved annually is calculated using the replacement cost divided by the life of the equipment. The rehab money reserved annually is calculated using the rehab cost divided by the years between rehabilitations. The current reserve funds are sufficient to make up the difference between life of the equipment and years remaining. The anticipated annual replacement and rehabilitation expenditures have a two percent cost of living added in for each year.

Appendix 1.

Village of Newberry						2017
FINAL RATE ANALYSIS						
	ANNUAL BUDGET	PERCENT BASE RATE	BASE FIXED	COST PER 3/4" METER	CONSUMPTION PORTION	COST / UNIT OF WATER
LABOR & BENEFITS	\$182,167	100%	\$182,167	\$13.80	\$0	\$0.00
OPERATIONAL EXPENSES	\$88,300	100%	\$88,300	\$6.69	\$0	\$0.00
LOANS, BONDS, INTEREST, ANNUAL PAYMENT	\$362,000	100%	\$362,000	\$27.42	\$0	\$0.00
EQUIPMENT REPLACEMENT, GENERAL	\$21,000	100%	\$21,000	\$1.59	\$0	\$0.00
CAPITAL IMPROVEMENT PROJECTS	\$188,243	100%	\$188,243	\$14.26	\$0	\$0.00
DEPRECIATION FUND	\$60,000	100%	\$60,000	\$4.55	\$0	\$0.00
USDA RURAL DEVELOPMENT RESERVE REQUIREMENTS	\$98,300	100%	\$98,300	\$6.69	\$0	\$0.00
TOTALS	\$990,009		\$990,009	\$75.00	\$0	\$0.00
PERCENT OF REVENUE						0%
NON OPERATING INCOME REDUCTION						\$ -
CALCULATED RATE - FOR 3/4" METER / REU PER MONTH				\$75.00	1,000 GAL	\$ -
TOTAL ANNUAL REUS 13,200						
ANTICIPATED WATER / SEWER SOLD 38,412,000						
RESERVE PORTION OF BUDGET 36%						
THE COST PER "UNIT / WATER" DOES INCLUDE INCLUDING OR DECLINING RATES			CURRENT RATES	\$7.50		\$9.25
			INCREASE OF	\$67.50		(\$9.25)
ARE ANY GALLONS INCLUDED WITH THIS CALCULATED BASE RATE ?			RATE ADJUSTMENT GENERATES ADDITIONAL		\$635,698	
IS BASE RATE PER REU - OR PER METER SIZE?			\$100 INCREASE GENERATES		\$13,200	\$38,412

Appendix 2.

Level of Service

Village of Newberry

Level of Service Statement

Level of Service (LOS) defines the way in which the utility stakeholders want the utility to perform over the long term. The LOS plan below was completed and should become a fundamental part of how the utility is operated, through the setting of practical goals for the City's water system.

Areas	GOALS / OBJECTIVES	LEVEL OF SERVICE
Safe Drinking Water	All federal and state water quality regulations will be met	Perform all required monitoring
Health, Safety	To provide a safe and injury free work place	Conduct regular safety meetings No MIOSHA safety violations
Security	Secure all water installations from break ins / intrusions'	Make sure all water installations have at least one barrier of security
Operator certification	Must have operator in charge & backup operator on staff	The Village will maintain 4 certified operator at a minimum of S-3 and D-3 levels.
Customer complaints	To provide excellent customer service	All customer complaints will be investigated within 2 business days of reporting the complaint. Results of complaint will be reported to customer verbally, via the phone, in person, or in writing

Upcoming regulatory changes	Be aware of regulatory changes and comply with changes as they occur	Attend industry conferences and training sessions to stay abreast of changes and requirements Request annual meeting with local MDEQ representative to insure compliance
Response time	To provide excellent customer service	Customer emergency response time within 2 hours Customers will receive written notice 24 hours in advance of any planned interruption in service.
Wells -Supply water	Maintain all well related equipment. Focusing on preventative maintenance to prevent unscheduled breakdown	Wells will be inspected every two (2) Years by Well Specialist Documentation of all maintenance performed
Alternative Power Source	Goals - all wells have a permanent generator or back up power? - or portable generator - generator service contract Maintain all well buildings	Annual inspections of generators by outside professionals? Keep building painted, and clean
Quality Drinking Water	To provide high quality good tasting drinking water	Comply with MDEQ testing requirements

Distribution System**Distribution System Valves**

Exercise ALL water distribution valves on an annual program.

Provide adequate manpower to perform valve exercise program

Have written documentation of valve exercising

Insure that 99% of valves function properly

Fire Hydrants

Insure that 99% Of fire hydrants are in good working order

Water Main Flushing

Water mains will be flushed every three (3) Months

Provide adequate manpower to perform water main flushing

Have written documentation of water main / hydrant flushing

Under normal conditions, pressures will be maintained between 30 and 70 psi.

General System Maintenance

Insure water rates and budget are adequate to provide manpower to perform valve exercising, hydrant maintenance, water main flushing and replacement if necessary

The Village will strive to reduce water loss to below 17% (Currently at 28%)

Water Storage	Maintain water tower for longer life span	<p>Professionally Inspect every five years for integrity Complete all maintenance as suggested in inspection reports</p> <p>Insure Rates and Budget are adequate to support major maintenance actives (painting) as recommended through inspection process</p> <p>All storage requirements will be met as indicated under MDEQ Reliability Study Guidelines</p>
Administrative	<p>Provide excellent customer service</p> <p>Insure customers bills are accurate</p>	<p>Follow up on all complaints to insure a finite outcome</p> <p>Review any discrepancy</p>
Financial	Be financially solvent & operate water system in the black including reserve funding	<p>Review Water Rates every year.</p> <p>Adopt sufficient rates to meet adopted budget</p> <p>Insure adopted annual budget includes results of asset management program</p> <p>Maintain 188,000 dollars in reserve accounts at all times</p>
Rules and Regulations	Monitor & enforce	Update & review rules annually - Cross connections, Site sampling plan, Required Lab analysis, Consumer confidence report, Safety program,

Cross Connections

Annually review cross connection
program and update as needed
Comply with adopted ordinance

Perform inspections as
required with in house staff

Attend seminars to keep staff
up-to-date with any changes
in rule.

VILLAGE OF NEWBERRY



Moose Capital of Michigan

302 East McMillan Avenue, Newberry, MI 49868 Phone: 906-293-3433 Fax: 906-293-8569

**NEWBERRY WATER AND LIGHT
SUPERINTENDENT OF WATER AND LIGHT
MATT PERRY
JANUARY 2018**

- SNOW REMOVAL
- LIGHTS (41 LUMBER)
- RED TAGS (231)
- CEILING (41 LUMBER)
- APARTMENTS LEAK-WATER
- CHRISTMAS DÉCOR (REMOVAL)
- OSHA REQUIREMENTS
- METER READING
- MISS DIGS
- CROSS CONNECTION MANAGERAL CLASS
- WATER SAMPLES
- CALL OUT (HOLIDAY GAS STATION-GAS LEAK)
- WELL 7 METER, CHOLRINE PUMP, INJECTOR
- STREET LIGHTS (NBY AVE, SIDE STREETS)
- REPARIED SECONDARY HOOK UPS & NEUTRAL (W AVE D)
- RECONNECTS (W. JOHN, S.M-123)
- REPORTED PH AMOUNTS TO SCHOOL SCIENCE CLASS – IRON AND OTHER CHEMICALS

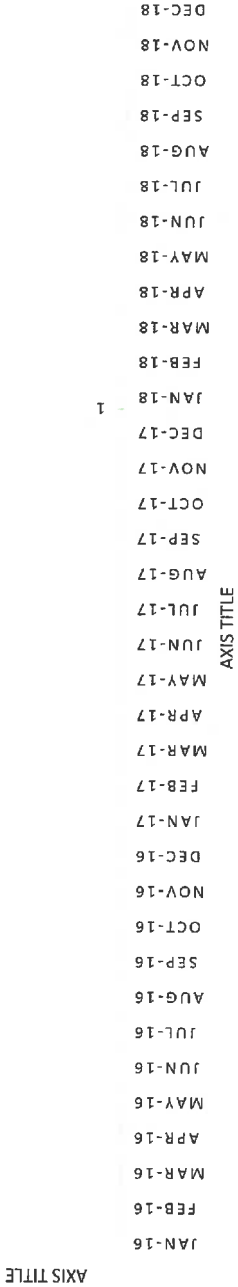
WATER AND LIGHT
MISS DIGS

Water & Light
Miss Digs
JANUARY 2018

MISS DIGS	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
000 RESPONSE PENDING												
001 NO CONFLICT												
002 MARKED	1											
003 NOT COMPLETE												
004 MARKED-UTILITY REQUIRED ON SITE DURING EXCAVATION												
005 ON GOING COORDINATION												
006 NOT MARKED-NO ACCESS TO WORK AREA												
007 STATED SCOPE OF WORK COMPLETED												
008 FACILITY RESPONSE NOT REQUIRED												
009 ADDITIONAL LOCATING REQUIRED												
010 EXEMPT FROM MARKING												
013 CANCELED												
201 DESIGN-TASK FACILITIES												
202 DESIGN-TASK COMPLETED												
203 DESIGN-MARKING REQUIRED												
999 HAS NOT RESPONDED												
TOTALS	1	0	0	0	0	0	0	0	0	0	0	0

WATER & LIGHT

Series1 Series2 Series3 Series4 Series5 Series6 Series7 Series8 Series9 Series10 Series11 Series12 Series13 Series14 Series15 Series16



Water & Light
Billed Electric kWh Report - 2018

MONTH:	RES/COM KWH	DEM. BILLED	RES/COM BILL	CONSUMER'S	MPPA	MISO	ATC	CEC-HYDRO	2018 PAID	2017 PAID	2016 PAID	2015 PD:	SAVED:
JAN '18	3518665.00	\$ 14,129.91	\$ 196,778.46	\$ 107,467.68		\$ 3,833.06	\$ 13,133.98	\$ 5,064.28	\$ 129,499.00	\$ 120,334.74	\$ 103,229.84	\$ 146,688.48	\$ (9,164.26)
FEB '18													
MAR '18													
APR '18													
MAY '18													
JUN '18													
JUL '18													
AUG '18													
SEP '18													
OCT '18													
NOV '18													
DEC '18													
	3518665.00	\$ 14,129.91	\$ 196,778.46	\$ 107,467.68	\$ -	\$ 3,833.06	\$ 13,133.98	\$ 5,064.28	\$ 129,499.00	\$ 120,334.74	\$ 103,229.84	\$ 146,688.48	\$ (9,164.26)

