

Southgate City Council Agenda

Council Chambers

Wednesday January 16, 2019

6:30pm **Work Study Session**

1. Home Decorating Awards
2. Officials Reports
3. Discussions regarding agenda items.

7:00 pm **Regular Meeting**

Pledge of Allegiance

Roll Call: Colovos, Farrah, George, Graziani, Rauch, Rollet, Zamecki.

Minutes:

1. Work Study Session Minutes dated January 2, 2019.
2. Regular City Council Meeting Minutes dated January 2, 2019.

Scheduled Persons in the Audience:

Consideration of Bids:

Scheduled Hearings:

Communications "A" –

1. Letter from Mayor; Re: Plumbing Repairs
2. Letter from Mayor; Re: Cross Connection Control Program

Page 5
Page 8

Communications "B" – (Receive and File)

Ordinances:

Old Business:

New Business:

Unscheduled Persons in the Audience:

Claims & Accounts: Warrant #1369 See Warrant

Adjournment:



Janice M. Ferencz, City Clerk

City Council

Work Study Session

January 2, 2019

An Informal Meeting of the Council of the City of Southgate was held on January 2, 2019 at 6:30 P.M. in the Council Chambers of the Municipal Building, 14400 Dix-Toledo Highway, Southgate, Michigan.

Present: Bill Colovos, Mark Farrah, John Graziani, Karen George, Phillip Rauch, Christopher Rollet, Dale Zamecki

Absent:

Also Present: Mayor Joseph G. Kuspa, City Administrator Dustin Lent, Assistant City Administrator/Finance Director David Angileri, City Attorney Brandon Fournier, City Engineer John Hennessey, City Clerk Jan Ferencz, Public Safety Director Jeff Smith, Fire Chief Mike Sypula, Police Chief Brett Selby, Building Inspections Director Bob Casanova, and Director of Public Services Bob Tarabula.

Discussion took place on the following item scheduled for action at the regular meeting:

- Lease agreement with Crystal Gardens
- Agreement between the City of Southgate and GLWA
- Jerry Pesci advised of a series at the Historical House beginning January 9, 2019 with Ecorse Township.

This meeting ended at 6:49 pm.

City of Southgate
Regular City Council Meeting
January 2, 2019

A Regular Meeting of the Council of the City of Southgate was held in the Municipal Council Chambers, 14400 Dix-Toledo Highway, Southgate, Michigan on Wednesday, January 2, 2019 and was called to order at 7:00 PM by Council President John Graziani.

This meeting began with the Pledge of Allegiance, followed by roll call.

Present: Bill Colovos, Mark Farrah, Karen George, John Graziani, Phillip Rauch, Christopher Rollet, Dale Zamecki

Absent:

Also Present: Mayor Joseph G. Kuspa, City Administrator Dustin Lent, Assistant City Administrator/Finance Director David Angileri, City Attorney Brandon Fournier, City Engineer John Hennessey, City Clerk Jan Ferencz, Public Safety Director Jeff Smith, Police Chief Brett Selby, Fire Chief Mike Sypula, Building Inspections Director Bob Casanova and Director of Public Services Bob Tarabula.

Minutes:

Moved by George, supported by Colovos, RESOLVED, that the minutes of the City Council Work Study Session dated December 19, 2018 be approved as presented. Carried unanimously.

Moved by Rauch, supported by Zamecki, RESOLVED, that the minutes of the Regular City Council Meeting dated December 19, 2018 be approved as presented. Carried unanimously.

Communications "A":

1. Memo from Administrator; Re: Lease agreement with Crystal Gardens moved by Farrah, supported by Rollet, RESOLVED that the Southgate City Council hereby authorizes the Mayor and City Clerk to sign the extension agreement with Crystal Gardens and authorizes the improvements to the facilities for Parkside Gardens, Golf Clubhouse and Ice Arena Concessions for a period of five (5) years.

Discussion took place.

Councilman Colovos objected to the motion.

Vote on motion:

Rauch	Yes	Rollet	Yes
Graziani	Yes	George	Yes
Farrah	Yes	Colovos	No
Zamecki	Yes		

Motion carries 6 - 1.

2. Memo from DPS Director; Re: Agreement between the City of Southgate and GLWA moved by Rollet, supported by Colovos, RESOLVED that the Southgate City Council hereby authorizes the Mayor and City Clerk to sign the settlement agreement with Great Lakes Water Authority for a total credit amount of \$22,225.24 for damages the City incurred on or before August 23, 2018 from the GLWA system.

Motion carried unanimously.

Regular City Council Meeting
January 2, 2019

Claims and Accounts:

Moved by Farrah, supported by Zamecki, RESOLVED, that Claims and Accounts be paid as outlined on Warrant #1368 in the amount of \$7,809,076.49.

Motion carried unanimously.

Adjournment:

Moved by Rauch, supported by George, RESOLVED, that this Regular Meeting of the Southgate City Council be adjourned at 7:22 P.M. Carried unanimously.

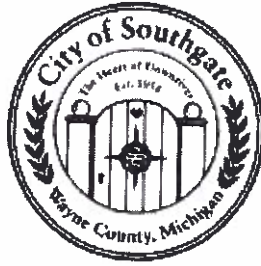
John Graziani
Council President

Janice M. Ferencz
City Clerk

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate

- CITY COUNCIL -

JOHN GRAZIANI
Council President

MARK FARRAH

KAREN E. GEORGE

BILL COLOVOS

DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

January 10, 2019

To the Honorable
City Council
Southgate, Michigan 48195

Re: Plumbing Repairs

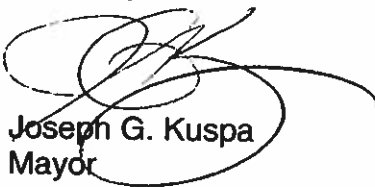
Ladies and Gentlemen:

It is recommended by the DPS Director and I concur, that the current contract be extended with Quint Plumbing, Wyandotte, Michigan in the amount of \$50.00 per hour weekdays 8am to 5pm and an amount not to exceed \$60.00 per hour after 5pm, Holidays and weekends.

Sufficient funds are available in the various Departmental Budgets to cover costs associated with these repairs.

Your favorable consideration of this matter is requested.

Sincerely,



Joseph G. Kuspa
Mayor

JGK/law

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate

- CITY COUNCIL -

JOHN GRAZIANI
Council President

MARK FARRAH

KAREN E. GEORGE

BILL COLOVOS

DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: David Angileri, Assistant City Administrator/Finance Director 

DATE: January 9, 2019

RE: Recommendation for Plumbing Repairs

I have reviewed the above with the DPS Director and concur with his recommendation to extend this contract to Quint Plumbing, 4144 Sixth Street, Wyandotte, Michigan through January 11, 2019 in the amount of:

\$50.00 per hour Weekdays (8am to 5pm)

\$ 60.00 per hour after 5pm, Weekends & Holidays

Adequate funds are budgeted in various department accounts for this purchase. This is the same amount we paid the last eight years.

NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

From the Desk of:

Robert Tarabula 

Director, D.P.S.

January 4, 2019

To: David Angileri
Finance Director

Re: Bid Extension Recommendation for Plumbing Repairs

Quint Plumbing & Heating, Inc. is willing to extend their current contract for plumbing repairs for two (2) years beginning January 4, 2019 and ending on January 4, 2021

Pricing

Labor Charge for One Journeyman Weekdays 8am-5pm is \$50.00/hour

Labor Charge for One Apprentice Weekdays 8am-5pm is \$50.00/hour

Labor Charge for One Journeyman Weekdays after 5pm Weekends & Holidays
\$60.00/hour

Labor Charge for One Apprentice Weekdays after 5pm Weekends & Holidays
\$50.00/hour

They are our current contractor, they respond quickly to service calls, and have always provided excellent service.

Therefore, I believe it would be in the best interest of the city to extend the current contract with Quint Plumbing & Heating, Inc. for plumbing repairs through January 4, 2021.

If you have any questions, please contact me.

RT/dm

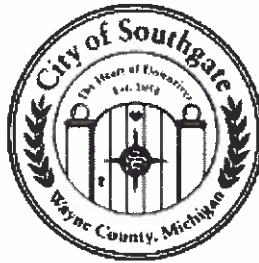
Enclosure

(D/Bids-A: Bid extension: Plumbing Repairs)

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate

- CITY COUNCIL -

JOHN GRAZIANI
Council President

MARK FARRAH

KAREN E. GEORGE

BILL COLOVOS

DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

January 10, 2019

To the Honorable
City Council
Southgate, Michigan 48195

Re: Recommendation for Cross Connection Control Program


Ladies and Gentlemen:

It is recommended by the Administration and the DPS Director and I concur, that the contract for the Cross Connection Control Program be extended with Hydro Corp., Troy, Michigan for an amount of \$33,120.00 per year.

Sufficient funds are available in the Water and Sewer Fund.

Your favorable consideration of this matter is requested.

Sincerely,


Joseph G. Kuspa
Mayor

JGK/law

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate

- CITY COUNCIL -

JOHN GRAZIANI
Council President

MARK FARRAH

KAREN E. GEORGE

BILL COLOVOS

DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: David Angileri, Assistant City Administrator/Finance Director 

DATE: January 9, 2019

RE: Recommendation for Cross Connection Control Program

I have reviewed the above with the DPS Director and concur with his recommendation to extend this contract to Hydro Corp., Troy, Mi. total amount will now be \$33,120.00 per year.

Adequate funds are budgeted in the Water and Sewer Fund to cover the cost of this cross connection control program.

From the Desk of:
Robert Tarabula
Director, D.P.S.
January 3, 2019



To: David Angileri
Finance Director

Re: Bid Extension Recommendation for Cross Connection Control Program

I respectfully request to extend the bid for the Cross Connection Control Program to **HydroCorp, 5700 Crooks Rd., Ste. 100, Troy, MI 48098**. They are our current contractor and have provided excellent service to the City. In addition, all terms and pricing will remain the same as our current contract. Therefore, I believe it would be in the best interest of the City to extend this contract for one year.

If you have any questions, please contact me.

Enclosure

BT/sb

(D/Bids.A: Bid extension: cross Connection Control program)

PROPOSAL

Bob Tarabula
DPS Director
City of Southgate

14719 Schafer Court
Southgate, MI 48195

August 30, 2019

KEEPING DRINKING WATER SAFE FOR INDUSTRIES AND MUNICIPALITIES

For over 30 years, HydroCorp™ has been dedicated to safe drinking water for companies and communities across North America. Fortune 500 firms, metropolitan centers, utilities, small towns and businesses – all rely on HydroCorp to protect their water systems, averting backflow contamination and the acute health risks and financial liabilities it incurs.

HYDRACORP
THE SAFE WATER AUTHORITY™

CROSS-CONNECTION
CONTROL / BACKFLOW
PREVENTION

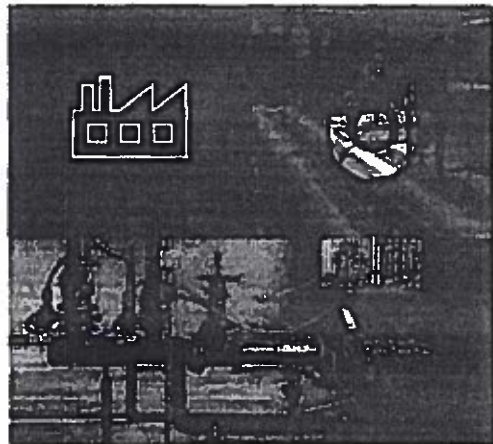
WATER SYSTEM
SURVEYS / AUDITS

PIPE SYSTEM MAPPING
AND LABELING

WATER SAMPLING
AND ANALYSIS / RISK
ASSESSMENTS

PROGRAM
AND PROJECT
MANAGEMENT

COMPLIANCE
ASSISTANCE /
DOCUMENTATION



MICHIGAN CORPORATE OFFICE
5700 Crooks Road, Suite 100
Troy, MI 48098
800.690.6651 TOLL FREE
248.250.5000 PHONE
248.786.1788 FAX GENERAL
info@hydrocorpinc.com EMAIL



SCOPE OF WORK.....3

PROFESSIONAL SERVICE AGREEMENT..... 4-10

QUALIFICATIONS11



SCOPE OF WORK

Based on your current program, HydroCorp™ will provide the following services to the City of Southgate. This project is a continued effort for an ongoing Cross-Connection Control Program and will provide the City with the necessary data and information to maintain compliance with the Michigan Department of Environmental Quality (DEQ) Water Bureau Cross Connection Control Regulations. Once this project has been approved and accepted by the City and HydroCorp, you may expect completion of the following elements within a one (1) year period. The components of the project include:

1. Annually, perform a minimum of 270 Commercial/Industrial and 150 Residential Initial inspections, compliance inspections, and re-inspections at individual industrial, commercial, institutional facilities and miscellaneous water users within the City served by the public water supply for cross-connections. Inspections will be conducted in accordance with the DEQ Water Bureau Cross Connection Control regulations.
2. Generate all backflow prevention assembly test notices, non-compliance notices and coordinate/monitor backflow prevention assembly testing compliance for all backflow prevention assemblies.
3. Perform administrative functions including: answering water user telephone calls, scheduling of inspections, mailing of all notices, verification of backflow prevention assembly tester credentials & proper testing results and general customer service and program education inquiries.
4. Generate and document the required program data for the facilities using the HydroCorp Software Data Management Program.
5. Submit comprehensive management reports on a quarterly basis.
6. Conduct an annual review meeting to discuss overall program status and recommendations.
7. Provide up to six- (6) ASSE approved hose bibb vacuum breakers or anti-frost hose bibb vacuum breakers, (i.e. combination) per facility as required, in order to place a facility into immediate compliance at the time of inspection.
8. Prepare the annual State of Michigan, DEQ Water Bureau Cross Connection Report.
9. Assist the City with a community wide public relations program including general awareness brochures and customized web site cross connection control program overview content and resources.
10. Provide ongoing support via phone, fax, internet, text or email.

The above services will be provided for:

Monthly Amount: \$ 2,760.00	Annual Amount: \$ 33,120.00	Contract Total: \$ 33,120.00
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Contract Amount is based upon a 12-month period. HydroCorp will invoice in 12 equal amounts of \$ 2,760.00

PROFESSIONAL SERVICE AGREEMENT

This agreement, made and entered into this DATE _____ by and between the City of Southgate, organized and existing under the laws of the State of Michigan, referred to as "Utility", and HydroCorp™ a Michigan Corporation, referred to as "HydroCorp".

WHEREAS, the Utility supplies potable water throughout its corporate boundary to property owners; and desires to enter into a professional services contract for cross connection control program inspection, reporting and management services.

WHEREAS, HydroCorp is experienced in and capable of supplying professional inspection of potable water distribution systems and cross connection control program management to the Utility and the Utility desires to engage HydroCorp to act as its Independent contractor in its cross connection control program.

WHEREAS, the Utility has the authority under the laws of the State of Michigan and its local governing body to enter into this professional services contract.

NOW THEREFORE, in consideration of the mutual agreements herein contained, and subject to the terms and conditions herein stated, the parties agree as follows:

ARTICLE I. Purpose

During the term of this Agreement, the Utility agrees to engage HydroCorp as an independent contractor to inspect and document its findings on its potable water distribution system in public, commercial and industrial facilities within the community. Each party to this Agreement agrees that it will cooperate in good faith with the other, its agents, and subcontractors to facilitate the performance of the mutual obligations set forth in this Agreement. Both Parties to this Agreement recognize and acknowledge that the information presented to them is complete and accurate, yet due to the inaccessible nature of water piping or due to access constraints within water users' facilities, complete and accurate data is not always available.

ARTICLE II. Scope of Services

The scope of services to be provided by HydroCorp under this Agreement will include the inspections/surveys, program administration, answering telephone call inquiries, scheduling of inspections, program compliance review, public education materials, preparation of quarterly management reports, and annual cross connection reports with respect to the facilities to the extent specifically set forth in this Article II (hereinafter the "Scope of Services"). Should other reports/services be included within the Scope of Services, the same shall be appended to this Agreement as Exhibit 1.

2.1 PROGRAM REVIEW/PROGRAM START UP MEETING. HydroCorp will conduct a Program Startup Meeting for the Cross-Connection Control/Backflow Prevention Program. Items for discussion/review will include the following:

- Review state & local regulations
- Review and/or provide assistance in establishing local Cross-Connection Control Ordinance
- Review/establish wording and timeliness for program notifications including:
 - Inspection Notice
 - Compliance Notice
 - Non-Compliance Notices 1-2, Penalty Notices
- Special Program Notices
- Electronic use of notices/program information
- Obtain updated facility listing, address information and existing program data from Utility
- Prioritize Inspections (Authority buildings, schools, high hazard facilities, special circumstances.)
- Review/establish procedure for vacant facilities



- Establish facility inspection schedule
- Review/establish procedures and protocol for addressing specific hazards
- Review/establish high hazard, complex facilities and large industrial facility inspection/containment procedures including supplemental information/notification that may be requested from these types of facilities in order to achieve program compliance.
- Review/establish program reporting procedures including electronic reporting tools
- Review/establish educational and public awareness brochures

2.2 INSPECTIONS. HydroCorp will perform initial inspections, compliance inspections, and re-inspections at individual industrial, commercial, institutional facilities and miscellaneous water users within the utility served by the public water supply for cross-connections. Inspections will be conducted in accordance with the Michigan Department of Environmental Quality Cross Connection Control Rules.

- *Initial Inspection* – the first time a HydroCorp representative inspects a facility for cross connections. Degree of Hazard will be assigned and/or verified during this facility visit. The Degree of Hazard will dictate future re-inspection frequency/schedule of facility, (facility will be either compliant or non-compliant after this inspection).
- *Compliance Inspection* – subsequent visit by a HydroCorp representative to a facility that was non-compliant during the *Initial Inspection* to verify that corrective action was completed and meets the program requirements.
- *Re-Inspection* – Revisit by a HydroCorp representative to a facility that was previously inspected. The re-inspection frequency/schedule is based on the degree of hazard assigned to the facility during the initial inspection (one or five-year re-inspection cycle).

2.3 INSPECTION SCHEDULE. HydroCorp shall determine and coordinate the inspection schedule. Inspection personnel will check in/out on a daily basis with the Utility's designated contact person. The initial check in will include a list of inspections scheduled. An exit interview will include a list of inspections completed.

2.4 PROGRAM DATA. HydroCorp will generate and document the required program data for the Facility Types listed in the Scope of Services using the HydroCorp Software Data Management Program. Program Data shall remain property of the Utility; however, the HydroCorp Software Data Management program shall remain the property of HydroCorp and can be purchased for an additional fee. Data services will include:

- Prioritize and schedule inspections
- Notify users of inspections, backflow device installation and testing requirements if applicable
- Monitor inspection compliance using the HydroCorp online software management program.
- Maintain program to comply with all MDEQ regulations

2.5 MANAGEMENT REPORTS. HydroCorp will submit comprehensive management reports in electronic, downloadable format on a quarterly & annual basis to the Utility. Reports to include the following information:

- Name, location and date of inspections
- Number of facilities inspected/surveyed
- Number of facilities compliant/non-compliant

2.6 REVIEW OF CROSS-CONNECTION CONTROL ORDINANCE. HydroCorp will review or assist in the development of a cross-connection control ordinance. Items for review include:

- Code adoption references, standard operational procedures, program notice documentation, reporting procedures and preference standards.
- Penalties for noncompliance.



- 2.7 **VACUUM BREAKERS.** HydroCorp will provide up to six (6) ASSE approved hose bibb vacuum breakers or anti-frost hose bibb vacuum breakers per facility as required, in order to place a facility into immediate compliance at the time of inspection if no other cross-connections are identified.
- 2.8 **PUBLIC RELATIONS PROGRAM.** HydroCorp will assist the Utility with a community-wide public relations program including general awareness brochures and website cross connection control program content.
- 2.9 **SUPPORT.** HydroCorp will provide ongoing support via phone, fax, text, website or email for the contract period.
- 2.10 **FACILITY TYPES.** The facility types included in the program are as follows:
- Industrial
 - Institutional
 - Commercial
 - Miscellaneous Water users
 - Multifamily
 - Residential

Complex Facilities. Large industrial and high hazard complexes or facilities may require inspection/survey services outside the scope of this Agreement. (HydroCorp typically allows a maximum of up to three (3) hours of inspection time per facility.) An independent cross connection control survey (at the business owner's expense) may be required at these larger/complex facilities and the results submitted to the Utility to help verify program compliance.

- 2.11 **INSPECTION TERMS.** HydroCorp will perform a minimum of 270 Non-Residential and 150 Residential inspections over a one – (1) year contract period. The total inspections include all initial inspections, compliance and re-inspections. *Vacant facilities that have been provided to HydroCorp, scheduled no show or refusal of inspection will count as an inspection/site visit for purposes of the contract.*
- 2.12 **COMPLIANCE WITH DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ).** HydroCorp will assist in compliance with DEQ and Michigan Plumbing Code cross connection control program requirements for all commercial, industrial, institutional, residential, multifamily and public authority facilities.
- 2.13 **POLICY MANUAL.** HydroCorp will review and/or develop a comprehensive cross connection control policy manual/plan and submit to the appropriate regulatory agency for approval on behalf of the Utility.
- 2.14 **INVENTORY.** HydroCorp shall inventory all accessible (ground level) backflow prevention assemblies and devices. Documentation will include: location, size, make, model and serial number if applicable.
- 2.15 **DATA MANAGEMENT.** HydroCorp shall provide data management and program notices for all inspection services throughout the contract period.
- 2.16 **ANNUAL YEAR END REVIEW.** HydroCorp will conduct an on-site annual year-end review meeting to discuss overall program status and specific program recommendations.
- 2.17 **CROSS CONNECTION CONTROL BROCHURES.** HydroCorp will provide approximately 500 cross-connection control educational brochures for the duration of the Agreement.
- 2.18 **INSURANCE.** HydroCorp will provide all required copies of general liability, workers' compensation and errors and omissions insurance naming the Utility as an additional insured if required.



ARTICLE III. Responsibilities of the Utility

- 3.1 UTILITY'S REPRESENTATIVE.** On or before the date services are to commence under this Agreement, the Utility shall designate an authorized representative ("Authorized Representative") to administer this Agreement.
- 3.2 COMPLIANCE WITH LAWS.** The Utility, with the technical and professional assistance of HydroCorp, shall comply with all applicable local, state, and federal laws, codes, ordinances, and regulations as they pertain to the water inspection and testing, and shall pay for any capital improvements needed to bring the water treatment and delivery system into compliance with the aforementioned laws.
- 3.3 NOTICE OF LITIGATION.** In the event that the Utility or HydroCorp has or receives notice of or undertakes the prosecution of any actions, claims, suits, administrative proceedings, investigations or other proceedings in connection with this Agreement, the party receiving such notice or undertaking of such prosecution shall give the other party timely notice of such proceedings and will inform the other party in advance of all hearings regarding such proceedings
- 3.4 FACILITY LISTING.** The Utility must provide HydroCorp a complete list of facilities to be inspected, including facility name, type of service connection, address, contact person, and phone number, (if available). *Electronic file format such as Microsoft Excel, etc. is required. An additional one-time fee to manually enter facility listing will be charged at the rate of \$80.00 per hour. Incorrect facility addresses will be returned to the Utility contact and corrected address will be requested.*
- 3.5 LETTERHEAD/LOGO.** The Utility will provide HydroCorp with an electronic file copy of the utility logo or utility letterhead and all envelopes for the mailing of all official program correspondence only. (300 dpi in either .eps, or other high quality image format for printing.)

ARTICLE IV. Term, Compensation and Changes in Scope of Services

- 4.1 TERM AND TERMINATION TERM.** Services by HydroCorp under this Agreement shall commence on September 1, 2018 and end one – (1) year from such date, unless the agreement is renewed under the provisions of section 4.4 of this agreement. The terms of this Agreement shall be valid only upon the execution of this Agreement within ninety (90) days of its receipt. Failure to execute this Agreement within the ninety (90) day period shall deem the proposed terms void.
- 4.2 TERMINATION.** The Utility or HydroCorp may terminate this Agreement at any time and on any date in the initial and renewal terms of this Agreement, with or without any cause, by giving written notice of such intent to terminate to the other party at least thirty (30) days prior to the effective date of termination. Notice of the intent to terminate shall be given in writing by personal service, by an authorized agent, or by certified mail, return receipt requested. The Utility shall pay the balance of any outstanding accounts for work performed by HydroCorp.
- 4.3 BASE COMPENSATION.** The Utility shall pay HydroCorp as compensation ("Base Compensation") for labor, equipment, material, supplies, and utilities provided and the services performed pursuant to this Agreement, \$2,760.00 per month, \$33,120.00 annually, for a one-year contract total of \$33,120.00. Completed inspections shall consist of all initial inspections, re-inspections and compliance inspections as defined in section 2.2.



- 4.4 PAYMENT OF INVOICES.** Upon presentation of invoices by HydroCorp, all payments including base and other compensation shall be due and payable on the first day of each month (due date) after the month for which services have been rendered. All such payments shall be made no later than thirty (30) days after the due date. Failure to pay shall be deemed a default under this Agreement. For any payment to HydroCorp which is not made within thirty (30) calendar days after the due date, HydroCorp, shall receive interest at one and one-half (1½) percent per month on the unpaid balance.
- 4.5 CHANGES IN SCOPE OF SERVICES.** In the event that the Utility requests and HydroCorp consents to perform additional work or services involving the consulting, management, operation, maintenance, and repair of the Utility's water delivery system where such services or work exceeds or changes the Scope of Services contemplated under this Agreement, HydroCorp shall be provided additional compensation. Within thirty (30) calendar days from the date of notice of such additional work or services, the parties shall mutually agree upon an equitable sum for additional compensation. This amount shall be added to the monthly sum effective at the time of change in scope. Changes in the Scope of Service include, but are not limited to, requests for additional service by the Utility or additional costs incurred in meeting new or changed government regulations or reporting requirements.
- 4.6 CLIENT CONFIDENTIALITY.** Disclosure of all communications between HydroCorp and the Utility regarding business practices and other methods and forms of doing business is subject to the provisions of Michigan Public Records Law. HydroCorp agrees to make available for inspection and copying all records in its possession created, produced, collected or otherwise related to this Agreement to the same extent as if the records were maintained by the Utility. HydroCorp expressly acknowledges and agrees that its obligations concerning Public Records Law and compliance under this Agreement should not be limited by copyright, license, privacy and/or confidentiality except as authorized under the Public Records Law.
- 4.7 ACCESSIBILITY.** Backflow prevention device information will be completed in full only when the identifying information (i.e. data plate, brass tag, etc.) is accessible and visible from ground level or from a fixed platform/mezzanine.
- 4.8 CONFINED SPACES.** – HydroCorp personnel will not enter confined spaces.

ARTICLE V. Risk Management and General Provisions

- 5.1 INFORMATION.** Both Parties to this Agreement recognize and acknowledge that the information presented to them is complete to the best of their knowledge, yet due to the inaccessible nature of water piping or lack of access provided by property owner/water user, complete accurate data is not always available. Cross-connection control inspection and results are documented as of a specific date. The property owner and/or water user may make modifications to the potable water system after the inspection date that may impact compliance with the program.
- 5.2 LIMITATION OF LIABILITY.** HydroCorp's liability to the Utility for any loss, damage, claim, or expense of any kind or nature caused directly or indirectly by the performance or non-performance of obligations pursuant to this Agreement shall be limited to general money damages in an amount not to exceed or within the limits of the insurance coverage provided hereunder. HydroCorp shall in no event be liable for indirect or consequential damages, including but not limited to, loss of profits, loss of revenue, or loss of facilities, based upon contract, negligence, or any other cause of action.



5.3 HYDROCORP INSURANCE. HydroCorp currently maintains the following insurance coverage's and limits:

	<u>Occurrence</u>	<u>Aggregate</u>
Comprehensive General Liability	\$1 Million	\$2 Million
Excess Umbrella Liability	\$5 Million	\$5 Million
Automobile Liability (Combined Single Limit)	\$1 Million	
Worker's Compensation/ Employer's Liability	\$1 Million	
Errors and Omissions	\$2 Million	\$2 Million

Within thirty (30) calendar days of the start of the project, HydroCorp shall furnish the Utility with satisfactory proof of such insurance, and each policy will require a 30-day notice of cancellation to be given to the Utility while this Agreement is in effect. The Utility shall be named as an additional insured according to its interest under the general liability policy during the term of this Agreement.

- 5.4 UTILITY INSURANCE.** The Utility will maintain liability insurance on an all risk basis and including extended coverage for matters set forth in this Agreement.
- 5.5 RELATIONSHIP.** The relationship of HydroCorp to the Utility is that of independent contractor and not one of employment. None of the employees or agents of HydroCorp shall be considered employees of the Utility. For the purposes of all state, local, and federal laws and regulations, the Utility shall exercise primary management, and operational and financial decision-making authority.
- 5.6 ENTIRE AGREEMENT AMENDMENTS.** This Agreement contains the entire Agreement between the Utility and HydroCorp, and supersedes all prior or contemporaneous communications, representations, understandings, or agreements. This Agreement may be modified only by a written amendment signed by both parties.
- 5.7 HEADINGS, ATTACHMENTS, AND EXHIBITS.** The heading contained in this Agreement is for reference only and shall not in any way affect the meaning or interpretation of this Agreement. The Attachments and Exhibits to this Agreement shall be construed as integral parts of this Agreement.
- 5.8 WAIVER.** The failure on the part of either party to enforce its rights as to any provision of this Agreement shall not be construed as a waiver of its rights to enforce such provisions in the future.
- 5.9 ASSIGNMENT.** This Agreement shall not be assigned by either party without the prior written consent of the other unless such assignment shall be to the affiliate or successor of either party.
- 5.10 FORCE MAJEURE.** A party's performance under this Agreement shall be excused if, and to the extent that, the party is unable to perform because of actions due to causes beyond its reasonable control such as, but not limited to, Acts of God, the acts of civil or military authority, loss of potable water sources, water system contamination, floods, quarantine restrictions, riot, strikes, commercial impossibility, fires, explosions, bombing, and all such interruptions of business, casualties, events, or circumstances reasonably beyond the control of the party obligated to perform, whether such other causes are related or unrelated, similar or dissimilar, to any of the foregoing. In the event of any such force majeure, the party unable to perform shall promptly notify the other party of the existence of such force majeure and shall be required to resume performance of its obligations under this Agreement upon the termination of the aforementioned force majeure.
- 5.11 AUTHORITY TO CONTRACT.** Each party warrants and represents that it has authority to enter into this Agreement and to perform the obligations, including any payment obligations, under this Agreement.



5.12 GOVERNING LAW AND VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, regardless of the fact that any of the parties hereto may be or may become a resident of a different state or jurisdiction. Any suit or action arising shall be filed in a court of competent jurisdiction within the State of Michigan, venue by the presiding County. The parties hereby consent to the personal jurisdiction of said court within the State of Michigan.

5.13 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

5.14 NOTICES. All notices, requests, demands, payments and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally or sent by nationally recognized overnight carrier, or mailed by certified mail, postage prepaid, return receipt requested, as follows:

If to HydroCorp:

HydroCorp
c/o Mark Martin
5700 Crooks Road, Ste. 100
Troy, MI 48337

If to Utility:

City of Southgate
c/o Bob Tarabuja
14719 Schafer Court
Southgate, MI 48195

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

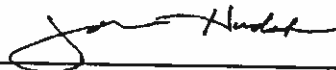
SIGNATURES

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the date first above written.

City of Southgate

By:
Title:

HydroCorp



By: John Hudak
Its: President



Appendix

Specific Qualifications & Experience

HydroCorp™ is a professional service organization that specializes in Cross Connection Control Programs. Cross Connection Control Program Management & Training is the main core and focus of our business. We are committed to providing water utilities and local communities with a cost effective and professionally managed cross connection control program in order to assist in protecting the public water supply.

- HydroCorp conducts over 30,000 Cross Connection Control Inspections *annually*.
- HydroCorp tracks and manages over 35,000+ backflow prevention assemblies for our Municipal client base.
- Our highly trained staff works in an efficient manner in order to achieve maximum productivity and keep program costs affordable. We have a detailed system and process that each of our field Inspectors follow in order to meet productivity and quality assurance goals.
- Our municipal inspection team is committed to providing outstanding customer service to the water users in each of the communities we serve. We teach and train customer service skills in addition to the technical skills since our team members act as representatives of the community that we service.
- Our municipal inspection team has attended training classes and received certification from the following recognized Cross Connection Control Programs: UF TREEO, UW-Madison, and USC – Foundation for Cross Connection Control and Hydraulic Research, American Backflow Prevention Association (ABPA), American Society for Sanitary Engineering (ASSE). HydroCorp recognizes the importance of Professional Development and Learning. We invest heavily in internal and external training with our team members to ensure that each Field Service and Administrative team member has the skills and abilities to meet the needs of our clients.
- We have a trained administrative staff to handle client needs, water user questions and answer telephone calls in a professional, timely and courtesy manner. Our administrative staff can answer most technical calls related to the cross connection control program and have attended basic cross connection control training classes.
- HydroCorp currently serves over 200 communities in Michigan, Wisconsin, Maryland, Delaware, Virginia & Florida. We still have our first customer!
- HydroCorp and its' staff are active members in many water industry associations including: National Rural Water Association, State Rural Water Associations, National AWWA, State AWWA Groups, HydroCorp is committed to assisting these organizations by providing training classes, seminars and assistance in the area of Cross Connection Control.
- Several Fortune 500 companies have relied on HydroCorp to provide Cross Connection Control Surveys, Program Management & Reporting to assist in meeting state/local regulations as well as internal company guidelines.

