Ontonagon
Harbor Town
Gateway to the Porcupine Mountains

VILLAGE OF ONTONAGON Founded in 1843
315 Quartz Street
Ontonagon, Michigan 49953
Phone: 906-884-2305 Fax: 906-884-4369
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Website: www.villageofontonagon.org

AGENDA

VILLAGE COUNCIL MEETING
MONDAY – January 12, 2026
5:00 P.M. - 315 QUARTZ ST.

FINANCE COMMITTEE MEETS AT 4:30 P.M.

1. **PLEDGE OF ALLEGIANCE**
2. **CALL TO ORDER – ROLL CALL**
3. **PUBLIC COMMENT (Five Minute Limit Per Individual on Agenda and Non-Agenda Items)**
4. **APPROVAL OF CONSENT AGENDA: Finance Committee December 22, 2025; Marina Commission September 18, 2025; Village Planning Commission November 19, 2025**
5. **APPROVAL OF AGENDA**
6. **APPROVAL OF BILLS**
7. **APPROVAL OF COUNCIL MINUTES: December 22, 2025**
8. **REPORTS:**
   a. **Manager's Report**
9. **UNFINISHED BUSINESS**
   a. **MERS Updates**
   b. **OASD Bus Garage Lease (Community Development)**
10. **NEW BUSINESS**
    a. **Commission/Committee Appointments**
    b. **Bendzinski & Co.- 12/22/2025 Water Fund Rate Study Report**
    c. **Northland Electric Proposal**
    d. **Rec Center Requests**
11. **ANNOUNCEMENTS – OTHER COUNCIL BUSINESS**
12. **ADJOURNMENT**

12/22/2025

Village of Ontonagon

Village Council Finance Committee

Called to order at 4:34 p.m.

Present: Seid, Rebholz, Hopper

Review of bills already paid: $184.03

Bills to be paid: $12,934.40

Total recommended for approval $105,419.59

Approved 12/08/2025 minutes

Reviewed accounts with Village Manager

Moved by Seid, seconded by Hopper.

Adjourned at 4:50 p.m.

On a motion by Hopper, second Seid

Minutes taken by Rebholz

VILLAGE MARINA COMMISSION
HELD ON THURSDAY, September 18, 2025
AT 3:30 P.M. AT 315 QUARTZ STREET, ONTONAGON

ORDER
At 3:30 p.m. the meeting was called to order and the Pledge of Allegiance was led by Chairperson Fred Chamberlain.

PRESENT: Tom Colgin, Willie DuPont, Barb Kilmer, Chairperson Fred Chamberlain
ABSENT: Donald Chastan, Vice-Chairperson Debra Seid

AGENDA:
A motion was made by DuPont, second by Kilmer, (CARRIED) to approve the agenda as presented.
AYE: DuPont, Kilmer, Colgin, Chairperson Chamberlain
NAY: None
ABSENT: Chastan, Seid

MINUTES:
A motion was made by DuPont, second by Colgin (CARRIED), to approve the August 21, 2025, minutes as presented.
AYE: DuPont, Colgin, Kilmer, Chairperson Chamberlain
NAY: None
ABSENT: Chastan, Seid

ITEMS FROM THE FLOOR:
Michael McCabe representing the Ontonagon Conservation District, informed the Commission that they received a grant for invasive species education and requested permission to place signs informing the public on how to prevent the spread of invasive species at the Marina. Mr. McCabe provided a sample of what the sign would look like. Manager DuPont provided Mr. McCabe with his email for a written request.

FINANCIAL REPORT:
A motion was made by Kilmer, second by Colgin (CARRIED) to accept the financial report as presented.
AYE: Kilmer, Colgin, DuPont, Chairperson Chamberlain
Nay: None
Absent: Chasten, Seid

HARBOR MASTER REPORT:
None.

A discussion was held on repairs and materials needed. Manager DuPont will look into what is needed.

MARINA BUSINESS:
a. Grant Update
Manager DuPont spoke with the Minneapolis Foundation regarding the Thriving Communities Grant. A Quality Assurance Procedure Plan needs to be added to the work plan and once that is done we can move forward with requesting bids for the study.

OTHER COMMISSION BUSINESS:
Manager DuPont read a letter of appreciation to Harbormaster Phil Paulik and his crew from the U.P. Sports Fisherman's Association Board of Directors for a job well done at the Marina.

ADJOURN:
A motion was made by DuPont, second by Colgin (CARRIED) to adjourn the meeting at 3:45 pm.
AYE: DuPont, Colgin, Kilmer, Chairperson Chamberlain
NAY: None
Absent: Chasten, Seid

Wendy Pence
Wendy Pence, Clerk

12-18-2025
Approved

VILLAGE PLANNING COMMISSION
HELD ON WEDNESDAY, November 19, 2025
AT 3:30 P.M. AT 315 QUARTZ STREET, ONTONAGON

At 3:30 pm the meeting was called to order and the Pledge of Allegiance was led by Chairperson Johnson.

CALL TO ORDER/ROLL CALL

PRESENT: Lyle Perry, Deb Seid, Dorothy Sharkey, Chair William Johnson
ABSENT: John Hamm
Zoning Administrator, Mike Rebholz, was also in attendance.

AGENDA:
A motion was made by Sharkey, second by Perry, (CARRIED) to approve the agenda as presented.
AYE: Sharkey, Perry, Seid, Chair Johnson
NAY: None
ABSENT: Hamm

MINUTES: October 15, 2025
A motion was made by Seid, second by Perry, (CARRIED) to approve the minutes of October 15, 2025, as amended.
AYE: Seid, Perry, Sharkey, Chair Johnson
NAY: None
ABSENT: Hamm

ITEMS FROM THE FLOOR:
None

BUSINESS:

a. **Election of Officers**

A motion was made by Perry, seconded by Seid, (CARRIED) to elect current officers by acclamation for the following year.
ROLL CALL
AYE: Perry, Seid, Sharkey, Chair Johnson
NAY: None
ABSENT: Hamm

b. **Report of Zoning Administrator**

Administrator Rebholz updated the commission on the multiple shed structures residents have been placing on their properties. Many are unaware of the permits required by our zoning ordinance so Administrator Rebholz has had the office staff send certified letters to those residents inviting them to the Village office to provide zoning information to them. He also informed the commission that fencing applications have slowed down.

Rebholz then presented to the commission a sample of a zoning violation complaint form currently used by the Township of Ontonagon which he will revise and submit to the Planning Commission for future use by the Village.

The form will be required to be filled out by any complainant as anonymous complaints are not investigated.

A short discussion was also held on maintaining clear ally ways and access points.

c. Park Plans

There is no word from Ontonagon Township regarding the park plans.

NEW BUSINESS:

A short discussion was held on the Maple Manor Project.

Rebholz informed the commission that O'Reilly Auto Parts is moving forward with acquiring the former Family Dollar property.

Community Development will meet with OASD Superintendent, Lisa Johnson, December 03, 2025 at 10:00 am to discuss the bus garage.

Rebholz also informed the commission that the individual who was interested in the old school has not yet contacted him.

ADJOURN:

The meeting was adjourned at the call of the Chair at 4:32 p.m.

Minutes recorded by Wendy Pence.

Wendy Pence
Wendy Pence, Clerk

12-17-2025
Approved

ONTONAGON VILLAGE COUNCIL MEETING

HELD AT 5:00 PM ON MONDAY, DECEMBER 22, 2025

AT 315 QUARTZ STREET, ONTONAGON

PRESENT: Pro-Tem Hopper, Lyle Perry, Mike Rebholz, Debra Seid, Dorothy Sharkey, President Pamela Coey
At 5:00 p.m. the meeting was called to order by President Coey and the Pledge of Allegiance was recited.

CALL TO ORDER – ROLL CALL

PUBLIC COMMENT (Five Minute Limit per Individual on Agenda and Non-Agenda Items):
None

Public Hearing To Consider Ordinance NO. 2025-04: DDA Repeal Ordinance Removed From Agenda.

APPROVAL OF CONSENT AGENDA:
Finance Committee December 08, 2025; Village of Ontonagon Personnel Committee December 10, 2025; Ontonagon Village Housing November 18, 2025
A motion was made by Seid, second by Rebholz (CARRIED), to approve the consent agenda as presented.
AYE: Seid, Rebholz, Hopper, Perry, Sharkey, President Coey
NAY: None

APPROVAL OF AGENDA:
A motion was made by Sharkey, second by Hopper (CARRIED), to approve the agenda as amended.
AYE: Sharkey, Hopper, Perry, Rebholz, Seid, President Coey
NAY: None

APPROVAL OF BILLS:
A motion was made by Rebholz, second by Perry (CARRIED), to approve the bills as presented.
ROLL CALL
AYE: Rebholz, Perry, Hopper, Seid, Sharkey, President Coey
NAY: None

APPROVAL OF COUNCIL MINUTES: December 08, 2025
A motion was made by Hopper, second by Rebholz (CARRIED), to approve November 24, 2025 minutes as presented.
AYE: Hopper, Rebholz, Perry, Seid, Sharkey, President Coey
NAY: None

REPORTS:

a. Financial Report

Manager Dupont reviewed the financial report with the Financial Committee and advised all financials are available on the Village website.

Manager DuPont plans to get more information from MERS so he can do his own projections as MERS projections are provided once a year.

UNFINISHED BUSINESS:

a. MERS Update

MERS January 20th payment of $55,986.00 was made on December 19th. We are current with our MERS payments. The MERS February 20th payment is scheduled to be made by the end of January.

The Michigan Enhancement Grant that the Village received will cover the next three monthly payments. This grant is expected to close out in March of 2026.

b. OASD Bus Garage Lease (Community Development)

An email was sent to OASD Superintendent Lisa Johnson with the lease details. Johnson replied she will present it to the school board and will let us know their decision.

c. AFSCME Contract

A motion was made by Rebholz, second by Perry (CARRIED) to approve the AFSCME contract with the corrections.
ROLL CALL
AYE: Rebholz, Perry, Hopper, Seid, Sharkey, President Coey
NAY: None

NEW BUSINESS:

a. Memorial Resolution to Honor Council Trustee Member Matthew Wiesen

A motion was made by Rebholz, second by Seid (CARRIED) to approve Resolution No. 2025-08 to honor Council Trustee Member Matthew Wiesen.
ROLL CALL
AYE: Rebholz, Seid, Hopper, Perry, Sharkey, President Coey
NAY: None

b. **Sanitary Survey Report December 15, 2025**

Manager DuPont informed the Council of the findings in the EGLE Sanitary Survey Report including repairs needed on the White Pine elevated storage tank as well as items to be addressed at the Silver City pump station and along the Silver City to White Pine water line.

The Infrastructure Committee, including Perry, Rebholz and Sharkey, will tour the pump station and set up an Infrastructure meeting to discuss their findings.

c. **DDA Balance Sheet Adjustment**

A motion was made by Rebholz, second by Hopper (CARRIED) to create a new DDA Ad Hoc Committee to include Dorothy Sharkey, Debra Seid and President Pamela Coey with a term of January 01, 2026 through June 30, 2026
ROLL CALL
AYE: Rebholz, Hopper, Perry, Seid, Sharkey, President Coey
NAY: None

d. **Ordinance #2025-04: DDA Repeal Ordinance**

Manager DuPont introduced Ordinance #2025-04: DDA Repeal Ordinance to the council. There will be a Public Hearing on January 26, 2026.

e. **Keweenaw Overhead Door Proposal**

A motion was made by Rebholz, second by Hopper (CARRIED) to approve the Keweenaw Overhead Door proposal as presented.
ROLL CALL
AYE: Rebholz, Hopper, Perry, Seid, Sharkey, President Coey
NAY: None

f. **Michigan Coastal Management Program**

A motion was made by Seid, second by Rebholz (CARRIED) to approve a letter of support for the Michigan Coastal Management Program
AYE: Seid, Rebholz, Hopper, Sharkey, President Coey
NAY: Perry

g. **December 26, 2025, Office Hours**

A motion was made by Hopper, second by Rebholz (CARRIED) to close the office on December 26, 2025 and January 02, 2026
AYE: Hopper, Rebholz, President Coey
NAY: Perry, Sharkey
ABSTAINED: Seid

ANNOUNCEMENTS – OTHER COUNCIL BUSINESS:

The Village received a letter of thanks from Ontonagon County Airport Manager, Lisa Linna, for the donation of Porta Johns for their 5th Annual Fall Color Fly-in/Drive-in event this year.

The 2026 Council and Commissions Meetings Schedule is now available on the Village website.

It was moved by Perry, second by Hopper to adjourn at 5:38 p.m.
AYE: Perry, Hopper, Rebholz, Seid, Sharkey, President Coey
NAY: None

Wendy Pence, Clerk

Approved

MERS UPDATE

To: Village Council

From: William DuPont, Village Manager

Date: January 12, 2026

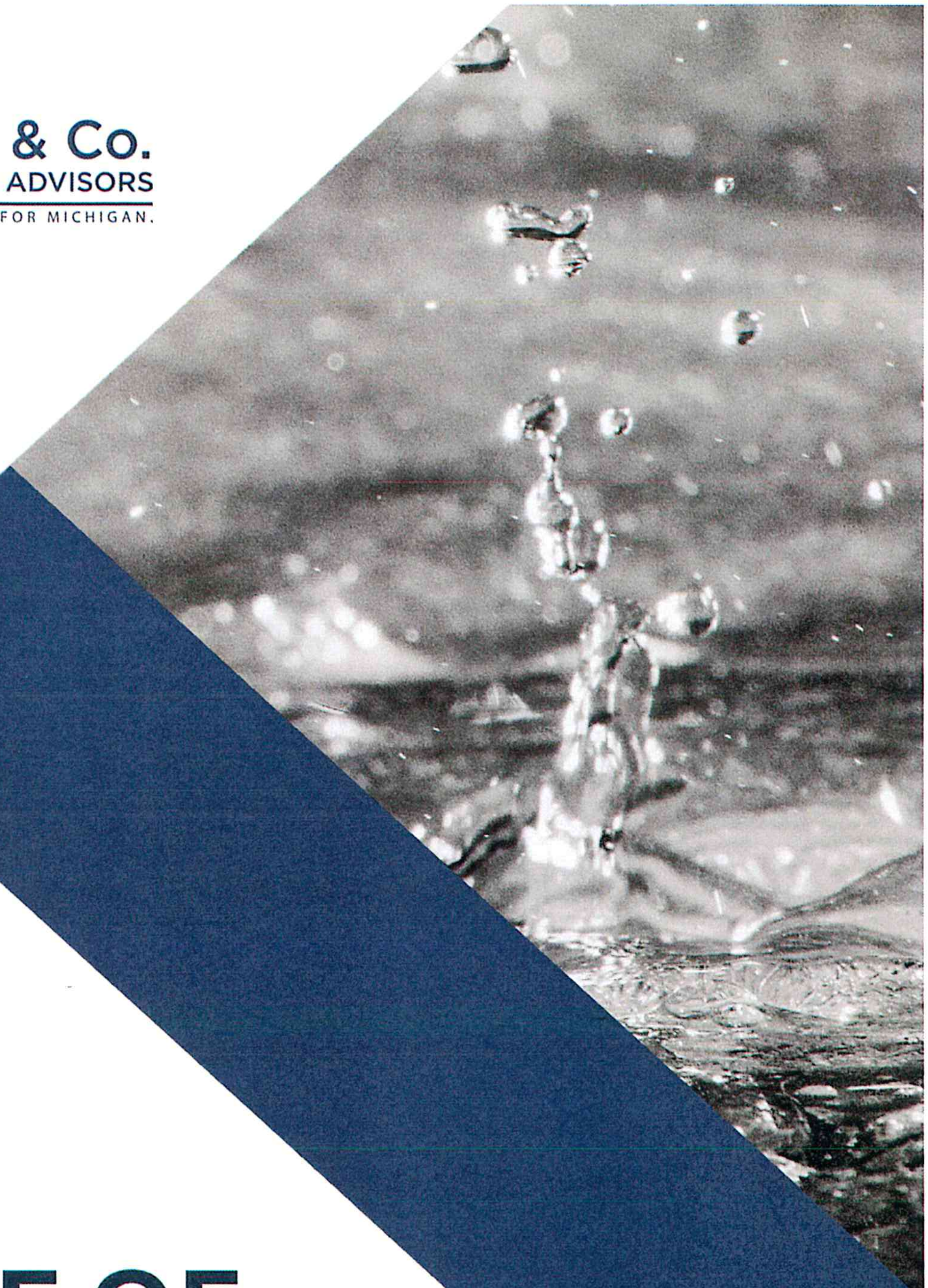
Subject: Hospital MERS Update

We paid MERS $55,986 on December 19th. This payment was due on January 20$^{th.}$ We are current with our MERS payments and our next payment will be due on February 20th. We will be making this payment towards the end of January.

At this time, the Michigan Enhancement Grant that the Village received will cover the next three monthly payments. We expect to close out this grant in March of 2026.

Thank you for your time.

Bendzinski & Co.
MUNICIPAL FINANCE ADVISORS
A MICHIGAN FIRM, WORKING FOR MICHIGAN.



VILLAGE OF ONTONAGON

Water Fund Rate Study Report

December 22, 2025

2025

December 22, 2025

Village of Ontonagon
315 Quartz Street
Ontonagon, MI 49953

Subject: Village of Ontonagon (Michigan) Water Fund – Rate Study

Dear Village of Ontonagon:

It has been a pleasure working with you on this analysis of your Water Fund. A rate study is not a historical document, but rather it should be used as living reference for current and future budgeting and decision-making. Bendzinski & Co. is available to discuss the study at any point in the future.

This study is performed on the "cash basis" of ratemaking, as described in the American Water Works Association ("AWWA") M1 Manual of Rate Making Practices. It is also performed with Michigan standards and case laws (specifically Bolt v. Lansing) in mind. The rates and charges must reflect the customer base being served, and much be "regulatory in nature" and not "revenue generating". As such, the rate study found in these pages is unique to your community. The goal of every rate study we perform is to develop a rate structure and revenues that meet the needs of operations, maintenance, and capital improvements of the system, while also being economical and equitable to the customers.

By acceptance of this study, the Village Council understands and accepts the responsibility and liability for potential challenges to the rate structure and management of the funds. Rate studies, while often based on various methods, industry guidelines and case laws, do not follow a clear Michigan law. In addition, state law and case laws do not provide any comprehensive guidance regarding methodologies, required rate structures or management of fund balance requirements. Bendzinski & Co. is relying on Village officials, and other sources, who have access to relevant data to provide accurate information. The Village accepts that fund management and rate adjustment recommendations are inherently subject to estimations and projections and, as such, no assurance is provided regarding the actual performance of the funds over time. The Village is advised to seek legal counsel regarding the implementation of any recommendations as to the required legal processes, resolutions and/or ordinances needed.

Thank you very much for the opportunity to help with this endeavor. Do not hesitate to reach out if you would like to further discuss the analysis or findings.

Sincerely,

Andy Campbell, CPA
Registered Municipal Advisor

Table of Contents

Executive Summary

1.1 Community Background

The Village of Ontonagon (the "Village") is located in Ontonagon County, Michigan. It is 3.86 square miles and has a population of approximately 1,285 (2020 Census). The Village owns and operates the Ontonagon Regional Water System, which covers over 15,000 acres and provides service to the Village of Ontonagon, White Pine CDP, Carp Lake Township, and Silver City. Raw water is drawn from Lake Superior through an intake tunnel at the mouth of the Big Iron River and pumped to the water treatment plant, where it undergoes multiple treatment processes. The treated water then flows into the clearwell storage tank and is ready to be distributed to customers.

Source: Village of Ontonagon.

1.2 Discussion and Analysis

Operating & Maintenance Expenses

The Village is not insulated from the inflationary pressures happening. Healthcare, various supplies and materials, utilities and professional services costs have risen significantly in the past few years.

User Growth

The Village is not currently estimating significant future growth in the customer base on the system.

Current & Prospective Debt Payments

The Water Fund currently contributes to one bond issue. It is at a favorable interest rate compared to current market interest rates.

The Village anticipates applying to the U.S. Department of Agriculture Rural Utilities (USDA) program for the Silver City Pump Station and the 36-inch Water Main Replacement projects. The Village has been unsuccessful in securing funding for water projects through the Michigan Department of Environment, Great Lakes, and Energy (EGLE). The USDA program also offers low-interest, 40-year financing for water infrastructure projects serving rural communities with populations of 10,000 or fewer.

User Rates

With the upcoming projects and inflationary pressures, we recommend annual increases for each scenario.

Scenarios

Scenario one includes a project estimate of $4,500,000 for the replacement of Silver City Pump Station and scenario two estimates a project cost of $3,500,000. These scenarios are presented to give the council an estimate of rate management to prepare for this upcoming large project.

Information and Assumptions

A significant effort has been made by the Village to gather needed background information related to current revenues and expenses, as well as helping with our forecast of future revenues and expenses. Also, the community has put significant effort in developing a capital improvement plan to maintain and improve the system. The rate study is a four-step process: 1) historical comparison with audits and budgets, 2) test year, or normalized budget year, along with inflation assumptions for purposes of forecasting, 3) proof of rate to revenue for reliance on customer data, and 4) cash flow forecast including revenues, operating expenses, and cash reserves. The analysis is a "cash basis" approach as described in the AWWA M1 Manual of Rate Making Practices.

Key Information Provided

- Audited comprehensive annual financial statements for FYE 2022, FYE 2023, and FYE 2024.
- Actual Revenue and Expenditure Report for FYE 2024 and FYE 2025, provided by the Village.
- Budgeted Revenue and Expenditure Report for FYE 2026, provided by the Village.
- Water Fund cash balance as of March 31, 2025, provided by the Village.

Key Assumptions

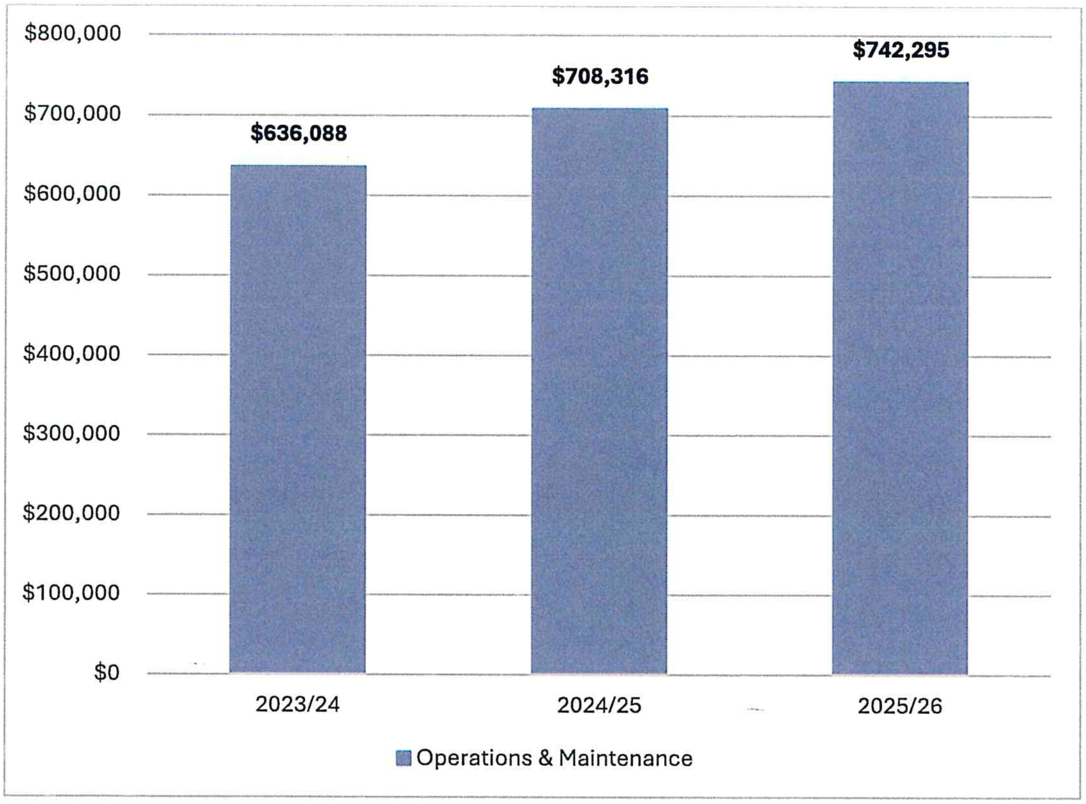
- User rates should not only cover operating expenses, but also support future system maintenance, capital improvements, and debt service payments.
- The Village will follow AWWA guidelines.
- The budgeted amount for other revenue in FYE 2026 will be consistent in future years.
- No new major customers will be connecting to the system.
- The Village will obtain USDA RU financing.

Operations & Maintenance Expenses

2.1 Historical Operations & Maintenance ("O&M") Expenses

Historical O&M expenses are examined to identify trends and any outlier expenses. Operating and maintenance expenses have increased over the last few years, primarily due to inflation, and are expected to continue increasing in the foreseeable future. For a detailed breakdown of O&M expenses, please refer to Appendix A.

TABLE 2-1: EXPENSE HISTORY & CURRENT BUDGET



2.2 Test Year

A test year is a normalized year used as a baseline for forecasting future operations and maintenance expenses. Historical actuals are reviewed to identify trends, outliers, or one-time expenses. Concerns about specific line-item expenses are discussed with Village officials to establish what these costs would typically be in a normal year. Adjustments are then made to these line items to better reflect a normalized year, which is used as the basis for forecasting future years.

2.3 Inflation Assumptions

After establishing the test year, it is important to recognize that the test year is only a normalized year, and those normalized expense assumptions will change over time. The subsequent step involves adjusting the test year expenses to account for annual inflation. Given that expenses are unlikely to remain constant over the forecast period, this adjustment reflects anticipated cost increases over time. The table below outlines the inflationary assumptions applied in the report.

TABLE 2-3: INFLATION ASSUMPTIONS

Category	Inflation Assumption
Compensation	3.0%
Benefits	3.0%
Operating	3.0%
Utilities	5.0%
Contractual Services	3.0%

Debt Service

3.1 Debt Limitation

The Village is subject to the State of Michigan debt limitation of 10% State Equalized Value (SEV), however, Act 94 or 1933 allows communities to issue bonds secured by the revenues of the system and because the security is system revenues (as opposed to the Village's taxing ability) these bonds do not count towards the debt limit. Since the Water Fund can issue bonds under Act 94 of 1933, the 10% of the SEV debt limit is not a concern related to the Water Fund utilizing debt to finance projects.

3.2 Debt Service Coverage

The Village currently does have outstanding debt which contains covenants requiring the Village to maintain rates and charges to satisfy such a debt service coverage ratio. If USDA RU bond issues are obtained, that would also contain covenants requiring the Village to maintain rates and charges to satisfy a 100% debt service coverage ratio. This is an additional important aspect as to why inflationary rate increases are needed. The Village must maintain compliance with these rate covenants and bring in enough revenues to cover operations, maintenance and all debt payments.

3.3 Current Debt Service

The Village currently only has one bond issue that the Water Fund contributes to. This issue matures on October 1, 2033. The complete debt service schedule is included in Appendix B of this report.

TABLE 3-3: WATER FUND SCHEDULE OF CURRENT DEBT SERVICE

Year	2004 SRF Bond
2025/26	$304,382
2026/27	298,963
2027/28	293,545
2028/29	288,126
2029/30	287,707
2030/31	282,182
2031/32	276,657
2032/33	271,132
2033/34	269,469
2034/35	-
Total	$2,572,163

Capital Improvement Plan

4.1 Capital Improvement Plan (CIP)

Capital improvements are larger, one-time expenses that are separate from ongoing operations and maintenance expenses. It is beneficial to plan for these potential costs in advance and develop a detailed capital improvement plan. OHM Advisors have been contracted to develop a capital improvement plan extending through the end of fiscal year 2044.

Scenario one includes project estimate of $4,500,000 for the replacement of Silver City pump station while scenario two estimates $3,500,000. Appendix C & D provide a detailed breakdown of the capital improvement plans until 2044.

SCENARIO 1: TABLE 4-1: CAPITAL IMPROVEMENT PLAN SUMMARY

Year	Cash-Funded Capital Improvements	Debt-Funded Capital Improvements
2025/26		-
2026/27		-
2027/28	$110,250	$5,071,500
2028/29		-
2029/30		-
2030/31		8,614,901
2031/32		-
2032/33		-
2033/34		2,954,911
2034/35		-
Total	$110,250	$16,641,311

SCENARIO 2: TABLE 4-2: CAPITAL IMPROVEMENT PLAN SUMMARY

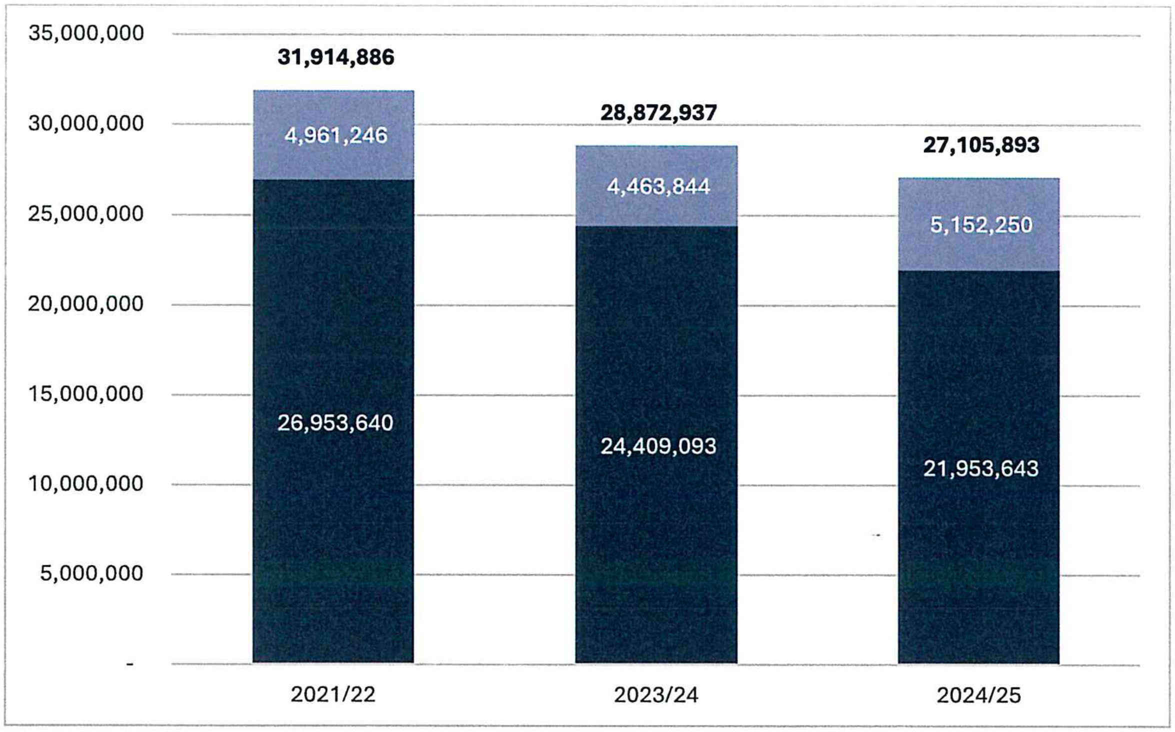
Year	Cash-Funded Capital Improvements	Debt-Funded Capital Improvements
2025/26		-
2026/27		-
2027/28	$110,250	$3,969,000
2028/29		-
2029/30		-
2030/31		8,614,901
2031/32		-
2032/33		-
2033/34		2,954,911
2034/35		-
Total	$110,250	$15,538,811

Revenues & Cash Flow

5.1 Usage & Customers

Over the last three years, the Village has experienced fairly steady usage levels, with slight variability. Usage is projected to remain consistent in the coming years. The graph below shows the total water billed usage for the system. Note: Data was not available for fiscal year 2022/23.

TABLE 5-1A: WATER GALLONS BILLED



The Village serves 1,436 customer accounts. The table below shows the breakout of customers by community.

TABLE 5-1B: CUSTOMER COUNTS BY COMMUNITY

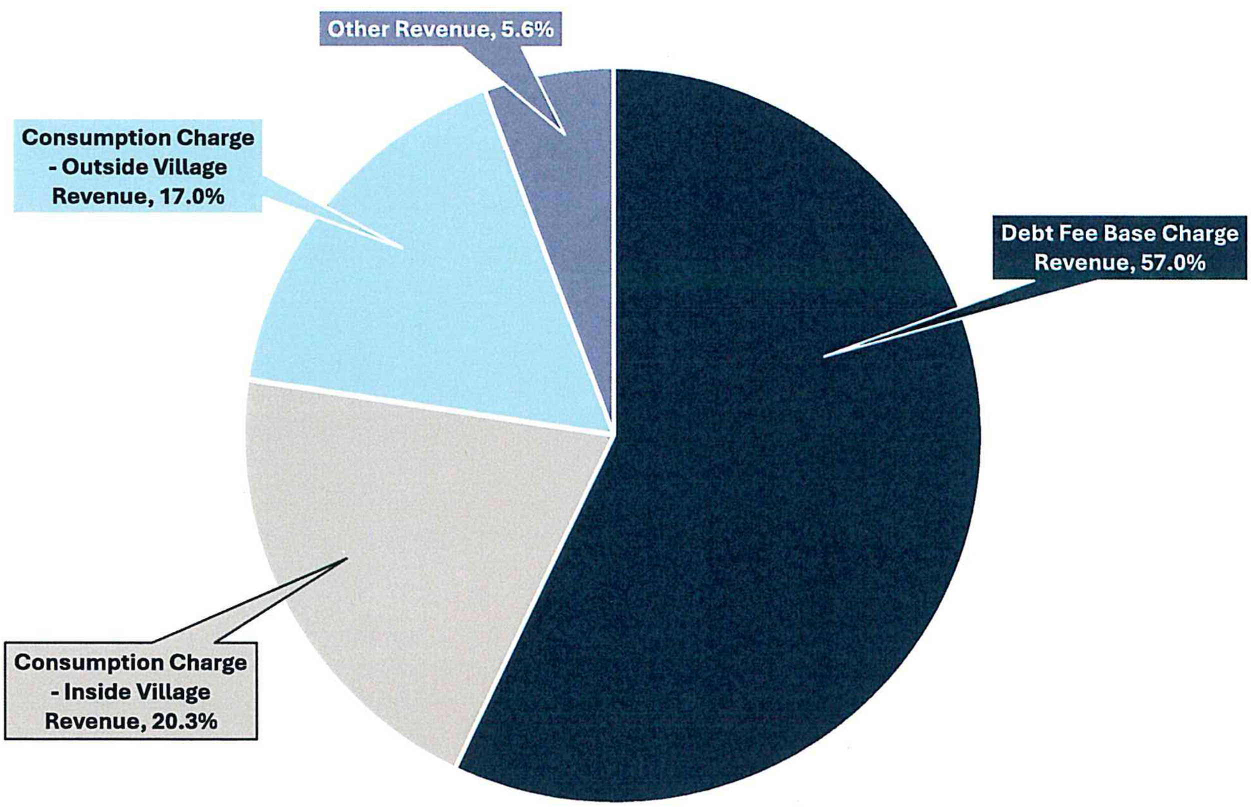
Community	Number of Customers
Village	860
Township	222
White Pine	354
Total Meter Count	1,436

5.2 Revenue

The Village's user rates consist of a monthly debt base charge and a consumption rate for its residents. Consumption charges are based on usage and are typically seen as the most equitable way to allocate costs to customers. Since these charges are based on the number of gallons used by the customers, they can have more variation and risk to the system. Since there are still fixed costs the system needs to cover regardless of the number of gallons used, a debt base charge is billed.

Along with the revenue from user rates, the Village is conservatively projecting about $59,650 in other revenue in fiscal year 2025/26, and about $15,000 annually thereafter. This revenue is not generated from user rates and primarily comes from connections, interest income, and water testing fees. The forecast assumes these additional revenue sources will remain stable in the future. The chart below demonstrates how much revenue is derived from each charge.

TABLE 5-2: REVENUE BY USER RATE CATEGORY



5.3 Current Rates (FY 2025/26)

The current rate structure adheres to common industry practices, consisting of a two-part rate structure that is comprised of a readiness-to-serve charge based on meter size and a consumption-based rate calculated according to the total water usage during the billing period. The table below displays the current monthly readiness-to-serve charge for water based on the customer's meter size, as well as the consumption charge (per 1,000 gallons) charged to all customers.

TABLE 5-3: CURRENT MONTHLY CHARGES

Metered	Charge
Debt Charge (per user)	$35.00
Village Consumption Charge (per 1,000 gal.)	10.00
Township Consumption Charge (per 1,000 gal.)	15.00
White Pine Consumption Charge (per 1,000 gal.)	15.00

5.4 Proposed Rates

The revenue needs to support operations and maintenance costs, debt payments, and future capital improvements while maintaining an adequate cash reserve. It is determined that consistent annual rate increases are the most effective approach for rate management.

Scenario One: Table 5-4A demonstrates annual inflationary increases of 5.00% to all rates beginning April 1, 2026, and April 1, 2027, followed by increases of $7.00 to the debt base charge and $2.00 to the inside village consumption charge beginning April 1, 2028.

SCENARIO ONE: TABLE 5-4A: PROPOSED RATE CHANGES

Adjustment	2026/27	2027/28	2028/29	2029/30	2030/31
Debt Charge (per user)	$36.75	$38.59	$46.09	$48.39	$50.81
Consumption Charge (per 1,000 gal.) [1]	10.50	11.03	13.03	13.68	14.36

Adjustment	2031/32	2032/33	2033/34	2034/35
Debt Charge (per user)	$58.31	$61.23	$64.29	$67.50
Consumption Charge (per 1,000 gal.) [1]	16.36	17.18	18.04	18.94

[1] This table only reflects the consumption charge for inside the village customers. See Appendix G for all user rates.

The Village bills customers monthly. With the above proposed rates, the table below outlines estimates of a typical Village homeowner's monthly bill based on 4,000 gallons of usage.

SCENARIO ONE: TABLE 5-4B: TYPICAL HOMEOWNER'S TOTAL MONTHLY BILL

Homeowner Type	2026/27	2027/28	2028/29	2029/30	2030/31
Metered [1]	$78.75	$82.69	$98.19	$103.10	$108.25

Homeowner Type	2031/32	2032/33	2033/34	2034/35
Metered [1]	$123.75	$129.94	$136.44	$143.26

[1] Assumes Village consumption rate & 4,000 gallons/month.

Scenario Two: Table 5-4C demonstrates annual inflationary increases of 5.00% to all rates beginning April 1, 2026, and April 1, 2027, followed by increases of $5.50 to the debt base charge and $1.75 to the inside village consumption charge beginning April 1, 2028.

SCENARIO TWO: TABLE 5-4C: PROPOSED RATE CHANGES

Adjustment	2026/27	2027/28	2028/29	2029/30	2030/31
Debt Charge (per user)	$36.75	$38.59	$44.09	$46.29	$48.61
Consumption Charge (per 1,000 gal.)	10.50	11.03	12.78	13.41	14.08

Adjustment	2031/32	2032/33	2033/34	2034/35
Debt Charge (per user)	$56.11	$58.91	$61.86	$64.95
Consumption Charge (per 1,000 gal.)	16.08	16.89	17.73	18.62

[1] This table only reflects the consumption charge for inside the village customers. See Appendix H for all user rates.

The Village bills customers monthly. With the above proposed rates, the table below outlines estimates of a typical Village homeowner's monthly bill based on 4,000 gallons of usage.

SCENARIO TWO: TABLE 5-4D: TYPICAL HOMEOWNER'S TOTAL MONTHLY BILL

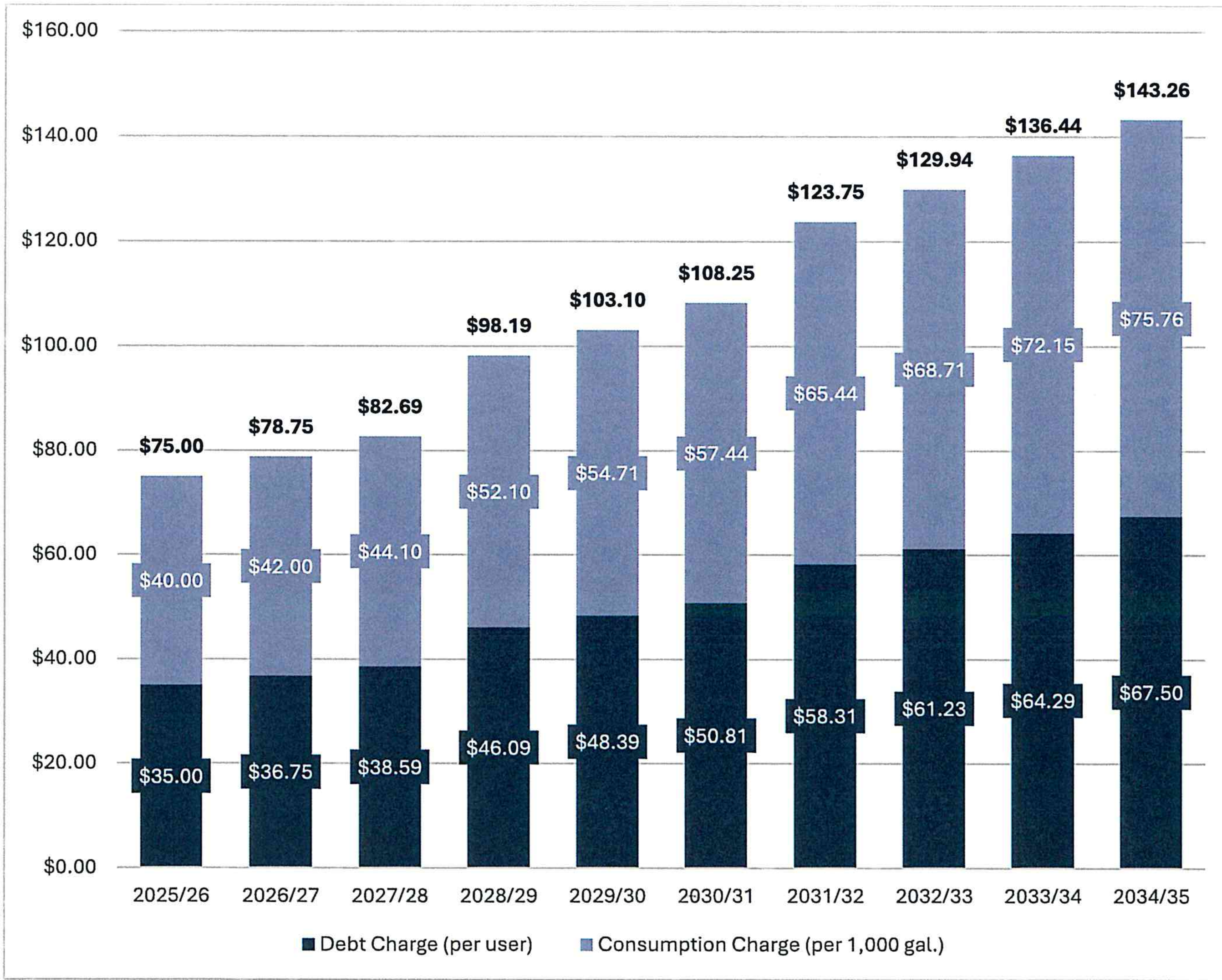
Homeowner Type	2026/27	2027/28	2028/29	2029/30	2030/31
Metered [1]	$78.75	$82.69	$95.19	$99.95	$104.94

Homeowner Type	2031/32	2032/33	2033/34	2034/35
Metered [1]	$120.44	$126.47	$132.79	$139.43

5.5 Rate Impact Summary

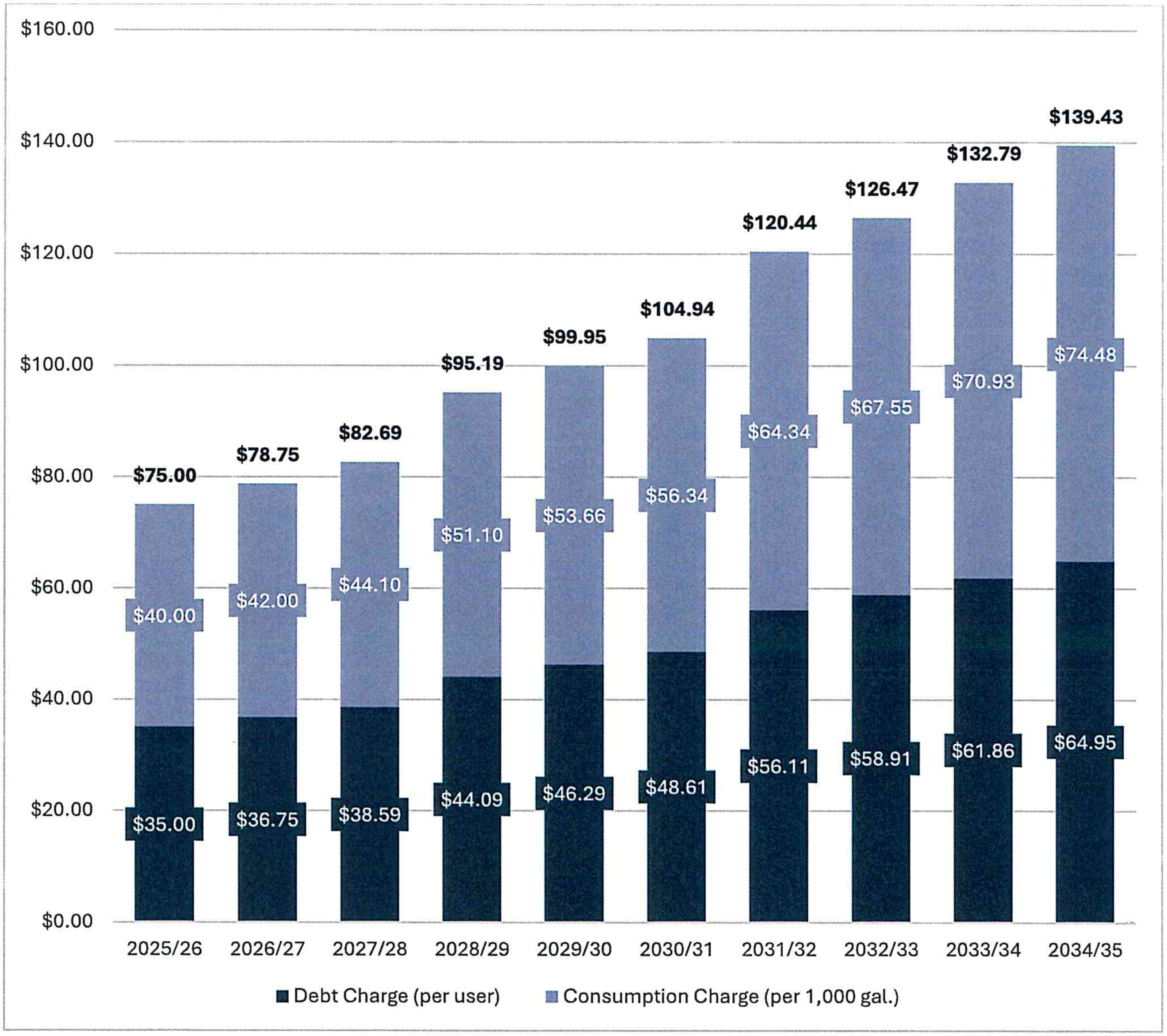
Scenario One: The proposed rate track results in an approximate increase of $3.75 starting April 1, 2026; followed by additional increases on average of $7.58 to a typical village homeowner's monthly bill at the start of each fiscal year. Assumes 4,000 gallons of usage per month.

SCENARIO ONE: TABLE 5-5A: TYPICAL HOMEOWNER'S MONTHLY BILL BREAKDOWN



Scenario Two: The proposed rate track results in an approximate increase of $3.75 starting April 1, 2026; followed by additional increases on average of $7.16 to a typical village homeowner's monthly bill at the start of each fiscal year. Assumes 4,000 gallons of usage per month.

SCENARIO TWO: TABLE 5-5B: TYPICAL HOMEOWNER'S MONTHLY BILL BREAKDOWN

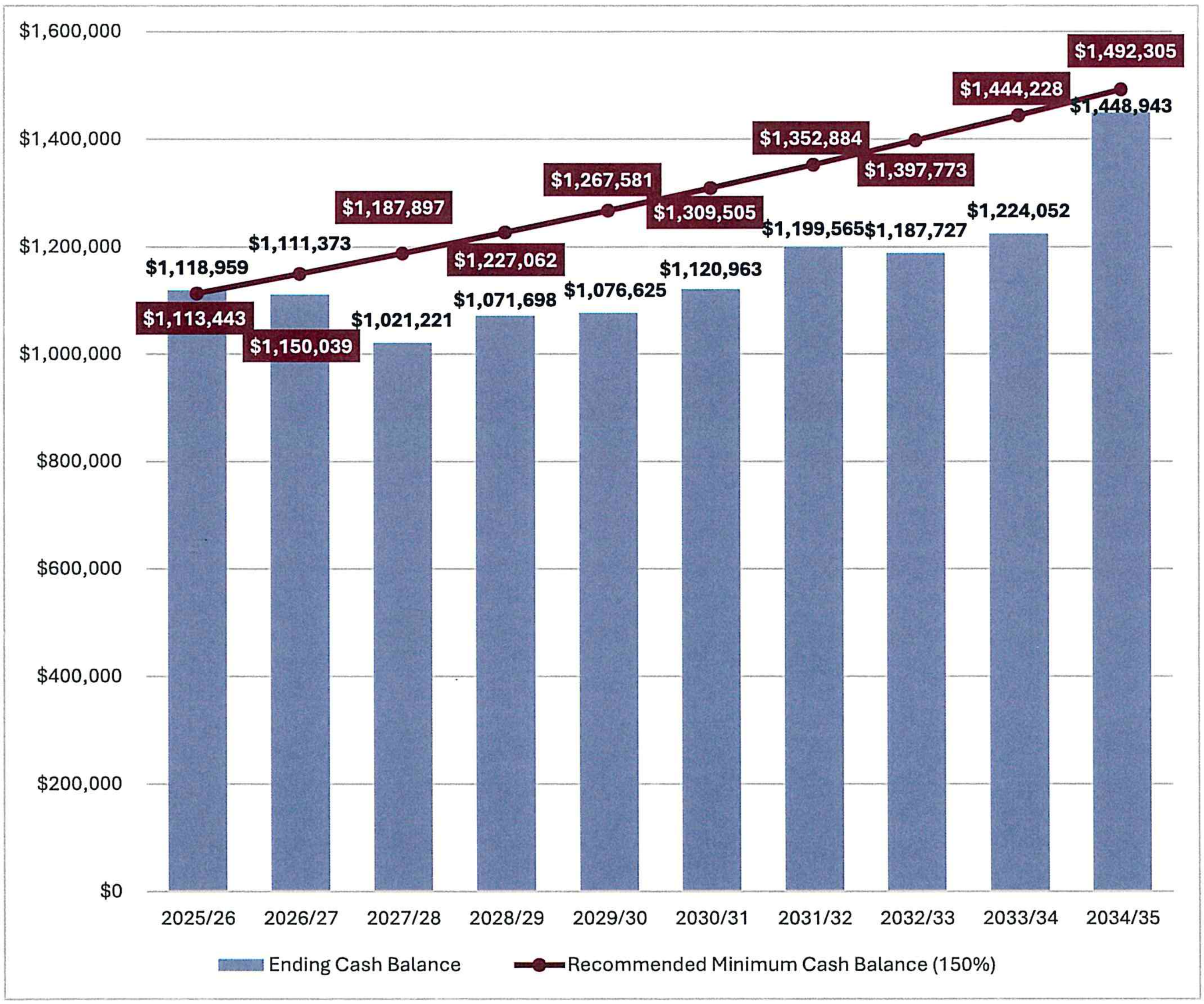


5.6 Cash Position Summary

The Village's cash reserves are currently sufficient to cover approximately 18 months of operating and maintenance expenses (net of depreciation), which aligns with our recommended minimum reserve level for the fund. The reserve balance is expected to decline as planned projects are completed and then gradually increase to the recommended minimum as annual rate increases are implemented.

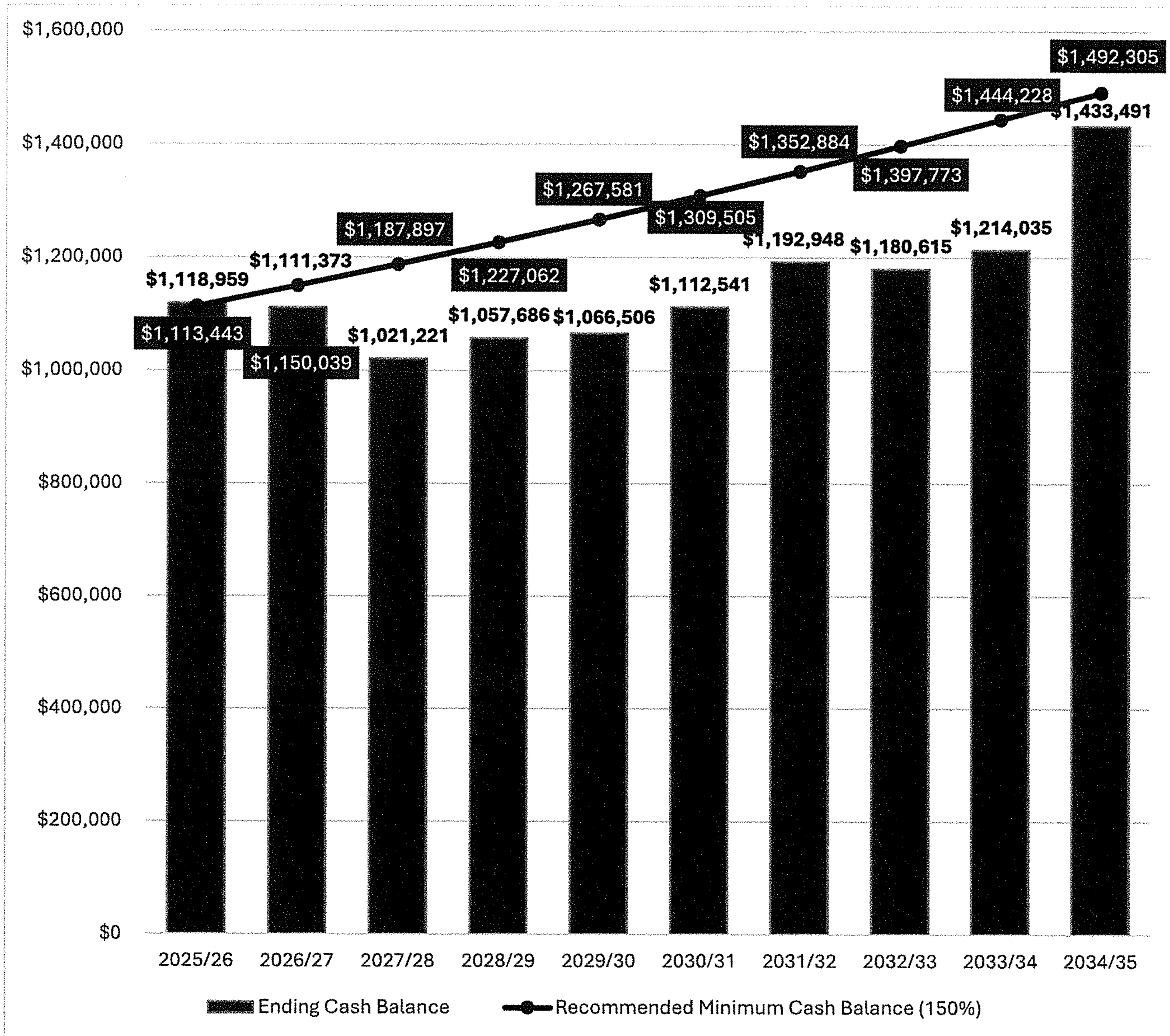
Scenario one estimates the ending cash reserves to be 17 months' worth of cash operating expenses. Appendix E provides a complete cash flow analysis breakdown.

SCENARIO ONE: TABLE 5-6A: SCHEDULE OF ACTUAL AND ESTIMATED ENDING CASH RESERVES



Scenario two estimates the ending cash reserves to be 17 months' worth of cash operating expenses. Appendix F provides a complete cash flow analysis breakdown.

SCENARIO TWO: TABLE 5-6B: SCHEDULE OF ACTUAL AND ESTIMATED ENDING CASH RESERVES



Appendix A:
Comparative Detail of Operating Expenses

VILLAGE OF ONTONAGON
COUNTY OF ONTONAGON, STATE OF MICHIGAN
Operating & Maintenance Expenses - Water

		Fiscal Year Ended				Forecasted	
		3/31/2024	3/31/2025	3/31/2026			Inflationary
		Actuals	Actuals	Budget		Test Year	Increases
		(----------------Per Client----------------		)			
Department 191: Administration							
702.000	Salary/Wages	$47,989	$50,368	$50,000		$50,000	3.00%
711.000	Workers Comp	242	247	250		250	3.00%
712.000	Unemployment	7	7	10		10	3.00%
715.000	F.I.C.A./Med	4,122	4,836	5,000		5,000	3.00%
716.000	Hospitalization	29,164	26,111	26,000		26,000	3.00%
717.000	Employee Life & Disability Insurance	87	88	100		100	3.00%
718.000	Employer Retirement Contribution-MERS	(29,227)	11,684	12,000		12,000	3.00%
718.300	MERS 401A Employer Match	1,358	1,762	1,775		1,775	3.00%
720.000	Holiday Pay	1,659	1,970	2,200		2,200	3.00%
722.000	Vacation/PTO Pay	6,629	5,177	5,300		5,300	3.00%
723.000	Personal Days	-	1,500	1,700		1,700	3.00%
723.100	Funeral Leave	-	216	100		100	3.00%
724.000	Birthday Pay	86	153	200		200	3.00%
727.000	Office Supplies	44	78	100		100	3.00%
730.000	Postage	4,942	2,135	3,000		3,000	3.00%
741.000	Supplies & Materials	271	954	1,000		1,000	3.00%
757.000	Credit Card Service Fees	885	862	1,000		1,000	3.00%
801.100	Professional Services - Audit	2,280	2,430	2,700		2,700	3.00%
801.200	Profession Services - Legal	11	61	100		100	3.00%
801.701	Prof Services - Ordinances	-	1,064	500		500	3.00%
807.000	Contracted Service - Computer Support	991	847	1,000		1,000	3.00%
808.000	Data Processing	338	1,282	1,500		1,500	3.00%
858.000	Membership & Dues	147	347	-		-	0.00%
860.000	Transportation & Travel	222	-	400		400	3.00%
865.000	Training/Meetings	92	377	450		450	3.00%
905.000	Printing & Publishing	264	1,788	2,000		2,000	3.00%
911.000	Insurance/Bonds	330	3,720	4,500		4,500	3.00%
938.000	Samples & Testing	880	3,313	3,500		3,500	3.00%
980.000	Office Equipment	1,221	2,815	3,000		3,000	3.00%
985.000	DWAM Expenses	-	-	-	[1]	-	3.00%
990.300	Misc Exp	101	145	-		-	0.00%
	Total Department 191: Administration	75,135	126,334	129,385		129,385	
Department 555: Operations of Sewer System							
969.000	Depreciation Expense	-	-	-	[2]	-	0.00%
Department 556: Water Plant Operations							
702.000	Salary/Wages	53,028	57,692	57,500		57,500	3.00%
711.000	Workers Comp	1,957	2,047	2,100		2,100	3.00%
712.000	Unemployment	8	9	10		10	3.00%
715.000	F.I.C.A./Med	4,469	4,855	5,000		5,000	3.00%
716.000	Hospitalization	36,629	31,039	30,500		30,500	3.00%
717.000	Employee Life & Disability Insurance	87	82	100		100	3.00%
718.000	Employer Retirement Contribution-MERS	(57,744)	23,081	23,250		23,250	3.00%
718.300	MERS 401A Employer Match	144	261	300		300	3.00%
718.301	MERS HCSP Employer Match	586	641	650		650	3.00%
720.000	Holiday Pay	1,220	970	1,150		1,150	3.00%
721.000	Sick Pay	925	1,132	1,150		1,150	3.00%
722.000	Vacation/PTO Pay	2,715	3,047	3,500		3,500	3.00%
723.000	Personal Days	527	276	300		300	3.00%
724.000	Birthday Pay	138	138	150		150	3.00%
730.000	Postage	981	4,307	5,000		5,000	3.00%
741.000	Supplies & Materials	300,637	86,606	100,000		100,000	3.00%
755.000	Gas & Fuel	558	428	500		500	3.00%
760.000	Equipment Rentals	-	19,675	20,000		20,000	3.00%
801.000	Professional Services	-	3,000	-		-	0.00%
801.600	Professional Services - Engineering	-	2,100	-		-	0.00%
806.000	Contracted Services Building & Grounds	-	-	-		-	0.00%

VILLAGE OF ONTONAGON
COUNTY OF ONTONAGON, STATE OF MICHIGAN
Operating & Maintenance Expenses - Water

		Fiscal Year Ended			Forecasted	
		3/31/2024	3/31/2025	3/31/2026		Inflationary
		Actuals	Actuals	Budget	Test Year	Increases
Department 556: Water Plant Operations - Continued						
850.000	Telephone & Communications	6,078	3,021	3,200	3,200	5.00%
860.000	Transportation & Travel	264	-	-	-	0.00%
865.000	Training/Meetings	147	1,141	1,500	1,500	0.00%
911.000	Insurance/Bonds	16,210	25,918	30,000	30,000	5.00%
921.000	Electric Bills	41,057	60,574	70,000	70,000	5.00%
928.000	Natural Gas Bills	5,538	4,916	5,500	5,500	5.00%
930.000	Repairs & Maintenance	3,574	8,012	9,000	9,000	3.00%
937.000	Vehicle Maintenance	707	380	500	500	3.00%
955.000	Samples & Testing	3,221	1,660	2,000	2,000	3.00%
983.001	Raw Water Pump	-	4,762	-	-	0.00%
	Total Department 556: Water Plant Operations	423,660	351,769	372,860	372,860	
Department 556.100: Water Distribution System						
741.000	Supplies & Materials	-	13	-	-	0.00%
Department 557: Water Distribution System						
702.000	Salary/Wages	80,852	83,969	87,000	87,000	3.00%
703.000	Wages - Part Time	66	-	-	-	0.00%
711.000	Workers Comp	2,905	2,675	2,925	2,925	3.00%
712.000	Unemployment	11	8	10	10	3.00%
715.000	F.I.C.A./Med	7,334	7,520	8,000	8,000	3.00%
716.000	Hospitalization	55,366	34,021	35,500	35,500	3.00%
717.000	Employee Life & Disability Insurance	150	107	115	115	3.00%
718.000	Employer Retirement Contribution-MERS	(85,888)	27,849	30,000	30,000	3.00%
718.300	MERS 401A Employer Match	1,641	2,672	3,000	3,000	3.00%
718.301	MERS HCSP Employer Match	938	985	1,100	1,100	3.00%
720.000	Holiday Pay	2,623	2,259	2,500	2,500	3.00%
721.000	Sick Pay	629	1,453	1,250	1,250	3.00%
722.000	Vacation/PTO Pay	8,043	8,808	10,000	10,000	3.00%
723.000	Personal Days	211	103	60	60	3.00%
723.100	Funeral Leave	173	231	250	250	3.00%
724.000	Birthday Pay	320	191	225	225	3.00%
725.000	Clothing Allowance	747	76	100	100	3.00%
725.200	Longevity	1,321	1,122	1,215	1,215	3.00%
741.000	Supplies & Materials	5,678	1,786	2,000	2,000	3.00%
760.000	Equipment Rentals	36,020	27,421	30,000	30,000	3.00%
806.500	Garbage Disposal	278	221	300	300	3.00%
865.000	Training/Meetings	4,672	2,977	3,500	3,500	3.00%
911.000	Insurance/Bonds	-	5,396	6,000	6,000	3.00%
930.000	Repairs & Maintenance	223	14,098	15,000	15,000	3.00%
930.101	Project Plan	12,978	4,250	-	-	0.00%
930.102	DWAM Expenses - Engineering	-	-	- [1]	-	0.00%
	Total Department 557: Water Distribution System	137,292	230,200	240,050	240,050	
Department 906: Debt Service						
991.000	Debt Service - Interest	-	-	- [3]	-	0.00%
	Total Water O&M Expenses	$636,088	$708,316	$742,295	$742,295	

[1] DWAM Grant and Expenses are removed from this section as these expenses are included in the debt service schedules addressed later in the report.
[2] Depreciation Expense is removed from this report as it is performed on the cash basis.

[3] Interest Payments are removed from this section as these expenses are included in the debt service schedules addressed later in the report.

Appendix B:

Schedule of Current Debt Service

VILLAGE OF ONTONAGON
COUNTY OF ONTONAGON, STATE OF MICHIGAN
Debt Service Schedule of:
Water Supply System Revenue Refunding Bonds, Series 2004

Date	Interest Rate	Principal Payments	Interest Payments	Total Principal and Interest	Fiscal Year Total	Fiscal Year
04/01/25			$24,691.05	$24,691.05		
10/01/25	2.125%	$255,000	24,691.05	279,691.05	$304,382.10	2025/26
04/01/26			21,981.67	21,981.67		
10/01/26	2.125%	255,000	21,981.67	276,981.67	298,963.34	2026/27
04/01/27			19,272.29	19,272.29		
10/01/27	2.125%	255,000	19,272.29	274,272.29	293,544.58	2027/28
04/01/28			16,562.91	16,562.91		
10/01/28	2.125%	255,000	16,562.91	271,562.91	288,125.82	2028/29
04/01/29			13,853.53	13,853.53		
10/01/29	2.125%	260,000	13,853.53	273,853.53	287,707.06	2029/30
04/01/30			11,091.03	11,091.03		
10/01/30	2.125%	260,000	11,091.03	271,091.03	282,182.06	2030/31
04/01/31			8,328.53	8,328.53		
10/01/31	2.125%	260,000	8,328.53	268,328.53	276,657.06	2031/32
04/01/32			5,566.03	5,566.03		
10/01/32	2.125%	260,000	5,566.03	265,566.03	271,132.06	2032/33
04/01/33			2,803.53	2,803.53		
10/01/33	2.125%	263,862	2,803.53	266,665.53	269,469.06	2033/34
	Total Outstanding:	$2,323,862	$248,301.14	$2,572,163.14	$2,572,163.14	

Note: Not callable at anytime without Municipal Finance Authority (Treasury) approval.

Appendix C:
Capital Improvement Plan – Scenario One

VILLAGE OF ONTONAGON
COUNTY OF ONTONAGON, STATE OF MICHIGAN
Schedule of Estimated Capital Improvements - Water

Project	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Totals
White Pine Water Tower Replacement with 100k Gallon Tank									$2,000,000		$2,000,000
Silver City Pressure Relief Valve			$25,000								25,000
Replacement of 10 Various Valves			75,000								75,000
New Silver City Pump Station			4,500,000								4,500,000
36" Concrete Water Main Replacement						$6,750,000					6,750,000
Sub-total:	-	-	$4,600,000	-	-	$6,750,000	-	-	$2,000,000	-	$13,350,000
Plus: Inflation Allowance (5.0%):	-	-	471,500	-	-	1,864,901	-	-	954,911	-	3,291,311
Total Capital Improvements:	-	-	$5,071,500	-	-	$8,614,901	-	-	$2,954,911	-	$16,641,311
Total Bond-Funded Capital Improvements:			$4,961,250			$8,614,901			$2,954,911		
Total Cash-Funded Capital Improvements			$110,250								

Project	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	Totals
Lakeshore Road Upsizing 4" Watermain to 6" and Connecting to Superior Way Watermain										$389,000	$389,000
Connecting Rockland Road 8" Watermain to Water Tower										286,000	286,000
Copper Street Upsizing 4" Watermain to 6"										99,000	99,000
5th Street Upsizing 4" Watermain to 6"										288,000	288,000
S 4th St & S 3rd St 4" Watermain Upsizing to 6"										246,000	246,000
Ontonagon River Crossing 8" Watermain Replacement										1,500,000	1,500,000
Pennsylvania Avenue 6" Watermain Replacement										697,000	697,000
Paul Bunyan Avenue 6" Watermain Replacement										866,000	866,000
East River Street 6" Watermain Replacement										275,000	275,000
Alsace Avenue 6" Watermain Replacement										435,000	435,000
Houghton Street 6" Watermain Replacement										874,000	874,000
Ontonagon 850k Gallon Ground Tank Fencing										15,000	15,000
Ontonagon Pump Station Upgrades/ Repairs										785,000	785,000
River Street 10" Watermain Replacement										1,475,000	1,475,000
Island Road 10" Water Main Replacement										819,000	819,000
Mors Street 8" Watermain Replacement										355,000	355,000
Balsam Street 8" Water Main Replacement										577,000	577,000
Michigan Ave 8" Water Main Replacement										312,000	312,000
Riverview Drive 8" Water Main Replacement										1,291,000	1,291,000
Superior Drive 8" Water Main Replacement										890,000	890,000
Fairview Drive 8" Watermain Replacement										489,000	489,000
Hemlock Street 10" Water Main Replacement										1,461,000	1,461,000
Replacement of 20 Various Valves										150,000	150,000
Ontonagon 150k Elevated Tank Coating and Cathodic Protection										105,000	105,000
White Pine Water Treatment Plant Upgrades										6,301,000	6,301,000
Elm Street 8" Watermain Replacement to Adress Leaking issues										664,000	664,000
South 4th Street 4" Transite Watermain Replacement with 6"										171,000	171,000
Minnesota Ave 4" Transite Watermain Replacement with 6"										348,000	348,000
Rockland Road 6" Watermain Replacement										1,130,000	1,130,000
Michigan Street Adding 4 valves										30,000	30,000
Silver City Pressure Relief Valve Replacement										30,000	30,000
River Road 12" Transite Water Main Replacement										1,470,000	1,470,000
Prehnite Street/Spar Street/Gorman Avenue Transite 6" Watermain Replacement										387,000	387,000
Ontonagon/ Amygdaloid Street 6" Transite Watermain Replacement										272,000	272,000
Lake/Trap Street 6" Transite Watermain Replacement										206,000	206,000
Diamond Street 4" Transite Watermain Replacement with 6"										251,000	251,000
Sub-total:	-	-	-	-	-	-	-	-	-	$25,939,000	$25,939,000
Plus: Inflation Allowance (5.0%):	-	-	-	-	-	-	-	-	-	39,607,561	39,607,561
Total Bond-Funded Capital Improvements:	-	-	-	-	-	-	-	-	-	$65,546,561	$65,546,561

Appendix D:

Capital Improvement Plan – Scenario Two

VILLAGE OF ONTONAGON
COUNTY OF ONTONAGON, STATE OF MICHIGAN
Schedule of Estimated Capital Improvements - Water

Project	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Totals
White Pine Water Tower Replacement with 100k Gallon Tank									$2,000,000		$2,000,000
Silver City Pressure Relief Valve			$25,000								25,000
Replacement of 10 Various Valves			75,000								75,000
New Silver City Pump Station			3,500,000								3,500,000
36" Concrete Water Main Replacement						$6,750,000					6,750,000
Sub-total:	-	-	$3,600,000	-	-	$6,750,000	-	-	$2,000,000	-	$12,350,000
Plus: Inflation Allowance (5.0%):	-	-	369,000	-	-	1,864,901	-	-	954,911	-	3,188,811
Total Capital Improvements:	-	-	$3,969,000	-	-	$8,614,901	-	-	$2,954,911	-	$15,538,811
Total Bond-Funded Capital Improvements:			$3,858,750			$8,614,901			$2,954,911		
Total Cash-Funded Capital Improvements			$110,250								

Project	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	Totals
Lakeshore Road Upsizing 4" Watermain to 6" and Connecting to Superior Way Watermain										$389,000	$389,000
Connecting Rockland Road 8" Watermain to Water Tower										286,000	286,000
Copper Street Upsizing 4" Watermain to 6"										99,000	99,000
5th Street Upsizing 4" Watermain to 6"										288,000	288,000
S 4th St & S 3rd St 4" Watermain Upsizing to 6"										246,000	246,000
Ontonagon River Crossing 8" Watermain Replacement										1,500,000	1,500,000
Pennsylvania Avenue 6" Watermain Replacement										697,000	697,000
Paul Bunyan Avenue 6" Watermain Replacement										866,000	866,000
East River Street 6" Watermain Replacement										275,000	275,000
Alsace Avenue 6" Watermain Replacement										435,000	435,000
Houghton Street 6" Watermain Replacement										874,000	874,000
Ontonagon 850k Gallon Ground Tank Fencing										15,000	15,000
Ontonagon Pump Station Upgrades/ Repairs										785,000	785,000
River Street 10" Watermain Replacement										1,475,000	1,475,000
Island Road 10" Water Main Replacement										819,000	819,000
Mors Street 8" Watermain Replacement										355,000	355,000
Balsam Street 8" Water Main Replacement										577,000	577,000
Michigan Ave 8" Water Main Replacement										312,000	312,000
Riverview Drive 8" Water Main Replacement										1,291,000	1,291,000
Superior Drive 8" Water Main Replacement										890,000	890,000
Fairview Drive 8" Watermain Replacement										489,000	489,000
Hemlock Street 10" Water Main Replacement										1,461,000	1,461,000
Replacement of 20 Various Valves										150,000	150,000
Ontonagon 150k Elevated Tank Coating and Cathodic Protection										105,000	105,000
White Pine Water Treatment Plant Upgrades										6,301,000	6,301,000
Elm Street 8" Watermain Replacement to Adress Leaking issues										664,000	664,000
South 4th Street 4" Transite Watermain Replacement with 6"										171,000	171,000
Minnesota Ave 4" Transite Watermain Replacement with 6"										348,000	348,000
Rockland Road 6" Watermain Replacement										1,130,000	1,130,000
Michigan Street Adding 4 valves										30,000	30,000
Silver City Pressure Relief Valve Replacement										30,000	30,000
River Road 12" Transite Water Main Replacement										1,470,000	1,470,000
Prehnite Street/Spar Street/Gorman Avenue Transite 6" Watermain Replacement										387,000	387,000
Ontonagon/ Amygdaloid Street 6" Transite Watermain Replacement										272,000	272,000
Lake/Trap Street 6" Transite Watermain Replacement										206,000	206,000
Diamond Street 4" Transite Watermain Replacement with 6"										251,000	251,000
Sub-total:	-	-	-	-	-	-	-	-	-	$25,939,000	$25,939,000
Plus: Inflation Allowance (5.0%):	-	-	-	-	-	-	-	-	-	39,607,561	39,607,561
Total Bond-Funded Capital Improvements:	-	-	-	-	-	-	-	-	-	$65,546,561	$65,546,561

Appendix E:

Cash Flow Analysis – Scenario One

VILLAGE OF ONTONAGON
COUNTY OF ONTONAGON, STATE OF MICHIGAN
Cash Flow - Water Fund $4.5M Silver City Pump Station

		2025/26	Inflationary Increases	2026/27	2027/28	Increase	2028/29	Inflationary Increases	2029/30
Rates:									
Number of Customers		1,436		1,436	1,436		1,436		1,436
Debt Base Charge		$35.00	5.00%	$36.75	$38.59	$7.50	$46.09	5.00%	$48.39
Billable Flow (1,000 gal.) - Inside Village [1]		21,515		21,084	20,663		20,249		19,844
Consumption Charge (per 1,000 gal.) - Inside Village		$10.00	5.00%	$10.50	$11.03	$2.00	$13.03	5.00%	$13.68
Billable Flow (1,000 gal.) - Outside Village		11,962		11,962	11,962		11,962		11,962
Consumption Charge (per 1,000 gal.) - Outside Village		$15.00		$15.75	$16.54		$19.54		$20.51
Typical Village homeowner's monthly bill (assumes 4,000 gallons/month)		$75.00		$78.75	$82.69		$98.19		$103.10
Revenues:									
Debt Base Charge		$603,120		$633,276	$664,940		$794,180		$833,889
Consumption Charge - Inside Village		215,146		221,385	227,805		263,748		271,396
Consumption Charge - Outside Village		179,437		188,409	197,829		233,717		245,403
Other		59,650		15,000	15,000		15,000		15,000
Total Revenues		1,057,353		1,058,070	1,105,574		1,306,644		1,365,688
Less: Total Operating Expenditures		(742,295)		(766,693)	(791,931)		(818,041)		(845,054)
Net Operating Revenue		315,058		291,377	313,643		488,603		520,634
Less: Current Debt Service Payments		(304,382)		(298,963)	(293,545)		(288,126)		(287,707)
Estimated Cash-Funded Capital Improvements		-		-	(110,250)		-		-
Estimated Debt Service #1 2028/29 USDA Bond [2]		-		-	-		(150,000)		(228,000)
Estimated Debt Service #2 2031/32 USDA Bond [3]		-		-	-		-		-
Net Cash Flow		$10,676		($7,586)	($90,152)		$50,477		$4,927
Cash & Investments	*$1,108,283*	*$1,118,959*		*$1,111,373*	*$1,021,221*		*$1,071,698*		*$1,076,625*

[1] Assumes annual decrease of 2.00% based on historical figures.
[2] Estimated debt service payments based on a $4,961,250 40-year USDA bond issue at an estimated interest rate.
[3] Estimated debt service payments based on a $8,614,901 40-year USDA bond issue at an estimated interest rate.

VILLAGE OF ONTONAGON
COUNTY OF ONTONAGON, STATE OF MICHIGAN
Cash Flow - Water Fund $4.5M Silver City Pump Station - Continued

	2030/31	Increase	2031/32	Inflationary Increases	2032/33	2033/34	2034/35
Rates:							
Number of Customers	1,436		1,436		1,436	1,436	1,436
Debt Base Charge	$50.81	$7.50	$58.31	5.00%	$61.23	$64.29	$67.50
Billable Flow (1,000 gal.) - Inside Village [1]	19,447		19,059		18,677	18,304	17,938
Consumption Charge (per 1,000 gal.) - Inside Village	$14.36	$2.00	$16.36	5.00%	$17.18	$18.04	$18.94
Billable Flow (1,000 gal.) - Outside Village	11,962		11,962		11,962	11,962	11,962
Consumption Charge (per 1,000 gal.) - Outside Village	$21.54		$24.54		$25.77	$27.06	$28.41
Typical Village homeowner's monthly bill (assumes 4,000 gallons/month)	$108.25		$123.75		$129.94	$136.44	$143.26
Revenues:							
Debt Base Charge	$875,583		$1,004,823		$1,055,064	$1,107,818	$1,163,208
Consumption Charge - Inside Village	279,267		311,799		320,841	330,145	339,719
Consumption Charge - Outside Village	257,673		293,560		308,238	323,650	339,833
Other	15,000		15,000		15,000	15,000	15,000
Total Revenues	1,427,523		1,625,182		1,699,143	1,776,613	1,857,760
Less: Total Operating Expenditures	(873,003)		(901,923)		(931,849)	(962,818)	(994,870)
Net Operating Revenue	554,520		723,259		767,294	813,794	862,890
Less: Current Debt Service Payments	(282,182)		(276,657)		(271,132)	(269,469)	-
Estimated Debt Service #1 2028/29 USDA Bond [2]	(228,000)		(228,000)		(228,000)	(228,000)	(228,000)
Estimated Debt Service #2 2031/32 USDA Bond [3]	-		(140,000)		(280,000)	(280,000)	(410,000)
Net Cash Flow	$44,338		$78,602		($11,838)	$36,325	$224,890
Cash & Investments	*$1,120,963*		*$1,199,565*		*$1,187,727*	*$1,224,052*	*$1,448,943*

[1] Assumes annual decrease of 2.00% based on historical figures.
[2] Estimated debt service payments based on a $4,961,250 40-year USDA bond issue at an estimated interest rate.
[3] Estimated debt service payments based on a $8,614,901 40-year USDA bond issue at an estimated interest rate.

Appendix F:
Cash Flow Analysis – Scenario Two

VILLAGE OF ONTONAGON
COUNTY OF ONTONAGON, STATE OF MICHIGAN
Cash Flow - Water Fund $3.5M Silver City Pump Station

		2025/26	Inflationary Increases	2026/27	2027/28	Increase	2028/29	Inflationary Increases	2029/30
Rates:									
Number of Customers		1,436		1,436	1,436		1,436		1,436
Debt Base Charge		$35.00	5.00%	$36.75	$38.59	$5.50	$44.09	5.00%	$46.29
Billable Flow (1,000 gal.) - Inside Village [1]		21,515		21,084	20,663		20,249		19,844
Consumption Charge (per 1,000 gal.) - Inside Village		$10.00	5.00%	$10.50	$11.03	$1.75	$12.78	5.00%	$13.41
Billable Flow (1,000 gal.) - Outside Village		11,962		11,962	11,962		11,962		11,962
Consumption Charge (per 1,000 gal.) - Outside Village		$15.00		$15.75	$16.54		$19.16		$20.12
Typical Village homeowner's monthly bill (assumes 4,000 gallons/month)		$75.00		$78.75	$82.69		$95.19		$99.95
Revenues:									
Debt Base Charge		$603,120		$633,276	$664,940		$759,716		$797,702
Consumption Charge - Inside Village		215,146		221,385	227,805		258,685		266,187
Consumption Charge - Outside Village		179,437		188,409	197,829		229,231		240,692
Other		59,650		15,000	15,000		15,000		15,000
Total Revenues		1,057,353		1,058,070	1,105,574		1,262,632		1,319,581
Less: Total Operating Expenditures		(742,295)		(766,693)	(791,931)		(818,041)		(845,054)
Net Operating Revenue		315,058		291,377	313,643		444,591		474,527
Less: Current Debt Service Payments		(304,382)		(298,963)	(293,545)		(288,126)		(287,707)
Estimated Cash-Funded Capital Improvements		-		-	(110,250)		-		-
Estimated Debt Service #1 2028/29 USDA Bond [2]		-		-	-		(120,000)		(178,000)
Estimated Debt Service #2 2031/32 USDA Bond [3]		-		-	-		-		-
Net Cash Flow		$10,676		($7,586)	($90,152)		$36,465		$8,820
Cash & Investments	*$1,108,283*	*$1,118,959*		*$1,111,373*	*$1,021,221*		*$1,057,686*		*$1,066,506*

[1] Assumes annual decrease of 2.00% based on historical figures.
[2] Estimated debt service payments based on a $3,858,750 40-year USDA bond issue at an estimated interest rate.
[3] Estimated debt service payments based on a $8,614,901 40-year USDA bond issue at an estimated interest rate.

VILLAGE OF ONTONAGON
COUNTY OF ONTONAGON, STATE OF MICHIGAN
Cash Flow - Water Fund $3.5M Silver City Pump Station - Continued

	2030/31	Increase	2031/32	Inflationary Increases	2032/33	2033/34	2034/35
Rates:							
Number of Customers	1,436		1,436		1,436	1,436	1,436
Debt Base Charge	$48.61	$7.50	$56.11	5.00%	$58.91	$61.86	$64.95
Billable Flow (1,000 gal.) - Inside Village [1]	19,447		19,059		18,677	18,304	17,938
Consumption Charge (per 1,000 gal.) - Inside Village	$14.08	$2.00	$16.08	5.00%	$16.89	$17.73	$18.62
Billable Flow (1,000 gal.) - Outside Village	11,962		11,962		11,962	11,962	11,962
Consumption Charge (per 1,000 gal.) - Outside Village	$21.13		$24.13		$25.33	$26.60	$27.93
Typical Village homeowner's monthly bill (assumes 4,000 gallons/month)	$104.94		$120.44		$126.47	$132.79	$139.43
Revenues:							
Debt Base Charge	$837,587		$966,827		$1,015,168	$1,065,926	$1,119,223
Consumption Charge - Inside Village	273,907		306,546		315,435	324,583	333,996
Consumption Charge - Outside Village	252,727		288,614		303,045	318,197	334,107
Other	15,000		15,000		15,000	15,000	15,000
Total Revenues	1,379,220		1,576,987		1,648,649	1,723,707	1,802,326
Less: Total Operating Expenditures	(873,003)		(901,923)		(931,849)	(962,818)	(994,870)
Net Operating Revenue	506,217		675,064		716,800	760,888	807,456
Less: Current Debt Service Payments	(282,182)		(276,657)		(271,132)	(269,469)	-
Estimated Debt Service #1 2028/29 USDA Bond [2]	(178,000)		(178,000)		(178,000)	(178,000)	(178,000)
Estimated Debt Service #2 2031/32 USDA Bond [3]	-		(140,000)		(280,000)	(280,000)	(410,000)
Net Cash Flow	$46,035		$80,407		($12,332)	$33,419	$219,456
Cash & Investments	*$1,112,541*		*$1,192,948*		*$1,180,615*	*$1,214,035*	*$1,433,491*

[1] Assumes annual decrease of 2.00% based on historical figures.
[2] Estimated debt service payments based on a $3,858,750 40-year USDA bond issue at an estimated interest rate.
[3] Estimated debt service payments based on a $8,614,901 40-year USDA bond issue at an estimated interest rate.

Appendix G:

Schedule of User Rates – Scenario One

VILLAGE OF ONTONAGON

COUNTY OF ONTONAGON, STATE OF MICHIGAN

User Rates - Water - Scenario One

Base Charge	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
All Customers	$36.75	$38.59	$46.09	$48.39	$50.81	$58.31	$61.23	$64.29	$67.50

Consumption Charge (per 1,000 gal.)	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Village	$10.50	$11.03	$13.03	$13.68	$14.36	$16.36	$17.18	$18.04	$18.94
Township	15.75	16.54	19.54	20.51	21.54	24.54	25.77	27.06	28.41
White Pine	15.75	16.54	19.54	20.51	21.54	24.54	25.77	27.06	28.41

Appendix H:

Schedule of User Rates – Scenario Two

VILLAGE OF ONTONAGON

COUNTY OF ONTONAGON, STATE OF MICHIGAN

User Rates - Water - Scenario Two

Base Charge	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
All Customers	$36.75	$38.59	$44.09	$46.29	$48.61	$56.11	$58.91	$61.86	$64.95

Consumption Charge (per 1,000 gal.)	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Village	$10.50	$11.03	$12.78	$13.41	$14.08	$16.08	$16.89	$17.73	$18.62
Township	15.75	16.54	19.16	20.12	21.13	24.13	25.33	26.60	27.93
White Pine	15.75	16.54	19.16	20.12	21.13	24.13	25.33	26.60	27.93

NORTHLAND ELECTRIC DS INC

P.O. BOX 155 – 108 WILCOX ROAD
WHITE PINE, MI 49971
TELEPHONE: 906/885-5526
FAX: 906/885-5182

PROPOSAL

Date: **January 6, 2026**

To: **Village of Ontonagon**
ATTN: Willie

Work to be performed at: **Tin Street Lift Station**

We hereby propose to furnish materials and perform the labor necessary for the completion of:

Replace soft start starter

All material is guaranteed to be as specified, and the above work to be performed in accordance with any drawings and/or specifications submitted for the above work for the price of**: $11,872.00**

Price Includes:
***Demo old starter**
***Install new starter and wire**
***Connect controls**

NOTE: If Jeff Talsma is needed to connect to existing control system, he will do it on a time and material basis while working on the Tin Street instrumentation and SCADA.

Any alternations or deviations from above specifications involving extra costs will be executed only upon written approval and will become an extra charge over and above the proposal. All agreements are contingent upon accidents or delays beyond of control.

This proposal is valid for **30** days.

Respectfully submitted:
Dennis Husar, Vice President
Northland Electric DS Inc.

1/7/26

Willie,

I would ask the Village council to approve the bid from Northland Electric to replace the motor starter on pump #4 at the Tin St (main) lift station. The starter has been out of service since last summer. It is for one of the big pumps that we will need operational before spring runoff occurs. The #4 pump is also the newer of the two large pumps, so relying on the 30 year old pump #3 for all of the spring flows is a serious risk. Please contact me if you need any further information.

Jeremy Graff

906-885-5631

ontowater@jamadots.com

Gmail

Willie DuPont <wdupont@villageofontonagon.org>

Rec Center Updates

1 message

Ontonagon Hockey <oahaboardmembers@gmail.com> Mon, Dec 8, 2025 at 9:01 PM
To: wdupont@villageofontonagon.org

Hi Willie!

I have a couple of things that need to be addressed/fixed at the Rec Center. I figured it was easier to type this email than to send a text message

1. The baseboard heaters in locker rooms #3 and #4. We have used little plug in heaters for years, but they do not work well and are a fire hazard. Our little kiddos (6U & 8U) have been using locker room #3 to get dressed for practice which is not ideal due to how cold it is in there and it takes hours for the room to get warm with the plug in heater. By the time we remember the heaters have to be plugged in for practices or games, it's usually too late at that point.

2. I know we have talked about the main door (the one to the left when entering) not locking anymore. We have the handle taped off and had a do not use sign taped on it but it keeps getting ripped off and I saw a couple people bounce off the door when trying to walk through it this weekend lol. Also, the main door key hole area must be loose? I am not sure how to tighten it but it kind of hangs away from the door when we try to unlock it now.

3. The toilet paper dispensers are broken... We (OAHA) purchased new ones 2 years ago, but I think we need a different design. We have the vertical ones in there currently and when the bottom roll runs out, you are supposed to be able to slide the front part down and be able to use the top paper roll. The locking lever on all of the dispensers is broken in both the men's and women's restrooms. I'm not entirely sure when the damage would have happened. I clean the bathrooms weekly during hockey season and hadn't had an issue before. I am wondering if it was during Communityfest when everyone was drunk 😅

4. I know it has been a long time since the bathrooms and sinks in the ref room and have worked. I was told it was due to a freezing issue years ago..... Is there any way we can think about getting that fixed?

5. Lastly, I had Jake Esposito with Live Barn reach out to us about getting it installed in the Rec Center. It is a streaming network mainly for hockey games, but could also be a way for people to watch the figure skating show at the end of the year. The cameras are on 24/7 and can be used as added security too. The camera is only placed to view the ice rink. The best part is that it is at no cost to OAHA or the village. Live Barn covers all of the equipment, installation, maintenance and support. We also make 30% of the revenue on every subscription that we sell at the rink- we get a special QR code for people to use. Jake went over a powerpoint demo with me and it looks great. Obviously this is not high on the priority list, but I'll attach the Live Barn contract and presentation link to this email. It is a 6 year contract and I asked what the catch was- is it only free for the first year or 2? Jake explained that it is free because while they may lose money in small rinks, they make up for it with their professional rinks.The contract is not something we can sign, since we do not own the building.
https://ddeck.io/6931aa6d5111a3626f635caa

Thank you,

Darien Morris
OAHA Treasurer and Rental Coordinator
906-287-1062

LiveBarn Standard 2025 Hockey Agreement - Venue ISP .pdf
278K

12/3 $1-