



## CITY COUNCIL/ELECTRICAL ADVISORY COMMITTEE

April 21, 2010 - 6:00 p.m.

### CITY COUNCIL

Gilbert X. Cheves, Mayor  
Leo Evans, Mayor Pro-tem  
Patricia Baribeau, Council Member  
Brady Nelson, Council Member  
Walter Baker, Council Member

### ADMINISTRATION

James V. O'Toole, City Manager  
Robert S. Richards, CMC, City Clerk  
Ralph B.K. Peterson, City Attorney  
Mike Furmanski, Electrical Superintendent

### ELECTRICAL ADVISORY COMMITTEE

Ronald Beauchamp, Chairman  
John Mellinger, Vice Chairman  
Larry Arkens, Committee Member  
Glendon Brown, Committee Member  
Ann Bissell, Committee Member  
Tim Wilson, Committee Member  
John Anthony, Committee Member

City Council Chambers located at: City Hall - 410 Ludington Street - Room C101 - Escanaba, MI 49829

## Joint Meeting Agenda Wednesday, April 21, 2010

### CALL TO ORDER

ROLL CALL – City Council Members and Electrical Advisory Committee Members

APPROVAL/CORRECTION/REVIEW (S) TO MINUTES: Joint Meeting Minutes of March 16, 2010

APPROVAL/ADJUSTMENTS TO AGENDA

CONFLICT OF INTEREST DECLARATION

### NEW BUSINESS

#### 1. **Update-Electric Department.**

Administration will provide an overview and status report on activities and issues concerning the Electric Department including:

- a. General Operations/Electrical Distribution Update.
- b. Substation Request for Proposal(s) Update.
- c. Coal/Dock Storage Lease Agreement Update.

#### 2. **Update-Power Generation.**

The Escanaba Generating Plant operator will provide an overview and status report on activities and issues concerning the Power Plant.

- a. Power Plant Update.
- b. Peaking Generator (CT) Update.

3. **Management Briefing and Discussion – Various Issues.**

**Explanation:** Administration will update the City Council, Electrical Advisory Committee and Citizens of Escanaba on the various issues being evaluated with respect to the power supply scenarios and related issues. Discussion topics will include, but not be limited to:

- a. **Plant Sale Negotiations/All Requirements Power Purchase Proposal(s)** – Administration will provide an update on the status of the short and long-term power supply options and an update on the status of the plant sale negotiations.
- b. **Phase II, Environmental Site Assessment** – On March 23, 2010, Administration sent Phase II Environmental Site Assessment RFPs to seven (7) firms. On April 6, 2010, twelve (12) proposals were received. After careful review and consideration by the City of Escanaba and Traxys North America, it is being recommended that the proposal from Weston Solutions of Houghton, MI, in the amount of \$28,675.21 be approved. The fee for this assessment will be equally split between the City and Traxys North America.
- c. **Electric Utility Fund Review** – Administration will provide an update on the Electric Utility Fund.
- d. **Fix For Float Contract Analysis**– Administration will provide an update on the Cargill Fix for Float Block Power Purchase.

GENERAL PUBLIC COMMENT  
COUNCIL/COMMITTEE, STAFF REPORTS  
ANNOUNCEMENTS  
ADJOURNMENT

Respectfully Submitted,



James V. O'Toole  
City Manager

NB # 3.6  
4/21/10



Weston Solutions of Michigan, Inc.  
600 East Lakeshore Drive  
Suite 200  
Houghton, Michigan 49931  
Phone: 906-482-2310 • Fax: 906-482-7745  
www.westonsolutions.com

The Trusted Integrator for Sustainable Solutions

6 April 2010

Mr. Mike Furmanski  
Electric Superintendent  
City of Escanaba  
410 Ludington Street  
Escanaba, Michigan 49829

RE: Request for Proposal  
Engineering Services - Environmental Site Assessment  
Escanaba Generating Station Site  
2000 Power Plant Road  
Escanaba, Michigan

Dear Mr. Furmanski:

Weston Solutions of Michigan, Inc. (WESTON®) is pleased to submit the attached response to your Request for Proposal – Engineering Services Environmental Site Assessment (ESA) at the Escanaba Generating Station Site (the Property). The proposed activities are in support of the City of Escanaba's (City's) proposed divestiture of the Property and are being conducted in a manner that is mutually beneficial for the City and potential buyer.

WESTON brings more than 53 years of environmental experience to this important project, including the following key benefits:

- Experience at nearly identical power plant facility transaction/conversion in the Upper Peninsula.
- Long-term service provider to the potential purchaser (Traxys).
- Facility, personnel, and transactional familiarity.
- Long standing relationships with State regulators.
- Upper Peninsula presence.

WESTON is a diversified employee-owned environmental consulting and redevelopment company that delivers integrated, sustainable solutions to our clients' most difficult problems. We have performed numerous assessments of similar properties, and have a vast network of resources available to our project team. WESTON is committed to meeting the agreed upon schedule for this critical assignment, and will execute the necessary scope of work within this established schedule, as discussed more fully below.

WESTON's core strengths necessary for successful redevelopment include due diligence and real estate acquisition assessments, liability management plans, planning and design, licensing and permitting, facility decontamination and decommissioning, site remediation/clean-up, design/build construction, construction oversight, compliance/performance/acceptance testing, and operational evaluations and troubleshooting. An example of the application of WESTON's services to the very similar L'Anse Warden Electric Company, LLC facility, for which Traxys was the facility purchaser, is provided in the Project Summaries in Appendix A.



The Trusted Integrator for Sustainable Solutions

Mr. Furmanski  
City of Escanaba

- 2 -

6 April 2010

Outlined below are WESTON's understanding of the City's objectives, our approach, the proposed project team, anticipated schedule, and the estimated costs, including assumptions inherent therein. Example Project Summaries are contained in **Appendix A** while references are provided in **Appendix B**.

### **PROJECT BACKGROUND AND OBJECTIVE**

The Property is owned by the City and encompasses approximately 33.86 acres, of which a portion is occupied by a power generation station operated by Upper Peninsula Power Company (UPPCO). Sale of the Property is pending. Contamination may exist on the Property and the potential buyer may seek environmental-liability protection via a Category "S" Baseline Environmental Assessment (BEA) and Section 7a Due Care Plan.

It is the intent of this Phase II ESA and attendant activities to investigate identified and potential recognized environmental conditions (RECs), to determine if the Property is a facility, and provide a basis for preparing a BEA. The scope of work (SOW) is based on RECs identified in the 29 January 2010 Phase I ESA completed for the Delta County Brownfield Redevelopment Authority by Environmental Consulting & Technology, Inc.

WESTON understands that sale of the Property is pending the findings of the proposed ESA and, as such, timely completion of the Phase II ESA is imperative. The SOW, discussed further below, will be completed accurately and comprehensively in general conformance with the guidance and limitations of the American Society of Testing and Materials (ASTM) Standard E 1903-97, as approved in 2002.

Upon completion of the Phase II ESA, recommendations will be provided if further investigation is necessary to identify and/or resolve other RECs.

### **SCOPE OF WORK**

Outlined below is WESTON's understanding of the sequence of work and details regarding WESTON's step-wise approach to yielding a timely and cost effective solution that achieves the stated objective in a collaborative manner with City staff. If modifications to the SOW become evident, changes will be promptly discussed with the City so as to maximize field efforts and minimize time delays. Optional approaches to achieve the project objectives may be offered that increase efficiency.

### **Review Phase I ESA and Additional Site Historical Review**

The City has provided an electronic copy of the 29 January 2010 Phase I ESA that presents available assessment data and identified RECs. Additional potential RECs were identified in the City's Request for Proposal. WESTON will review the documentation provided.

In accordance with the SOW, WESTON will conduct additional Property historical review. WESTON anticipates that this effort will primarily entail interviews with current and/or prior City and/or UPPCO employees that are familiar with the Property history and operations. WESTON will also review historical photographs of the Property if they are readily available. WESTON would like to closely review the historical aerial photographs contained in the Phase I ESA if better quality original paper or electronic copies are available.



The Trusted Integrator for Sustainable Solutions

Mr. Furmanski  
City of Escanaba

- 3 -

6 April 2010

In conjunction with the additional historical review, WESTON will perform a Property reconnaissance in accordance with the SOW to "affirm the current identified RECs and to verify if the other potential RECs warrant investigation." This will include a visual assessment of any potential RECs identified by the additional historical review. Proposed boring locations will likely be identified and marked during this mobilization to allow time for public and private utility clearances. WESTON will then communicate our findings and specific recommendations in writing to the City. Any SOW changes based on the findings will be agreed upon with the City prior to mobilizing for field sampling activities. To maintain the schedule, agreement within two business days is anticipated.

#### Initial Phase II-ESA Field Investigation

WESTON will mobilize to the Property in conjunction with a subcontracted Geoprobe® and operator to execute the field sampling portion of the SOW. Refer to Appendix C for a list of anticipated subcontractors. For purposes of this proposal, the soil boring and sampling regimen outlined in the Bid Schedule provided in the Request for Proposal will be followed. WESTON assumes all soil boring locations greater than three feet in depth are accessible to a pick-up truck mounted Geoprobe®. WESTON recognizes the City's preference for working between the hours of 7:30 am to 4:00 pm CDT. If working hours could be extended, cost savings may be realized. Quality assurance procedures for the work are detailed in Appendix D.

All soil borings will be continuously sampled. Soil cores will be field screened using a photoionization detector (PID) as appropriate for the potential contaminants at the respective boring locations. Specific soil sampling intervals for laboratory analysis will be identified based on visual and PID screening results. All samples will be collected in accordance with Michigan Department of Natural Resources and Environment (DNRE) requirements and placed into laboratory-supplied containers. All samples will be submitted to an approved laboratory for analysis. Sample collection, handling, analysis methods, and detection limits will be in accordance with applicable DNRE Operational Memorandums.

Temporary monitoring wells, where specified, will be developed until three to five volumes of water have been removed or the water appears clear, whichever is less. Groundwater samples will be collected from the temporary monitoring wells using DNRE-required, low-flow sampling techniques. Depth to groundwater and top of well casing measurements will be collected at a minimum of four locations to determine the groundwater flow potential direction. Generated water and soils will be applied to the ground surface at the respective sampling locations unless gross contamination is observed. All borings will be plugged with bentonite chips. Borings through asphalt or concrete will be patched at the surface with like material.

One sample of the material in the above ground storage tank (AST) at the former asphalt plant will be collected in accordance with the Request for Proposal. WESTON assumes that the material will be accessible using hand tools working from a step ladder to access the AST without requiring the use of elevated levels of personnel protective equipment, cutting into the AST, or personnel entry into the AST. Please note that the analysis suite identified in the Bid Schedule may not be sufficient characterization to dispose of the material. Generally, waste characterization analyses such as, but not limited to, flash point, pH, and toxicity characteristic leaching procedure (TCLP) analysis are required for proper disposal unless the generator has knowledge of the waste stream.



The Trusted Integrator for Sustainable Solutions

Mr. Furmanski  
City of Escanaba

- 4 -

6 April 2010

Given the reportedly unknown identification of the dry chemical in the container(s) inside one of the former asphalt plant buildings, laboratory analysis to identify the material is expensive. To minimize costs, and knowing that the Escanaba Fire Department has access to HazCat<sup>®</sup> equipment, WESTON contacted the Department. They disclosed that the Upper Peninsula-wide Regional Response Team Network (RRTN) will likely have the ability to identify the material at no cost to the City.

Given the benefit to the City, WESTON has assumed that the necessary approvals will be provided and we have not included a cost for analysis of the unknown dry chemical assuming that the RRTN will come to the Property to collect a sample and analyze the material. Once the dry chemical identity is known, it may be possible to properly dispose of the material based on Material Safety Data Sheet information or at least focus future laboratory characterization efforts to minimize disposal costs. Please note that the 29 January 2010 Phase I ESA suggests that multiple unlabeled and abandoned dry chemical containers were observed inside the sheds at the former asphalt plant. If multiple different dry chemicals are present, the assistance of the RRTN could significantly reduce identification costs to thoroughly address the extent of the reportedly abandoned containers.

To verify that the floor drains empty into the settling basins, WESTON proposes to perform dye tracer testing. Dyed water will be applied to select floor drains in the generation station in a step-wise fashion. The pipe outlet to the settling basins will then be observed for the presence of the dye. If the dye does not appear at the outlet, the septic system tank will be observed for the presence of dye, if accessible.

Since the settling basins connect to surface water, via a National Pollutant Discharge Elimination System (NPDES) permitted outfall, the dye testing requires submittal of a Notification of Intent to DNRE under the General Rule 97 Certification of Approval. To simplify the application, a DNRE pre-approved dye will be used. The dye will be mixed in accordance with manufacturer instructions and at or below the DNRE concentration limits. Notification to DNRE, the City, the local health department, and local emergency responders will be provided at least 48 hours prior to the dye application so that the parties are aware of the testing before any calls would be received from the public.

### Phase II ESA Report

WESTON will prepare a Phase II ESA Report upon completion of the field activities. In evaluating the analytical results in relation to the RECs and their effect upon the potential BEA effort, WESTON will assume that engineering controls will be acceptable to the purchaser and will be applied to a large extent to separate potential current contamination from any future release. Alternate approaches to limiting the purchaser's liability, such as only acquiring a portion of the Property, and removing the dry chemical(s) and former asphalt plant AST prior to consummating a transaction, could be explored.

Included in the Phase II ESA, if required, will be a concise list of recommended next steps including the rationale for each recommendation. Two paper copies and one electronic copy of the draft and final document will be submitted following the procedure noted in the Request for Proposal. The Phase II ESA will include a statement that the document can be relied upon by the City and its potential current buyer. Reliance documentation for any other parties will require negotiation due to the potential liabilities presented.



The Trusted Integrator for Sustainable Solutions

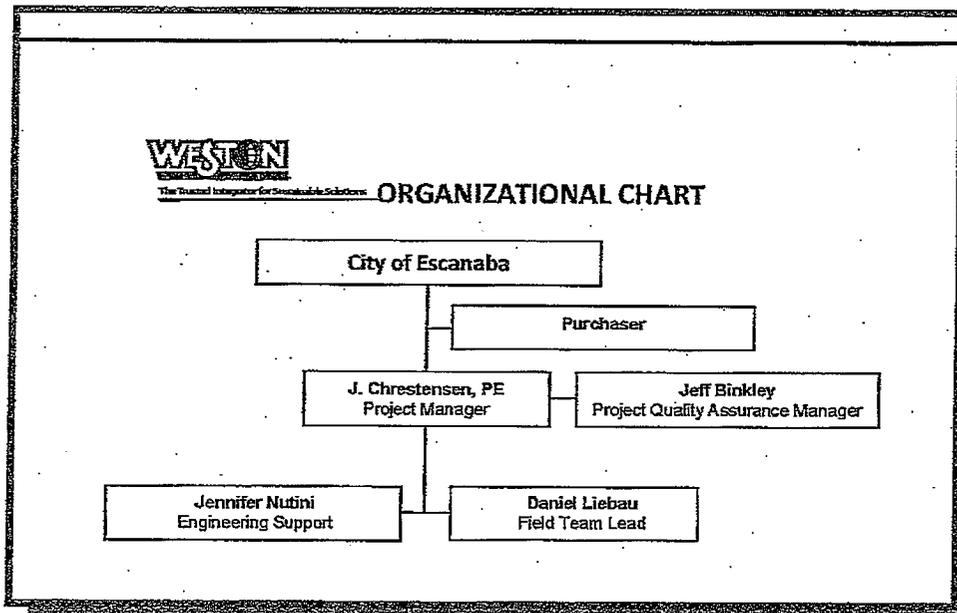
Mr. Furmanski  
City of Escanaba

6 April 2010

**Update Phase I ESA (If Requested)**

If requested, WESTON will prepare a Phase I ESA Update, including a reliance letter for the City and current buyer. The Phase I ESA Update will include a user questionnaire verifying satisfaction of user responsibilities and the addition of any RECs identified since completion of the 29 January 2010 Phase I ESA. The Phase I ESA Update will also include an updated environmental lien search and other activity and use limitations, such as engineering and institutional controls. These services will likely be contracted from Environmental Data Resources, Inc.

**PROJECT TEAM**



WESTON staff from our Houghton, Michigan office will lead and support the project. Mr. Jed Chrestensen, P.E. will serve as Project Manager with Quality Assurance support from Mr. Jeffrey S. Binkley, Client Services Manager. Reporting to Mr. Chrestensen will be Mr. Daniel Liebau, leading field efforts, and Ms. Jennifer Nutini providing engineering support and document drafting. This project team is adept at performing the requisite scope of work, and communicating as necessary with the involved stakeholders. These professionals recently supported the L'Anse, Gwinn, and Manistique projects summarized in **Appendix A**.

**PROPOSED SCHEDULE**

WESTON will proceed with execution of this SOW immediately upon receiving authorization to proceed from the City. Execution and return of the authorization section at the end of this proposal and the attached Terms and Conditions will be deemed authorization to proceed. To meet the identified completion deadline, WESTON has constructed the Project Schedule in **Appendix E**. Note that the schedule assumes authorization to proceed received on 15 April 2010. If authorization to proceed is not received on 15 April 2010, WESTON will work with the City to meet the identified completion deadline



The Trusted Integrator for Sustainable Solutions

Mr. Farmanski  
City of Escanaba

- 6 -

6 April 2010

of 11 June 2010, but may need to shift the schedule and/or incur additional cost to expedite laboratory analysis turn around time.

**COST ESTIMATE**

WESTON proposes to complete the above-described activities for the Time and Material cost estimate indicated on the attached Bid Schedule.

The costs will not exceed the estimated cost without the City's prior written consent. This cost includes ~~all-estimated-labor-and-expenses required to complete the SOW outlined in the Bid-Schedule according to~~ the Terms and Conditions in **Attachment F**.

WESTON will consider endorsement of this proposal as acceptance of the attached Terms and Conditions and authorization to proceed. Please fax a signed copy to Mr. Chrestensen at 906.482.7745. WESTON appreciates the opportunity to provide professional services to the City and potential purchaser. If you have any questions or require additional information, please feel free to contact Mr. Binkley at 906.482.2311 or Mr. Chrestensen at 906.482.2312.

Very truly yours,

WESTON SOLUTIONS OF MICHIGAN, INC.

Jed Chrestensen, P.E.  
Project Manager

Jeffrey S. Binkley  
Client Services Manager

Attachments



The Trusted Integrator for Sustainable Solutions

Mr. Furmanski  
City of Escanaba

- 7 -

6 April 2010

This proposal is hereby accepted and the conditions attached and outlined herein agreed to:

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**BID SCHEDULE  
ESCANABA ELECTRIC DEPARTMENT**

REC Investigation*	Boring/ Sample Locations	Soil Samples	GW Samples	Product/ Sediment Sample	Type	Depth (ft)	Lab**	Cost
<b>Identified RECs</b>								
Settling Basin	2	2	2	NA	B	15	1, 2	\$2,567.16
Settling Basin Sediment	1	NA	NA	1	B	3	1,2	\$475.11
100K Gal. AST	4	4	1	NA	B	15	1	\$2,322.90
Former UST Area	4	4	1	NA	B	15	1	\$2,322.90
Current City Buildings	6	6	NA	NA	B	5	1	\$1,695.63
Former Asphalt Plant Area	4	4	NA	NA	B	5	1	\$1,130.42
Former Asphalt Plant AST	2	2	1	NA	B	15	1	\$1,373.35
Asphalt AST Contents	1	NA	NA	1	G	NA	1	\$437.00
Former Coal Storage Area	2	2	1	NA	B	15	2, 4	\$1,758.35
Abandoned AST Saddle	1	1	1	NA	B	15	1	\$898.58
Dry Chemical	1	NA	NA	1	G	NA	5	\$0.00*
Verify Floor Drains Discharge	NA	NA	NA	NA	NA	NA	NA	\$508.80
<b>Potential Other RECs</b>								
Historic Ash Spread Areas	2	2	2	NA	B	15	1, 2	\$2,567.16
Septic System	2	2	1	NA	B	15	1	\$1,373.35
Utility Pole Storage	2	2	NA	NA	G	0.25-0.50	6	\$451.20
RR (load/unloading area)	2	2	0	NA	B	5	1, 2	\$950.21
PCB Substation	4	4	0	NA	G	0.25-0.50	3	\$578.09
<b>Other Activities:</b>								
Update Phase I ESA	NA	NA	NA	NA	NA	NA	NA	\$861.00
Confirm Phase II ESA REC	NA	NA	NA	NA	NA	NA	NA	\$2,145.00
Phase II ESA Report	NA	NA	NA	NA	NA	NA	NA	\$4,259.00
<b>Total</b>								<b>\$28,675.23</b>

(\* ) - REC Investigation based upon current Phase I ESA

(\*\* ) - All analysis methods by MDNRE approved methods

NA - Not Applicable

B - Boring

G - Grab

(1) - VOC, PNA

(2) - arsenic, aluminum, beryllium, barium, boron, cadmium, chromium, cobalt, copper, iron, lead, magnesium, manganese, mercury, molybdenum, nickel, selenium, strontium, silver, thallium, vanadium and zinc (dissolved in groundwater)

(3) - PCB

(4) - PNA

(5) - Product ID

(6) - Semi-volatiles (full list) plus copper, chromium, and arsenic

**Unit Rate Schedule:**

15' Soil Boring	\$350.00
15' Soil Boring w/groundwater sampling	\$650.00
VOC Soil/Groundwater	\$72.00/ \$61.00
PNA Soil/Groundwater	\$77.00/ \$77.00
Metals Soil/Groundwater	\$193.00/ \$193.00
PCB Soil/Groundwater	\$72.00/ \$72.00
Semi-volatiles plus copper, chromium, and arsenic	\$138.00/ \$138.00

\* = Refer to text for explanation of no charge.

# CITY OF ESCANABA RECORD OF BIDS

April 6, 2010  
Engineering Services, Environmental Site Assessment, Generating Station site

NAME OF BIDDER	Total Cost
Berry Engineering	\$ 23,615.00
Shaw Environmental	\$ 22,997.00
ASTI Environmental	\$ 34,050.00
Coleman Engineering	\$ 30,110.00
TriMedia	\$ 20,840.00
Concord Consulting Group	\$ 22,730.00
Compliance Environmental Engineering	\$ 27,325.00
Weston Solutions	\$ 28,675.23
AECOM	\$ 24,940.00
Wilcox	\$ 28,075.00
Bitner	\$ 24,156.00
Superior Environmental Corp	\$ 32,956.00
	\$ 19,986.85

PRESENT: Mike Furmanski  
Bob Richards  
Tony Schmin

NB# 3.c.  
4/21/10

# CITY OF ESCANABA

## Audit Report Highlights

U:\123R3\ELECTRIC\Financial\CashBalancesAnalysisJune2009

Y/E	Retained Earnings	"Prepaid Power"/ Coal Inventory	Cash/Reserves	Gross Fixed Assets
6/30/71	\$4,816,426	N/A	\$1,249,657	\$7,316,068
6/30/72	5,282,736	N/A	1,579,440	7,411,144
6/30/73	5,818,609	N/A	1,996,309	7,519,640
6/30/74	6,343,544	N/A	2,039,577	7,616,792
6/30/75	7,037,543	N/A	2,372,601	7,718,161
6/30/76	7,919,904	N/A	2,670,882	7,852,588
6/30/77	8,924,250	N/A	3,359,310	7,983,381
6/30/78	10,254,497	N/A	4,670,530	8,228,852
6/30/79	12,050,760	\$1,428,332	6,315,565	8,732,030
6/30/80	13,660,299	1,672,477	4,177,543	12,410,599
6/30/81	14,995,036	242,057	6,196,547	12,615,707
6/30/82	16,560,853	0	7,610,836	12,756,640
6/30/83	11,004,038 *	0	9,243,466	12,937,704
6/30/84	11,675,454	1,148,004	7,719,629	14,117,617
6/30/85	12,651,470	1,135,371	8,331,667	14,391,782
6/30/86	13,222,016	588,919	9,665,759	14,735,222
6/30/87	14,296,602	641,564	10,123,068	15,033,867
6/30/88	15,893,586	479,307	12,601,207	15,274,796
6/30/89	17,744,788 *	410,956	13,370,145	15,412,563
6/30/90	19,041,509	529,980	14,469,056	15,543,929
6/30/91	20,110,823	446,241	15,665,930	15,927,442
6/30/92	21,170,001	317,747	15,993,118	17,488,308
6/30/93	21,964,600	927,869	15,689,159	17,845,742
6/30/94	22,610,987	62,083	17,722,154	17,999,154
6/30/95	23,180,973	1,019,013	17,860,267	18,318,755
6/30/96	24,783,940	578,537	19,547,039	18,508,900
6/30/97	26,136,261	875,607	20,873,965	18,690,102
6/30/98	28,053,074	784,046	22,948,522	18,800,839
6/30/99	29,006,573	1,028,249	23,822,435	19,326,593
6/30/00	29,461,770	421,979	24,027,746	21,179,613
6/30/01	30,944,221	768,498	25,567,145	21,673,408
6/30/02	31,102,144	1,005,536	22,072,735	25,205,051
6/30/03	33,536,569 *	881,469 *	23,635,203	26,074,187
6/30/04	33,256,335	358,553	23,513,653	26,490,209
6/30/05	31,996,041	1,688,907	22,064,737	27,950,958
6/30/06	29,649,408	2,614,925	17,323,187	28,399,840
6/30/07	30,149,487	2,612,175	18,418,343	28,625,677
6/30/08	29,681,981	2,084,288	17,682,974	29,800,941
6/30/09	27,634,250	5,631,252	13,282,460	31,267,840

\* Denotes change in accounting

Shaded area denotes year to year decrease

Y/E 6/30/01 Cash (Rounded)	\$25,567,000
8 Year Operating Loss	(4,765,000)
Investment in Plant/Equipment	(9,594,000)
Increase in Inventory	(4,863,000)
8 Years of Depreciation	6,860,000
Increase in Assets	(600,000)
Increase in Liabilities	645,000
 Y/E 6/30/09 Cash (Rounded)	 \$13,250,000

BASICALLY COAL

*[Handwritten signature]*

**CITY OF ESCANABA**  
**Analysis of Electric Fund Cash Balances**  
**As of 2/28/10**

u:\123R3\Budget1011\Analysis\ElectricCashBalance

Cash Balance - 6/30/09 - Per Audit	\$13,282,460	
YTD Loss	(1,700,144)	
Change in Receivables	3,082	Balance went down
Change in Inventory	26,245	Balance went down
Change in Coal/Fuel Oil	(2,392,288)	Balance went up
Fixed Asset Expenditures	(244,431)	Balance went up
Add Back Depreciation	786,667	
Increased Payables	<u>566,453</u>	Balance went up
Cash Should Be	<u>\$10,328,044</u>	
Cash Balance @ 2/28/10	<u>\$10,328,044</u>	

I rounded to \$10,000,000 because it fluctuates literally every day