

**CLINTON RIVER WATER RESOURCE RECOVERY  
FACILITY DRAINAGE DISTRICT**  
County of Oakland, State of Michigan

\$31,995,000  
Drain Bond, Series 2017

Dated and Closed: June 23, 2017

PROCEEDINGS AND CLOSING TRANSCRIPT

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RESOLUTION DECLARING OFFICIAL INTENT TO  
REIMBURSE PROJECT EXPENDITURES WITH BOND PROCEEDS

At a regular meeting of the Drainage Board (the "Drainage Board") for the Clinton River Water Resource Recovery Facility Drainage District held in the office of the Oakland County Water Resources Commissioner, Public Works Building, One Public Works Drive, Waterford, Michigan at 2 p.m. on the 28<sup>th</sup> day of February, 2017.

PRESENT:   Jim Nash, Oakland County Water Resources Commissioner  
              Thomas F. Middleton, Chairperson of Finance Committee of the Oakland County Board of Commissioners  
              Michael Gingell, Chairperson of the Oakland County Board of Commissioners

ABSENT:     None

WHEREAS, the Clinton River Water Resource Recovery Facility Drainage District (the "Drainage District"), pursuant to petitions filed by the City of Auburn Hills and the Village of Oxford with the Oakland County Water Resources Commissioner under the provisions of the Drain Code, Act 40, Public Acts of Michigan, 1956, as amended, proposes to finance a drain project to be known as the Clinton River Water Resource Recovery Facility (the "Project"); and

WHEREAS, it is anticipated that the Drainage District will acquire and construct the Project and issue its tax-exempt bonds in one or more series (the "Bonds") to finance all or part of the cost of the Project in anticipation of the collection of an equal amount of special assessments to be levied by the Drainage Board for the Project against benefitting public corporations (the "Municipalities"); and

WHEREAS, it is anticipated that the Drainage District or the Municipalities will advance all or a portion of the costs of the Project prior to the issuance of the Bonds, such advance to be repaid from proceeds of the Bonds upon the issuance thereof; and

WHEREAS, Section 1.150-2 of the Treasury Regulations on Income Tax (the "Reimbursement Regulations") specifies conditions under which a reimbursement allocation may be treated as an expenditure of bond proceeds, and the Drainage District intends by this resolution to qualify amounts advanced by the Drainage District or the Municipalities to the Project for reimbursement from proceeds of the Bonds in accordance with the requirements of the Reimbursement Regulations;

NOW, THEREFORE, BE IT RESOLVED BY THE DRAINAGE BOARD FOR THE CLINTON RIVER WATER RESOURCE RECOVERY FACILITY, as follows:

1. The Project shall consist of facilities to extend and improve the existing City of Pontiac Wastewater Treatment Facility, all as more fully set forth in the petitions filed with respect to the Project.

2. The maximum principal amount of obligations expected to be issued for the Project is \$38,822,240.

3. The Drainage District hereby declares its official intent to issue the Bonds to finance the costs of the Project, and hereby declares that it reasonably expects to reimburse the Drainage District's or the Municipalities' advances to the Project as anticipated by this resolution.

YEAS: Gingell, Middleton and Nash

NAYS: None


ABSTAIN: None

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN     )  
                                      ) ss  
COUNTY OF OAKLAND    )

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Drainage Board for the Clinton River Water Resource Recovery Facility Drainage District, Oakland County, Michigan, held on February 28, 2017, the original of which resolution is on file in the offices of the Water Resource Commissioner of the County of Oakland.

I further certify that notice of the meeting was given in accordance with the Open Meetings Act.

  
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Jim Nash  
Chairperson of the Drainage Board

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RESOLUTION DIRECTING CHAIRPERSON TO  
PREPARE SPECIAL ASSESSMENT ROLL

At a regular meeting of the Drainage Board (the "Drainage Board") for the Clinton River Water Resource Recovery Facility Drainage District (the "Drainage District") held in the office of the Oakland County Water Resources Commissioner, Public Works Building, One Public Works Drive, Waterford, Michigan at 2 p.m. on the 23<sup>rd</sup> day of May, 2017.

PRESENT: Jim Nash, Oakland County Water Resources Commissioner  
Thomas F. Middleton, Chairperson of Finance Committee of the Oakland County Board of Commissioners

ABSENT: Michael Gingell, Chairperson of the Oakland County Board of Commissioners

The following resolution was offered by Middleton and seconded by Nash:

WHEREAS, pursuant to petitions filed with the Oakland County Water Resources Commissioner, proceedings have been taken under the provisions of Chapter 20 of Act No. 40, Public Acts of Michigan, 1956, as amended, for the acquisition and construction of improvements to the Clinton River Water Resource Recovery Facility in the County of Oakland, State of Michigan at an estimated cost of \$41,162,000 and that amount has been assessed against the City of Auburn Hills, the Charter Township of Independence, the City of Lake Angelus, the Village of Lake Orion, the Charter Township of Oakland, the Charter Township of Orion, the Charter Township of Oxford, the Village of Oxford, the City of Pontiac, the City of Rochester, the City of Rochester Hills, the Charter Township of Waterford and the Charter Township of West Bloomfield (the "Public Corporations") in accordance with the Final Order of Apportionment that has been filed in the office of the Chairperson of the Drainage Board.

THEREFORE, BE IT RESOLVED BY THE DRAINAGE BOARD FOR THE CLINTON RIVER WATER RESOURCE RECOVERY FACILITY, as follows:

1. The Chairperson is directed to prepare a special assessment roll assessing the sum of \$41,162,000 against the Public Corporations to defray the cost of the Clinton River Water Resource Recovery Facility.
2. The amount assessed against the Public Corporations shall be divided into annual installments by the Chairperson on behalf of the Drainage Board in the special assessment roll and the aggregate annual installments shall equal the annual principal maturities of the bonds issued by the Drainage District.



3. The special assessment roll shall be prepared in accordance with the provisions of Chapter 20 of Act No. 40, Public Acts of Michigan, 1956, as amended, and when the special assessment roll shall have been prepared it shall be presented to the Drainage Board for approval.

YEAS: Middleton and Nash

NAYS: None


ABSTAIN: None

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN     )  
                                      ) ss  
COUNTY OF OAKLAND    )

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Drainage Board for the Clinton River Water Resource Recovery Facility Drainage District, Oakland County, Michigan, held on May 23, 2017, the original of which resolution is on file in the offices of the Water Resource Commissioner of the County of Oakland.

I further certify that notice of the meeting was given in accordance with the Open Meetings Act.

  
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Jim Nash  
Chairperson of the Drainage Board

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SPECIAL ASSESSMENT ROLL NO. 1 FOR THE  
CLINTON RIVER WATER RESOURCE RECOVERY FACILITY DRAIN PROJECT  
(An Intra-County Drain in Oakland County, Michigan)

ESTIMATED AMOUNT TO BE ASSESSED:		\$41,162,000.00		DUE 15-Jun-17 PREPAYMENT AMOUNT		AMOUNT OF ASSESSMENTS TO BE PAID OVER 20 YEARS		PERCENTAGE OF \$32,137,174.78 ASSESSMENTS TO BE PAID OVER 20 YEARS
PUBLIC CORPORATIONS		PERCENTAGE OF PROJECT	TOTAL AMOUNT ASSESSED					
City of Auburn Hills		6.12400%	\$ 2,520,760.88	\$ -	\$ -	\$ 2,520,760.88		7.8437538%
Charter Township of Independence		3.80400%	\$ 1,565,802.48	\$ -	\$ -	\$ 1,565,802.48		4.8722468%
City of Lake Angelus		0.03200%	\$ 13,171.84	\$ -	\$ -	\$ 13,171.84		0.0409863%
Village of Lake Orion		0.60100%	\$ 247,383.62	\$ -	\$ -	\$ 247,383.62		0.7697740%
Charter Township of Oakland		1.27600%	\$ 525,227.12	\$ 525,227.12	\$ -	\$ -		0.0000000%
Charter Township of Orion		4.59700%	\$ 1,892,217.14	\$ 1,892,217.14	\$ -	\$ -		0.0000000%
Charter Township of Oxford		1.84700%	\$ 760,262.14	\$ 760,262.14	\$ -	\$ -		0.0000000%
Village of Oxford		0.60900%	\$ 250,676.58	\$ -	\$ -	\$ 250,676.58		0.7800206%
City of Pontiac		53.17000%	\$ 21,885,835.40	\$ -	\$ -	\$ 21,885,835.40		68.1013050%
City of Rochester		2.75900%	\$ 1,135,659.58	\$ -	\$ -	\$ 1,135,659.58		3.5337879%
City of Rochester Hills		10.56100%	\$ 4,347,118.82	\$ 4,347,118.82	\$ -	\$ -		0.0000000%
Charter Township of Waterford		11.60200%	\$ 4,775,615.24	\$ 1,500,000.00	\$ -	\$ 3,275,615.24		10.1926049%
Charter Township of West Bloomfield		3.01800%	\$ 1,242,269.16	\$ -	\$ -	\$ 1,242,269.16		3.8655208%
		100.0000%	\$ 41,162,000.00	\$ 9,024,825.22	\$ -	\$ 32,137,174.78		100.0000%

NUMBER OF ANNUAL INSTALLMENTS:

20, due September 1 of each year beginning 2019.

INTEREST:

Interest on unpaid installments to begin on July 1, 2017, and to accrue at a rate not to exceed an amount sufficient to pay the interest on the bonds. Interest is payable on September 1, 2017 and thereafter on September 1 of each year.

INSTALLMENTS:

Installment Due September 1	Total Assessment Due
2019	\$ 1,262,174.78
2020	\$ 1,290,000.00
2021	\$ 1,320,000.00
2022	\$ 1,355,000.00
2023	\$ 1,390,000.00
2024	\$ 1,425,000.00
2025	\$ 1,460,000.00
2026	\$ 1,495,000.00
2027	\$ 1,535,000.00
2028	\$ 1,570,000.00
2029	\$ 1,610,000.00
2030	\$ 1,650,000.00
2031	\$ 1,690,000.00
2032	\$ 1,735,000.00
2033	\$ 1,780,000.00
2034	\$ 1,820,000.00
2035	\$ 1,865,000.00
2036	\$ 1,915,000.00
2037	\$ 1,960,000.00
2038	\$ 2,010,000.00
Total	\$ 32,137,174.78

The foregoing roll was approved by the Drainage Board for the Clinton River Water Resource Recovery Facility Drain on May 23, 2017.

  
Chairperson, Drainage Board

We hereby certify that the foregoing special assessment roll was prepared in accordance with the directions of the Drainage Board for the Clinton River Water Resource Recovery Facility Drain and the statutory provisions applicable thereto.

  
Chairperson, Drainage Board

  
Member

Member

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## RESOLUTION APPROVING SPECIAL ASSESSMENT ROLL

At a regular meeting of the Drainage Board (the "Drainage Board") for the Clinton River Water Resource Recovery Facility Drainage District (the "Drainage District") held in the office of the Oakland County Water Resources Commissioner, Public Works Building, One Public Works Drive, Waterford, Michigan at 2 p.m. on the 23<sup>rd</sup> day of May, 2017.

PRESENT: Jim Nash, Oakland County Water Resources Commissioner  
Thomas F. Middleton, Chairperson of Finance Committee of the Oakland County Board of Commissioners

ABSENT: Michael Gingell, Chairperson of the Oakland County Board of Commissioners

The following resolution was offered by Middleton and seconded by Nash:

WHEREAS, the Chairperson presented to the Drainage Board Special Assessment Roll No. 1 for the Clinton River Water Resource Recovery Facility, which special assessment roll contains a statement signed by the Chairperson and at least one other member of the Drainage Board to the effect that it was prepared in accordance with the directions of the Drainage Board and the statutory provisions applicable thereto.

THEREFORE, BE IT RESOLVED BY THE DRAINAGE BOARD FOR THE CLINTON RIVER WATER RESOURCE RECOVERY FACILITY, as follows:

1. Special Assessment Roll No. 1 for the Clinton River Water Resource Recovery Facility, upon which special assessment roll is spread assessments against the City of Auburn Hills, the Charter Township of Independence, the City of Lake Angelus, the Village of Lake Orion, the Charter Township of Oakland, the Charter Township of Orion, the Charter Township of Oxford, the Village of Oxford, the City of Pontiac, the City of Rochester, the City of Rochester Hills, the Charter Township of Waterford and the Charter Township of West Bloomfield (the "Public Corporations") in the principal sum of \$41,162,000, is approved and ordered filed with the Chairperson.

2. The Chairperson shall execute the statement affixed to the roll setting forth the date of such approval.

3. The installments of the assessments against the Public Corporations, as set forth in the roll, shall become due each year on the dates indicated in the roll, and the amount of the assessments from time to time unpaid shall bear interest, from the date set forth in the roll until paid, at rates sufficient to pay the interest on the bonds to be issued by the Drainage District which interest shall be payable as set forth in the roll.

4. Each of the Public Corporations may pay in advance of maturity all or any part of an annual installment by surrendering to the Drainage District bonds issued in anticipation of the special assessments of a like principal amount maturing in the same calendar year as the installment. All bonds so surrendered shall be cancelled.

5. The Chairperson of the Drainage Board, within 10 days of the date hereof, shall certify to each public corporation the amount of the total assessment against it, the amounts of the various installments, the due date of each installment and the interest upon the assessment from time to time unpaid. Also, each year as provided by law, the Chairperson shall notify each public corporation of the amount of the installment and interest next becoming due.

YEAS: Middleton and Nash

NAYS: None

ABSTAIN: None


RESOLUTION DECLARED ADOPTED.



STATE OF MICHIGAN     )  
                                      ) ss  
COUNTY OF OAKLAND    )

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Drainage Board for the Clinton River Water Resource Recovery Facility Drainage District, Oakland County, Michigan, held on May 23, 2017, the original of which resolution is on file in the offices of the Water Resource Commissioner of the County of Oakland.

I further certify that notice of the meeting was given in accordance with the Open Meetings Act.

  
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Jim Nash  
Chairperson of the Drainage Board

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BOND RESOLUTION  
DRAIN BONDS, SERIES 2017

At a regular meeting of the Drainage Board (the "Drainage Board") for the Clinton River Water Resource Recovery Facility Drainage District (the "Drainage District") held in the office of the Oakland County Water Resources Commissioner, Public Works Building, One Public Works Drive, Waterford, Michigan at 2 p.m. on the 23<sup>rd</sup> day of May, 2017.

PRESENT: Jim Nash, Oakland County Water Resources Commissioner  
Thomas F. Middleton, Chairperson of Finance Committee of the Oakland County Board of Commissioners

ABSENT: Michael Gingell, Chairperson of the Oakland County Board of Commissioners

The following resolution was offered by Middleton and seconded by Nash:

WHEREAS, pursuant to a petition filed with the Oakland County Water Resources Commissioner, proceedings have been taken under the provisions of Chapter 20 of Act No. 40, Public Acts of Michigan, 1956, as amended, for the location, establishment and construction of an intra-county drain project, consisting of biosolids handling and septage receiving facilities to extend and improve the existing City of Pontiac Wastewater Treatment Facility for the treatment of sanitary sewage (the "Project") at an estimated cost of \$41,162,000, and \$41,162,000 has been assessed against the City of Auburn Hills, the Charter Township of Independence, the City of Lake Angelus, the Village of Lake Orion, the Charter Township of Oakland, the Charter Township of Orion, the Charter Township of Oxford, the Village of Oxford, the City of Pontiac, the City of Rochester, the City of Rochester Hills, the Charter Township of Waterford and the Charter Township of West Bloomfield (the "Municipalities") in accordance with the Final Order of Apportionment that has been filed in the office of the Chairperson of the Drainage Board; and

WHEREAS, a special assessment roll designated "Special Assessment Roll No. 1 for the Clinton River Water Resource Recovery Facility" was approved by the Drainage Board on this date and upon which special assessment roll \$41,162,000 was assessed against the Municipalities; and

WHEREAS, the Drainage District proposes to sell bonds to defray the cost of the Project in a negotiated sale to the Michigan Finance Authority (the "Authority") as authorized by Act 227, Public Acts of Michigan, 1985, as amended ("Act 227") in order to enable the Authority to provide assistance with respect to the acquisition and construction of the Project from the State of Michigan State Revolving Fund.

THEREFORE, BE IT RESOLVED BY THE DRAINAGE BOARD FOR THE CLINTON RIVER WATER RESOURCE RECOVERY FACILITY, as follows:

1. DETERMINATION OF NECESSITY. The Project is necessary for the public health and in order to defray the cost thereof it is necessary to issue bonds as hereinafter provided.

2. AUTHORIZATION OF BONDS – PURPOSE. Bonds of the Clinton River Water Resource Recovery Facility Drainage District aggregating the principal sum of not to exceed Forty-One Million One Hundred Sixty-Two Thousand Dollars (\$41,162,000) shall be issued and sold pursuant to the provisions of Act 40, Public Acts of Michigan, 1956, as amended, and other applicable statutory provisions, for the purpose of defraying the cost of acquiring and constructing the Project.

3. BOND DETAILS. The bonds shall be designated "Drain Bonds, Series 2017;" shall be dated of delivery thereof; shall be numbered from 1 upwards; shall be fully registered; shall be in any denomination not exceeding the aggregate principal amount for each maturity at the option of the bondholder (provided, however, that so long as the bonds are registered in the name of the Authority, the bonds may be in the form of a single bond in a denomination equal to the aggregate outstanding principal amount of the bonds, with an exhibit attached thereto which identifies the annual maturities for the bonds, and the references herein to "bonds" shall mean that single bond registered in the name of the Authority); shall bear interest at a rate or rates as determined by the Chairperson but not to exceed 2.50% per annum, from the date of delivery of the various principal installments as hereinafter described, payable on such dates as shall be determined by the Chairperson; and shall mature on such dates and in such principal amounts as shall be determined by the Chairperson.

The bonds are expected to be delivered to the Authority as the initial purchaser thereof in installments (the "Installments") equal to the amounts advanced from time to time by the Authority to the Drainage District pursuant to the Purchase Contract and the Supplemental Agreement (each as hereinafter defined).

4. PAYMENT OF PRINCIPAL AND INTEREST. The principal of, premium, if any, and interest on the bonds shall be payable in lawful money of the United States. So long as the bonds are registered in the name of the Authority, the bonds shall be payable as to principal, redemption premium, if any, and interest at The Bank of New York Mellon Trust Company, N.A., or at such other place as shall be designated in writing to the Drainage District by the Authority (the "Authority's Depository"). So long as the Authority is the owner of the bonds, the Drainage District agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on the bonds in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due, whether by maturity, redemption or otherwise. If the bonds are not registered in the name of the Authority, the principal of and premium, if any, on the bonds shall be payable upon surrender thereof at the office of the bond registrar and paying agent and the interest shall be payable by check or draft mailed by the bond registrar and paying agent to the registered owner of the bonds at the address appearing on the registration books of the Drainage District kept by the bond registrar and paying agent as of the 15<sup>th</sup> day of the month preceding the month in which an interest payment is due.

5. PRIOR REDEMPTION. The bonds shall be subject to redemption prior to maturity upon such terms and conditions as shall be determined by the Chairperson of the Board.

6. BOND REGISTRAR AND PAYING AGENT. Unless and until a successor is appointed by the Treasurer of the Drainage District, the County Treasurer shall act as bond registrar and paying agent.

7. EXECUTION, AUTHENTICATION AND DELIVERY OF BONDS. The bonds shall be executed in the name of the Drainage District by the manual or facsimile signatures of the Chairperson and at least one other member of the Drainage Board and authenticated by the manual signature of the bond registrar and paying agent or an authorized representative of the bond registrar and paying agent. After the bonds have been executed and authenticated for delivery to the Authority as original purchaser thereof, they shall be delivered by the Treasurer to the purchaser upon receipt of the purchase price or upon compliance with the terms and conditions of the Purchase Contract. Additional bonds bearing the manual or facsimile signatures of the Chairperson and at least one other member of the Drainage Board may be delivered to the bond registrar and paying agent for authentication and delivery in connection with the exchange or transfer of bonds. The bond registrar and paying agent shall indicate on each bond the date of its authentication.

8. EXCHANGE AND TRANSFER OF BONDS. Any bond, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be exchanged for bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered bond.

Each bond shall be transferable only upon the books of the Drainage District, which shall be kept for that purpose by the bond registrar and paying agent, upon surrender of such bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney.

Upon the exchange or transfer of any bond, the bond registrar and paying agent on behalf of the Drainage District shall cancel the surrendered bond and shall authenticate and deliver to the transferee a new bond or bonds of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered bond. If, at the time the bond registrar and paying agent authenticates and delivers a new bond pursuant to this section, payment of interest on the bonds is in default, the bond registrar and paying agent shall endorse upon the new bond the following: "Payment of interest on this bond is in default. The last date to which interest has been paid is \_\_\_\_\_, \_\_\_\_\_"

The Drainage District and the bond registrar and paying agent may deem and treat the person in whose name any bond shall be registered upon the books of the Drainage District as the absolute owner of such bond, whether such bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such bond and for all other purposes, and all payments made to any such registered owner, or upon his order, in accordance with the

provisions of Section 4 of this Resolution shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid, and neither the Drainage District nor the bond registrar and paying agent shall be affected by any notice to the contrary. The Drainage District agrees to indemnify and save the bond registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

For every exchange or transfer of bonds, the Drainage District or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

9. FORM OF BONDS. The bonds shall be in substantially the following form with such changes thereto as approved by the Chairperson:

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF OAKLAND  
CLINTON RIVER WATER RESOURCE RECOVERY FACILITY DRAINAGE DISTRICT  
DRAIN BOND, SERIES 2017

INTEREST RATE

MATURITY DATE

DATE OF ORIGINAL ISSUE

See Exhibit A

Registered Owner: Michigan Finance Authority

Principal Amount:

The Clinton River Water Resource Recovery Facility Drainage District, County of Oakland, State of Michigan, acknowledges itself indebted to and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount or so much thereof as shall have been advanced to the Drainage District and not reduced pursuant to a Purchase Contract between the Drainage District and the Michigan Finance Authority (the "Authority"), a Supplemental Agreement by and among the Drainage District, the Authority and the State of Michigan acting through the Department of Environmental Quality and the Order of Approval issued by the Department of Environmental Quality on the maturity dates and in the amounts set forth on Exhibit A attached hereto unless redeemed prior thereto as hereinafter provided, the final payment being made upon presentation and surrender of this bond at the office of the Oakland County Treasurer in the City of Pontiac, Michigan, the bond registrar and paying agent, or at such successor bond registrar and paying agent as may be designated pursuant to the Resolution (as hereinafter defined); and to pay to the Registered Owner, as shown on the registration books at the close of business on the 15th day of the calendar month preceding the month in which an interest payment is due, by check or draft drawn upon and mailed by the bond registrar and paying agent by first class mail postage prepaid to the Registered Owner at the registered address, interest at the rate per annum specified above on such Principal Amount, to the extent advanced to the Drainage District pursuant to the Purchase Contract and the Supplemental Agreement until the Drainage District's obligation with respect to the payment of such Principal Amount is discharged. Interest is payable on the first days of \_\_\_\_\_ and \_\_\_\_\_ in each year, commencing on \_\_\_\_\_ 1, 20\_\_\_\_. Principal and interest are payable in lawful money of the United States of America.

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest that is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Drainage District's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds that may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Drainage District shall and hereby agrees to pay on demand only the Drainage District's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

During the time funds are being drawn down by the Drainage District under this bond, the Authority periodically will provide the Drainage District a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Drainage District of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this bond.

This bond is issued by the Drainage District under and pursuant to and in full conformity with the Constitution and Statutes of Michigan (especially Act No. 40, Public Acts of 1956, as amended), a bond authorizing resolution adopted by the Drainage Board for the Drainage District (the "Resolution") and an Order of the Chairperson of the Drainage Board for the purpose of defraying part of the cost of acquiring and constructing improvements to the City of Pontiac Wastewater Treatment Facility. The bonds of this series are issued in anticipation of, and the principal and interest on the bonds are payable from, special assessments assessed against public corporations on Special Assessment Roll No. 1 for the Clinton River Water Resource Recovery Facility, which assessments are the general obligations of said public corporations, and a Supplemental Order of the Chairperson. The full faith and credit of the Clinton River Water Resource Recovery Facility Drainage District have been pledged for the prompt payment of the principal of and interest on this bond as the same become due and, in addition, the full faith and credit of the County of Oakland have been pledged therefor. Taxes imposed by the County of Oakland and the public corporations are subject to constitutional, statutory and charter tax rate limitations.

This bond is transferable, as provided in the Resolution, only upon the books of the Drainage District kept for that purpose by the bond registrar and paying agent, upon the surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the Registered Owner or his attorney duly authorized



in writing. Upon the exchange or transfer of this bond a new bond or bonds of any authorized denomination, in the same aggregate principal amount and of the same interest rate and maturity, shall be authenticated and delivered to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges, if any, therein provided. Bonds so authenticated and delivered shall be in any denomination not exceeding the aggregate principal amount for each maturity.

The bond registrar and paying agent shall not be required to transfer or exchange bonds or portions of bonds that have been selected for redemption.

This bond is subject to redemption prior to maturity at the option of the Drainage District and with the prior written consent of the Authority and on such terms as may be required by the Authority. That portion of the bond called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.

Not less than thirty days' notice of redemption shall be given to the holder of the bond called to be redeemed by mail to the registered holder at the registered address. That portion of the bond called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.

Notwithstanding any other provision of this bond, so long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at The Bank of New York Mellon Trust Company, N.A. or at such other place as shall be designated in writing to the Drainage District by the Authority (the "Authority's Depository"); (b) the Drainage District agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the Drainage District's deposit by 12:00 noon on the scheduled day, the Drainage District shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this bond shall be given by the Drainage District and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds of this series, existed, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of said Drainage District, including the series of bonds of which this bond is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Clinton River Water Resource Recovery Facility Drainage District, County of Oakland, State of Michigan, by its Drainage Board, has caused this bond to be executed in its name by the manual or facsimile signatures of the Chairperson and at least one other member of the Drainage Board. This bond shall not be valid unless the Certificate of Authentication has been manually executed by an authorized representative of the bond registrar and paying agent.

CLINTON RIVER WATER RESOURCE  
RECOVERY FACILITY DRAINAGE DISTRICT

By: \_\_\_\_\_

Chairperson of the Drainage Board

And: \_\_\_\_\_

Member of the Drainage Board

And: \_\_\_\_\_

Member of the Drainage Board

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Resolution.

By: \_\_\_\_\_  
Treasurer, County of Oakland  
Bond Registrar and Paying Agent

AUTHENTICATION DATE:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_  
(please print or type name, address and taxpayer identification number of transferee) the within  
bond and all rights thereunder and hereby irrevocably constitutes and appoints  
\_\_\_\_\_  
attorney to transfer the within bond on the books kept for registration thereof, with full power of  
substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

Signature(s) must be guaranteed by an eligible guarantor institution participating in a  
Securities Transfer Association recognized signature guarantee program.

EXHIBIT A

The principal amounts and maturity dates applicable to the bond to which this Exhibit A is attached are as follows:

MATURITY DATE  
\_\_\_\_\_1

PRINCIPAL AMOUNT

Based on the schedule provided above unless revised as provided in this paragraph, repayment of principal of this bond shall be made until the full amount advanced to the Drainage District is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order") approves a principal amount of assistance less than the amount of this bond, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Drainage District and described above provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the Drainage District by the Authority, or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the Drainage District is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Drainage District.

END OF BOND FORM

10. SECURITY The bonds shall be issued in anticipation of the collection of special assessments against the Municipalities that are paying their assessments in more than one installment on the Special Assessment Roll No. 1 for the Clinton River Water Resource Recovery Facility to be adopted by this Drainage Board prior to the sale of the bonds. The full faith and credit of the Drainage District are pledged hereby for the prompt payment of the principal of and interest on the bonds as the same shall become due. The full faith and credit of the County of Oakland will be pledged for the prompt payment of the principal of and interest on the bonds if a resolution to that effect is approved by two-thirds of the members of the Board of Commissioners of the County of Oakland.

11. DEFEASANCE. In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay, at maturity or irrevocable call for earlier optional redemption, the principal of, premium if any, and interest on the bonds or any portion of the bonds, shall have been deposited in trust, this Resolution shall be defeased with respect to such bonds and the owners of the bonds shall have no further rights under this Resolution except to receive payment of the principal of, premium if any, and interest on the bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange bonds as provided herein.

12. ESTIMATES OF PERIOD OF USEFULNESS AND COST. The estimated period of usefulness of the Project for which the bonds are to be issued is determined to be twenty (20) years and upwards, and it is estimated that the Project will not be placed in service prior to January 1, 2019. The total estimated cost of the Project in the amount of \$41,162,000 as submitted to the Drainage Board is approved and adopted.

13. PRINCIPAL AND INTEREST FUND. There shall be established for the bonds a Principal and Interest Fund which shall be kept in a separate bank account. From the proceeds of the sale of the bonds there shall be set aside in the Principal and Interest Fund (i) any accrued interest received from the purchaser of the bonds at the time of delivery of the same and (ii) such premium, if any, received from the purchaser of the bonds at the time of delivery of the same in such amount as determined by the Chairperson. All collections (including both principal and interest) on Special Assessment Roll No. 1 for the Clinton River Water Resource Recovery Facility, other than special assessments due prior to the delivery of the bonds to the Authority which assessments will be used to pay costs of the Project and are not securing the bonds, shall be placed in the Principal and Interest Fund and shall be used solely to pay the principal of and interest on the bonds authorized herein and additional bonds issued in anticipation of such payments.

14. CONSTRUCTION FUND. The remainder of the proceeds of the sale of the bonds shall be set aside in a Construction Fund and used to pay the expenses of the issuance of the bonds and to acquire and construct the Project.

15. APPROVAL OF DEPARTMENT OF TREASURY. The issuance and sale of the bonds may be subject to permission being granted therefore by the Michigan Department of Treasury of the State of Michigan under Act 34, Public Acts of Michigan, 2001, as amended, and

the Chairperson hereby is authorized and directed, if necessary, to make application to the Michigan Department of Treasury for permission to issue and sell the bonds as provided by the terms of this Resolution and to do all things in connection therewith.

16. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF BONDS. The bonds shall be sold at a private, negotiated sale to the Authority, as authorized by Act 227. It is hereby determined that this method of sale is in the best interests of the Drainage District and is calculated to provide the Drainage District with the lowest cost of borrowing money. The sale shall be made pursuant to the terms and conditions to be set forth in a Purchase Contract (the "Purchase Contract") and a Supplemental Agreement (the "Supplemental Agreement"). The Chairperson (or in his absence the Chief Deputy Water Resources Commissioner or the Treasurer) is authorized to determine the principal amount of bonds to be sold and to execute and deliver the Purchase Contract and the Supplemental Agreement in such forms as shall be approved by the Chairperson or the Chief Deputy Water Resources Commissioner or the Treasurer, with such approval to be evidenced by the Chairperson's signature thereon. Notwithstanding any other provision of this resolution the bonds shall be initially sold to the Authority as one bond, numbered 1 in the full aggregate principal amount of the bonds. The Chairperson is authorized to execute one or more written orders (i) containing the determinations that the Chairperson is authorized to make as provided in this Resolution and (ii) making such changes in the provisions of the bonds or this Resolution to comply with the requirements of the Authority or otherwise to enable the bonds to be sold to the Authority. In addition, the Chairperson and other County employees and officials are authorized to execute and deliver to the Authority the Issuer's Certificate and such certificates, documents or agreements as the Authority or bond counsel shall require and to do all other things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the bonds in accordance with the provisions of this resolution.

17. REPLACEMENT OF BONDS. Upon receipt by the Chairperson or Treasurer of the Drainage District of proof of ownership of an unmatured bond, of satisfactory evidence that the bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the Chairperson or Treasurer, the Chairperson or Treasurer may authorize the bond registrar and paying agent to deliver a new executed bond to replace the bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured bond is lost, apparently destroyed or wrongfully taken, the Chairperson or Treasurer may authorize the bond registrar and paying agent to pay the bond without presentation upon the receipt of the same documentation required for the delivery of a replacement bond. The bond registrar and paying agent for each new bond delivered or paid without presentation as provided above shall require the payment of expenses, including counsel fees, that may be incurred by the bond registrar and paying agent and the Drainage District in the premises. Any bond delivered pursuant the provisions of this Section 17 in lieu of any bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the bond in substitution for which such bond was delivered.

18. TAX COVENANT. The Drainage District covenants to comply with all requirements of the Code necessary to assure that the interest on the bonds will be and will remain excludable from gross income for federal income tax purposes. The Chairperson, the

County Treasurer and other appropriate County officials are authorized to do all things necessary to assure compliance with any such covenants.

19. SUPPLEMENTAL ORDER. The Chairperson is hereby authorized to enter a supplemental order amending the special assessments and annual installments of the special assessments against the Municipalities due on Special Assessment Roll No. 1 for the Clinton River Water Resource Recovery Facility to correspond to the principal due on the bonds if he deems it necessary in order to sell the bonds to the Authority as described in this Resolution.

20. CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions insofar as they may be in conflict herewith are hereby rescinded.



YEAS: Middleton and Nash

NAYS: None


ABSTAIN: None

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN     )  
  ) ss  
COUNTY OF OAKLAND    )

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Drainage Board for the Clinton River Water Resource Recovery Facility Drainage District, Oakland County, Michigan, held on May 23, 2017, the original of which resolution is on file in the offices of the Water Resource Commissioner of the County of Oakland.

I further certify that notice of the meeting was given in accordance with the Open Meetings Act.

  
\_\_\_\_\_  
Jim Nash  
Chairperson of the Drainage Board

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**MISCELLANEOUS RESOLUTION #17073**

**March 30, 2017**

BY: Commissioner Philip Weipert, Chairperson, Planning And Building Committee

**IN RE WATER RESOURCES COMMISSIONER – CLINTON RIVER WATER RESOURCE RECOVERY FACILITY DRAINAGE DISTRICT DRAIN BONDS - FULL FAITH AND CREDIT RESOLUTION**

To the Oakland County Board of Commissioners

Chairperson, Ladies and Gentlemen

WHEREAS, the Drainage Board for the Clinton River Water Resource Recovery Facility Drainage District proposes that the Clinton River Water Resource Recovery Facility Drainage District issue its Drain Bonds, Series 2017 (the "Bonds") in the aggregate principal amount of not to exceed \$42,000,000 to defray all or part of the cost of the Clinton River Water Resource Recovery Facility project (the "Project"); and

WHEREAS, the Bonds will be dated as of such date, will bear interest at such rate or rates, will be in the aggregate principal amount, will mature in such years and principal amounts, and will be subject to redemption prior to maturity as shall be determined by the Oakland County Water Resources Commissioner as Chairperson of the Drainage Board for the Clinton River Water Resource Recovery Facility Drainage District; and

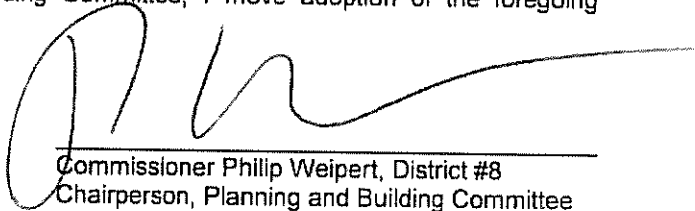
WHEREAS the Drainage Board deems it advisable and necessary to obtain from this Board a resolution pledging the full faith and credit of the County for the payment of the principal of and interest on the Bonds; and

WHEREAS the Project is necessary to protect and preserve the public health and, therefore, it is in the best interest of the County that the Bonds be sold.

NOW THEREFORE BE IT RESOLVED:

1. Pursuant to the authorization provided in Section 474 of the Drain Code of 1956, as amended, the Board of Commissioners of the County hereby pledges irrevocably the full faith and credit of the County for the prompt payment of the principal of and interest on the Bonds and agrees that, in the event the City of Auburn Hills, the Charter Township of Independence, the City of Lake Angelus, the Village of Lake Orion, the Charter Township of Oakland, the Charter Township of Orion, the Charter Township of Oxford, the Village of Oxford, the City of Pontiac, the City of Rochester, the City of Rochester Hills, the Charter Township of Waterford or the Charter Township of West Bloomfield shall fail or neglect to account to the County Treasurer for the amount of any special assessment installment and interest when due, the amount thereof shall be advanced immediately from County funds, and the County Treasurer is directed to make such advancement to the extent necessary.
2. In the event that, pursuant to the pledge of full faith and credit, the County advances out of County funds all or any part of an installment and interest, it shall be the duty of the County Treasurer, for and on behalf of the County, to take all actions and proceedings and pursue all remedies permitted or authorized by law for the reimbursement of such sums so paid.
3. The County Treasurer or the financial consultant, Municipal Financial Consultants Incorporated, is authorized, if necessary, to make application to the Department of Treasury for permission to issue and sell the Bonds.

Chairperson, on behalf of the Planning and Building Committee, I move adoption of the foregoing resolution.



Commissioner Philip Weipert, District #8  
Chairperson, Planning and Building Committee

[Note: The resolution must be adopted by a 2/3 vote of the members elect of the County Board of Commissioners.]

BLOOMFIELD 9007-415 1776331v1

PLANNING AND BUILDING COMMITTEE

Motion carried unanimously on a roll call vote with Berman absent.

**OAKLAND COUNTY  
WATER RESOURCES COMMISSIONER**

**MEMORANDUM**

**TO: Philip J. Weipert, Chairperson  
Planning and Building Committee**

**FROM: Sidney Lockhart, P.E., Special Projects Manager**

**SUBJECT: Clinton River Water Resource Recovery Facility Drainage District –  
Bio-Solids Handling and Septage Receiving Facility Bond Issue**

**DATE: March 21, 2017**

The Drainage Board for the Clinton River Water Resource Recovery Facility is asking the Board of Commissioners to approve the attached resolution for the sale of bonds to fund the Bio-Solids Handling and Septage Receiving Facility project.

Bonds, in the amount of \$42 million, will be sold by the Michigan Finance Authority as part of the MDEQ State Revolving Fund loan program, with an interest rate capped at 2.5%. The resolution pledges the County's full faith and credit. A map of the project area and a project description are attached.

The Clinton River Water Resource Recovery Facility Drainage District will be assessed for the project. Municipalities in the district include the City of Auburn Hills, the Charter Township of Independence, the City of Lake Angelus, the Village of Lake Orion, the Charter Township of Oakland, the Charter Township of Orion, the Charter Township of Oxford, the Village of Oxford, the City of Pontiac, the City of Rochester, the City of Rochester Hills, the Charter Township of Waterford and the Charter Township of West Bloomfield.

The Drainage Board has undertaken an improvement project for critical work needed at the facility. This facility serves approximately 20,000 Pontiac residents and accepts 30% of the sanitary sewer flow from the County's Clinton-Oakland Sanitary Sewer System. This project will enable the facility to meet current regulations and address sludge processing needs.

On behalf of the Drainage District, we request that this matter be placed on your Planning and Building Committee Agenda for March 21, 2017. Our intent is to present the matter to the Finance Committee on April 20, 2017, and then submit it for full Board of Commissioners' consideration on April 26, 2017. Sid Lockhart and/or Razik Alsaigh will attend the meetings to answer any questions that may arise.

## **Biosolids Handling and Septage Receiving Facility Project Description**

The Clinton River Water Resource Recovery Facility consists of the East Boulevard facility and the Auburn facility interconnected to operate as one facility. The East Boulevard plant was placed into service in 1921. The Auburn plant was constructed in 1962 and both were renovated in the 1980's. Upgrades were recently made at both facilities in 2010, 2012 and in 2014.

The Perry Street Pump Station began pumping flow diverted from the Clinton Oakland Interceptor to the facility in 2015. Most of the East Boulevard's and Auburn's equipment is beyond its useful life and is not performing at optimal levels. Improvements are necessary to efficiently accommodate this extra flow.

After solicitation for proposals, the drainage board selected CDM Smith as the design engineer. The project consists of the following:

1. Thermal Hydrolysis Pre-treatment (THP) system, including:
  - a. Pre-dewatering centrifuges
  - b. Solids screens
  - c. Steam boilers
  - d. Sludge cooling system
2. Construction of a 80-foot by 100-foot, two-story Biosolids Handling Building for the new THP system and support equipment including the new dewatering centrifuges
3. Primary and secondary digester mixing equipment and cover
4. Replacement of biosolids dewatering belt filter presses
5. Improvements to the biosolids storage pad
6. Septage receiving station
7. Sludge belt conveyors from the Biosolids Handling Building
8. A building for the new septage receiving equipment
9. A prefabricated building for the new digester electrical equipment
10. Supervisory Control and Data Acquisition (SCADA) improvements to fully automate and integrate operations

Bids will be received on April 12, 2017. It is anticipated that the notice to proceed will be issued in July 2017. The project is expected to be completed by July 2019.



Resolution #17073

March 30, 2017

Vice-Chairperson Tom Middleton referred the resolution to the Finance Committee. There were no objections.



FISCAL NOTE (MISC. #17073)

April 26, 2017

BY: Commissioner Thomas Middleton, Chairperson, Finance Committee

**IN RE: WATER RESOURCES COMMISSIONER – CLINTON RIVER WATER RESOURCE  
RECOVERY FACILITY DRAINAGE DISTRICT DRAIN BONDS – FULL FAITH AND CREDIT  
RESOLUTION**

To The Oakland County Board of Commissioners

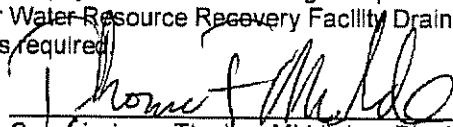
Chairperson, Ladies and Gentlemen:

Pursuant to Rule XII-C of this Board, the Finance Committee has reviewed the above referenced resolution and finds:

1. The Drainage Board for the Clinton River Water Resource Recovery Facility Drainage District is requesting that the Board of Commissioners pledge the full faith and credit of the County of Oakland for the payment of principal and interest on the Clinton River Water Resource Recovery Facility Drainage District Drain Bonds, Series 2017, pursuant to the authorization provided in Section 474 of the Drain Code.
2. The bond issue is not to exceed \$42,000,000 and is to be used to defray all or part of the cost of the Clinton River Water Resource Recovery Facility project.
3. The Bonds shall be secured primarily by the full faith and credit pledged by the Clinton River Water Resource Recovery Facility Drainage District and the Oakland County Board of Commissioners will pledge the full faith and credit of the County as secondary obligors for the payment of principal and interest on the Bonds.
4. The bond issue shall bear an interest rate not to exceed 2.5% per annum, will be in aggregate principal amounts, will mature in such years and principal amounts and will be callable prior to maturity as determined necessary by the Oakland County Water Resources Commissioner as Chairperson of the Drainage Board for the Clinton River Water Resource Recovery Facility Drainage District.
5. The statutory limit for County debt is \$6,508,485,111 (10% of State Equalized Value). As of April 2, 2017, the total pledged debt is \$711,482,582 or approximately 1.093161% of the S.E.V.
6. Based on the project apportionment the project cost of \$42,000,000 will be apportioned as follows:

<u>Public Corporation</u>	<u>Percent</u>	<u>Amount</u>
City of Auburn Hills	6.124%	\$ 2,572,080
Charter Township of Independence	3.804%	\$ 1,597,680
City of Lake Angelus	0.032%	\$ 13,440
Village of Lake Orion	0.601%	\$ 252,420
Charter Township of Oakland	1.276%	\$ 535,920
Charter Township of Orion	4.597%	\$ 1,930,740
Charter Township of Oxford	1.847%	\$ 775,740
Village of Oxford	0.609%	\$ 255,780
City of Pontiac	53.170%	\$22,331,400
City of Rochester	2.759%	\$ 1,158,780
City of Rochester Hills	10.561%	\$ 4,435,620
Charter Township of Waterford	11.602%	\$ 4,872,840
Charter Township of West Bloomfield	3.018%	\$ 1,267,560
Total	100.000%	\$42,000,000

7. The Public Corporations will pay for the bonds through a Special Assessment Roll for the Clinton River Water Resource Recovery Facility Drainage District.
8. No budget amendment is required.

  
Commissioner Thomas Middleton, District #4  
Chairperson, Finance Committee

**FINANCE COMMITTEE VOTE:**

Motion carried on a roll call vote with Bowman voting no and Fleming absent.


Resolution #17073

April 26, 2017

Moved by Weipert supported by Gershenson the resolution (with fiscal note attached) be adopted.

AYES: Hoffman, Jackson, Kochenderfer, Kowall, Long, McGillivray, Middleton, Quarles, Spisz, Taub, Tietz, Weipert, Zack, Berman, Bowman, Crawford, Dwyer, Fleming, Gershenson. (19)

A sufficient majority having voted in favor, the resolution (with fiscal note attached) be adopted.

 4/28/17  
I HEREBY APPROVE THIS RESOLUTION  
CHIEF DEPUTY COUNTY EXECUTIVE  
ACTING PURSUANT TO MCL 45.559A (7)

STATE OF MICHIGAN)  
COUNTY OF OAKLAND)

I, Lisa Brown, Clerk of the County of Oakland, do hereby certify that the foregoing resolution is a true and accurate copy of a resolution adopted by the Oakland County Board of Commissioners on April 26, 2017, with the original record thereof now remaining in my office.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the County of Oakland at Pontiac, Michigan this 26<sup>th</sup> day of April, 2017.

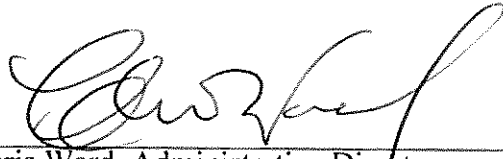
  
Lisa Brown, Oakland County

CERTIFICATE OF ADMINISTRATIVE DIRECTOR

I, the undersigned, Chris Ward, hereby certify as follows:

1. I am the duly qualified and acting Administrative Director of the Board of Commissioners of the County of Oakland, Michigan.
2. The notice attached hereto was posted at least 18 hours in advance of the meeting of the Board of Commissioners of the County of Oakland held on April 26, 2017, in those places where notices of meetings of the Board of Commissioners are normally posted.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 17<sup>th</sup> day of April, 2017.

A handwritten signature in black ink, appearing to read 'Chris Ward', is written over a horizontal line.

Chris Ward, Administrative Director  
Oakland County Board of Commissioners

NOTICE OF REGULAR MEETING

BOARD OF COMMISSIONERS OF THE COUNTY OF OAKLAND

April 26, 2017

Please take notice that the next regular meeting of the Board of Commissioners of the County of Oakland will be held on Tuesday, April 26, 2017, at 7 p.m. at the Oakland County Courthouse Auditorium located at 1200 North Telegraph Road, Pontiac, Michigan.

The agenda for the meeting will include consideration by the Board of Commissioners of a resolution authorizing the limited tax full faith and credit pledge of the County of Oakland to the Clinton River Water Resource Recovery Facility Drainage District Drain Bonds, Series 2017 in the principal amount of not to exceed \$42,000,000, which bonds are expected to be issued by the Clinton River Water Resource Recovery Facility Drainage District to defray all or part of the cost of the Clinton River Water Resource Recovery Facility project.

This notice is given pursuant to Section 308 of Act 34, Public Acts of Michigan, 2001, as amended.

Chris Ward, Administrative Director  
Oakland County Board of Commissioners

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**State Revolving Fund**  
**ORDER OF APPROVAL**

**Applicant/Issuer:** Clinton River Water Resource Recovery Facility Drainage District,  
Oakland County

**Project No.** 5642-01

**Assistance Amount:** \$31,995,000 (Thirty-one Million Nine Hundred Ninety-five Thousand Dollars)

**Rate:** 2.50% (Two and a Half Percent)

**Term:** Not to exceed Twenty (20) years, with annual principal payments commencing no later than August 31, 2020.

**Pursuant to:** Part 53, Clean Water Assistance, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended.

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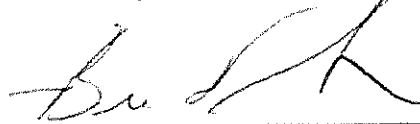
The Director of the Department of Environmental Quality of the state of Michigan, acting upon the application submitted by the applicant/issuer for assistance in financing the project pursuant to the referenced Act,

ORDERS that the application is approved based upon the requirements, provisions, and information included in the application and other documents submitted to the Department of Environmental Quality, and which are incorporated herein and made part hereof by this reference.

Special conditions of this Order are identified in the attached Exhibits A - C.

This approval is based on the application and other documents currently filed with the Director of the Department of Environmental Quality and no material change may be made to the application or this approval without the prior written approval of the Department of Environmental Quality.

The Department of Environmental Quality certifies to the Michigan Finance Authority that the applicant/issuer is eligible to receive assistance as provided by this Order.



Bryce Feighner, P.E., Division Director  
Drinking Water and Municipal Assistance Division  
Department of Environmental Quality

Dated: June 1, 2017  
Lansing, Michigan

Clinton River Water Resource Recovery Facility Drainage District  
Project No. 5642-01

**State Revolving Fund**  
**EXHIBIT A**

Cost summary identifying design, construction, and administrative costs.

Asset Management Program / Fiscal Sustainability Costs	\$31,287
Planning Costs	\$70,345
Rate Methodology Development Costs	\$0
Design Engineering Cost	\$2,198,095
Legal/Financial Service Fees	\$37,933
Administrative Costs	\$771,346 *
Bond Counsel Fees	\$109,856
Bond Advertisement Costs	\$0
Bid Advertisement Costs	\$50
Capitalized Interest	\$0
Land Acquisition/Relocation Costs	\$0
Land Purchase Costs	\$0
Construction Engineering Costs	\$1,911,618
Construction Costs (bid contracts)	\$32,370,771
Construction Costs (force account)	\$0
Equipment Costs	\$0
Other Project Costs (Owner Controlled Insurance Program)	\$1,159,898
Contingencies	\$1,810,290
LESS Other Sources of Funding (Prepayments from municipal customers on their assessed portions of the debt for SRF No. 5642-01)	<u>(\$8,476,489)</u>
<b>TOTAL PROJECT COSTS APPROVED (rounded to nearest \$5,000)</b>	<b>\$31,995,000</b>

\*Excludes the SRF ineligible force account costs estimated in the amount of \$171,024.

**State Revolving Fund**  
**EXHIBIT B**

Project description, referencing the permit required by Part 41, Sewerage Systems, of 1994 PA 451.

Permit Number P41000581 Issued on February 28, 2017

**Project Description:**

The project consists of the following capital improvements at the Auburn Wastewater Treatment Plant for necessary upgrades to the biosolids management system to address current capacity limits in the anaerobic digesters, to replace various equipment components where appropriate, and to construct a new septage receiving facility for biogas recovery/reuse:

- New thermal hydrolysis pretreatment (THP) process for solids conditioning.
- Associated equipment for new THP process, including pre-dewatering, solids screens, steam boilers, and sludge cooling.
- New primary and secondary digester mixing equipment.
- New secondary digester cover.
- Replacement of existing biosolids product dewatering equipment (i.e., belt filter presses).
- Expansion and covering of the biosolids storage pad.
- New biosolids handling building for housing of THP skid, THP support equipment (except for sludge cooling), and dewatering equipment.
- New septage receiving facility.



**State Revolving Fund**  
**EXHIBIT C**

Additional special conditions.

1. Financial assistance authorized by this Order of Approval is conditioned upon receipt by the Michigan Finance Authority (the "Authority") by June 13, 2017, or such other date approved by the Authority, of all documentation necessary to satisfy the Authority's municipal obligation purchase requirements as set forth in the Shared Credit Rating Act, 1985 PA 227, as amended.
2. Financial assistance authorized by this Order of Approval is conditioned upon issuance, by the applicant or owner, of a Notice to Proceed, to the successful bidder(s) on the project construction contract(s) on or before August 22, 2017.
3. The applicant must comply with Section 608 of the Water Resources Reform and Development Act of 2014 (Public Law 113-121), which requires that all of the iron and steel products used in the project be produced in the United States unless the applicant obtains a waiver from the U.S. Environmental Protection Agency.
4. The applicant must comply with the provisions of the Water Resources Reform and Development Act of 2014, which requires all loan recipients for projects involving the repair, replacement, or expansion of a publicly owned treatment works to develop and implement a fiscal sustainability plan.
5. Financial Assistance authorized by this Order of Approval is in part supported by funding from federal fiscal years 2015 and 2016 appropriation laws covering the U.S. Environmental Protection Agency (P.L. 113-235 and P.L. 114-113) and includes loan principal forgiveness of \$2,500,000.

Total Loan Amount:	Green Project Reserve Amount:	Amount of Principal Forgiven:
\$31,995,000	\$31,995,000	\$2,500,000

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RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

NICK A. KHOURI  
STATE TREASURER

March 31, 2017

**APPROVAL**

Municipality Code: 637137

Fiscal Year Ended: 9/2016

Dear Chief Administrative Officer:

Thank you for submitting a Qualifying Statement for Clinton River Water Resource Recovery Facility Drainage District to the Michigan Department of Treasury on March 30, 2017. Based upon the information provided in the Qualifying Statement, we have determined that Clinton River Water Resource Recovery Facility Drainage District is in material compliance with the criteria identified in Section 303(3) of Public Act 34 of 2001.

Clinton River Water Resource Recovery Facility Drainage District is now authorized to issue municipal securities under this Act without further approval from the Department. This authorization will remain in effect for six months plus 30 business days after the end of your next fiscal year, or when the Department has made a new determination, whichever occurs first.

Within 15 business days of completing the issuance of any municipal security the municipality shall file with the Department a Security Report and all documents required in Section 319 of Public Act 34 of 2001. The Security Report can be found on our website, [Michigan.gov/Treasury](http://Michigan.gov/Treasury), by clicking on Local Government Services, Municipal Finance, Municipal Finance Forms, and 3892. The Security Report and accompanying documents may be emailed to [Treas\\_MunicipalFinance@Michigan.gov](mailto:Treas_MunicipalFinance@Michigan.gov) or mailed to the address below. If emailing, the subject line must read the same as the file name of the attached documents.

If you have any questions, contact the Division at 517-373-3227.

Sincerely,

A handwritten signature in cursive script, appearing to read "Suzanne Schafer".

Suzanne Schafer, Administrator  
Local Fiscal Accountability Division



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

NICK A. KHOURI  
STATE TREASURER

March 30, 2017

**APPROVAL**

Municipality Code: 630000

Fiscal Year Ended: 9/2016

Dear Chief Administrative Officer:

Thank you for submitting a Qualifying Statement for Oakland County to the Michigan Department of Treasury on March 29, 2017. Based upon the information provided in the Qualifying Statement, we have determined that Oakland County is in material compliance with the criteria identified in Section 303(3) of Public Act 34 of 2001.

Oakland County is now authorized to issue municipal securities under this Act without further approval from the Department. This authorization will remain in effect for six months plus 30 business days after the end of your next fiscal year, or when the Department has made a new determination, whichever occurs first.

Within 15 business days of completing the issuance of any municipal security the municipality shall file with the Department a Security Report and all documents required in Section 319 of Public Act 34 of 2001. The Security Report can be found on our website, [Michigan.gov/Treasury](http://Michigan.gov/Treasury), by clicking on Local Government Services, Municipal Finance, Municipal Finance Forms, and 3892. The Security Report and accompanying documents may be emailed to [Treas\\_MunicipalFinance@Michigan.gov](mailto:Treas_MunicipalFinance@Michigan.gov) or mailed to the address below. If emailing, the subject line must read the same as the file name of the attached documents.

If you have any questions, contact the Division at 517-373-3227.

Sincerely,

A handwritten signature in cursive script, reading "Suzanne Schafer".

Suzanne Schafer, Administrator  
Local Fiscal Accountability Division

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ORDER OF CHAIRPERSON OF DRAINAGE BOARD

CLINTON RIVER WATER RESOURCE RECOVERY  
FACILITY DRAINAGE DISTRICT

DRAIN BOND, SERIES 2017

IT IS HEREBY ORDERED that:

1. The Drain Bond, Series 2017, to be issued by the Clinton River Water Resource Recovery Facility Drainage District in accordance with the Bond Resolution adopted by the Drainage Board for the Clinton River Water Resource Recovery Facility on May 23, 2017, shall be issued as a single registered bond in the principal amount of \$31,995,000. The bond shall be dated and shall mature and bear interest payable as shown on Exhibit A.
2. The bond shall be issued in accordance with the terms ordered herein and as authorized by the Bond Resolution and shall bear interest at the rate of 2.50% per annum.



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JIM NASH  
Oakland County Water Resources Commissioner  
and Chairperson of the Drainage Board for the  
Clinton River Water Resource Recovery Facility

Dated: June 23, 2017

EXHIBIT A

Terms and Conditions of

\$31,995,000

Clinton River Water Resource Recovery Facility Drainage District  
Drain Bond, Series 2017

Aggregate Principal Amount: \$31,995,000

Date of Bond: June 23, 2017

Interest Payment Dates: April 1 and October 1 of each year,  
commencing October 1, 2017

Maturity Dates and Amounts:

<u>MATURITY DATE</u> <u>OCTOBER 1</u>	<u>PRINCIPAL AMOUNT</u>
2019	\$1,250,000
2020	1,280,000
2021	1,310,000
2022	1,345,000
2023	1,380,000
2024	1,415,000
2025	1,450,000
2026	1,485,000
2027	1,525,000
2028	1,565,000
2029	1,605,000
2030	1,645,000
2031	1,685,000
2032	1,730,000
2033	1,770,000
2034	1,815,000
3035	1,860,000
3036	1,910,000
3037	1,960,000
3038	2,010,000

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Clinton River Water Resource Recovery Facility Drainage District  
State Revolving Fund  
Project No: 5642-01

## PURCHASE CONTRACT

The Michigan Finance Authority (the "Authority"), a public body corporate, separate and distinct from the State of Michigan, hereby offers to enter into this Purchase Contract with the Issuer named below (the "Issuer") which, upon the acceptance of this offer by the Issuer and ratification by the Authority, will be binding upon the Authority and the Issuer. This offer is made subject to acceptance on or before June 13, 2017.

Upon the terms and conditions and upon the basis of the representations, warranties, and agreements set forth herein, including those set forth on Schedule I hereto, the Authority hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Authority, bonds (the "Bonds") in the principal amount and with the maturities and interest rate as shown on Schedule I and with redemption provisions acceptable to the Authority. The purchase price for the Bonds shall be 100%. The Authority's obligation to disburse Bond proceeds shall be contingent upon funding of the State Water Pollution Control Revolving Fund created by 1988 PA 316 and 1988 PA 317. The method of payment of Bond proceeds to the Issuer shall be as set forth in the Supplemental Agreement among the Issuer, the Authority, and the State of Michigan acting through the Department of Environmental Quality.

The Issuer represents and warrants to, and agrees with, the Authority that the Issuer has, and on the Closing Date (specified below) will have, full legal right, power and authority (i) to enter into this Purchase Contract, and (ii) to sell and deliver the Bonds to the Authority as provided herein and in the resolution or ordinance authorizing the Bonds and the Issuer has duly authorized and approved the execution and delivery of and the performance by the Issuer of its obligations contained in this Purchase Contract including those set forth in Schedule I.

On June 13, 2017, the local pre-closing date, the Issuer shall make available for inspection by the Authority at the offices of the Department of Attorney General, Finance Division, Lansing, Michigan, the Bonds, together with such other documents, certificates and closing opinions as the Authority shall require (the "Closing Documents").

On June 23, 2017 (the "Closing Date"), the Authority shall accept delivery of the Bonds and the Closing Documents and pay the purchase price for the Bonds.

MICHIGAN FINANCE  
AUTHORITY

BY Mary A. Martini  
Executive Director

Accepted and Agreed to this  
13th day of June 2017

Clinton River Water Resource Recovery Facility Drainage District ("Issuer")

By: Jim Nash Jim Nash

Title: District Chair

Name of Issuer	CLINTON RIVER WATER RESOURCE RECOVERY FACILITY DRAINAGE DISTRICT
DEQ Project No:	5642-01
DEQ Approved Amount:	\$31,995,000
Loan Amount Forgiven	<u>(2,500,000) *</u>
Loan Amount to be Repaid	<u>\$29,495,000</u>

#### SCHEDULE I

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the Bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order") approves a principal amount of assistance less than the amount of the Bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority, or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the Issuer is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

Due Date	Amount of Principal Installment Due
Oct-1-2019	\$1,250,000
Oct-1-2020	1,280,000
Oct-1-2021	1,310,000
Oct-1-2022	1,345,000
Oct-1-2023	1,380,000
Oct-1-2024	1,415,000
Oct-1-2025	1,450,000
Oct-1-2026	1,485,000
Oct-1-2027	1,525,000
Oct-1-2028	1,565,000
Oct-1-2029	1,605,000
Oct-1-2030	1,645,000
Oct-1-2031	1,685,000
Oct-1-2032	1,730,000
Oct-1-2033	1,770,000
Oct-1-2034	1,815,000
Oct-1-2035	1,860,000
Oct-1-2036	1,910,000
Oct-1-2037	1,960,000
Oct-1-2038	<u>2,010,000</u>
	\$31,995,000

Interest on the Bond shall accrue on that portion of principal disbursed by the Authority to the Issuer which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of 2.50% per annum, payable October 1, 2017 and semi-annually thereafter.

The Issuer agrees that it will deposit with The Bank of New York Mellon Trust Company, N.A., or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository") payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

\*Not to exceed amount. Loan reductions at close out will result in a proportional decrease.

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State Revolving Fund Program

Supplemental Agreement  
Regarding  
\$31,995,000  
of  
Clinton River Water Resource Recovery Facility Drainage District  
County of Oakland  
State of Michigan

Drain Bond, Series 2017  
(the "Bond")

This Agreement is made as of June 23, 2017 among the Clinton River Water Resource Recovery Facility Drainage District, County of Oakland, State of Michigan (the "Issuer"), the Michigan Finance Authority (the "Authority"), and the State of Michigan acting through the Department of Environmental Quality (the "DEQ"), in consideration for the purchase of the above-captioned Bond by the Authority. This Agreement shall be in addition to any other contractual undertaking by the Issuer contained in the Ordinance or Resolution authorizing the Bond (the "Resolution").

**PREMISES:**

Executive Order No. 2010-2 (the "Executive Order") created the Authority as an autonomous public body corporate and politic within the Michigan Department of Treasury and transferred powers, duties, obligations, and functions from various entities (including those of the Michigan Municipal Bond Authority established under 1985 PA 227, as amended ("Act 227")) to the Authority and the Authority is empowered, among other things, to purchase obligations from Governmental Units within the State of Michigan such as the Issuer. Pursuant to the terms of the Resolution, the Issuer intends to issue its Bond and undertake a Project as described in Exhibit B attached to this Supplemental Agreement (the "Project"), which Project is a sewage treatment works or nonpoint source project, or both, as defined in Part 53, Clean Water Assistance of the Natural Resources and Environmental Protection Act, Act 451 of the Public Acts of 1994 ("Part 53"). In order to provide assistance to the Issuer to finance the Project, the Authority has agreed to purchase the Bond upon certain conditions including receipt by the Authority of an order of approval (the "Order") issued by the DEQ pursuant to the provisions of Part 53. All words and terms defined in Act 227 or Part 53 and not otherwise defined in this Agreement shall have the meanings as defined in those Acts.

In consideration of these premises and their mutual agreements, the Issuer, the Authority, and the DEQ agree as follows:

Section 1. General Representations. The Issuer represents and warrants to, and agrees with, the Authority and the DEQ, as of the date hereof as follows:

a. The Issuer is duly organized and existing under the laws of the State of Michigan and is authorized by the provisions of the Constitution and the laws of the State of Michigan to issue the Bond.

b. The Issuer has full legal right, power and authority to (i) sell and deliver the Bond to the Authority as provided in this Agreement and the Resolution, and (ii) execute this Agreement, and to consummate all transactions contemplated by this Agreement, the Bond, the Resolution, and any and all other agreements relating thereto. The Issuer has duly authorized and approved the execution and delivery of this Agreement, the performance by the Issuer of its obligations contained in this Agreement, and this Agreement is a valid, legally binding action of the Issuer, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

c. The Resolution has been duly adopted by the Issuer, acting through its governing body, is in full force and effect as of the date hereof, is a contract with the Authority as the holder of the Bond and is a valid, legally binding action of the Issuer, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

d. When delivered to the Authority and paid for in accordance with the terms of the Resolution, the Bond (i) will have been duly authorized, executed, issued and delivered by the Issuer, (ii) will constitute a valid, legally binding obligation of the Issuer enforceable in accordance with its terms, and (iii) will not, when taken together with all other obligations of the Issuer, exceed or violate any constitutional, charter or statutory limitation.

e. The information submitted to the Authority and the DEQ in connection with the purchase of the Bond by the Authority is as of the date hereof true, accurate and complete and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

f. Except as may have been disclosed in writing to the Authority and the DEQ before the date hereof and as set forth in Exhibit D hereto, if applicable, the Issuer has not been served with any litigation (and to the knowledge of the Issuer no litigation has been commenced or is threatened) against the Issuer, in any court (i) to restrain or enjoin the sale, execution or delivery by the Issuer of the Bond, (ii) in any manner questioning the authority of the Issuer to issue, or the issuance or validity of, the Bond or any other indebtedness of the Issuer, (iii) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the issuance of the Bond, (iv) questioning the validity or enforceability of the Resolution, (v) to secure a lien on any and all revenues, taxes, fees, or other moneys, securities, funds and property pledged in the Resolution that are a source of payments on the Bond and which would materially impair the ability of the Issuer to repay the Bond, or (vi) which might in any material respect adversely affect the transactions contemplated in this Agreement herein; and no right of any member of the governing body of the Issuer to his or her office is being contested.

g. The execution and delivery of this Agreement by the Issuer, and the fulfillment of the terms and conditions of, and the carrying out of the transactions contemplated by the Resolution and this Agreement do not and will not conflict with or constitute on the part of the Issuer a breach of, or a default under any existing law (including, without limitation, the Michigan Constitution), any court or administrative regulation, decree or order or any agreement, indenture, mortgage, obligation, lease or other instrument to which the Issuer is subject or by

which it is bound and which breach or default would materially affect the validity or binding effect of the Bond or the ability of the Issuer to pay the principal of and the interest on the Bond, or result in a default or lien on any assets of the Issuer. No event has occurred or is continuing which with the lapse of time or the giving of notice, or both, would constitute a default by the Issuer under the Resolution or this Agreement.

h. No consent or approval of, or registration or declaration with, or permit from, any federal, state or other governmental body or instrumentality, is or was required in connection with enactment by the Issuer of the Resolution, issuance of the Bond, or execution and delivery by the Issuer of this Agreement which has not already been obtained, except as may be required under blue sky or securities laws of any state (as to which no representation or warranty is given) nor is any further election or referendum of voters required in connection therewith which has not already been held and certified and all applicable referendum periods have expired.

i. Proceeds of the Bond will be applied (i) to the financing of the Project or a portion thereof as set forth in the Resolution or (ii) to reimburse the Issuer for a portion of the cost of the Project which was incurred in anticipation of Bond proceeds and which is eligible for reimbursement in accordance with Treasury Regulations 1.150-2. The Issuer will expend the proceeds of each disbursement of the Bond for the governmental purpose for which the Bond was issued within five banking days of receipt. Proceeds of the Bond shall not be used to refund (as defined in Treasury Regulation 1.150-1 (d)) other outstanding obligations without the prior written consent of the Authority.

j. The attached Exhibit A is a summary of the estimated cost of the Project, which the Issuer certifies is a reasonable and accurate estimate.

k. The Issuer certifies: (i) if it is the owner or operator of an oceangoing vessel or a nonoceangoing vessel that it is in compliance with the requirements of § 3103a of the NREPA, 1994 PA 451, as amended, MCL 324.3103a, and is on an applicable list prepared under MCL 324.3103a(4) and (ii) if it has contracts for the transportation of cargo with an oceangoing or nonoceangoing vessel operator that operator(s) is/are on an applicable list prepared under MCL 324.3103a(4).

Section 2. General Covenants. The Issuer also represents, warrants and covenants to the DEQ and the Authority as follows:

a. Rates and charges for the services of the Project will be established, levied or collected in an amount sufficient to pay the expenses of administration, operation and maintenance of the Project and to pay the principal and interest requirements on all bonds payable from revenues of the Project, including the Bond.

b. The Issuer agrees that the Project shall proceed in a timely fashion and will exercise its best efforts to complete the Project in accordance with the estimated Project schedule as set forth in its application and to provide from fiscal resources all moneys in excess of Bond proceeds necessary to complete the Project.

c. The Issuer will not voluntarily sell, lease, abandon, dispose of or transfer its title to the Project or any part thereof, including lands and interest in lands, by sale, mortgage, lease

or other encumbrances, without an effective assignment of obligations and the prior written approval of the Authority and the DEQ.

d. To the extent permitted by law, the Issuer shall take all actions within its control and shall not fail to take any action as may be necessary to maintain the exclusion of interest on the Bond from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds.

e. The Issuer will take no action which would cause the Bond to be a private activity bond pursuant to Section 141(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The Issuer will make no use of Bond proceeds which would make the Bond federally guaranteed as provided in Section 149(b) of the Code. The Issuer will keep records of the expenditure and investment of Bond proceeds as required under the Code and the regulations thereunder.

f. The Issuer will operate and maintain the Project in good repair, working order and operating condition.

g. The Issuer will maintain complete books, records, and project accounts relating to the construction, operation and financial affairs of the Project in accordance with generally accepted accounting principles (GAAP), generally accepted government auditing standards (GAGAS), and standards relating to the reporting of infrastructure assets. At the conclusion of the Project or upon notification by the DEQ, the Issuer will submit a final Project cost summary with necessary supporting documentation as required by the DEQ. The Issuer will include in its contracts for the Project notice that the contractor and any subcontractors may be subject to a financial audit as part of an overall Project audit and requirements that the contractor and subcontractors shall comply with generally accepted auditing standards.

h. The Issuer will have an audit of its entire operations prepared by a recognized independent certified public accountant for each year in which the Issuer expended \$750,000 or more in federal assistance. The audit shall be prepared in conformance with the requirements of 2 CFR 200 (Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards) and Office of Management and Budget Circular No. A-133. The Issuer will mail a copy of such audit and its annual financial audit to the Local Audit and Finance Division of the Michigan Department of Treasury and the Authority. The provision of federal assistance detailed in this Supplemental Agreement can be traced to Catalog of Federal Domestic Assistance (CFDA) Program No. 66.458: Capitalization Grants for Clean Water State Revolving Funds. In addition, the Issuer agrees to provide the Authority in a timely manner with all information and documents regarding the Issuer that the Authority or its bond underwriters need to meet any Securities and Exchange Commission regulation, any industry standard or other federal or state regulation which imposes a disclosure requirement or continuing disclosure requirement relating to any Authority bond issue which was used or is needed to provide monies to the fund used to purchase the Bond or relating to any other Authority bond issue which was used by the Authority to purchase an obligation of the Issuer. In furtherance of the above the Issuer also agrees that upon the request of the Authority it will promptly execute and deliver a continuing disclosure undertaking in form and substance determined by the Authority to be necessary or desirable to assist the Authority or its underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission.



i. The Issuer will maintain and carry insurance on all physical properties of the Project, of the kinds and in the amounts normally carried by municipalities engaged in the operation of similar systems. All moneys received for losses under any such insurance policies shall be applied to the replacement and restoration of the property damaged or destroyed or for repayment of the Bond.

j. The Issuer will notify the DEQ and the Authority within 30 days of the occurrence of any event which, in the judgment of the Issuer, will cause a material adverse change in the financial condition of the Project, or, if the Issuer has knowledge, of the system of which the Project is a part or which affects the prospects for timely completion of the Project.

k. The Issuer agrees to comply with the disadvantaged business participation provisions of Executive Order 11625 (October 13, 1971) and Executive Order 12138 (May 18, 1979), as amended by Executive Order 12608 (September 9, 1987), whereby the Issuer will employ the six affirmative steps in its procurement efforts and assure its first tier contractors also employ these steps (40 CFR 33.301), maintain a bidders list (40 CFR 33.501), and report on its efforts to utilize Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs) (40 CFR 33.502-503), on the forms and in the manner prescribed by the DEQ, all consistent with the provisions set forth in 40 CFR Part 33.

l. The Issuer has the legal, managerial, institutional and financial capability to build, operate and maintain the Project.

m. The Issuer has, or will have prior to the start of construction, all applicable state and federal permits required for construction of the Project and will comply with the conditions set forth in such permits.

n. No undisclosed fact or event, or pending litigation, will materially or adversely affect the Project, the prospects for its completion, or the Issuer's ability to make timely repayments on the Bond.

o. The Issuer will, upon request, provide the DEQ, the United States Environmental Protection Agency (the "USEPA") and the Authority with access to the physical plant of the Project and all operational or financial records of the Project, and the Issuer will require similar authorizations from all contractors, consultants, or agents with which the Issuer negotiates an agreement.

p. All pertinent records shall be retained and available to the DEQ, the USEPA and the Authority for a minimum of 3 years after actual initiation of the operation of the Project and if litigation, a claim, an appeal, or an audit is begun before the end of the 3 year period, records shall be retained and available until the 3 years have passed or until the action is completed and resolved, whichever is longer.

q. If the Project is segmented as provided in Section 5309 of Part 53, the Issuer agrees that the remaining segments shall be completed with or without additional financial assistance from the Michigan Water Pollution Control Revolving Loan Fund.

r. If the Project involves construction or property acquisition in a special flood hazard area, the Issuer agrees to comply with the flood insurance purchase requirements of the

Flood Disaster Protection Act of 1973 (Pub.L. 93-234) whereby the Issuer will purchase flood insurance in conformance with the National Flood Insurance Program (42 USC section 4001-4128).

s. The Issuer will comply with the procurement prohibitions of Section 306 of the Clean Air Act Amendments of 1970 (42 USC section 7606) and Section 508 of the Federal Water Pollution Control Act Amendments of 1972 (33 USC section 1368), as implemented by Executive Order 11738 (September 10, 1973) whereby the Issuer certifies that goods, services, and materials for the Project will not be procured from a supplier on the List of Violating Facilities published by the U.S. Environmental Protection Agency.

t. The Issuer agrees to comply with the anti-discrimination provisions of Section 602, Title VI of the Civil Rights Act of 1964 (42 USC section 2000d), Section 13 of the Federal Water Pollution Control Act Amendments of 1972 (Pub.L. 92-500), Section 504 of the Rehabilitation Act of 1973 (29 USC section 794), and Section 303, Title III of the Age Discrimination Act of 1975 (42 USC section 6102) whereby the Issuer will not discriminate on the basis of race, color, national origin, sex, handicap, or age in any activity related to the Project.

u. If the Project involves the acquisition of an interest in real property or the displacement of any person, business, or farm operation, the Issuer agrees to comply with the land acquisition and relocation assistance requirements of the Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970 (42 USC section 4601 et seq) whereby the Issuer will follow procedures set forth in 49 CFR Part 24.

v. The Issuer agrees to comply with the Hatch Act (5 USC section 1501 et seq) whereby the Issuer will ensure that employees whose principal employment activities are funded in whole or in part with moneys from the Michigan Water Pollution Control Revolving Loan Fund comply with the prohibitions set forth in 5 CFR Part 151. The Issuer also agrees to comply with provisions of 40 CFR Part 34, New Restrictions on Lobbying, and understands, in accordance with the Byrd Anti-Lobbying Amendment, making a prohibited expenditure under 40 CFR Part 34 or failing to file the required certification or lobbying forms shall subject the Issuer to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.

w. The Issuer agrees to comply with the Davis-Bacon Act and related Acts (40 USC section 276a; 29 CFR Parts 1, 3, 5, 6 and 7). These Acts apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public building or public works.

x. The Issuer agrees to comply with Subpart C of 40 CFR Part 32, entitled "Responsibilities of Participants Regarding Transactions." The Issuer is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 40 CFR Part 32, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. The Issuer is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. The Issuer acknowledges that failing to disclose the information required under 40 CFR 32.335 may result in the delay or negation of this Agreement, or pursuance of legal remedies, including suspension and debarment.

y. The Issuer agrees to construct and operate the Project in compliance with all other applicable state and federal laws, executive orders, regulations, policies, and procedures and the covenants, assurances and certifications contained in its application for financial assistance relating to the Project. Also the Issuer will comply with all applicable requirements of all other states and federal laws, executive orders, policies, and regulations governing the program pursuant to which the Order was issued.

z. The Issuer agrees to comply with the equal employment opportunity provisions of Executive Order 11246 (September 24, 1965), as amended by Executive Order 11375 (October 13, 1967), and supplemented by United States Department of Labor regulations (41 CFR Part 60).

aa. If historic or archeological artifacts or remains are discovered during Project construction, the Issuer agrees to immediately contact the State Historic Preservation Officer and the DEQ. The Issuer further agrees to discontinue work in the vicinity of the discovery until the State Historic Preservation Officer has determined the general limits and potential significance of the site. If human remains are discovered during Project construction, the Issuer agrees to immediately contact the State Police.

bb. The Issuer will provide written notification to the DEQ identifying the actual initiation of operation of the Project within 30 days of its occurrence. The actual initiation of operation is the date when the Project becomes capable of operation for the purposes for which it was planned, designed and built.

cc. The Issuer agrees to comply with Section 436 of the Consolidated Appropriations Act, 2014 (Pub. L. 113-76) which requires that all of the iron and steel products used in the Project be produced in the United States ("Use of American Iron and Steel Requirement"), unless (i) the Issuer has requested and obtained a waiver from the USEPA pertaining to the Project or (ii) the DEQ has otherwise advised the Issuer in writing that the American Iron and Steel Requirement is not applicable to the Project.

dd. The Issuer agrees that a fiscal sustainability plan has been developed and implemented that includes the minimum requirements per 33 UCS §1383 for treatment works by the loan closing.

Section 3. Further Covenants. The Issuer agrees to the covenants, if any, set forth in Exhibit C attached to this Agreement.

Section 4. Statutory Compliance of Project. Based on the information supplied to the DEQ by the Issuer, the DEQ hereby certifies that the Project complies with the statutory requirements established by Part 53 for a project eligible for assistance.

Section 5. Advancement of Funds to Issuer. Upon receipt by the DEQ from the Issuer of a Disbursement Request in the form to be provided by the DEQ, the DEQ shall, after processing such Disbursement Request, notify the Authority of the amount of the Disbursement Request. The Authority shall withdraw from the State Water Pollution Control Revolving Fund established pursuant to Act 227 moneys necessary to purchase principal installments of the Bond from the Issuer in the amount processed by the DEQ.

In the event the Issuer receives disbursements for costs which, at the time of final disbursement or at the submission of final Project cost documentation or at any other time, are determined by the DEQ to be ineligible for financing from the Fund, the Issuer agrees to repay the Fund all such amounts. The DEQ shall notify the Issuer in writing of any and all such ineligible costs (the "Repayment Amount"). The Issuer agrees to repay the Authority the Repayment Amount within 30 days following the receipt of written notice from the DEQ (the "Repayment Date"). If such amount is not received by the Authority by the Repayment Date, the Issuer agrees that the Repayment Amount shall bear interest (the "Additional Interest") from the Repayment Date to the date of payment at the highest rate, as determined by the Authority, equal to (a) the rate of interest then earned by the common cash fund of the State of Michigan on its short term (30 day) investments or (b) the interest rate on the Bond, or (c) the average interest rate at which the Authority's leveraged bond proceeds that funded the purchase of the Bond are invested, or such other rate as shall be determined by resolution of the Board of the Authority but in no event in excess of the maximum rate of interest permitted by law and as set forth in the notice from the DEQ to the Issuer. Such Additional Interest is in addition to the interest rate on the Bond. The Additional Interest shall continue to accrue until the Authority has been fully reimbursed for the Repayment Amount. Upon receipt by the Authority of the Repayment Amount, the Authority shall prepare a new payment schedule for the Bond which shall be effective upon receipt by the Issuer.

Section 6. Termination of Assistance. In the event the DEQ issues an order under Section 5312 or 5313 of Part 53 recommending that assistance to the Issuer be terminated for the Project, the Authority shall cease to advance funds to the Issuer pursuant to Section 5 of this Agreement. Any termination of assistance under this Agreement shall not excuse or otherwise affect the Issuer's obligation to repay principal installments of the Bond previously disbursed to the Issuer or interest or premiums due thereon. If as a result of termination of assistance, less than the principal amount of assistance approved by the DEQ is disbursed, the Authority shall prepare a new payment schedule, which maintains the existing level of principal installments but shortens the term of the Bond, which schedule shall be effective upon receipt by the Issuer. Any termination of assistance under this Agreement shall not relieve the Issuer of any requirements that may exist under state or federal law to construct the Project.

Section 7. Breach of Agreement. In regard to Section 1 through 3 of this Agreement, if any of the representations or warranties are untrue, or if the Issuer shall fail to perform or comply with any of the covenants of these Sections, it shall be a material breach of this Agreement.

No failure by the Authority or the DEQ to insist upon strict performance of any covenant, warranty or representation in these Sections, nor any failure on the part of the Authority or the DEQ to declare a breach, shall constitute a waiver of any such breach or a relinquishment for the future of the right to insist upon and to enforce by any appropriate legal remedy strict compliance with all of the covenants, warranties or representations, or of the right to exercise any such right or remedies, if any breach of the Issuer continues or is repeated.

Upon any such breach in addition to any other legal remedy the DEQ or the Authority may have, the DEQ can provide written notice to the Authority of such breach and the Authority shall cease to advance funds to the Issuer pursuant to Section 5 of this Agreement. Any termination of assistance under this Agreement shall not excuse or otherwise affect the Issuer's obligation to repay principal installments of the Bond previously disbursed to the Issuer plus

interest and premiums due thereon. If as a result of termination of assistance, less than the principal amount of assistance approved by the DEQ is disbursed, the Authority shall prepare a new payment schedule, which maintains the existing level of principal installments but shortens the term of the Bond, which schedule shall be effective upon receipt by the Issuer. Any termination of assistance under this Agreement shall not relieve the Issuer of any requirements that may exist under state or federal law to construct the Project.

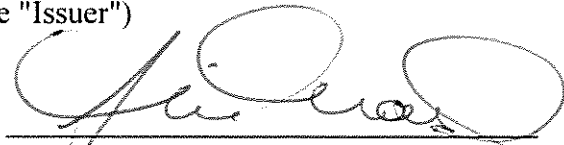
Section 8. Applicable Law and Nonassignability. This Agreement shall be governed by the laws of the State of Michigan. This Agreement shall not be assigned by the Issuer.

Section 9. Severability. If any clause, provision or section of this Agreement be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

Section 10. Execution of Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

CLINTON RIVER WATER RESOURCE  
RECOVERY FACILITY DRAINAGE DISTRICT  
(the "Issuer")

By



JIM NASH

Its Chairperson of the Drainage Board

MICHIGAN FINANCE AUTHORITY  
(the "Authority")

By:



Its: Authorized Officer

DEPARTMENT OF ENVIRONMENTAL  
QUALITY OF THE STATE OF MICHIGAN (the  
"DEQ")

By:



Its: Authorized Officer

Clinton River Water Resource Recovery Facility Drainage District  
Project No. 5642-01

**State Revolving Fund**  
**EXHIBIT A**

Cost summary identifying design, construction, and administrative costs.

Asset Management Program / Fiscal Sustainability Costs	\$31,287
Planning Costs	\$70,345
Rate Methodology Development Costs	\$0
Design Engineering Cost	\$2,198,095
Legal/Financial Service Fees	\$37,933
Administrative Costs	\$771,346 *
Bond Counsel Fees	\$109,856
Bond Advertisement Costs	\$0
Bid Advertisement Costs	\$50
Capitalized Interest	\$0
Land Acquisition/Relocation Costs	\$0
Land Purchase Costs	\$0
Construction Engineering Costs	\$1,911,618
Construction Costs (bid contracts)	\$32,370,771
Construction Costs (force account)	\$0
Equipment Costs	\$0
Other Project Costs (Owner Controlled Insurance Program)	\$1,159,898
Contingencies	\$1,810,290
LESS Other Sources of Funding (Prepayments from municipal customers on their assessed portions of the debt for SRF No. 5642-01)	<u>(\$8,476,489)</u>
<b>TOTAL PROJECT COSTS APPROVED</b> <b>(rounded to nearest \$5,000)</b>	<b>\$31,995,000</b>

\*Excludes the SRF ineligible force account costs estimated in the amount of \$171,024.

**State Revolving Fund**  
**EXHIBIT B**

Project description, referencing the permit required by Part 41, Sewerage Systems, of 1994 PA 451.

Permit Number P41000581 Issued on February 28, 2017

**Project Description:**

The project consists of the following capital improvements at the Auburn Wastewater Treatment Plant for necessary upgrades to the biosolids management system to address current capacity limits in the anaerobic digesters, to replace various equipment components where appropriate, and to construct a new septage receiving facility for biogas recovery/reuse:

- New thermal hydrolysis pretreatment (THP) process for solids conditioning.
  - Associated equipment for new THP process, including pre-dewatering, solids screens, steam boilers, and sludge cooling.
  - New primary and secondary digester mixing equipment.
  - New secondary digester cover.
  - Replacement of existing biosolids product dewatering equipment (i.e., belt filter presses).
  - Expansion and covering of the biosolids storage pad.
  - New biosolids handling building for housing of THP skid, THP support equipment (except for sludge cooling), and dewatering equipment.
  - New septage receiving facility.
-



Clinton River Water Resource Recovery Facility Drainage District  
Project No. 5642-01

**State Revolving Fund**  
**EXHIBIT C**

Additional special conditions.

1. Financial assistance authorized by this Order of Approval is conditioned upon receipt by the Michigan Finance Authority (the "Authority") by June 13, 2017, or such other date approved by the Authority, of all documentation necessary to satisfy the Authority's municipal obligation purchase requirements as set forth in the Shared Credit Rating Act, 1985 PA 227, as amended.
2. Financial assistance authorized by this Order of Approval is conditioned upon issuance, by the applicant or owner, of a Notice to Proceed, to the successful bidder(s) on the project construction contract(s) on or before August 22, 2017.
3. The applicant must comply with Section 608 of the Water Resources Reform and Development Act of 2014 (Public Law 113-121), which requires that all of the iron and steel products used in the project be produced in the United States unless the applicant obtains a waiver from the U.S. Environmental Protection Agency.
4. The applicant must comply with the provisions of the Water Resources Reform and Development Act of 2014, which requires all loan recipients for projects involving the repair, replacement, or expansion of a publicly owned treatment works to develop and implement a fiscal sustainability plan.
5. Financial Assistance authorized by this Order of Approval is in part supported by funding from federal fiscal years 2015 and 2016 appropriation laws covering the U.S. Environmental Protection Agency (P.L. 113-235 and P.L. 114-113) and includes loan principal forgiveness of \$2,500,000.

Total Loan Amount:	Green Project Reserve Amount:	Amount of Principal Forgiven:
\$31,995,000	\$31,995,000	\$2,500,000

**EXHIBIT D**

**Summary of Litigation**

None

S/Finance/AssignCon/MMBA/SRF DWRF Master Docs/SRF Standard Documents/SRF Supp Agmt.doc  
BLOOMFIELD 9007-415 1821290v1

**12**

State Revolving Fund Program

\$31,995,000  
Clinton River Water Resource  
Recovery Facility Drainage District  
County of Oakland  
State of Michigan

Drain Bond, Series 2017  
(the "Bond")

**ISSUER'S CERTIFICATE**

This Certificate is delivered by the undersigned on behalf of the Clinton River Water Resource Recovery Facility Drainage District, Oakland County, Michigan (the "Issuer") in connection with the issuance of its above-captioned bond (the "Bond") on even date herewith and the sale of such Bond to the Michigan Finance Authority (the "Authority"). This Certificate is being delivered to the Authority pursuant to a certain Purchase Contract between the Authority and the Issuer (the "Purchase Contract"). The Issuer represents and warrants to, and agrees with, the Authority, as of the date hereof as follows:

1. The undersigned are on the date hereof the duly elected or appointed acting and qualified incumbents of the offices of the Issuer set below their respective names and the signatures appearing are the genuine signatures of said officers. The Bond has been officially signed by the officers of the Issuer having authority to execute and deliver the Bond.
2. The Issuer has full legal right, power and authority to enter into the Purchase Contract, and the Issuer has duly authorized and approved the execution and delivery of and the performance by the Issuer of its obligations contained in the Purchase Contract.
3. No further authorization or approval is required for the execution and delivery of the Purchase Contract on behalf of the Issuer by its governing body, and the Purchase Contract constitutes a legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought; and, except as may be required under the blue sky or securities laws of any state (as to which no representation or warranty is given) no further authorization or approval is required for the performance by the Issuer of its obligations thereunder.

4. The execution and delivery of the Purchase Contract by the Issuer, and the fulfillment of the terms and conditions of, and the carrying out of the transactions contemplated by the Purchase Contract do not and will not conflict with or constitute on the part of the Issuer a breach of, or a default under any existing law (including, without limitation, the Constitution of the State), any court or administrative regulation, decree or order or any agreement, indenture, mortgage, obligation, lease or other instrument to which the Issuer is subject or by which it is bound and which breach or default would materially affect the validity or binding effect of the Bond or the ability of the Issuer to pay the principal of and the interest on the Bond.

5. Any certificate or copy of any certificate signed by any official of the Issuer and delivered to the Authority pursuant to the Authority's purchase of the Bond shall be deemed a representation by the Issuer to the Authority as to the truth of the statements therein made.

6. The Issuer is not in default in the payment of principal of, or premium, if any, or interest on any bonds, notes, or contract payments pledged for the payment of notes or bonds.

7. The Issuer agrees that it will not purchase bonds from the Authority in an amount related to the principal amount of the Bond.

8. The Issuer is a political subdivision of the State of Michigan which qualifies as a "governmental unit" within the meaning of Sections 141(b)(6)(A) and 141(c)(1) of the Internal Revenue Code of 1986, as amended and any successor provision, act or statute and the regulations from time to time promulgated or proposed thereunder (the "Code").

9. The Issuer hereby covenants and agrees for the benefit of the Authority as the holder of the Bond that it will comply with the applicable requirements of Section 149 of the Code.


10. Except as required by law, the Issuer will at no time take any action or omit to take any action which, by commission or omission, would cause the Bond to be an "arbitrage bond" as defined in Section 148 of the Code including failing to satisfy the arbitrage rebate requirements of such Section.

11. The Issuer will not permit at any time or times any of the proceeds of the Bond (or the property financed with the proceeds of the Bonds) or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of any bonds of the Issuer from the treatment afforded by Section 103(a) of the Code, as from time to time amended, by reason of the classification of such bonds as "private activity bonds" within the meaning of Section 141(a) of the Code, or as obligations guaranteed by the United States of America, as provided in Section 149(b) of the Code; or cause interest on the Bond to be includable in gross income for federal income tax purposes.

12. The Issuer has executed the standard documents required by the Authority and has included in the Issuer's documents the standard provisions required by the Authority in each case without alteration in any way.

IN WITNESS WHEREOF, we have signed this Certificate on June 23, 2017.

CLINTON RIVER WATER RESOURCE  
RECOVERY FACILITY DRAINAGE DISTRICT  
(the "Issuer")

By:   
JIM NASH

Its: Chairperson of the Drainage Board

By:   
ANDREW E. MEISNER

Its: Treasurer

**13**

June 23, 2017

Clinton River Water Resource Recovery  
Facility Drainage District  
Oakland County, Michigan

Michigan Finance Authority  
Lansing, Michigan

Ladies and Gentlemen:

We have acted as bond counsel to the Clinton River Water Resource Recovery Facility Drainage District, County of Oakland, State of Michigan (the "Issuer") in connection with the issuance of its Drain Bond, Series 2017 in the principal amount of \$31,995,000 (the "Bond"). In such capacity we have examined such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon certain proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

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

1. The Bond has been duly authorized, executed and delivered and is a valid and legally binding obligation of the Issuer enforceable in accordance with its terms. The Bond is payable from the collection of the several installments of assessments against the City of Auburn Hills, the Charter Township of Independence, the City of Lake Angelus, the Village of Lake Orion, the Village of Oxford, the City of Pontiac, the City of Rochester, the Charter Township of Waterford and the Charter Township of West Bloomfield (the "Municipalities") on Special Assessment Roll No. 1 for the Clinton River Water Resource Recovery Facility.

2. The full faith and credit of the Issuer and the County of Oakland have been pledged for the payment of the principal of and interest on the Bond when due.

3. The Municipalities are obligated to levy ad valorem taxes upon all taxable property within their respective limits in amounts sufficient to pay the assessments against said municipality by the Issuer, with interest, as the same shall become due. In addition, by reason of its pledge of full faith and credit as recited in the Bond, the County of Oakland is authorized and obligated to levy ad valorem taxes upon all taxable property within its limits in amounts sufficient to provide funds to advance to the Issuer in the event any of the Municipalities shall fail or neglect to pay any special assessment installment and interest when due. Taxes levied by the Municipalities and the County of Oakland are subject to applicable constitutional, statutory, and charter tax limitations.



Clinton River Water Resource Recovery Facility Drainage District  
Michigan Finance Authority  
June 23, 2017  
Page 2

4. The Bond and the interest thereon are exempt from all taxation by the State of Michigan or a political subdivision thereof, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

5. The interest on the Bond (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; we note, however, that certain corporations must take into account interest on the Bond in determining adjusted current earnings for the purpose of computing such alternative minimum tax. The opinion set forth in clause (a) above is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bond in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bond to be so included in gross income retroactive to the date of issuance of the Bond. The Issuer has covenanted to comply with all such requirements.

6. The Purchase Contract relating to the Bond between the Michigan Finance Authority (the "Authority") and the Issuer and the Supplemental Agreement dated June 23, 2017, among the Issuer, the Authority and the State of Michigan acting through the Department of Environmental Quality (the "DEQ") have been duly authorized, executed and delivered by the Issuer and, assuming the due authorization, execution and delivery thereof by the Authority and the DEQ, as the case may be, are valid and legally binding obligations of the Issuer enforceable in accordance with their terms.

7. Based on our examination of the law and our review of the Nonarbitrage and Tax Compliance Certificate of the Issuer of even date herewith (the "Certificate"), the facts, estimates and circumstances in existence at the date of issuance of the Bond are sufficiently set forth in the Certificate to satisfy the criteria which are necessary under Section 148 of the Code and Treasury Regulations Sections 1.148-0 through -11 to support the conclusion that the Bond is not an "arbitrage bond". No matters have come to our attention which make unreasonable or incorrect the representations made in the Certificate.

8. The Bond is not a "private activity bond" within the meaning of Section 141 of the Code. Except as set forth in paragraphs 5, 7 and 8 hereof, we express no opinion regarding other federal tax consequences arising with respect to the Bond.

It is understood that the rights of the holders of the Bond and the enforceability thereof and of the Purchase Contract and the Supplemental Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights

Clinton River Water Resource Recovery Facility Drainage District  
Michigan Finance Authority  
June 23, 2017  
Page 3

heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement also may be subject to the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

*Dickinson Wright PLLC*

Troy 9007-415 1839756v1

**14**

NONARBITRAGE AND TAX COMPLIANCE CERTIFICATE

CLINTON RIVER WATER RESOURCE RECOVERY  
FACILITY DRAINAGE DISTRICT  
OAKLAND COUNTY, MICHIGAN

\$31,995,000  
Drain Bond, Series 2017

Pursuant to Section 1.148-2(b)(2) of the Treasury Regulations on Income Tax, the undersigned hereby certifies with respect to the Drain Bond, Series 2017, in the principal amount of \$31,995,000 (the "Bond"), issued and delivered by the Clinton River Water Resource Recovery Facility Drainage District, Oakland County, Michigan (the "Issuer"), pursuant to the bond resolution (the "Bond Resolution") adopted May 23, 2017, by the Drainage Board of the Issuer, that, on the date hereof, the following exist or are reasonably expected to occur:

1. Due Inquiry. The undersigned is the Chairperson of the Drainage Board of the Issuer and has made due inquiry with respect to and is fully informed as to the matters set forth in this Certificate.

2. Issue Date. The Bond is being issued and delivered to the original purchaser thereof on the date hereof (the "Issue Date").

3. Purpose. The Bond is authorized and issued for the purpose of providing funds to be used, together with other available funds, (i) to defray the cost of acquiring and constructing improvements to the City of Pontiac Wastewater Treatment Facility (the "Project"), and (ii) to pay the costs of issuing the Bond.

4. Amount of Proceeds.

(a) The Issuer expects to receive from the Michigan Finance Authority, the original purchaser of the Bond, the sum of \$31,995,000, representing the principal amount of the Bond, in periodic advances from the State Revolving Fund ("SRF").

(b) The \$31,995,000 to be received by the Issuer from the original purchaser of the Bond and the investment earnings thereon will not exceed the amount required for the purposes described in paragraph 3 above.

5. Use of Proceeds. The \$31,995,000 amount to be received from the original purchaser of the Bond will be deposited in the Construction Fund for disposition as described in paragraph 6 of this Certificate.

6. Construction Fund.

(a) The \$31,995,000 proceeds of the sale of the Bond deposited in the Construction Fund as described in paragraph 5 above and the investment proceeds thereof, if any, will be used to pay the costs of issuing the Bond and the costs of the Project eligible to be paid from the SRF. The Issuer does not expect to realize any investment earnings on the proceeds of the Bond, because it expects that the proceeds of each periodic advance will be properly allocated to an expenditure on the date of such advance. The Issuer expects that certain of the proceeds of the Bond to be expended from the Construction Fund for such purposes and that qualify for loan principal forgiveness under the laws covering the U.S. Environmental Protection Agency, but not to exceed \$2,500,000, will be funded from moneys made available by the United States of America to the SRF. No interest will be required to be paid on such amount (the "Forgiven Amount") and the principal amount of the Forgiven Amount will be completely forgiven and will not have to be repaid to the SRF.

(b) Within 6 months of the Issue Date, the Issuer will incur a substantial binding obligation to a third party to expend at least 5 percent of the net sale proceeds of the Bond on costs of the Project.

(c) Construction of the Project will commence on or about July 1, 2017, and the Project and the allocation of the net sale proceeds of the Bond to expenditures for costs of the Project will proceed with due diligence to completion, which is expected on or about October 1, 2019.

(d) At least 85 percent of the net sale proceeds of the Bond will be allocated to expenditures for costs of the Project within three years of the Issue Date.

7. Principal and Interest Fund. Special assessment payments made by the City of Auburn Hills, the Charter Township of Independence, the City of Lake Angelus, the Village of Lake Orion, the Village of Oxford, the City of Pontiac, the City of Rochester, the Charter Township of Waterford and the Charter Township of West Bloomfield to the Issuer will be immediately deposited upon receipt by the Issuer in the Principal and Interest Fund and will be invested without restriction as to yield and expended within 13 months of the date of deposit to pay principal of and interest on the Bonds; provided, however, that any amounts deposited to the Principal and Interest Fund to pay principal of the Bonds other than at maturity or to pay redemption premiums on the Bonds will be expended within 30 days of the date of such deposit to pay principal of or redemption premiums on the Bonds or will be invested at a yield (determined without regard to yield reduction payments pursuant to Treas. Reg. §1.148-5(c)) not exceeding the yield on the Bonds by more than 0.001 percentage points. Investment earnings on amounts in the Principal and Interest Fund will be redeposited thereto and used within 13 months of the date of receipt to pay principal of or interest on the Bonds. The Principal and Interest Fund will be primarily used to achieve a proper matching of revenues with principal and interest payments on the Bonds in each bond year, and will be depleted each year except for a reasonable carryover amount not exceeding the greater of (i) the earnings on the Principal and Interest Fund for the immediately preceding bond year or (ii) one-twelfth of the principal and interest payments on the Bonds for the immediately preceding bond year.

8. Yield on the Bond. The yield on the Bond calculated in the manner provided in Treas. Reg. §1.148-4(b) is 2.5001830% per annum.

9. Replacement Proceeds.

(a) No funds or accounts other than the Construction Fund and the Principal and Interest Fund will be pledged directly or indirectly to pay the principal of or interest on the Bond such that there is a reasonable assurance that amounts deposited therein will be available to pay principal of or interest on the Bond, even if the Issuer encounters financial difficulties.

(b) The Bond has a weighted average maturity of 12.60 years, which does not exceed 120 percent of the average reasonably expected economic life of the Project, which is not less than 20 years.

(c) The proceeds of the Bond will not replace any funds of the Issuer invested at a yield materially higher than the yield on the Bond, since no funds of the Issuer have been designated for the purposes for which the Bond is issued such that those amounts would have been used for that governmental purpose if the proceeds of the Bond were not used or to be used for that governmental purpose.

10. Minor Portion. At no time after the Issue Date and prior to the final payment of the Bond will the Issuer have on hand in the Construction Fund or in the Principal and Interest Fund, or otherwise, an aggregate amount in excess of \$100,000 invested at a yield materially higher than the yield on the Bond and comprised of:

(a) Any proceeds of the sale of the Bond and investment proceeds thereof in the Construction Fund that are not expended within 3 years of the Issue Date (or with respect to investment earnings only, within one year of the date of receipt, if later) to pay costs of the Project and costs of issuing the Bond) (yield computed with regard to yield reduction payments to the United States pursuant to Treas. Reg. §1.148-5(c));

(b) Any amounts in the Principal and Interest Fund, excluding amounts deposited therein to pay principal of the Bond other than at maturity or to pay redemption premiums on the Bond, not expended to pay principal of or interest on the Bond within 13 months of the date of receipt (yield computed without regard to yield reduction payments to the United States pursuant to Treas. Reg. §1.148-5(c)); and

(c) Any amounts deposited in the Principal and Interest Fund to pay principal of the Bond other than at maturity or to pay redemption premiums on the Bond not expended for such purpose within 30 days of the date of receipt (yield computed without regard to yield reduction payments to the United States pursuant to Treas. Reg. §1.148-5(c)).

11. Rebate of Arbitrage Earnings. The Issuer anticipates that it will not be required to rebate arbitrage earnings on the proceeds of the Bond pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), because it does not expect to realize any investment earnings on moneys deposited in the Construction Fund from time to time pursuant to the periodic disbursements from the SRF. In the event the foregoing assumption proves

subsequently to be untrue, the Issuer will consult with Dickinson Wright PLLC or other nationally recognized bond counsel with a view to establishing a procedure for compliance with the arbitrage rebate requirements of Section 148(f) at the Code.

12. Additional Tax Compliance Representations.

(a) No more than 10 percent of the proceeds of the Bond will be used directly or indirectly in a trade or business carried on by any person other than a governmental unit (a "private business use"). No more than 5 percent of the proceeds of the Bond will be used for any private business use that is not related to governmental purposes of the Issuer or that, although related to governmental purposes of the Issuer exceeds the amount of Bond proceeds used for governmental purposes of the Issuer other than a related private business use. No more than 5 percent of the proceeds of the Bond will be used directly or indirectly to make or finance loans to persons other than governmental units or loans for purposes other than enabling a borrower to finance any governmental tax or assessment of general application for a specific essential governmental function such as the Project.

(b) The payment of principal or interest with respect to the Bond is not guaranteed in whole or in part by the United States or any agency or instrumentality thereof. The Bond is not issued as part of an issue 5 percent or more of the proceeds of which is to be used in making loans the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States or any agency or instrumentality thereof, or invested directly or indirectly in federally insured deposits or accounts, other than those proceeds invested during applicable temporary periods or as investments in bona fide debt service funds or investments in permissible reserves or in obligations issued by the United States Treasury. The payment of principal of or interest on the Bond is not otherwise indirectly guaranteed in whole or in part by the United States or any agency or instrumentality thereof within the meaning of Section 149(b) of the Code.

(c) (1) Except for preliminary expenditures for architectural, engineering, soil testing, bond issuance, and similar costs (not including land acquisition costs, site preparation costs or similar costs incident to the commencement of the acquisition, construction) that were incurred prior to the commencement of construction or rehabilitation of the Project and do not exceed 20 percent of the aggregate issue price of the Bond, no proceeds of the Bond will be allocated to the reimbursement of an expenditure for costs of the Project paid more than 60 days prior to February 28, 2017, on which date the Issuer formally declared its official intent to issue obligations to finance the Project. Except for preliminary expenditures described in the preceding sentence, no proceeds of the Bond will be allocated to the reimbursement of any expenditure paid more than 3 years prior to the date of such reimbursement allocation.

(2) Within one year after the Issue Date, funds corresponding to the proceeds of the Bond for which a reimbursement allocation is made will not be used in a manner that results in the creation of replacement proceeds of the Bond or another issue. For this purpose, replacement proceeds are created if amounts are so allocated to an issue or to the governmental purpose of an issue such that those amounts would have been used for that

governmental purpose if the proceeds of the issue were not used or to be used for that governmental purpose.

(d) The Issuer reasonably expects that at least 85 percent of the spendable proceeds of the Bond will be used to carry out the governmental purpose of the Bond within the 3-year period beginning on the Issue Date. No more than 50 percent of the proceeds of the Bond will be invested in nonpurpose investments having a substantially guaranteed yield for 4 years or more.

(e) Any change in the use of the Project will conform with the requirements of Treas. Reg. Section 1.148-12.


(f) The IRS Form 8038-G with respect to the Bond is true, accurate and complete.

13. Matters Relating to Certificate.

(a) To the best of the knowledge and belief of the undersigned, the expectations of the Issuer as set forth in this Certificate are reasonable.

(b) It is intended that this Certificate meet the requirements of Section 148 of the Code and Sections 1.148-0 through -11 of the Treasury Regulations on Income Tax, and the terms used herein shall be construed consistently therewith. Paragraph 12 addresses additional matters under the Code in furtherance of the Issuer's tax compliance covenant in the Bond Resolution.

(c) Capitalized terms used in this Certificate have the meanings specified in this Certificate or in the Bond Resolution.

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JIM NASH  
Oakland County Water Resources Commissioner and  
Chairperson of the Drainage Board for the  
Clinton River Water Resource Recovery Facility

Dated: June 23, 2017

BLOOMFIELD 9007-415 1839953v1



**15**

CERTIFICATE OF CHAIRPERSON OF THE DRAINAGE BOARD

I hereby certify that:

1. I am the duly elected Water Resources Commissioner of the County of Oakland in the State of Michigan and that I am the Chairperson of the Drainage Board for the Clinton River Water Resource Recovery Facility.
2. The Clinton River Water Resource Recovery Facility Drainage District has been established as an intra county drainage district pursuant to the provisions of Chapter 20 of Act No. 40, Public Acts of Michigan, 1956, as amended.
3. The foregoing is a complete and correct transcript of all the proceedings and records of the Drainage Board for the Clinton River Water Resource Recovery Facility and the Board of Commissioners of the County of Oakland, the originals or certified copies of which are on file in my office, relating to the issuance and sale by the Clinton River Water Resource Recovery Facility Drainage District of its Drain Bonds, Series 2017, dated June 23, 2017, in the principal amount of \$31,995,000.
4. Said proceedings have not been rescinded, amended or modified in any manner whatsoever, except as set forth in said transcript, and that the time for reconsideration of such proceedings or filing notice thereof has expired.
5. The facsimile signatures of Jim Nash and Michael J. Gingell appearing on the Bonds are those of the Chairperson and a Member of the Drainage Board for the Clinton River Water Resource Recovery Facility.



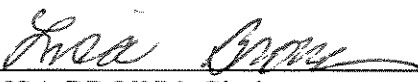
JIM NASH, Oakland County Water  
Resources Commissioner and Chairperson of the  
Drainage Board for the Clinton River Water  
Resource Recovery Facility

Dated: June 23, 2017

**16**

CERTIFICATE OF COUNTY CLERK

To my knowledge, I hereby certify that no litigation of any nature is now pending, or threatened, seeking to restrain or enjoin the issuance and delivery by the Clinton River Water Resource Recovery Facility Drainage District, County of Oakland, State of Michigan, of its \$31,995,000 Drain Bonds, Series 2017 (the "Bonds") or the imposition of the special assessments by the Clinton River Water Resource Recovery Facility Drainage District against the City of Auburn Hills, the Charter Township of Independence, the City of Lake Angelus, the Village of Lake Orion, the Charter Township of Oakland, the Charter Township of Orion, the Charter Township of Oxford, the Village of Oxford, the City of Pontiac, the City of Rochester, the City of Rochester Hills, the Charter Township of Waterford and the Charter Township of West Bloomfield, the imposition and collection of taxes by the public corporations assessed to pay the principal of and interest on the special assessments, the imposition of taxes by the County of Oakland for the payment of the principal of and interest on the Bonds, or in any manner questioning the proceedings and authority under which the Bonds are issued, or the validity of the Bonds; that neither the corporate existence or boundaries of the Clinton River Water Resource Recovery Facility Drainage District or the County of Oakland nor the title of the present officers of the drainage district or the county to their respective offices is being contested; and that no authority or proceedings for the issuance of the Bonds has been annulled, repealed, revoked, rescinded or amended.

  
\_\_\_\_\_  
LISA BROWN, Clerk  
County of Oakland, State of Michigan

Dated: June 23, 2017

**17**

RECEIPT OF COUNTY TREASURER

I hereby certify that:

1. I am the Treasurer of the County of Oakland, Michigan.
2. The Clinton River Water Resource Recovery Facility Drainage District Drain Bonds, Series 2017 in the aggregate principal amount of \$31,995,000, were delivered to the Michigan Finance Authority, the purchaser thereof, on this date, the bonds have been paid for by the purchaser in accordance with the terms of sale and the purchaser has fully complied with its contract for the purchase of the Bonds.



---

ANDREW E. MEISNER, Treasurer

Dated: June 23, 2017

**18**

R-1

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF OAKLAND  
CLINTON RIVER WATER RESOURCE RECOVERY FACILITY DRAINAGE DISTRICT  
DRAIN BOND, SERIES 2017

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>
2.50%	See Exhibit A	June 23, 2017

Registered Owner: Michigan Finance Authority

Principal Amount: \*\*\*\*\*\$31,995,000\*\*\*\*\*

SPECIMEN

The Clinton River Water Resource Recovery Facility Drainage District (the "Drainage District"), County of Oakland, State of Michigan, acknowledges itself indebted to and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount or so much thereof as shall have been advanced to the Drainage District and not reduced pursuant to a Purchase Contract between the Drainage District and the Michigan Finance Authority (the "Authority"), a Supplemental Agreement by and among the Drainage District, the Authority and the State of Michigan acting through the Department of Environmental Quality and the Order of Approval issued by the Department of Environmental Quality on the maturity dates and in the amounts set forth on Exhibit A attached hereto unless redeemed prior thereto as hereinafter provided, the final payment being made upon presentation and surrender of this bond at the office of the Oakland County Treasurer in the City of Pontiac, Michigan, the bond registrar and paying agent, or at such successor bond registrar and paying agent as may be designated pursuant to the Resolution (as hereinafter defined); and to pay to the Registered Owner, as shown on the registration books at the close of business on the 15th day of the calendar month preceding the month in which an interest payment is due, by check or draft drawn upon and mailed by the bond registrar and paying agent by first class mail postage prepaid to the Registered Owner at the registered address, interest at the rate per annum specified above on such Principal Amount, to the extent advanced to the Drainage District pursuant to the Purchase Contract and the Supplemental Agreement until the Drainage District's obligation with respect to the payment of such Principal Amount is discharged. Interest is payable on the first day of April and October in each year, commencing on October 1, 2017. Principal and interest are payable in lawful money of the United States of America.



In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest that is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Drainage District's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds that may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Drainage District shall and hereby agrees to pay on demand only the Drainage District's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

During the time funds are being drawn down by the Drainage District under this bond, the Authority periodically will provide the Drainage District a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Drainage District of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this bond.

This bond is issued by the Drainage District under and pursuant to and in full conformity with the Constitution and Statutes of Michigan (especially Act No. 40, Public Acts of 1956, as amended), a bond authorizing resolution adopted by the Drainage Board for the Drainage District (the "Resolution") and an Order of the Chairperson of the Drainage Board for the purpose of defraying part of the cost of acquiring and constructing improvements to the City of Pontiac Wastewater Treatment Facility. The bonds of this series are issued in anticipation of, and the principal and interest on the bonds are payable from, special assessments assessed against public corporations on Special Assessment Roll No. 1 for the Clinton River Water Resource Recovery Facility, which assessments are the general obligations of said public corporations. The full faith and credit of the Clinton River Water Resource Recovery Facility Drainage District have been pledged for the prompt payment of the principal of and interest on this bond as the same become due and, in addition, the full faith and credit of the County of Oakland have been pledged therefor. Taxes imposed by the County of Oakland and the public corporations are subject to constitutional, statutory and charter tax rate limitations.

This bond is transferable, as provided in the Resolution, only upon the books of the Drainage District kept for that purpose by the bond registrar and paying agent, upon the surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the exchange or transfer of this bond a new bond or bonds of any authorized

denomination, in the same aggregate principal amount and of the same interest rate and maturity, shall be authenticated and delivered to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges, if any, therein provided. Bonds so authenticated and delivered shall be in any denomination not exceeding the aggregate principal amount for each maturity.

The bond registrar and paying agent shall not be required to transfer or exchange bonds or portions of bonds that have been selected for redemption.

This bond is subject to redemption prior to maturity at the option of the Drainage District and with the prior written consent of the Authority and on such terms as may be required by the Authority. That portion of the bond called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.

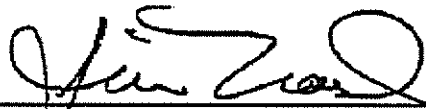
Not less than thirty days' notice of redemption shall be given to the holder of the bond called to be redeemed by mail to the registered holder at the registered address. That portion of the bond called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.

Notwithstanding any other provision of this bond, so long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at The Bank of New York Mellon Trust Company, N.A. or at such other place as shall be designated in writing to the Drainage District by the Authority (the "Authority's Depository"); (b) the Drainage District agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the Drainage District's deposit by 12:00 noon on the scheduled day, the Drainage District shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this bond shall be given by the Drainage District and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds of this series, existed, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of said Drainage District, including the series of bonds of which this bond is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Clinton River Water Resource Recovery Facility Drainage District, County of Oakland, State of Michigan, by its Drainage Board, has caused this bond to be executed in its name by the manual or facsimile signatures of the Chairperson and at least one other member of the Drainage Board. This bond shall not be valid unless the Certificate of Authentication has been manually executed by the bond registrar and paying agent or an authorized representative of the bond registrar and paying agent.

CLINTON RIVER WATER RESOURCE  
RECOVERY FACILITY DRAINAGE DISTRICT

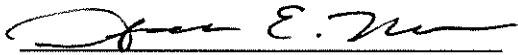
By:   
\_\_\_\_\_  
Chairperson of the Drainage Board

And:   
\_\_\_\_\_  
Member of the Drainage Board

SPECIMEN

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Resolution.

By:   
Treasurer, County of Oakland  
Bond Registrar and Paying Agent

AUTHENTICATION DATE: June 23, 2017

SPECIMEN

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_  
(please print or type name, address and taxpayer identification number of transferee) the within  
bond and all rights thereunder and hereby irrevocably constitutes and appoints  
\_\_\_\_\_  
attorney to transfer the within bond on the books kept for registration thereof, with full power of  
substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

Signature(s) must be guaranteed by an eligible guarantor institution participating in a  
Securities Transfer Association recognized signature guarantee program.

SPECIMEN

EXHIBIT A

The principal amounts and maturity dates applicable to the bond to which this Exhibit A is attached are as follows:

<u>MATURITY DATE</u> <u>OCTOBER 1</u>	<u>PRINCIPAL AMOUNT</u>
2019	\$1,250,000
2020	1,280,000
2021	1,310,000
2022	1,345,000
2023	1,380,000
2024	1,415,000
2025	1,450,000
2026	1,485,000
2027	1,525,000
2028	1,565,000
2029	1,605,000
2030	1,645,000
2031	1,685,000
2032	1,730,000
2033	1,770,000
2034	1,815,000
2035	1,860,000
2036	1,910,000
2037	1,960,000
2038	2,010,000

Based on the schedule provided above unless revised as provided in this paragraph, repayment of principal of this bond shall be made until the full amount advanced to the Drainage District is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order") approves a principal amount of assistance less than the amount of this bond, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Drainage District and described above provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the Drainage District by the Authority, or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the Drainage District is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Drainage District.

BLOOMFIELD 9007-415 1839724v1

**19**

AFFIDAVIT OF MAILING

STATE OF MICHIGAN     )  
                                      ) ss  
COUNTY OF OAKLAND    )

DONNA M. LEFEVER, being first duly sworn, says that she enclosed in an envelope the IRS FORM 8038-G for:

Re:     \$31,995,000 Clinton River Water Resource Recovery Facility Drainage District  
          Drain Bond, Series 2017

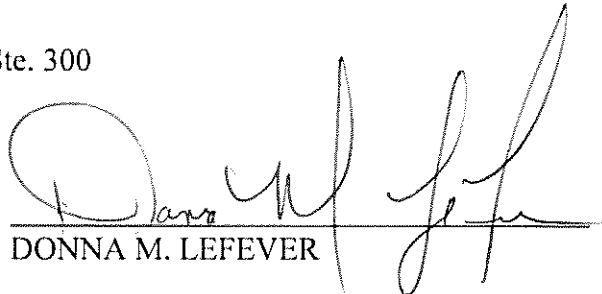
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a copy of which IRS Form 8038-G is attached, sealed the envelope, and addressed the envelope to INTERNAL REVENUE SERVICE CENTER, OGDEN, UTAH 84201, and caused the same to be deposited in a mail receptacle maintained by a United States post office located in Troy, Michigan 48084-3312 on the 28<sup>th</sup> day of June, 2017.

Affiant further states that she caused to be placed such amount of postage on the envelope as is required by the postal regulations to permit passage of the envelope by certified mail, return receipt requested, article no. 7016 1970 0000 9459 0737.

Affiant further states that the following return address was on the envelope:

Paul M. Wyzgoski, Esq.  
Dickinson Wright PLLC  
2600 West Big Beaver Rd., Ste. 300  
Troy, MI 48084-3312

  
\_\_\_\_\_  
DONNA M. LEFEVER

Subscribed and sworn to before me  
on the 28<sup>th</sup> day of June, 2017

  
\_\_\_\_\_

NOTARY PUBLIC, Oakland County, Michigan  
My Commission Expires: 6/3/2020  
Acting in Oakland County



# Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

## Part I Reporting Authority

If Amended Return, check here ☐

1 Issuer's name <b>Clinton River Water Resource Recovery Facility Drainage District, County of Oakland, Michigan</b>		2 Issuer's employer identification number (EIN) <b>38-6004876</b>
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see Instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) <b>1200 North Telegraph Road</b>	Room/suite	5 Report number (For IRS Use Only) <b>3</b>
6 City, town, or post office, state, and ZIP code <b>Pontiac, Michigan 48341</b>		7 Date of Issue <b>06/23/2017</b>
8 Name of Issue <b>Drain Bonds, Series 2017</b>		9 CUSIP number <b>N/A</b>
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see Instructions) <b>Andrew E. Meisner, County Treasurer</b>		10b Telephone number of officer or other employee shown on 10a <b>248-858-0624</b>

## Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education . . . . .	11		
12 Health and hospital . . . . .	12		
13 Transportation . . . . .	13		
14 Public safety . . . . .	14		
15 Environment (including sewage bonds) . . . . .	15	31,995,000	00
16 Housing . . . . .	16		
17 Utilities . . . . .	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a . . . . .			
If obligations are BANs, check only box 19b . . . . .			
20 If obligations are in the form of a lease or installment sale, check box . . . . .			

## Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	10/01/2038	\$ 31,995,000.00	\$ 31,995,000.00	12.60 years	2.5001 %

## Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest . . . . .	22	-0-	
23 Issue price of entire issue (enter amount from line 21, column (b)) . . . . .	23	31,995,000	00
24 Proceeds used for bond issuance costs (including underwriters' discount) . . . . .	24	147,789	00
25 Proceeds used for credit enhancement . . . . .	25	-0-	
26 Proceeds allocated to reasonably required reserve or replacement fund . . . . .	26	-0-	
27 Proceeds used to currently refund prior issues . . . . .	27	-0-	
28 Proceeds used to advance refund prior issues . . . . .	28	-0-	
29 Total (add lines 24 through 28) . . . . .	29	147,789	00
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) . . . . .	30	31,847,211	00

## Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded . . . . .	►	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded . . . . .	►	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) . . . . .	►	
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)		

**Part VI Miscellaneous**

- |   |            |     |  |
|---|------------|-----|--|
| <b>35</b> Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .   | <b>35</b>  | -0- |  |
| <b>36a</b> Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .     | <b>36a</b> | -0- |  |
| <b>b</b> Enter the final maturity date of the GIC ▶ _____   |            |     |  |
| <b>c</b> Enter the name of the GIC provider ▶ _____   |            |     |  |
| <b>37</b> Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . . | <b>37</b>  | -0- |  |
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ☒ and enter the following information:
- b** Enter the date of the master pool obligation ▶ 11/17/2016
- c** Enter the EIN of the issuer of the master pool obligation ▶ 80-0596186
- d** Enter the name of the issuer of the master pool obligation ▶ Michigan Finance Authority
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ☐
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ☐
- 41a** If the issuer has identified a hedge, check here ☐ and enter the following information:
- b** Name of hedge provider ▶ \_\_\_\_\_
- c** Type of hedge ▶ \_\_\_\_\_
- d** Term of hedge ▶ \_\_\_\_\_
- 42** If the issuer has superintegrated the hedge, check box ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ☐
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ☒
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ☒ and enter the amount of reimbursement . . . . . ▶ \$1,740,000
- b** Enter the date the official intent was adopted ▶ February 28, 2017

<b>Signature and Consent</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
	Signature of issuer's authorized representative	<u>6/23/17</u> Date	<b>Jim Nash, Water Resources Com.</b> Type or print name and title		
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>Paul M. Wyzgoski</b>	Preparer's signature 	Date <u>6/23/17</u>	Check <input type="checkbox"/> if self-employed	PTIN <b>P01353819</b>
	Firm's name ▶ <b>Dickinson Wright PLLC</b>			Firm's EIN ▶ <b>38-1364333</b>	
	Firm's address ▶ <b>2600 West Big Beaver Road, Suite 300, Troy, Michigan</b>			Phone no. <b>248-433-7255</b>	

**20**

## Paul M. Wyzgoski

---

**From:** Treas\_MunicipalFinance <Treas\_MunicipalFinance@michigan.gov>  
**Sent:** Monday, June 26, 2017 4:26 PM  
**To:** Paul M. Wyzgoski  
**Subject:** Thank You

Your email has been received by the Municipal Finance Section at the Michigan Department of Treasury. Inquiries needing a response should be replied to within three business days. For immediate assistance, please try our website at [Michigan.gov/MunicipalFinance](http://Michigan.gov/MunicipalFinance) or by utilizing the links below:

It's time to file our annual qualifying statements.

What is the status of our qualifying statement?

We want to issue securities and need a long-term form, short-term form, and exemption request.

We just issued a security and need to file a security report.

We ended the fiscal year with a deficit and need to file a deficit elimination plan.

Sign up for email updates from the Department of Treasury.

I already submitted my corrective action plan. Why am I being asked for a deficit elimination plan? The corrective action plan addresses deficiencies as noted in your auditing procedures report, while the deficit elimination plan addresses fund deficits as noted in your audit.

Where can we find any bulletins related to municipal finance?

What about the bonded construction fund/sinking fund audits for schools?

We'd like to look at municipal audits and school audits.

Do we need to file our school audit with both the Department of Education and the Department of Treasury?

**Paul M. Wyzgoski**

---

**From:** Paul M. Wyzgoski  
**Sent:** Monday, June 26, 2017 4:26 PM  
**To:** 'Treas\_MunicipalFinance@michigan.gov'  
**Cc:** Donna M. LeFever  
**Subject:** 6371373892SecRpt.  
**Attachments:** 6371373892SecRpt.pdf

Attached is the post-issuance filing required by Section 319(1) of 2001 PA 34 for the \$31,995,000 Clinton River Water Resource Recovery Facility Drainage District Drain Bonds, Series 2017.

Paul Wyzgoski



2600 WEST BIG BEAVER ROAD, SUITE 300  
TROY, MI 48064-3312  
TELEPHONE: (248) 433-7200  
FACSIMILE: (844) 670-6009  
<http://www.dickinsonwright.com>

PAUL M. WYZGOSKI  
[PWyzgoski@dickinsonwright.com](mailto:PWyzgoski@dickinsonwright.com)  
(248) 433-7255

June 26, 2017

Via E-mail

Mr. Harlan Goodrich  
Michigan Department of Treasury  
Local Fiscal Accountability Division  
P.O. Box 30728  
Lansing, Michigan 48909

Re: \$31,995,000 Clinton River Water Resource Recovery Facility Drainage  
District Drain Bonds, Series 2017

Dear Mr. Goodrich:

Please be advised that the referenced bonds were delivered to the Michigan Finance Authority on June 23, 2017. Enclosed for filing pursuant to Section 319(1) of Act No. 34, Public Acts of Michigan, 2001, as amended, please find a completed Security Report and copies of the following documents:

1. Bond Resolution;
2. Order of Chairperson of Drainage Board;
3. Purchase Contract;
4. Bond Counsel Opinion Letter; and
5. Specimen Bond.

A copy of the Security Report and a check payable to the State of Michigan in the amount of \$1,000 will be mailed to the address set forth below your name above. Please let me know if you have any questions or need additional information.

Very truly yours,

Paul M. Wyzgoski

PMW/dml  
Enclosures

BLOOMFIELD 9007-415 1839993v1

ARIZONA

FLORIDA

KENTUCKY

MICHIGAN

NEVADA

OHIO

TENNESSEE

TEXAS

TORONTO

WASHINGTON DC

# Security Report

Issued under Authority of Public Act 34 of 2001.

OFFICE USE ONLY	
Debt Type	Debt Kind

**INSTRUCTIONS:** File this report within 15 business days of completing issuance of any municipal securities. E-mail this form and supporting documentation described in MCL 141.2319 or MCL 129.177 to [Treas\\_MunicipalFinance@Michigan.gov](mailto:Treas_MunicipalFinance@Michigan.gov). If certain supporting documentation is not applicable, provide an explanation. E-mail form and supporting documentation as a single .pdf file, the name of which should be the six-digit municode followed by "3892SecRpt." For example: 3320203892SecRpt.pdf. The e-mail subject line should read the six-digit municode followed by "3892SecRpt." If a filing fee and/or late fee is due, mail a copy of the form and payment to Michigan Department of Treasury, Local Fiscal Accountability Division, P.O. Box 30728, Lansing, MI 48909. Direct questions to 517-373-3227 or e-mail to [Treas\\_MunicipalFinance@Michigan.gov](mailto:Treas_MunicipalFinance@Michigan.gov).

## ISSUE INFORMATION

<b>Issuer Name</b> <b>Clinton River Water Res Rec Facility Drainage District</b>		<b>Name of Issue</b> <b>Drain Bonds, Series 2017</b>	
<b>Amount of Issue</b> <b>31,995,000.00</b>	<b>Dated Date of Issue</b> <b>June 23, 2017</b>		<b>Legal Authority (Public Act)</b> <b>Chapter 20 of Act 40 PA of 1956</b>
<b>Purpose</b> <b>To defray the cost of acquiring and constructing improvements to the City of Pontiac Wastewater Treatment Facility</b>			
<b>Full Faith and Credit Pledge</b> <input checked="" type="checkbox"/> Limited Tax <input type="checkbox"/> Unlimited Tax <input type="checkbox"/> None		<b>First Call Date</b> <b>as permitted by MFA</b>	<b>Date Sold</b> <b>June 13, 2107</b>
		<b>Net Interest Rate</b> <b>2.50%</b>	
<b>Check All That Apply</b> <input type="checkbox"/> Voted <input type="checkbox"/> School Bond Loan Fund Qualified <input type="checkbox"/> Special Education Funded <input type="checkbox"/> Vocational Education Funded			

**PARTICIPANT INFORMATION** Include all Municipalities that are responsible for repayment of security.

Name	% Participation	% Revenue	% Taxes
See Attachment A	100.00%	0.00%	100.00%
County of Oakland full faith & credit pledge	100.00%	0.00%	100.00%
	0.00%	0.00%	0.00%

### MATURITY SCHEDULE

Date	Principal	Interest Rate
10/01/19	\$1,250,000	2.50%
10/01/20	\$1,280,000	2.50%
10/01/21	\$1,310,000	2.50%
10/01/22	\$1,345,000	2.50%
10/01/23	\$1,380,000	2.50%
10/01/24	\$1,415,000	2.50%
10/01/25	\$1,450,000	2.50%
10/01/26	\$1,485,000	2.50%
10/01/27	\$1,525,000	2.50%
10/01/28	\$1,565,000	2.50%
10/01/29	\$1,605,000	2.50%
10/01/30	\$1,645,000	2.50%
10/01/31	\$1,685,000	2.50%
10/01/32	\$1,730,000	2.50%
10/01/33	\$1,770,000	2.50%

[illegible]

Attachment A to Security Report

Clinton River Water Resource Recovery Drainage District  
Drain Bonds, Series 2017

**Participant Information**

<u>Name</u>	<u>% Participation</u>	<u>% Revenues</u>	<u>% Taxes</u>
City of Auburn Hills	7.8437538%		100.00%
Charter Township of Independence	4.8722468%		100.00%
City of Lake Angelus	0.0409863%		100.00%
Village of Lake Orion	0.7697740%		100.00%
Village of Oxford	0.7800206%		100.00%
City of Pontiac	68.1013050%		100.00%
City of Rochester	3.5337879%		100.00%
Charter Township of Waterford	10.1926049%		100.00%
Charter Township of West Bloomfield	3.8655208%		100.00%



DICKINSON WRIGHT LLC

JPMorgan Chase Bank, N.A.  
Detroit, MI  
9-32/720

B 358801

COUNSELORS AT LAW  
2600 WEST BIG BEAVER ROAD • SUITE 300 • TROY, MI 48084

358801

PAY ONE THOUSAND AND 00/100 Dollars

TO THE  
ORDER  
OF

STATE OF MICHIGAN  
430 WEST ALLEGAN  
TREASURY BUILDING  
LANSING, MI 48933

DATE 06/09/2017

AMOUNT

\$ 1,000.00

U.S.A.

VOID AFTER 180 DAYS  
COUNTERSIGNATURE REQUIRED OVER \$500.00

*Paul M. Wygos*  
*Paul M. Wygos*

38852

⑈358801⑈ ⑆072000326⑆

THIS CHECK IS IN PAYMENT OF THE FOLLOWING ITEMS:

DATE	DESCRIPTION	ACCOUNT NO.	DETACH BEFORE DEPOSITING NET AMOUNT
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PMW06062017

06/06/2017

009007-00415, 0431, 11, Pick up Paul M. Wygos

2500010000

1,000.00

B 358801

DICKINSON WRIGHT LLC

TROY, MICHIGAN 48064

1,000.00