

LAKE ST. CLAIR CLEAN WATER INITIATIVE
INTRA-COUNTY DRAINAGE BOARD
OCTOBER 21, 2019
10:15 A.M.
AGENDA

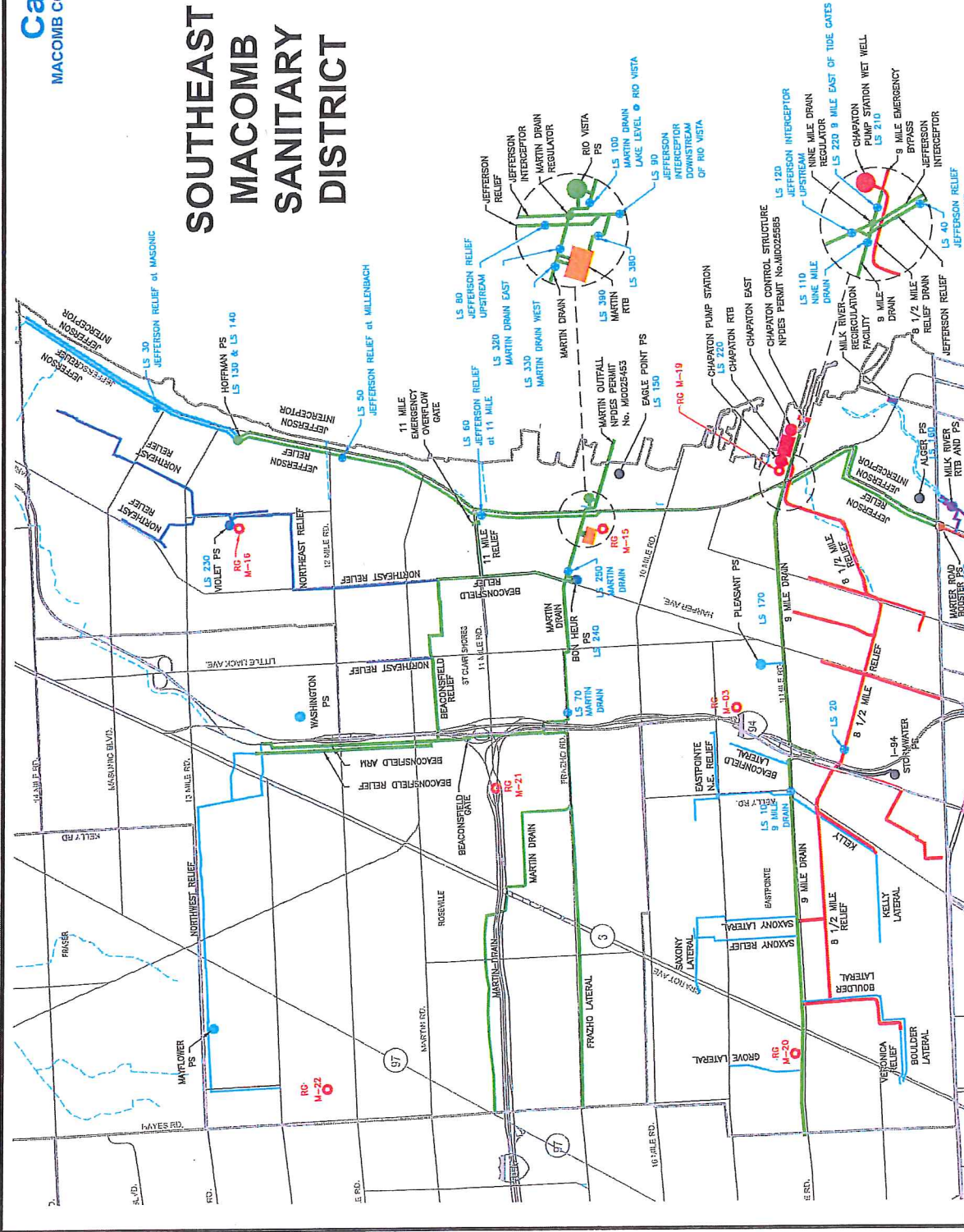
| | Page |
|---|------|
| 1. Call of meeting to order and roll call | |
| 2. Approval of Agenda for October 21, 2019 | |
| 3. Approval of Minutes for August 13, 2018 | 3 |
| 4. Public Participation | |
| 5. Bond Refinancing Resolution – Estimated Savings \$600,000 – Brian Baker | 5 |
| Motion: To approve the resolution authorizing Lake St. Clair Clean Water Initiative (St. Clair Shores – Roseville – Eastpointe) Drainage District Refunding Bonds | |
| 6. Financial Report – Bruce Manning | 18 |
| 7. Adjourn | |



SOUTHEAST MACOMB SANITARY DISTRICT

- JURISDICTION LEGEND**
(AS OF DATE OF PUBLICATION)
- 8 1/2 MILE RELIEF DRAIN DRAINAGE DISTRICT
 - SOUTHEAST MACOMB COUNTY WASTEWATER DISPOSAL SYSTEM DISTRICT
 - MARTIN SANITARY DISTRICT
 - SOUTHEAST MACOMB SANITARY DISTRICT
 - LOCAL MUNICIPALITY
 - OTHER

- LEGEND**
- PUMP STATION
 - FLOW CONTROL STRUCTURE
 - RTD
 - GRAVITY INTERCEPTOR
 - LEVEL SENSOR
 - RAIN GAUGE



An adjourned meeting of the Intra-County Drainage Board for the **LAKE ST. CLAIR CLEAN WATER INITIATIVE DRAIN** was held in the Office of the Macomb County Public Works Commissioner, 21777 Dunham, Clinton Township, Michigan, on August 13, 2018, at 10:53 A.M.

PRESENT: Candice S. Miller, Chair
Bryan Santo, Member
Veronica Klinefelt, Member

Also Present: Robert Mijac, Macomb County Board of Commissioners, Brian Baker, Chief Deputy, Vincent Astorino, P.E., Operations and Flow Manager, Jeff Bednar, P.E., Environmental Engineer, Bruce Manning, Financial Manager, Dan Heaton Public Relations Manager, Thomas Stockel, Construction Engineer, Madison Tanghe, Senior Secretary, Macomb County Public Works (MCPW); Jordan Scott, Sterling Heights Dept. of Public Works; Elizabeth Madson, Breck McCorory, Chesterfield Township Library

The meeting was called to order by the Chair, Candice Miller. The agenda was approved as presented.

Minutes of the meeting of October 16, 2017 were presented. A motion was made by Ms. Klinefelt, supported by Mr. Santo to approve the minutes as presented.

Adopted: YEAS: 3
NAYS: 0

The meeting was opened to public participation, then closed, there being no comments from the public.

Vince Astorino discussed transferring funds from the Lake St. Clair Clean Water Initiative surplus to the MIDDD to perform a study for a possible storm sewer outlet for St. Clair Shores and Roseville down Frazho Road to prevent combined sewer overflow from going into Lake St. Clair.

A motion was made by Ms. Klinefelt, supported by Mr. Santo to transfer \$100,000 of surplus Lake St. Clair Clean Water Initiative Funds to the MIDDD to fund contract Change Order No. 2 with Fishbeck, Thompson, Carr & Huber, Inc. to perform a study and conceptual design to provide a storm sewer outlet for the combined sewer areas tributary to the Martin Drain.

Adopted: YEAS: 3
NAYS: 0

A motion to receive and file the financial report given by Mr. Manning was made by Mr. Santo, supported by Ms. Klinefelt.

Adopted: YEAS: 3
NAYS: 0

There being no further business, it was moved by Ms. Klinefelt, supported by Mr. Santo, that the meeting of the Lake St. Clair Clean Water Initiative Drain Board be adjourned.

Adopted: YEAS: 3
NAYS: 0

The meeting was adjourned at 11:03 a.m.



Candice S. Miller, Chair
Macomb County Public Works Commissioner

STATE OF MICHIGAN
COUNTY OF MACOMB

I certify that the foregoing is a true and correct copy of proceedings taken by the Intra-County Drainage Board for the Drainage District shown on the attached set of minutes, on August 13, 2018, the original of which is on file in the Public Works Commissioner's Office. Public notice of the meeting was given pursuant to Act No. 267, Public Acts of Michigan, 1975, including, in the case of a special or rescheduled meeting or a meeting secured for more than 36 hours notice by posting at least 18 hours prior to the time set for the meeting.



Candice S. Miller, Chair
Macomb County Public Works Commissioner

DATED: 8/14/18

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

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MICHIGAN
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CANADA
CHINA
MEXICO
POLAND

October 11, 2019

Via email only

Brian Baker
Chief Deputy Public Works Commissioner
Macomb County Public Works Commission
21777 Dunham Road
Clinton Township, MI 48036

Re: Resolution Authorizing Lake St. Clair Clean Water Initiative (St. Clair Shores – Roseville – Eastpointe) Drain Drainage District, Drainage District Refunding Bonds, Series 2019 (Limited Tax General Obligation) (Federally Taxable)

Dear Brian:

Enclosed please find the resolution authorizing the issuance of the above-captioned bonds (the “Refunding Bonds”), which we have prepared for consideration by the Drainage Board at its meeting on October 21st. The resolution authorizes the issuance of refunding bonds in an amount not to exceed \$7,600,000 to pay the cost of refunding the Drainage District’s outstanding Drainage District Refunding Bond, Series 2010 (Limited Tax General Obligation), dated August 3, 2010, to achieve interest rate savings.

The Refunding Bonds will be primarily secured by a full faith and credit pledge of the Drainage District. The Refunding Bonds are being issued in anticipation of collections of an equal amount of future due installments on the Assessment Roll, together with interest and investment income thereon, and are payable out of such installments. As secondary security, the Refunding Bonds will contain a pledge of the County’s limited tax full faith and credit, just as the prior bonds were secured.

The resolution was prepared based upon the bond specifications provided by Bendzinski & Co., the Drainage District’s Registered Municipal Advisor. The resolution authorizes the Public Works Commissioner and the Chief Deputy Public Works Commissioner, each individually, to take all steps necessary to accomplish the sale, issuance and delivery of the Refunding Bonds. The resolution provides for a negotiated sale of the Refunding Bonds to Hilltop Securities Inc. (the “Underwriter”).

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

Brian Baker

-2-

October 11, 2019

Section 16 of the resolution confirms the appointment of Miller Canfield as bond counsel. This section also recognizes that Miller Canfield represents the Underwriter in other unrelated matters. Miller Canfield is not representing the Underwriter with respect to the Bonds and will only represent the Drainage District in this financing.

After adoption, I would appreciate receiving four (4) original signed copies of the resolution for bond transcripts.

If you have any questions, please do not hesitate to call.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: _____



Steven D. Mann

cc: Bruce Manning, Financial Manager
Madison Tocco, Macomb County
Kellie Kource, Macomb County
Robert J. Bendzinski, Bendzinski & Co.
Louis C. Orcutt, Hilltop Securities Inc.
Alan Szuma, Miller Canfield

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**Drainage Board of the Lake St. Clair Clean Water Initiative
(St. Clair Shores – Roseville – Eastpointe) Drain Drainage District
County of Macomb, State of Michigan**

RESOLUTION AUTHORIZING
LAKE ST. CLAIR CLEAN WATER INITIATIVE
(ST. CLAIR SHORES – ROSEVILLE – EASTPONTE) DRAIN DRAINAGE DISTRICT
DRAINAGE DISTRICT REFUNDING BONDS, SERIES 2019
(LIMITED TAX GENERAL OBLIGATION) (FEDERALLY TAXABLE)

Minutes of a meeting of the Drainage Board (the “Drainage Board”) of the Lake St. Clair Clean Water Initiative (St. Clair Shores – Roseville – Eastpointe) Drain Drainage District (the “District”) held in the office of the Macomb County Public Works Commissioner, 2177 Dunham, Clinton Township, Michigan on October 21, 2019 at ___:___ a.m./p.m., prevailing Eastern Time.

PRESENT: Members: _____

ABSENT: Members: _____

The following preamble and resolution were offered by Member _____ and supported by Member _____.

WHEREAS, the Lake St. Clair Clean Water Initiative (St. Clair Shores – Roseville – Eastpointe) Drain Drainage District (the “District”) has previously been established within the County of Macomb (the “County”) pursuant to the provisions of Chapter 20 of Act 40, Public Acts of Michigan, 1956, as amended (the “Drain Code”); and

WHEREAS, the provisions of Part VI of Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”) authorize the Drainage District to refund all or any part of its bonded indebtedness; and

WHEREAS, the District previously issued its Drainage District Refunding Bond, Series 2010 (Limited Tax General Obligation), dated August 3, 2010, in the original principal amount of \$12,270,000, in order to refund a portion of the Drainage District’s Drainage District Bonds, Series 2001A, dated January 1, 2001, and its Drainage District Bonds, Series 2002A, dated April 1, 2002 (the “Prior Bonds”) pursuant to resolution of the Drainage Board adopted on June 29, 2010 (the “Prior Bonds Resolution”); and

WHEREAS, the District determines that it is in the best interest of the District to issue bonds in an amount not to exceed Seven Million Six Hundred Thousand Dollars (\$7,600,000) on a federally taxable basis to refund all or a portion of the Prior Bonds; and

WHEREAS, if market interest rates rise so that an advance refunding of the Prior Bonds on a taxable basis becomes noneconomic or inefficient, the Board intends to maintain the option of issuing the Bonds at a future date as a current refunding on a tax-exempt basis; and

WHEREAS, the District desires to sell the bonds pursuant to a negotiated sale in order to preserve maximum flexibility in the timing and structure of the transaction and to minimize the costs of issuance thereof; and

WHEREAS, as additional security for the Bonds, the County has pledged its full faith and credit for the prompt payment of the principal of and interest on the bonds when due as authorized by Section 474 of the Drain Code; and

WHEREAS, the District also deems it advisable to authorize the County Public Works Commissioner and the County Chief Deputy Public Works Commissioner, or either one acting alone (each an "Authorized Officer") to accept an offer to purchase the bonds from Hilltop Securities Inc. (the "Underwriter"), negotiate, approve and execute a bond purchase agreement with the Underwriter and to approve various other terms and documents in connection with the sale, issuance and delivery of the bonds to the Underwriter.

THEREFORE, BE IT RESOLVED BY THE DRAINAGE BOARD FOR THE LAKE ST. CLAIR CLEAN WATER INITIATIVE (ST. CLAIR SHORES – ROSEVILLE – EASTPOINTE) DRAIN DRAINAGE DISTRICT, as follows:

1. Issuance of Bonds. Bonds of the District designated "Drainage District Refunding Bonds, Series 2019 (Limited Tax General Obligation) (Federally Taxable)" (the "Bonds"), are hereby authorized to be issued in one or more series, with such changes to the bond name, designation or suffix as may be appropriate for each series based on the type of bonds issued, in the aggregate principal sum of not to exceed Seven Million Six Hundred Thousand Dollars (\$7,600,000) or such lesser amount as shall be determined by the an Authorized Officer, upon sale of the Bonds, for the purpose of refunding the Prior Bonds and paying the costs of issuing the Bonds. In the event that the District, based on the advice of its Municipal Advisor (as defined below), determines that it is not in best economic interests of the District to advance refund the Prior Bonds on a taxable basis, the District may issue the Bonds on a tax-exempt basis at a future date to refund the Prior Bonds. If issuance of the Bonds is delayed past the 2019 calendar year, appropriate changes shall be made to the year designation of the Bonds.

2. Bond Details. The issue shall consist of bonds in fully registered form of the denomination of \$5,000 or multiples of \$5,000 up to the amount of a single maturity, numbered consecutively in order of registration, and dated as of the date of delivery. The Bonds shall mature on October 1 in the years and in the principal amounts as determined by the Authorized Officer at the time of sale. The Bonds shall bear interest at a rate or rates to be determined upon negotiated sale thereof, payable semi-annually on April 1 and October 1 in the years as determined by the Authorized Officer at the time of sale, *provided that* the maximum interest rate on the Bonds shall not exceed 8.00% per annum, the Bonds shall be sold at a price not less than 98% of the par value of the Bonds, and the Underwriter's discount shall not exceed 0.70% of the principal amount of the Bonds.

The principal of the Bonds shall be payable at a bank or trust company selected by the Authorized Officer, as registrar and transfer agent for the Bonds (the "Transfer Agent") upon presentation and surrender of the appropriate Bond. Interest on the Bonds shall be payable to the registered owner of record as of the 15th day of the month prior to each interest payment date. The date of determination of registered owner for purposes of payment of interest as provided in this section can be changed by the District to conform to market practice in the future. Notwithstanding the foregoing, if the Bonds are held in book-entry form by The Depository Trust Company, New York, New York ("DTC"), payment shall be made in the manner prescribed by DTC. The Authorized Officer or the County Treasurer each is hereby severally authorized to enter into all required contractual arrangements with the Transfer Agent. The District reserves the right to change the Transfer Agent at any time upon written notice to registered owners of the Bonds not less than 60 days prior to an interest payment date.

The Bonds may be issued in book-entry-only form through DTC; and the Authorized Officer or the County Treasurer each is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry-only form. In the event the Bonds are no longer held in book-entry-only form, then the Transfer Agent shall also serve as bond registrar and paying agent.

Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of the bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Transfer Agent shall authenticate and deliver a new Bond or Bonds for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

The Bonds shall be subject to redemption prior to maturity as determined at the time of sale of the Bonds. The Bonds of any series may be issued as serial or term bonds or both. If term bonds are issued, then the Bonds designated as term bonds shall be subject to mandatory redemption prior to maturity as determined at the time of sale of the Bonds. Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the District. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers, and in the case of partial redemption, the called amounts of each certificate; the redemption date; the redemption price or premium; the place where Bonds called for redemption are to be surrendered for payment; and that interest on Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

3. Execution of Bonds. The Bonds shall be signed by the manual or facsimile signature of the Chairperson of the Drainage Board and countersigned by the manual or facsimile

signature of any other member of the Drainage Board. No Bond shall be valid until authenticated by an authorized representative of the Transfer Agent unless the purchaser thereof does not require the Bonds to be authenticated. If the Bonds are not authenticated, then at least one signature on the Bonds shall be a manual signature. The Bonds shall be delivered to the Transfer Agent for authentication and shall then be delivered to the purchaser in accordance with instructions from the Authorized Officer or the County Treasurer upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted. Executed blank bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

4. Debt Retirement Fund. All collections of the Lake St. Clair Clean Water Initiative (St. Clair Shores – Roseville – Eastpointe) Drain Special Assessments (as defined in the Prior Bonds Resolution), including interest thereon, shall be set aside by the County Treasurer as collected and deposited into a special depository account to be designated as LAKE ST. CLAIR CLEAN WATER INITIATIVE (ST. CLAIR SHORES – ROSEVILLE – EASTPOINTE) DRAIN DRAINAGE DISTRICT 2019 REFUNDING BONDS DEBT RETIREMENT FUND (the “Debt Retirement Fund”), the moneys from time to time on deposit therein to be used solely and only for the payment of principal of and interest on the Bonds herein authorized as they mature.

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, shall be deposited in trust, the Bonds shall be defeased and the owners of the Bonds shall have no further rights under this order 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 in this order.

5. Bond Proceeds. Proceeds of the Bonds, including any premium received upon delivery of the Bonds, shall be used to pay the costs of issuance of the Bonds and to secure payment of the Prior Bonds as provided in this paragraph. From the proceeds of the Bonds there shall be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated the LAKE ST. CLAIR CLEAN WATER INITIATIVE (ST. CLAIR SHORES – ROSEVILLE – EASTPOINTE) DRAIN DRAINAGE DISTRICT 2019 REFUNDING BONDS COSTS OF ISSUANCE FUND (the “Costs of Issuance Fund”), which may be established by the District, the County Treasurer, or the Escrow Agent (hereinafter defined). Moneys in the Costs of Issuance Fund shall be used solely to pay expenses of issuance of the Bonds. The balance of the proceeds of the Bonds, together with any moneys transferred by the District at the time of sale of the Bonds from the debt retirement fund for the Prior Bonds, and any other available funds provided by the District, shall be invested in cash or direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing (the “Escrow Fund”) and used to pay principal of and interest on the Prior Bonds. The Escrow Fund shall be held by a bank or trust company, as trustee and escrow agent (the “Escrow Agent”), in trust pursuant to an Escrow Agreement (the “Escrow Agreement”) which shall irrevocably direct the

Escrow Agent to take all necessary steps to call for redemption Prior Bonds specified by the Authorized Officer upon sale of the Bonds, including publication and mailing of redemption notices, on any date specified by the Authorized Officer on which the Prior Bonds may be called for redemption. The investments held in the Escrow Fund shall be such that the principal and interest payments received thereon will be sufficient, without reinvestment, to pay the principal of and interest on the Prior Bonds as they become due pursuant to maturity or the call for redemption required by this paragraph. The Authorized Officer is hereby authorized to select and retain on behalf of the District an Escrow Agent to serve under the Escrow Agreement and is further authorized to negotiate with the Escrow Agent and to execute the Escrow Agreement. Any amounts remaining in the Cost of Issuance Fund after payment of costs of issuance of the Bonds shall be transferred to the Debt Retirement Fund for the Bonds.

6. Payment of Bonds; Limited Tax Pledge of the District. The full faith and credit of the District is hereby pledged for the payment of principal of and interest on the Bonds. The Bonds, being issued in anticipation of collections of special assessment against the Cities of St. Clair Shores, Roseville and Eastpointe, and any other persons assessed under the applicable provisions of Drain Code, together with interest and investment income thereon, are payable out of such special assessments. If for any reason the collections of the Special Assessment Roll shall not be sufficient to pay the principal of and interest on the Bonds, then the Drainage Board shall make such additional assessments therefor against the public corporations and the benefited lands as may be necessary, apportioned as in the first instance, as authorized by the provisions of the Drain Code.

7. Limited Tax Pledge of the County. Pursuant to a resolution adopted by the Board of Commissioners of the County on September 26, 2019, under the authorization provided in the Drain Code, the County will pledge its full faith and credit for the payment of principal of and interest on the Bonds herein authorized; and pursuant to such resolution and law, in the event of an insufficiency of funds in the Debt Retirement Fund to make such payments as they are due on the Bonds, the County will promptly advance from its general funds as a first budget obligation sufficient moneys to promptly pay said principal or interest or, if necessary levy taxes upon all taxable property in the County therefor, subject to applicable constitutional, statutory, and charter tax rate limitations.

8. Bond Form. The Bonds shall be in substantially the following form with such revisions, additions and deletions as may be advisable or necessary to comply with the final terms of the Bonds established upon sale thereof:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF MACOMB

LAKE ST. CLAIR CLEAN WATER INITIATIVE (ST. CLAIR SHORES – ROSEVILLE –
EASTPOINTE) DRAIN DRAINAGE DISTRICT

DRAINAGE DISTRICT REFUNDING BOND, SERIES 2019
(LIMITED TAX GENERAL OBLIGATION)
(FEDERALLY TAXABLE)

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

| | | | |
|--------------------------|-----------------------------|-----------------------------------|--------------|
| <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>Date of Original Issue</u> | <u>CUSIP</u> |
|--------------------------|-----------------------------|-----------------------------------|--------------|

Registered Owner:

Principal Amount: Dollars

The LAKE ST. CLAIR CLEAN WATER INITIATIVE (ST. CLAIR SHORES – ROSEVILLE – EASTPOINTE) DRAIN DRAINAGE DISTRICT, County of Macomb, State of Michigan (the “District”), acknowledges itself to owe and for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Date of Maturity specified above, [unless prepaid prior thereto as hereinafter provided,] with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on _____, 2020 and semiannually thereafter. Principal of this bond is payable upon presentation and surrender hereof at the principal corporate trust office of _____ [transfer agent], or such other transfer agent as the District may hereafter designate by notice mailed to the registered owner of record not less than sixty (60) days prior to any interest payment date (the “Transfer Agent”). Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who or which is as of the fifteenth (15th) day of the month prior to each interest payment date, the registered owner of record, at the registered address.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of \$_____ issued under and in full compliance with the Constitution and statutes of the State of Michigan, and particularly Act 40, Public Acts of Michigan, 1956, as amended (“Act 40”), for the purpose of refunding a prior bond issue of the District.

The bonds of this issue are issued in anticipation of and payable out of the collection of special assessments against the Cities of St. Clair Shores, Roseville and Eastpointe, and any other persons assessed under the applicable provisions of Act 40. The District by resolution of its Drainage Board on October 21, 2019, has pledged the full faith and credit of the District, including the lands embraced within the District and the public corporations assessed at large in the proportion that they are assessed for the benefits received for the prompt payment of the principal of and interest on the bonds of this issue when due.

As additional security for the bonds of this issue, the County of Macomb, State of Michigan (the “County”) by resolution of its Board of Commissioners adopted on September 26, 2019, has pledged its full faith and credit for the prompt payment of the principal of and interest on the bonds of this issue when due, and if the assessments are insufficient for such payment, then the County shall advance monies from its general fund for payment thereof, or, if necessary, levy a tax on all taxable property in the County for such payment within applicable constitutional, statutory, and charter tax rate limitations.

[Bonds of this issue shall not be subject to redemption prior to maturity.][Bonds or portions of bonds in multiples of \$5,000 of this issue maturing on or after October 1, 20__ shall be subject to redemption prior to maturity without a premium, at the option of the District, in such order as the District shall determine and within any maturity by lot, on any date on or after October 1, 20__, at par plus accrued interest to the date fixed for redemption.]

[Mandatory redemption provisions will be inserted if term bonds are issued].

[In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent upon presentation of the bond called in part for redemption shall register, authenticate and deliver to the registered owner a new bond of the same maturity and in the principal amount of the portion of the original bond not called for redemption.]

[Notice of redemption shall be given by the Transfer Agent to each registered owner of bonds or portions thereof to be redeemed by mailing such notice not less than thirty (30) days prior to the date fixed for redemption to the registered owner at the address of the registered owner as shown on the registration books of the District. Bonds shall be called for redemption in multiples of \$5,000, and bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bonds by \$5,000, and such bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that, upon surrender of the bond to be redeemed, a new bond or bonds in the same aggregate principal amount equal to the unredeemed portion of the bonds surrendered shall be issued to the registered owner thereof with the same interest rate and maturity. No further interest on bonds or portions of bonds called for redemption shall accrue after the date fixed for redemption, whether the bonds have been presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem the bonds or portion thereof.]

Any bond may be transferred by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney or legal representative, upon surrender of the bond to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any bond is surrendered for transfer, the Transfer Agent shall authenticate and deliver a new bond or bonds, in like aggregate principal amount, interest rate and maturity. The Transfer Agent shall require the bondholder requesting the transfer to pay any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required to issue, register the transfer of, or exchange any bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of bonds selected for redemption and ending at the close of business on the day of that mailing.

It is hereby certified and recited that all acts, conditions and things required to be done, exist and happen, precedent to and in the issuance of this bond and the series of bonds of which this is one, in order to make them valid and binding obligations of the District have been done, exist and have happened in regular and due form and time as provided by law.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the District has caused this bond to be signed in its name by [the facsimile signatures of] the Chairperson of one member of the Drainage Board, all as of the Date of Original Issue.

LAKE ST. CLAIR CLEAN WATER INITIATIVE
(ST. CLAIR SHORES – ROSEVILLE –
EASTPOINTE) DRAIN DRAINAGE
DISTRICT

By [After sale definitive Bonds to be signed]
Chairperson, Drainage Board

(Seal)

Countersigned:

By [After sale definitive Bonds to be signed]
Member, Drainage Board

[INSERT STANDARD FORMS OF
TRANSFER AGENT’S CERTIFICATE OF AUTHENTICATION and ASSIGNMENT]

[End Bond Form]

9. Negotiated Sale. The District has considered the option of selling the Bonds through a competitive sale and a negotiated sale and, based on the advice of its Municipal Advisor, has determined that a negotiated sale of the Bonds provides the District with greater flexibility in structuring bond maturities and the timing of the sale of the Bonds, is the most efficient and expeditious process, and will enable the District to better market the Bonds to obtain the lowest interest costs for the District.

10. Municipal Bond Ratings, Insurance and Verification Agent. It is determined to apply for bond ratings from such municipal bond rating agencies as deemed appropriate, in consultation with the Municipal Advisor, and, if the Municipal Advisor recommends that municipal bond insurance be purchased to insure the Bonds, then it is determined to negotiate with insurers regarding acquisition of municipal bond insurance, and, in consultation with the Municipal Advisor, to select an insurer and determine which Bonds, if any, shall be insured. The Authorized Officer is hereby authorized to select and appoint a verification agent and enter into any necessary agreements to provide for the verification of sufficiency of the escrow account.

11. Preliminary and Final Official Statement; Continuing Disclosure Undertaking. It is determined to approve circulation of a Preliminary Official Statement describing the Bonds and to deem such Preliminary Official Statement “final” for purposes of compliance with Securities and Exchange Commission Rule 15c2 12 (“Rule 15c2 12”). After sale of the Bonds, in order to enable the initial purchaser of the Bonds to comply with the requirements of

Rule 15c212, the District hereby agrees to undertake Continuing Disclosure as issuer of the Bonds, or to request the Director of Finance of the County to undertake Continuing Disclosure on behalf of the District.

12. Retention of Underwriter and Execution of Bond Purchase Agreement. The District hereby appoints Hilltop Securities Inc. as senior underwriter for the Bonds. The Authorized Officer is hereby authorized to appoint one or more co-managing underwriters, if recommended by the Municipal Advisor. The Authorized Officer is authorized to negotiate and award the sale of the Bonds to the Underwriter pursuant to a bond purchase agreement, subject to the parameters set forth in this Resolution. The Authorized Officer is authorized to execute and deliver the bond purchase agreement on behalf of the District without further approval of this Drainage Board, *provided that* the maximum interest rate on the Bonds shall not exceed 8.00% per annum, the Bonds shall be sold at a price not less than 98% of the par value of the Bonds, and the Underwriter's discount shall not exceed 0.70% of the principal amount of the Bonds.

The Authorized Officer may, if necessary, execute a sale order evidencing the final terms of the Bonds, and make any of the determinations, covenants and elections authorized by this Resolution, provided that the final terms of the Bonds shall be within the parameters set forth in this Resolution.

13. Tax Covenant. In the event the Bonds are issued on a tax-exempt basis, the District shall not invest, reinvest or accumulate any moneys deemed to be proceeds of the Bonds pursuant to the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), in such a manner as to cause the Bonds to be "arbitrage bonds" within the meaning of the Internal Revenue Code and such applicable regulations; the District hereby covenants that, to the extent permitted by law, it will take all actions within its control and that it shall not fail to take any action as may be necessary to maintain the exemption of interest on the Bonds from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of Bond proceeds and moneys deemed to be proceeds of the Bonds, all as more fully set forth in the Non-Arbitrage and Tax Compliance Certificate to be delivered by the District with the Bonds.

14. Further Actions. The officers, administrators, agents and attorneys of the District are authorized and directed to execute and deliver all other agreements, documents and certificates and to take all other actions necessary to complete the issuance and delivery of the Bonds in accordance with this Resolution. The officers, administrators, agents and attorneys of the District are authorized and directed to pay costs of issuance including Bond Counsel fees, Municipal Advisor fees, rating agency fees, Transfer Agent fees, escrow agent fees, verification agent fees, costs of printing the preliminary and official statements, purchase of securities for the purpose of funding the Escrow, and any other costs necessary to accomplish sale and delivery of the Bonds.

15. Municipal Advisor. Bendzinski & Co., Municipal Finance Advisors, is retained to serve the District as its registered municipal advisor for the Bonds (the "Municipal Advisor").

16. Bond Counsel. Miller, Canfield, Paddock and Stone, P.L.C. is hereby retained to serve as bond counsel for the Bonds, notwithstanding the periodic representation by Miller,

Canfield, Paddock and Stone, P.L.C., in unrelated matters of potential parties to the issuance of the Bonds, including the Underwriter.

17. Severability. If any section, paragraph, clause or provision of this order shall be held invalid, the invalidity of such paragraph, section, clause or provision shall not affect any of the other provisions of this order. Section headings are inserted for convenience of reference only and shall not be considered to be a part of this order.

18. Rescission. All resolutions and orders and parts of resolutions and orders insofar as they conflict with the provisions of this order are hereby rescinded.

[Remainder of Page Intentionally Left Blank]

19. Effective Date. This order shall become effective immediately.

RESOLUTION DECLARED ADOPTED

Candice S. Miller, Chairperson
Drainage Board

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Drainage Board for Lake St. Clair Clean Water Initiative (St. Clair Shores – Roseville – Eastpointe) Drain Drainage District, County of Macomb, Michigan, at a meeting held on October 21, 2019, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Candice S. Miller, Chairperson
Drainage Board

34475394.3\054935-00020

YTD Trial Balance

Fund: LSCCWI 2010 Refunding

Originally 2001 Series A and 2002 Series A

As of Fiscal Period: Oct 1, 2018-Sept 30, 2019

| | O&M Balance 9/30/2018 | O&M | Total 9/30/2019 |
|---------------------|--------------------------|-----|--------------------|
| Cash - Operating | 3,269 | 25 | 3,294 |
| Accounts Receivable | | | 0 |
| Assets | | | 0 |
| Liabilities | | | 0 |
| Revenues | | 25 | 25 |
| Expenditures | | | 0 |
| | | | |
| Equity | 3,269 | | 3,294 |