Members Present: Brenda L. Stumbo, Michael Bodary, Andrew Cameron, Larry J. Doe, and Keith P. Jason.

Members Absent: None.

1. CALL TO ORDER: Ms. Stumbo called the meeting to order at 4:00 p.m.

2. MINUTES OF THE PREVIOUS MEETING: Motion by Doe to receive and file the minutes of the June 25, 2014 meeting as presented. Support by Bodary. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:
   A. Request to Approve - YCUA Resolution No. 14-3 re: Retirement for Pamela F. Brady – Jeff Castro

   Mr. Castro advised the Board that Ms. Brady is currently a water distribution operator for YCUA and has completed 18 years and nine months of service. He indicated that she has requested retirement as of July 31, 2014. Mr. Castro explained that Ms. Brady has been a valuable employee and that this resolution is fitting at the time of her retirement.

   Motion by Doe to approve Request to Approve - YCUA Resolution No. 14-3 re: Retirement for Pamela F. Brady. Support by Bodary. In favor: All. Opposed: None. (Motion carried)

   B. Request to Approve – YCUA Resolution No. 14-4 Authorizing Issuance of Not-to-Exceed $5 Million Wastewater System No. 5 Bonds, Series 2014 (City of Ypsilanti and Charter Township of Ypsilanti Big Four Pump Stations Heating and Ventilation Systems and Wastewater Treatment Plant Grit Handling System
Improvements) (SRF Project Account Nos. 902-166 and 902-165) – Scott D. Westover

Motion by Cameron to approve YCUA Resolution No. 14-4 Authorizing Issuance of Not-to-Exceed $5 Million Wastewater System No. 5 Bonds, Series 2014 (City of Ypsilanti and Charter Township of Ypsilanti Big Four Pump Stations Heating and Ventilation Systems and Wastewater Treatment Plant Grit Handling System Improvements) (SRF Project Account Nos. 902-166 and 902-165). Support by Doe.

Mr. Westover advised the Board that this resolution is a requirement of the SRF program and is relative to the loans for the HVAC and Grit Handling improvements projects. He indicated that the bond issue is scheduled to close on September 17th and that the total loan amount is about $4.45 million. Mr. Westover explained that the bonds are sold through the Michigan Municipal Bond Authority and that the first principal payment will be due in October of 2015 with a 2% interest rate over two years.

Mr. Doe inquired as to the amount of the bond payments. Dwayne Harrigan responded that the payments will be about $250,000 for the city and the township combined. Ms. Stumbo asked for clarification that this is part of next year’s budget. Mr. Harrigan responded that it will be included in the 2015 – 2016 budget.

Mr. Bodary inquired how this is split between the city and the township. Mr. Harrigan responded that it is 22% city / 78% township based on flow. Mr. Bodary then inquired as to whether this will be approved by the city and township officials. Mr. Castro responded that it has already been presented and approved.

In favor: All. Opposed: None. (Motion carried)

C. Request to Approve - YCUA Resolution No. 14-5 re: SRF-Required Tentative Award of Contract for Big Four Pump Stations Heating and Ventilation Systems Improvements in the Amount of $1,955,500 (SRF Project Account No. 902-166) – Scott D. Westover

Motion by Doe to approve YCUA Resolution No. 14-5 re: SRF-Required Tentative Award of Contract for Big Four Pump Stations Heating and Ventilation Systems Improvements in the Amount of $1,955,500 (SRF Project Account No. 902-166). Support by Bodary.

Mr. Westover advised the Board that this resolution is a requirement of the SRF program and is similar to the one done about a year ago for the retention and septage project. He indicated that the award to Wise Construction does not include the 10% contingency included in Tetra Tech’s recommendation because MDEQ includes a 6% contingency in the
overall loan amount, which comes out to be about 8% of the construction bid. Mr. Westover explained that this 8% should be adequate.

Mr. Bodary inquired as to whether this contractor has experienced any cost overruns in the past. Mr. Westover responded that YCUA has not worked with them in the past but that their references check out and Tetra Tech has knowledge of their proven track record.

Ms. Stumbo inquired as to whether the contractor pays prevailing wage. Mr. Westover responded affirmatively and added that prevailing wage is a requirement of these projects.

Ms. Stumbo inquired as to the resulting cost savings from these improvements. Mr. Westover responded that the new boilers will be about 80% efficient but that he doesn’t have dollar amounts available.

In favor: All. Opposed: None. (Motion carried)

D. Request to Approve - Tetra Tech Construction Engineering Proposal re: Big Four Pump Stations Heating and Ventilation Systems Improvements in the Not-To-Exceed Amount of $186,000 (SRF Project Account No. 902-166) – Scott D. Westover

Motion by Doe to approve the Tetra Tech Construction Engineering Proposal re: Big Four Pump Stations Heating and Ventilation Systems Improvements in the Not-To-Exceed Amount of $186,000 (SRF Project Account No. 902-166). Support by Cameron.

Mr. Westover advised the Board that, since Tetra Tech did the design on this project, it makes sense for them to do the construction engineering on a project of this size and nature.

Ms. Stumbo inquired as to what percentage of the overall project that this proposal represents. Mr. Westover responded that it is about 9.5%.

In favor: All. Opposed: None. (Motion carried)

E. Request to Approve - YCUA Resolution No. 14-6 re: SRF-Required Tentative Award of Contract for Wastewater Treatment Plant Grit Handling System Improvements in the Amount of $1,566,000 (SRF Project Account No. 902-165) – Scott D. Westover

Motion by Doe to approve YCUA Resolution No. 14-6 re: SRF-Required Tentative Award of Contract for Wastewater Treatment Plant Grit Handling System Improvements in the Amount of $1,566,000 (SRF Project Account No. 902-165). Support by Jason.
Mr. Westover advised the Board that this is another resolution required by the SRF loan program. He indicated that the contractor has a lengthy positive track record on YCUA projects.

Mr. Doe inquired as to whether a contingency is included in this recommendation. Mr. Westover responded that a contingency has not been included because MDEQ will include a 6% contingency in the final loan amount, which will amount to 7% - 8% of the construction bid.

Mr. Jason inquired as to why Cavanaugh came in so much lower than the other bidders. Mr. Westover responded that there is no cause for concern and that he is of the opinion that Cavanaugh simply did more due diligence in preparing their bid. Tom Allbaugh from Tetra Tech concurred.

In favor: All. Opposed: None. (Motion carried)

F. Request to Approve - Tetra Tech Construction Engineering Proposal re: Wastewater Treatment Plant Grit Handling System Improvements in the Not-To-Exceed Amount of $177,000 (SRF Project Account No. 902-165) – Scott D. Westover

Motion by Doe to approve the Tetra Tech Construction Engineering Proposal re: Wastewater Treatment Plant Grit Handling System Improvements in the Not-To-Exceed Amount of $177,000 (SRF Project Account No. 902-165). Support by Cameron.

Mr. Westover advised the Board that, since Tetra Tech did the design on this project, it makes sense for them to do the construction engineering and inspection.

Ms. Stumbo inquired as to why the engineering budget is higher than the usual percentage of construction. Mr. Allbaugh responded that the grit system is highly technical when compared to other systems. Mr. Westover then expanded on Mr. Allbaugh’s comment, adding that the system cannot be shut down while the work is being done, further complicating things. The scope of work was then discussed at length.

In favor: All. Opposed: None. (Motion carried)

G. Request to Approve - Award of Contract re: 2014 Road Repairs Phase 2 in the Amount of $194,470 with a Contingency of $10,530 for a Total Project Budget of $205,000 (O & M Expense Account No. 902-161) – Scott D. Westover

Motion by Jason to approve the Award of Contract re: 2014 Road Repairs Phase 2 in the Amount of $194,470 with a Contingency of $10,530 for a
Total Project Budget of $205,000 (O & M Expense Account No. 902-161). Support by Bodary.

Mr. Westover advised the Board that this is Best Asphalt’s fifth consecutive road repair project and that staff is more than comfortable awarding this contract to them.

Mr. Bodary inquired as to whether Best Asphalt does concrete work or just asphalt. Mr. Westover responded that they primarily only do the asphalt and that they subcontract the concrete removal and replacement.

Ms. Stumbo inquired as to whether they are likely to go over budget on the current project. Mr. Westover responded that they are actually preparing to submit a deduct change order.

Ms. Stumbo commented that Best Asphalt does a great job and that, while the repairs still take too long, the timing is better now that road repairs are being done in two phases each year.

Mr. Cameron commented that Pavex’s bid was rather out of line. Mr. Westover responded that they are very busy and that their bid reflects that.

In favor: All. Opposed: None. (Motion carried)

H. Request to Approve - Authorization to Seek Engineering Proposal re: Tyler Pond Trestle Replacement (O & M Expense Account No. 902-386) – Scott D. Westover

Motion by Cameron to provide Authorization to Seek Engineering Proposal re: Tyler Pond Trestle Replacement (O & M Expense Account No. 902-386). Support by Bodary.

Mr. Westover advised the Board that staff is requesting to solicit one engineering proposal from Spicer Engineering, who performed the original inspection in 2011 and then designed the temporary repairs that were completed in 2012. He indicated that their familiarity with the trestles makes them the best choice for the design of the permanent trestle replacement.

Ms. Stumbo asked that future agendas reflect the name of the contractor when only one bid is being requested.

Mr. Doe inquired as to the destination of the pipes over the trestles. Mr. Westover responded that there are two trestles, one built in 1961 that contains an inactive pipe and one built in 1978, which brings the force main from Willow Run pump station to the plant. He added that a gravity sewer was added to the active trestle in the late 1980s that takes flow from the West Willow neighborhood to the pump station.
Ms. Stumbo inquired as to how the budget amount was determined and whether there are any other contractors who could be considered. The budget and engineering factors were then discussed in detail.

Mr. Doe inquired as to whether the inactive trestle will be replaced as well. Mr. Westover responded that the intent is to remove it once it is determined without any doubt that the pipes contained in it are indeed inactive.

Ms. Stumbo inquired as to whether the new trestle will be constructed of concrete. Mr. Westover responded affirmatively but that the best materials will ultimately be determined once the pond bottom and other factors can be evaluated.

Mr. Jason inquired as to how far the project would be set back if this were to go out for bid. Mr. Westover responded that it would likely push the project into the next fiscal year. He indicated that he would not recommend this as the temporary repairs were only intended to last three years and that this time frame is coming to a close. Mr. Westover added that, if this trestle were to fail, it would be a dangerous and costly situation.

In favor: All. Opposed: None. (Motion carried)

I. Request to Approve – YCUA / Pittsfield Township Customer Agreement – Scott D. Westover

Motion by Bodary to approve the YCUA / Pittsfield Township Customer Agreement. Support by Doe.

Mr. Westover advised the Board that this is a three-way agreement to allow a Pittsfield Township property owner to connect to the YCUA water main on Munger Road. He indicated that this is done every so often when there is no existing water infrastructure within a contract community. Mr. Westover explained that this approval will be contingent upon review of the contract by YCUA counsel.

Mr. Bodary inquired as to whether the agreement includes sewer service as well. Mr. Westover responded that it does not due to the fact that there is no sewer main in the area.

Mr. Cameron inquired as to how the billing will be handled. Mr. Westover responded that the property owner will pay an inspection fee and Pittsfield Township will sell them the water meter and bill the property with an adjustment for a portion of the billing to come to YCUA.

In favor: All. Opposed: None. (Motion carried)
J. Request to Approve - Authorization to Seek Bids re: Wastewater Treatment Plant Bulk Chemicals Purchase (O & M Expense Account No. 550-736) – Luther D. Blackburn

Motion by Doe to provide Authorization to Seek Bids re: Wastewater Treatment Plant Bulk Chemicals Purchase (O & M Expense Account No. 550-736). Support by Jason.

Mr. Blackburn advised the Board that the current chemical contract expires in October. He indicated that the bulk chemicals are used in many areas throughout the wastewater plant, which he explained at length. Mr. Blackburn explained that sealed bids will be solicited for the chemical purchase.

Ms. Stumbo inquired as to why there are always odors present on the days of the Board meetings. Mr. Doe interjected that he smells it as well. Mr. Blackburn responded that there will always be unavoidable odors present on site when hundreds of thousands of gallons of sludge is being processed. Mr. Castro interjected that while odors may be present within the confines of the plant site, YCUA staff has received no complaints from area residents and that the recent odor control improvements have had the maximum possible impact on odors. The issue was then discussed in detail. Mr. Allbaugh addressed the Board and explained the many sources of potential odors on the wastewater plant site and expressed his confidence that the odor control system is working.

In favor: All. Opposed: None. (Motion carried)

K. Fund Balance Report – Dwayne Harrigan

Informational only; no motion from the Board required.


Informational only; no motion from the Board required.


Informational only; no motion from the Board required.

N. Attorney’s Report – Thomas E. Daniels

There was no Attorney’s Report for the month.

O. Environmental Report – Luther D. Blackburn

Mr. Blackburn advised the Board with regret that there was one issue of noncompliance this month relative to the outfall at the McGregor pump station, which he explained at length. He indicated that the event put the Authority over its total phosphorous discharge limit for only one day
based on a technical interpretation and that, in conversation with MDEQ, he does not anticipate any violation to be issued.

Joh Kang from Tetra Tech then addressed the Board relative to the topic at hand.

P. Director’s Report - Jeff Castro

Mr. Castro advised the Board that staff has been working on the upcoming fiscal year budget as well as water and sewer rate changes and hopes to have a presentation for the Board at the August meeting. He indicated that he also hopes to have some raw data on the wastewater metering project and inflow and infiltration information available by the end of August.

4. OLD BUSINESS: There was no Old Business for the month.

5. OTHER BUSINESS: There was no Other Business for the month.

6. STATEMENTS AND CHECKS: Motion by Cameron to pay the bills in the amount of $2,596,048.09. Support by Bodary. In favor: All. Opposed: None. (Motion carried)

7. PUBLIC COMMENTS: There were no Public Comments for the month.

8. ADJOURNMENT: Motion by Doe to adjourn the meeting at 5:01 p.m. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

MICHAEL BODARY, Vice-Chair
Minutes of a meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, held in the Authority, on the 23rd day of July 2014 at 4:00 o’clock p.m., prevailing Eastern Time.

PRESENT: Commissioners Brenda L. Stumbo, Michael Bodary, Andrew Cameron, Larry J. Doe, and Keith P. Jason

ABSENT: Commissioners None.

The following preamble and resolution were offered by Commissioner Doe and supported by Commissioner Bodary.

WHEREAS, Pamela F. Brady, an employee of the Ypsilanti Community Utilities Authority, has completed eighteen (18) years and nine (9) months of service to the Authority; and

WHEREAS, Pamela F. Brady has requested retirement as of July 31, 2014.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Ypsilanti Community Utilities Authority commends Pamela F. Brady for her accomplishments and years of service to the Authority and expresses its appreciation to her.

BE IT FURTHER RESOLVED THAT a suitably inscribed copy of this Resolution of Retirement be sent to Pamela F. Brady as an expression of the Board’s sincere appreciation for her years of service and the desire to convey its best wishes for good health and happiness in her retirement.

AYES: Commissioners Brenda L. Stumbo, Michael Bodary, Andrew Cameron, Larry J. Doe, and Keith P. Jason

NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED.

ANDREW CAMERON, Secretary - Treasurer
I hereby certify that the attached is a true and complete copy of a resolution adopted by the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, State of Michigan, at a meeting held on the 23rd day of July 2014 and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by said Act.

ANDREW CAMERON, Secretary - Treasurer
YCUA RESOLUTION No. 14-4
AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $5,000,000 YPSILANTI COMMUNITY UTILITIES AUTHORITY WASTEWATER SYSTEM NO. 5 BONDS, SERIES 2014 (CITY OF YPSILANTI AND CHARTER TOWNSHIP OF YPSILANTI)

Minutes of a regular meeting of the Commission of the Ypsilanti Community Utilities Authority held on the 23rd day of July, 2014, at 4:00 p.m., prevailing Eastern Time.

PRESENT: Commissioners: Brenda L. Stumbo, Michael Bodary, Andrew Cameron, Larry J. Doe, and Keith P. Jason

ABSENT: Commissioners: None.

The following preamble and resolution were offered by Member Cameron and supported by Member Doe:

WHEREAS, the Ypsilanti Community Utilities Authority (the “Authority”) has been incorporated under the provisions of Act 233, Public Acts of Michigan, 1955, as amended (the “Act”), by the Charter Township of Ypsilanti and the City of Ypsilanti for the purposes set forth in the Act; and

WHEREAS, the Authority, the City of Ypsilanti and the Charter Township of Ypsilanti (the “Local Units”) have entered into a Contract dated April 23, 2014 (the “Contract”) for the purpose of acquiring and constructing wastewater system improvements, consisting of 1) replacement of the existing heating and ventilating systems at the four main pump stations of the wastewater collection system; 2) improvements to the grit handling system at the headwords of the Wastewater Treatment Plant, including improving the grit processing equipment to provide greater flexibility in the operation of the system; and 3) all necessary appurtenances and attachments thereto, to serve the Local Units (the “Project”); and

WHEREAS, under the provisions of the Contract, the Local Units have obligated themselves to pay their respective shares of the cost of the Project to be financed by the issuance of
bonds of the Authority by paying the installments plus interest thereon, as specified in Section 10 of the Contract, and the Local Units have further obligated themselves to levy taxes annually to the extent necessary for the purpose of meeting said installments plus interest thereon, subject, however, to applicable constitutional, statutory and charter tax rate limitations, all as provided in Section 11 of the Contract; and

WHEREAS, the use of the Project will be made available to the Local Units, and citizens thereof, in return for annual payments which will be applied to offset the payment obligations of the Authority; and

WHEREAS, the Authority now proposes to issue its bonds, as authorized by Section 9 of the Act, in anticipation of and secured solely by the contractual obligations of the Local Units to provide the necessary funds to pay the Local Units’ share of the cost of acquiring and constructing the System (hereinafter defined), and all things necessary to the authorization and issuance of the Authority’s bonds under the Act having been done and the Authority being now empowered to issue, and desirous of authorizing the issuance of, the bonds; and

WHEREAS, the Project qualifies for the State of Michigan State Revolving Fund ("SRF") financing program being administered by the Michigan Department of Environmental Quality ("MDEQ") and the Michigan Finance Authority ("MFA"), whereby bonds of the Authority are sold to the MFA and bear interest at a fixed rate of two and one-half percent (2.5%) per annum; and

WHEREAS, the plans for the Project are in process of preparation and are anticipated to be approved by MDEQ; and

WHEREAS, in pursuance of the authority granted by Act 233, the Authority desires to issue and sell the necessary bonds to the MFA to pay the cost of the Project; and
THEREFORE, BE IT RESOLVED BY THE BOARD OF THE AUTHORITY AS FOLLOWS:

Section 1. Definitions. Wherever used in this resolution or in the Bonds to be issued hereunder, except where otherwise indicated by the context:

(a) “Authority” means the Ypsilanti Community Utilities Authority.

(b) “Bonds” means the bonds of the Authority described herein and, specifically, in Section 5 hereof.

(c) “Contract” means the Contract dated as of April 23, 2014 between the Authority and the Local Unit.

(d) “Contractual Payments” means the debt service installment payments required to be made by the Local Units to the Authority pursuant to the provisions of Section 10 of the Contract and pledged to the payment of the principal of and interest on the Bonds authorized by the provisions of this resolution.

(e) “Department of Treasury” means the Department of Treasury of the State of Michigan.

(f) “ Depository Bank” means the Michigan bank or trust company selected by the Board which is a member of the Federal Deposit Insurance Corporation.

(g) “System” means the Ypsilanti Community Utilities Authority Wastewater System No. 5 (City of Ypsilanti and Charter Township of Ypsilanti), consisting of the Project, including site acquisition and development therefor, as more particularly described in the Contract, together with all necessary appurtenances and rights in land thereto, being defrayed from the proceeds of the Bonds.

Section 2. Plans and Specifications; Necessity. The plans, specifications and cost estimates for the System as prepared by the Authority’s consulting engineers (the “Consulting Engineers”) are
hereby accepted and approved, and it is hereby determined to be advisable and necessary for the public health of citizens of the Local Units to acquire, construct and complete the System as provided in said plans and specifications.

Section 3. Estimated Cost; Useful Life of Local Units’ Share of System. The total estimated cost of acquiring and constructing the System, including payment of incidental expenses as specified in Section 5 of this resolution, in the amount of not to exceed $5,000,000 and the Local Units’ share thereof of not to exceed $5,000,000, is hereby approved and confirmed. The estimated period of usefulness of the System is determined to be not less than thirty (30) years.

Section 4. Authorization of Bonds. For the purpose of defraying the Local Units’ share of the cost of the System, including payment of engineering, legal and financing expenses, and other expenses incident thereto and incident to the issuance of the Bonds, there shall be borrowed the sum of not to exceed $5,000,000, and in evidence thereof Bonds of the Authority shall be issued in an equivalent aggregate principal amount.

Section 5. Details of Bonds. The Bonds shall be designated WASTEWATER SYSTEM NO. 5 BONDS, SERIES 2014 (CITY OF YPSILANTI AND CHARTER TOWNSHIP OF YPSILANTI), the principal of and interest thereon to be payable solely out of the Contractual Payments required to be paid by the Local Units pursuant to the Contract, shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, and payable on October 1 in the years and amounts as follows, subject to revision by any Authorized Officer (hereinafter defined) in the event that the principal amount of the Bonds issued is reduced:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2015</td>
<td>$195,000</td>
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<tr>
<td>2016</td>
<td>200,000</td>
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<td>2017</td>
<td>205,000</td>
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<td>2018</td>
<td>210,000</td>
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<td>2019</td>
<td>215,000</td>
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2020 $220,000
2021 225,000
2022 235,000
2023 240,000
2024 245,000
2025 250,000
2026 255,000
2027 265,000
2028 270,000
2029 275,000
2030 285,000
2031 290,000
2032 300,000
2033 305,000
2034 315,000

Final determination of the payment dates and amounts of principal installments of the Bonds shall be evidenced by execution of a Purchase Contract (the “Purchase Contract”) between the Authority and the MFA providing for sale of the Bonds, and any of the Director, Chair, Secretary and Treasurer of the Authority (the “Authorized Officers”) are authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above.

The Bonds or principal installments thereof will be subject to prepayment prior to maturity in the manner and at the times as provided in the form of Bonds contained in this Resolution or as may be approved by the MFA at the time of prepayment.

The Bonds shall bear interest at a rate of two and one-half percent (2.5%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and the Authorized Officers shall deliver the Bonds in accordance with the delivery instructions of the MFA.

The Bonds principal amount is expected to be drawn down by the Authority periodically, and interest on principal amount shall accrue from the date such principal amount is drawn down by the Authority.
The Bonds shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Bonds shall be payable as provided in the Bond form in this Resolution.

The Secretary of the Authority shall record on the registration books payment by the Authority of each installment of principal or interest or both when made and the canceled checks or other records evidencing such payments shall be returned to and retained by the Secretary.

Upon payment by the Authority of all outstanding principal of and interest on the Bonds, the MFA shall deliver the Bonds to the Authority for cancellation.

Section 6. Execution and Delivery of Bonds. The Bonds shall be signed with the manual signature of the Chair of the Authority and countersigned by the manual signature of the Secretary of the Authority. The Bonds shall have the corporate seal of the Authority impressed or imprinted thereon. The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan, or such other bank as may be determined by the MFA, is hereby appointed to act as Transfer Agent for the Bonds.

Section 7. Source of Payment; Pledge; Remedies. The Bonds and the interest thereon shall be payable solely from the Contractual Payments received by the Authority, for the payment of which the Local Units have, in the Contract, pledged their respective limited tax full faith and credit pursuant to the provisions of the Act, in the amounts set forth in the Contract. The Local Units have covenanted and agreed to provide annually general or special funds in amounts sufficient to meet when due their respective Contractual Payments in anticipation of which the Bonds are issued, or, if necessary, to levy ad valorem taxes on all taxable property within their respective boundaries for such purpose, subject to applicable constitutional, statutory and charter tax rate limitations. All of such Contractual Payments are hereby pledged solely and only for the payment of principal of and interest on the Bonds. The holder or holders of the Bonds, representing in the aggregate not less
than twenty percent (20%) of the entire issue then outstanding, may, by suit, action or other proceedings, protect and enforce the aforesaid pledge and enforce and compel the performance of all duties of the officials of the Authority, including, but not limited to, compelling the Local Units, by proceedings in a court of competent jurisdiction or other appropriate forum, to make the Contractual Payments, appropriate general funds, and levy and collect appropriate taxes as herein authorized and as may be required under the Contract to be so appropriated, certified, levied and collected by the Local Units for the Contractual Payments.

If required by the MFA and approved by the Local Units, the Bonds may additionally be secured by a revenue sharing pledge of the Local Units.

**Section 8. Custody of Funds.** The Treasurer of the Authority shall be custodian of all funds of the Authority belonging to or associated with the System, and such funds shall be deposited in the Depository Bank.

**Section 9. Establishment of the Debt Retirement Fund.** The Authority shall, after the adoption of this resolution and the delivery of the Bonds herein authorized, open a special depository account with the Depository Bank to be designated DEBT RETIREMENT FUND - YPSILANTI COMMUNITY UTILITIES AUTHORITY WASTEWATER SYSTEM NO. 5, SERIES 2014 (CITY OF YPSILANTI AND CHARTER TOWNSHIP OF YPSILANTI) (the “Debt Retirement Fund”), into which the Authority shall deposit the proceeds of the Bonds representing premium or accrued interest paid at the time of delivery of the Bonds, if any, and all Contractual Payments as received. The moneys from time to time on hand in the Debt Retirement Fund shall be used solely and only for the payment of the principal of and interest on the Bonds.

**Section 10. Operation and Maintenance.** The operation, maintenance and administration of the System, and the acquisition and construction thereof, shall be under the overall jurisdiction and control of the Authority.
Section 11. Bond Form. The Bonds shall be in substantially the following form, subject to such modifications which may be required by the Michigan Attorney General and the MFA and approved by bond counsel:
The YPSILANTI COMMUNITY UTILITIES AUTHORITY, a public corporation of the State of Michigan (the “Issuer”), for value received, hereby promises to pay to the Michigan Finance Authority (the “Authority”), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environmental Quality, in lawful money of the United States of America, unless prepaid or reduced prior thereto as hereinafter provided.

During the time the Principal Amount is being drawn down by the Issuer under this bond, the Authority will periodically provide to the Issuer 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 Issuer 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.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth in Schedule A attached hereto and made a part hereof, as such Schedule may be adjusted if less than $5,000,000 is disbursed to the Issuer or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of two and one-half percent (2.5%) per annum. Interest is first payable on October 1, 2014, and semiannually thereafter on the first days of April and October of each year, as set forth in the Purchase Contract.

Notwithstanding any other provision of this bond, as 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 designated office of 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”); (b) the Issuer 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 at least five business days prior to the
date on which any such payment is due whether by maturity, redemption or otherwise; and (c) written notice of any redemption of this bond shall be given by the Issuer and received by the Authority’s Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

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 which is two and one-half 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 Issuer’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 which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer’s pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

This bond is the single, fully-registered, non-convertible bond in the principal sum of $5,000,000, issued under and in pursuance of a resolution duly adopted by the Board of Commissioners of the Issuer under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 233, Public Acts of Michigan, 1955, as amended, for the purpose of paying the cost of constructing improvements to the System (as hereinafter defined).

This bond is payable solely from the proceeds of contractual payments to be paid by the City of Ypsilanti, Washtenaw County, Michigan and the Charter Township of Ypsilanti, Washtenaw County, Michigan (together, the “Local Units”) to the Issuer pursuant to a certain Contract dated as of April 23, 2014 (the “Contract”), between the Local Units and the Issuer, whereby the Issuer is to assist in the financing of the cost of acquiring and constructing wastewater system improvements and appurtenances and attachments thereto in the Local Units, said system being designated as Ypsilanti Community Utilities Authority Wastewater System No. 5 (City of Ypsilanti and Charter Township of Ypsilanti) (the “System”). By the provisions of the Contract and pursuant to the authorization provided by law, the Local Units have each pledged their respective limited tax full faith and credit for the payment of their respective contractual payments, and the Local Units are obligated to pay such amounts from their general funds, including collections of ad valorem taxes on all taxable property within their boundaries, subject to applicable statutory, constitutional and charter tax rate limitations. The Issuer has irrevocably pledged to the payment of this bond the total contractual payments, which said total payments are established in the amount required to pay the principal of and interest on this bond when due.

Bonds may be subject to redemption prior to maturity by the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.
This bond is transferable only upon the registration books of the Issuer by the registered owner of record in person, or by the registered owner’s attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Issuer duly executed by the registered owner or the registered owner’s attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

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, in order to make it a valid and binding obligation of said Issuer, have been done, exist and have happened in regular and due form and time as provided by law, and that the total indebtedness of said Local Units does not exceed any constitutional, charter or statutory limitation.

For a complete statement of the funds from which and the conditions under which this bond is payable and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Contract and the resolution of the Issuer authorizing the issuance of this bond.

IN WITNESS WHEREOF, YPSILANTI COMMUNITY UTILITIES AUTHORITY, by its Board of Commissioners, has caused this bond to be signed in the name of said Issuer by the manual signature of its Chair and to be countersigned by the manual signature of its Secretary and its corporate seal to be imprinted hereon, all as of the Date of Original Issue.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

By: [Signature]
BRENDA L. STUMBO, Chair

Countersigned:

By: [Signature]
ANDREW CAMERON, Secretary - Treasurer
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, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

<table>
<thead>
<tr>
<th>Due Date</th>
<th>Amount of Principal Installment Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, 2015</td>
<td>$195,000</td>
</tr>
<tr>
<td>October 1, 2016</td>
<td>200,000</td>
</tr>
<tr>
<td>October 1, 2017</td>
<td>205,000</td>
</tr>
<tr>
<td>October 1, 2018</td>
<td>210,000</td>
</tr>
<tr>
<td>October 1, 2019</td>
<td>215,000</td>
</tr>
<tr>
<td>October 1, 2020</td>
<td>220,000</td>
</tr>
<tr>
<td>October 1, 2021</td>
<td>225,000</td>
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<tr>
<td>October 1, 2022</td>
<td>235,000</td>
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<tr>
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<tr>
<td>October 1, 2032</td>
<td>300,000</td>
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<tr>
<td>October 1, 2033</td>
<td>305,000</td>
</tr>
<tr>
<td>October 1, 2034</td>
<td>315,000</td>
</tr>
</tbody>
</table>

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the Issuer from the date such portion is disbursed, until paid, at the rate of 2.50% per annum, payable October 1, 2014, and semi-annually hereafter.

The Issuer agrees that it will deposit with the Authority’s Depository, or such other place as shall be designated in writing to the Issuer by the Authority 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.
Section 12. Additional Bonds. Nothing contained in this resolution or the Contract shall be construed to prevent the Authority from issuing additional bonds under the provisions of the Act, but any such additional bonds shall in no way have any lien on or be payable out of the Contractual Payments pledged to the payment of the Bonds, except such additional bonds as may be necessary may be issued to complete the System pursuant to the authorization provided in Section 16 of the Contract.

Section 13. Construction Fund. The proceeds of sale of the Bonds, other than proceeds for premium or accrued interest described below, shall be deposited in a special depository account in the Depository Bank designated “YPSILANTI COMMUNITY UTILITIES AUTHORITY WASTEWATER SYSTEM NO. 5, SERIES 2014 (CITY OF YPSILANTI AND CHARTER TOWNSHIP OF YPSILANTI) CONSTRUCTION FUND” (the “Construction Fund”). Proceeds of the Bonds representing premium or accrued interest paid at the time of delivery of the Bonds shall be deposited into the Debt Retirement Fund established under the provisions of Section 9 of this resolution. The moneys in the Construction Fund shall be used solely and only to pay costs of the improvements authorized in this resolution and any engineering, legal, bond insurance, financing or other expenses incidental thereto on authorization of the Authority, in accordance with the provisions of the Contract. Any unexpended balance remaining in the Construction Fund after completion of the System may be used for the improvement or enlargement of the System or for other projects of the Authority undertaken on behalf of the Local Units, if such use be approved by the Local Units. Any balance remaining after such use, if any, shall be paid into the Debt Retirement Fund, and the Local Units shall receive a credit for the amount of such balance against the Contractual Payment next due.
Section 14. Investment of Funds. Moneys in any funds and accounts of the Authority may be invested by the Authority in United States government obligations, the principal of and interest on which are guaranteed by the United States government, or in interest-bearing time deposits, as shall from time to time be determined by the Authority. In the event such investments are made, the securities representing the same shall be kept on deposit with the depository or depositories of the fund or funds from which such investments are made and such securities and the income therefrom shall become part of the Debt Retirement Fund, to the extent necessary to pay amounts owing on the Bonds.

Section 15. Resolution and Contract. The provisions of this resolution, together with the Contract, shall constitute a contract between the Authority and the holder or holders from time to time of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of the provisions of this resolution and the Contract may be made which would materially lessen the security for the Bonds.

Section 16. Covenants with Bondholders. The Authority covenants and agrees with the successive holders of the Bonds, so long as any of the Bonds remain outstanding and unpaid as to either principal or interest, as follows:

(a) The Authority will punctually perform all of its obligations and duties under this resolution and the Contract, including the collection, segregation and application of the Contractual Payments in the manner required by the provisions of this resolution.

(b) The Authority will apply and use the proceeds of sale of the Bonds for the purposes and in the manner required by the Contract and this resolution.

(c) The Authority will maintain and keep proper books of record and account relative to the application of funds for the construction of the System and the Contractual Payments received pursuant to the Contract. Not later than three (3) months after the end of
each year, the Authority shall cause to be prepared a statement in reasonable detail, sworn to by its chief accounting officer, showing the application of the proceeds of sale of the Bonds, the cash receipts from the Contractual Payments during such year and the application thereof, and such other information as may be necessary to enable any taxpayer or any holder or owner of the Bonds, or anyone acting in their behalf, to be fully informed as to all matters pertaining to the construction of the System and application of funds therefor or for the payment of the Bonds during such year. A certified copy of said statement shall be filed with the Clerk of the Local Unit and a copy shall also be sent to the manager or managers of the account purchasing the Bonds. The Authority shall also cause an annual audit of the books of record and account for the preceding operating year to be made by a recognized independent certified public accountant and shall mail such audit to the manager or managers of the account purchasing the Bonds and the Department of Treasury. The aforesaid audit may be submitted to said manager(s) in place of the aforesaid statement.

(d) The Authority shall not invest, reinvest or accumulate any moneys deemed to be proceeds of the Bonds pursuant to §148(c) of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder, in such a manner as to cause the bonds to be “arbitrage bonds” within the meaning of §103(b)(2) and §148 and the applicable regulations thereunder.

Section 17. Purchase Contract. When prepared, the proposed forms of Purchase Contract between the Authority and the MFA and Supplemental Agreement among the Authority, the MFA and MDEQ shall be authorized to be approved by any or all of the Authorized Officers, and they are each authorized and directed to execute such documents with such revisions permitted by law and not materially adverse to the Authority as may be necessary or advisable to accomplish the sale of the Bonds to the MFA as contemplated herein.
The Authorized Officers are hereby jointly or severally authorized to take any actions necessary to comply with requirements of the MFA and MDEQ in connection with sale of the Bonds to the MFA. The Authorized Officers are hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or MDEQ or as may be otherwise necessary or convenient to effect the approval, sale and delivery of the Bonds.

Section 18. Section Headings. Section headings are for convenience only and do not constitute a part of this resolution.

Section 19. Repealer. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are repealed.

Section 20. Effective Date. This resolution shall become effective immediately upon its adoption.
The foregoing resolution was offered by Commissioner Cameron and supported by Commissioner Doe and adopted by the following roll call vote:

AYES: Commissioners: Brenda L. Stumbo, Michael Bodary, Andrew Cameron, Larry J. Doe, and Keith P. Jason

NAYS: Commissioners: None.

I, the undersigned, Secretary of the Ypsilanti Community Utilities Authority, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Commissioners of the Authority at a regular meeting held on July 23, 2014 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.

ANDREW CAMERON, Secretary - Treasurer
WHEREAS, the Ypsilanti Community Utilities Authority wishes to construct improvements to its existing wastewater treatment and collection system; and

WHEREAS, the wastewater system improvements project formally adopted on June 26, 2012 will be funded through Michigan’s SRF Program and

WHEREAS, the Ypsilanti Community Utilities Authority has sought and received construction bids for the proposed improvements and has received a low responsive bid in the amount of $1,955,500 from Weiss Construction Co., LLC; and

WHEREAS, the project engineer, Tetra Tech, Inc. has recommended awarding the contract to the low bidder.

NOW THEREFORE BE IT RESOLVED, that the Ypsilanti Community Utilities Authority tentatively awards the contract for construction of the proposed wastewater system improvements project to Weiss Construction Co., LLC, contingent upon successful financial arrangements with the SRF Program.

Yeas: Brenda L. Stumbo, Michael Bodary, Andrew Cameron, Larry J. Doe, and Keith P. Jason
Nays: None.
Abstain: None.
Absent: None.

I certify that the above Resolution was adopted by the Ypsilanti Community Utilities Authority Board of Commissioners on July 23, 2014.

BY: Brenda L. Stumbo, Chairperson
Name and Title

Signature: Brenda L. Stumbo
Date: July 23, 2014
YCUA RESOLUTION No. 14-6
A RESOLUTION TO TENTATIVELY AWARD
A CONSTRUCTION CONTRACT
FOR WASTEWATER SYSTEM IMPROVEMENTS

WHEREAS, the Ypsilanti Community Utilities Authority wishes to construct improvements to its existing wastewater treatment and collection system; and

WHEREAS, the wastewater system improvements project formally adopted on June 26, 2012 will be funded through Michigan’s SRF Program and

WHEREAS, the Ypsilanti Community Utilities Authority has sought and received construction bids for the proposed improvements and has received a low responsive bid in the amount of $1,566,000 from J. F. Cavanaugh, Inc.; and

WHEREAS, the project engineer, Tetra Tech, Inc. has recommended awarding the contract to the low bidder.

NOW THEREFORE BE IT RESOLVED, that the Ypsilanti Community Utilities Authority tentatively awards the contract for construction of the proposed wastewater system improvements project to J. F. Cavanaugh, Inc., contingent upon successful financial arrangements with the SRF Program.

Yeas: Brenda L. Stumbo, Michael Bodary, Andrew Cameron, Larry J. Doe, and Keith P. Jason
Nays: None.
Abstain: None.
Absent: None.

I certify that the above Resolution was adopted by the Ypsilanti Community Utilities Authority Board of Commissioners on July 23, 2014.

BY: Brenda L. Stumbo, Chairperson
Name and Title

Signature
July 23, 2014
Date