
Members Absent: None.

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

2. MINUTES OF THE PREVIOUS MEETING: Motion by Koryzno to receive and file the minutes of the October 24, 2006 meeting. Support by Scott. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:

A. Informational Item Odor Control Performance Update – T. Michael Jessee and Tom Allbaugh

Mr. Jessee reminded the Board that the odor control system being installed as part of the updated wastewater plant project has not yet been fully operational. He introduced Tom Allbaugh from Tetra Tech MPS, who gave the Board an update on the status of the odor control system.

Mr. Allbaugh advised the Board that his firm understands that the performance of the odor control system is a problem for YCUA. He indicated that the resulting complaints that are being received from neighbors and staff are not OK and that the system is certainly not performing the way it was intended to. Mr. Allbaugh also explained that, although there are a few issues outstanding with the incinerator, the odor control system is really the principal issue yet to be resolved. He pointed out that Tetra Tech is aware of the serious nature of the problem, particularly in terms of public perception.

Mr. Allbaugh explained that the current focus to resolve the issue includes having people onsite over the last few weeks taking test measurements to establish the background levels of hydrogen sulfide generated by the
treatment processes. He advised that this is what determines the applied loads to the system compared to the thesis on which it was designed so that the outcome of formal testing can be anticipated. He further advised that the formal testing is a requirement of the specifications and will take place on most of the system between December 13 and 15, 2006. Mr. Allbaugh stated that the manufacturer will be onsite to complete some remedial actions in order to assure that everything is functioning properly for the testing.

He acknowledged that, in addition to the testing, Tetra Tech will arrange to provide additional training for YCUA staff and will schedule some preventative maintenance once the Authority takes ownership of the facility. Mr. Allbaugh confirmed that, in addition to the odor control system itself, one of the means that is being employed to control odors in the short term is a chemical addition to the sludge to render it less odiferous.

He explained that, once the performance testing is complete, one of several things might happen. Mr. Allbaugh pointed out that, if the equipment flat out fails, the contractor and the manufacturer will be directed to make changes, which could be additional equipment, modifications to the existing system, or, perhaps, equipment that is different from that employed thus far. He also stated that this comes under the auspices of the guarantee that was provided with the system.

Mr. Allbaugh advised the Board that, should the equipment fail to perform effectively because it is receiving more load than it was designed to handle, the manufacturer would be asked to provide their advice, as well as the advice of others, on how to bring in additional equipment or making changes to either rectify the loading condition or enhance the performance of the equipment or both.

He indicated that the good news is that some of the units are performing OK, which is probably due in part to the fact that they are the least heavily loaded. Mr. Allbaugh also explained that, in some instances, the equipment seems to be working OK. He pointed out that there are actually two kinds of odor control systems that came with the expansion. Mr. Allbaugh explained that there are systems that are used in whole room ventilation units, such as the unit in the room where the sludge is dewatered and units designed to keep odor from escaping from the closed tanks containing sludge. He further advised that some of the remedial measures required to finally rectify all of the issues may be different for the two kinds of systems. Mr. Allbaugh stated that this may include changing the routing of the air from the tanks to an existing chemical scrubbing system, to the incinerator where it will be burned, or through new chemical scrubbing equipment that might be added. He
acknowledged that all of these things are under consideration and are conceptually configured at this time pending the outcome of the testing.

Mr. Allbaugh confirmed that, in the meantime, the operations and maintenance crews are doing what they can to control the odors by using chemical additions to the sludge as well as some other features that are somewhat effective but clearly not effective enough as is demonstrated by the complaints that have been received.

J. Ray Scott inquired as to what the preponderance of the complaints has been. Mr. Allbaugh responded that it depends on which direction the wind is blowing and there have been complaints from as far away as the south side of I-94. He explained that, on a bad day, the odors can carry quite a distance and that Tetra Tech understands what a problem this is for the Authority. Mr. Scott inquired as to whether the Authority is communicating with the residents and businesses in that area. T. Michael Jessee interjected that YCUA responds personally to each and every complaint. He indicated that no written communication has gone out yet. Mr. Scott suggested that something in writing be done quickly.

Mr. Jessee reported that there has been a rash of odor complaints from the Grove Road, Smith Street and Outer Lane area approximately two weeks ago, which occurred primarily when the wind was very calm in the early morning hours but that, unfortunately, when YCUA staff arrived, they could not detect the odors. Mr. Allbaugh pointed out that the odors are not only affected by wind direction but also atmospheric conditions such as layers of temperature. He also stated that he finds it surprising that the odorous air is able to maintain a readily detectible odor concentration that far away. Mr. Allbaugh advised the Board that he has been able to detect the odors very easily while driving east or west on I-94.

Larry J. Doe inquired as to whether the design specifications for the system are adequate for what is being put into it. Mr. Allbaugh responded that, when the design basis was developed for the odor control system, the performance of the equipment in other locations was deemed to be quite good. He indicated that there is no question that the applied loads, in some instances, are greater than was anticipated and is the result of a combination of factors.

Mr. Allbaugh also explained that there are different processes in use than those in the original design, such as belt filter presses dewatering sludge, only one of which was accounted for in the original design. He pointed out that, over a period of two months or so, staff attempted to enclose that belt filter press and test and sample the air as a basis for estimating what the atmosphere in the bigger dewatering area would be after the plant was designed. Mr. Allbaugh explained that the numbers received from that experimental work are less than the numbers that have been in actual practice. He further advised that, in the solids building, it can be
controlled using chemicals, which is a double-edged sword when the added cost is considered.

Mr. Allbaugh stated that one of the things that Tetra Tech will continue to work on is how to optimize the chemical odor control because the nature of sludge may dictate that some amount of chemical usage under certain circumstances will continue to be best practice for managing this problem.

He acknowledged that the numbers are also subject to the old adage that dilution is a solution. Mr. Allbaugh confirmed that, under the cover of the tank that is full of sludge, the concentration of odor causing chemicals can be quite high and no odor control system will deal with that very effectively. He explained that the basis of design was to blend that foul air with other air so that the net concentration as it is applied to the odor control system is more inline with the capability of the equipment. Mr. Allbaugh pointed out that, as onsite testing and troubleshooting takes place to optimize the operation of the systems, it has been a priority to make sure that the fresh and foul air blending is actually taking place since it is so crucial to the performance of some of these units.

He also stated that, when testing is done in real-life conditions and in situations where the equipment should be expected to pass, the manufacturer should then be responsible for the performance of the equipment.

Larry J. Doe interjected that YCUA staff should have it in the back of their minds that the cost of the chemicals may be unavoidable or it may become necessary to purchase a new system that filters it out from these tanks or into the incinerator. He inquired as to what the timing might be so that officials can begin to give residents an idea of when they can expect this to be resolved. Mr. Allbaugh responded that he hoped to have a definitive set of recommendations, a time schedule, and cost opinions ready in time for the January Board meeting.

Informational only; no motion from the Board required.

B. Request to Approve – YCUA Resolution No. 06-6 Approving Contract and Authorizing The Issuance of $1,500,000 Ypsilanti Community Utilities Authority Water Supply System No. 6 Bonds (Charter Township of Ypsilanti) - Larry R. Thomas

Mr. Thomas directed the Board’s attention to a resolution authorizing the sale of bonds by the Authority in the amount not to exceed $1.5 million for the water main replacement associated with the M-17 MDOT road project. He indicated that this resolution is required in order to sell the bonds to finance the water main replacement. Mr. Thomas also explained that the sale of the bonds will provide the necessary funds for the project. He introduced Tom Colis from Miller Canfield, who gave the Board a report on the bond sale.
Mr. Colis indicated that Ypsilanti Township adopted the contract at their Board of Trustees meeting the week previous. He advised that the 45-day referendum period posted by the Township is over in early December. Mr. Colis stated that these bonds will be sold in early 2007 because there will be $6.8 million in refunding bonds and the Township is doing some of its own debt this year and wants it to be designated them as qualified tax exempt which, with the refunding deal and the prior bonds that the Township has done, would fill up the $10 million cap for this year.

Mr. Thomas recommended approval of Resolution No. 06-6 Approving Contract and Authorizing The Issuance of $1,500,000 Ypsilanti Community Utilities Authority Water Supply System No. 6 Bonds (Charter Township of Ypsilanti).

Motion by Wagner to approve Resolution No. 06-6 Approving Contract and Authorizing The Issuance of $1,500,000 Ypsilanti Community Utilities Authority Water Supply System No. 6 Bonds (Charter Township of Ypsilanti). Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – Contract re: The Issuance of $1,500,000 Ypsilanti Community Utilities Authority Water Supply System No. 6 Bonds (Charter Township of Ypsilanti) - Larry R. Thomas

Tom Colis advised the Board that this is a standard contract in pledging revenues and also the limited tax budget at the Township to make installment payments on the contract.

Mr. Thomas recommended approval of the Contract Approving Contract and Authorizing The Issuance of $1,500,000 Ypsilanti Community Utilities Authority Water Supply System No. 6 Bonds (Charter Township of Ypsilanti).

Motion by Wagner to approve Contract re: The Issuance of $1,500,000 Ypsilanti Community Utilities Authority Water Supply System No. 6 Bonds (Charter Township of Ypsilanti). Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

D. Request to Approve – YCUA Resolution No. 06-7 Approving Contract and Authorizing Not To Exceed $6,800,000 Refunding Bonds - Larry R. Thomas

Mr. Thomas directed the Board’s attention to a resolution authorizing the sale of bonds by the Authority for a refunding of a portion of the 2001 sewer bonds and 1999 sewer bonds in the amount not to exceed $6.8 million. He indicated that this resolution is required in order to refinance the bonds. Mr. Thomas also explained that, since the interest rates had decreased since the time of the original bond sales, refinancing at this time will save the Authority interest costs over the remaining life of the bonds.
He pointed out that, at this time, staff is estimating the savings at about $500,000 in interest over the life of the bonds. Mr. Thomas then gave the podium to Tom Colis from Miller Canfield, who gave the Board a report on the bond sale.

Mr. Colis advised the Board that this is a nice opportunity for YCUA and the Township to refund two outstanding bond issues, the 1999 bonds and the 2001 bonds, and, with the low interest rates on the market now, the Authority will take out portions of those prior bonds that can be refunded and put in lower interest rate bonds, thereby lowering the annual debt service payments required by the Township under the underlying contracts. He stated that this is very similar to the contract just approved for the $1.5 million.

Mr. Colis indicated that YCUA will issue bonds not to exceed $6.8 million, which will be a negotiated sale. He stated that the $1.5 million just approved will do a public sale and is a new money deal that does not require the flexibility of hitting the market at the exact same date. Mr. Colis advised that refunding bonds are typically negotiated with an underwriter and, in this case, NatCity has been selected. He stated that there are two components to a refunding transaction and that some of these deals cannot be called until 10 years from the date that they are issued. Mr. Colis indicated that YCUA will put money in an escrow account and that it will sit there for a couple of years until those call dates. He stated that, what had to be figured out was the exact investments that will be put in escrow and also what the interest rate will be on the bonds because, of tax purposes, the interest rate on the bonds or the yield on those investments cannot exceed the yield on the bonds. Mr. Colis advised that a lot goes into the pricing of these bonds and that that is why they are negotiated, because YCUA wants the flexibility of any day either jumping into the market or coming out of the market as opposed to setting the sale date a couple of weeks out, publishing a notice of sale, and then being stuck with that particular day for selling the bonds, which works OK for a new money deal but not for a refunding deal because there are so many variables associated with that.

He advised that the plan is to sell these during the first week of December, get in the market one of those days, and then close the middle of December, establishing that escrow and, from then on, the refunding contract kicks in and reduces the annual debt service payments. Mr. Colis reported that the current level of savings show an approximately $500,000 savings overall on debt service for the life of those two bond issues, which is a little over 4.5%. He indicated that they will not consider a refunding deal unless it produces 2% - 3.5% savings.

Mr. Thomas interjected that Ypsilanti Township approved the contract the week previous at their Board of Trustees meeting as well.
Mr. Thomas recommended approval of Resolution No. 06-7 Approving Contract and Authorizing Not To Exceed $6,800,000 Refunding Bonds.

Motion by Scott to approve Resolution No. 06-7 Approving Contract and Authorizing Not To Exceed $6,800,000 Refunding Bonds. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

E. Request to Approve – Contract re: Not To Exceed $6,800,000 Refunding Bonds - Larry R. Thomas

Mr. Thomas directed the Board’s attention to a contract by and between the Authority and Ypsilanti Township for a refunding of a portion of the 2001 sewer bonds and 1999 sewer bonds in the amount not to exceed $6.8 million. He indicated that this contract is required in order to refinance the bonds. Mr. Thomas also explained that, since the interest rates had decreased since the time of the original bond sales, refinancing at this time will save the Authority interest costs over the remaining life of the bonds. He pointed out that, at this time, staff is estimating the savings at about $500,000 in interest over the life of the bonds.

Mr. Thomas recommended approval of the Contract Re: Not To Exceed $6,800,000 Refunding Bonds.

Motion by Scott to approve the Contract Re: Not To Exceed $6,800,000 Refunding Bonds. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve – YCUA Resolution No. 06-8 re: Retirement of William Falk - Larry R. Thomas

Mr. Thomas advised the Board that William Falk, a wastewater treatment plant operator at the Authority, has completed 25 years of service to the Authority and has requested retirement as of December 1, 2006. He directed the Board’s attention to a resolution announcing Mr. Falk’s retirement and commending him for his service. He indicated that Mr. Falk has been a valuable member of the YCUA staff for 25 years and the resolution is fitting at the time of his retirement.

Mr. Thomas recommended approval of Resolution No. 06-8 re: Retirement of William Falk.

Motion by Koryzno to approve Resolution No. 06-8 re: Retirement of William Falk. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

G. Request to Approve - Factory Street Header Replacement Project – T. Michael Jessee

Mr. Jessee advised the Board that the Factory Street pumping station is a wastewater treatment facility that pumps all the wastewater generated in the city to the wastewater treatment plant. He indicated that, in the late
1990s, a problem was discovered with the discharge header located in the pumping facility. Mr. Jessee also explained that the pipe had become precariously thin and was in danger of rupture. He further advised that this situation was particularly alarming because there was no redundancy in the pipe work.

Mr. Jessee stated that a catastrophic failure would result in an almost immediate release of sewage to the river and the thin sections of pipe could not be replaced without taking the pump station off line, which, again, would have resulted in an immediate release of sewage into the river. He acknowledged that, at that time, YCUA contracted to have a metal skin welded over the thin areas of the pipe work as a containment measure. Mr. Jessee confirmed that YCUA also contracted with Tetra Tech MPS to develop a plan to replace the header and the associated pipe work. He explained that, as part of this plan, the Authority requested that redundancy be added to the pipe work so that portions of the pipe work could be replaced in the future without difficulty.

Mr. Jessee pointed out that Tetra Tech MPS completed plans for the replacement and redundancy and prepared bidding documents. He also stated that staff selected and submitted the bidding documents to a preferred group of bidders with the ability to perform this complicated task.

Mr. Jessee advised that five bids were received and low bid was $689,300 from Goyette Mechanical. He indicated that, as major components of the pump station are replaced, this project will qualify for the EPA replacement fund usage. Mr. Jessee explained that, additionally, staff is recommending a contingency amount of $90,000 to be included in the project funding for a total of $779,300.

Mr. Jessee recommended approval of the contract with Goyette Mechanical for the Factory Street Header Replacement Project in the amount of $689,300 with a contingency allowance of $90,000, for a total of $779,300.

Edward B. Koryzno, Jr. inquired as to how it was determined that the pipe was becoming too thin. Mr. Jessee responded that, in 1996, a dime-size hole had blown into one of the discharge lines coming off of the pump and was spraying raw sewage all over the inside of the station. He indicated that it was repaired by driving a wooden peg into the hole and then welding a patch over the pipe to hold the peg. Mr. Jessee stated that a contractor was then brought in to do the skin work.

Larry R. Thomas advised the Board that what makes this job particularly difficult is that the pump station cannot be turned off to accommodate the repairs. Mr. Jessee also indicated that the station serves the entire City of Ypsilanti at 3.5 million gpd average flow and that the contract documents
must contain a provision for bypass pumping in the event there are any scheduling difficulties during the construction.

J. Ray Scott inquired as to whether full-blown replacements will also be done on the other pump stations listed in the proposal. Mr. Jessee responded that there are four stations (Factory Street, Snow Road, Willow Run, and Martz Road) of this magnitude that will have to be replaced within the next three or four years. He added that, of the four, Factory Street is the only one to ever have burst but that Dixon Engineering did ultrasound testing on the four stations and found that, in some locations, the pipe was as thin as 3/16 of an inch. Mr. Jessee also stated that, originally, the pipe was supposed to be concrete-lined steel but that, when some of the pipe work was welded in place, there is a good chance that the concrete came off in places which would add to its rapid deterioration.

Mark Namatevs inquired as to the pressure in the Factory Street station. Mr. Jessee responded that it is approximately 35 – 40 psi, which is low compared to a residential pressure.

Larry J. Doe inquired as to why the bidding documents didn’t specify bypass pumping to begin with, especially considering the low pressure and the possible presence of ground water. Mr. Jessee responded that there is no way of quantifying what will be found there and that it is very dependent on what time of year and the weather conditions at the time of the work.

Motion by Namatevs to approve the Factory Street Header Replacement Project as presented. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

H. Request to Approve Change Order No. 32 re: Wastewater Treatment Plant Expansion/Improvements Project - T. Michael Jessee

Mr. Jessee directed the Board’s attention to Change Order No. 32 for the WWTP expansion/improvements project as well as his memo regarding the change order. He indicated that the change order covers several items addressed in his memo and represents a decrease in the project cost in the amount of $5,601. Mr. Jessee also explained that this change order brings total changes to $4,480,216. He pointed out that the change order addresses items that were discovered during the project as well as changes that staff requested.

Mr. Jessee recommended approval of Change Order No. 32 in the credit amount of $5,601.

Mark Namatevs inquired as to the status of the negotiations with IDI. Mr. Jessee responded that two strategy meetings have been scheduled for the coming week to discuss punch list items and liquidated damages. He
indicated that Tetra Tech has estimated $212,000 in punch list items still outstanding, most of which are minor.

Motion by Namatevs to approve Change Order No. 32 in the credit amount of $5,601. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

I. Discussion Item – 2007 Board Meeting Schedule - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the tentative schedule for this Board’s meetings for calendar year 2007. He indicated that there has been some discussion in the past two years regarding the time of the Board meeting, the schedule has been placed on the agenda to receive input from the Board members as to a preferred time of the monthly Board meeting. Mr. Thomas also explained that the 4:00 p.m. start time occasionally requires overtime for staff members if they are required to attend the meeting. He pointed out that a 3:00 p.m. start time would, for the most part, avoid this situation.

J. Ray Scott reiterated his previously stated opinion that this was a good faith measure given to staff and that it would be jeopardizing that good faith to rescind it. He indicated that the overtime issues are minimal and therefore, he is reluctant to make any changes, even though it has been a year since any staff members attended the meetings. Edward B. Koryzno, Jr. and Philip W. Wagner concurred.

J. Fund Balance Report - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Fund Balance Report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.


Mr. Thomas directed the Board’s attention to the Financial Report – Authority Net Assets Reports for October. He then proceeded to give a detailed report of the information contained in the reports and answered questions from the Board.

Informational only; no motion from the Board required.

L. Usage Report – Consumption Report - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Consumption Report. He then proceeded to give a detailed report of the information contained in the reports and answered questions from the Board.

Informational only; no motion from the Board required.

M. Director’s Report - Larry R. Thomas
Mr. Thomas reminded the Board that one of the recommendations from Miller Consultants in their organization analysis was a title change for Gwyn Belcher from Director of Human Resources to Director of Administrative Services, which is more in line with the job that she does. He directed the Board’s attention to an updated organizational chart reflecting the title change. Mr. Thomas added that the compensation benchmarking analysis performed by Miller Consultants also indicates that the salary level for this position is out of line with what AWWA salary levels are for the position of Director of Administrative Services. Mr. Thomas advised that he is reviewing this in greater detail with several sources and will be bringing this issue to the Personnel Committee within the next few weeks for their consideration and, ultimately, it will come before the Board.

J. Ray Scott interjected that, as a member of the Personnel Committee, he welcomes any recommendation in light of all that Ms. Belcher brings to the Authority.

Mr. Thomas reminded the Board that there are three additional water main replacement projects that have been scheduled in the capital improvements program this coming summer, Lowell Street in the City Division and Valley Drive / Congress and Bradley / Snow / I-94 in the Township Division. He indicated that YCUA has put the funding application on hold for the DWRF loan for the Bradley / Snow / I-94 area project and that it will stay on hold until a more thorough determination can be made on what the required extent of road restoration issues will be as Valley Drive / Congress moves forward. Mr. Thomas advised that there is some indication that the Authority’s costs may increase significantly for road restoration in this issue.

Philip W. Wagner inquired as to whether this was an issue that was brought up when this project was initially started. Mr. Thomas responded that staff anticipated that the Township and the Washtenaw County Road Commission would be resurfacing the roads in conjunction with this project and that it now appears that this is not the case. He indicated that this means that if the project proceeds and YCUA damages the road further than it is already damaged, the Authority would be responsible for more costs than had been originally anticipated. Mr. Thomas added that much of the road restoration is potentially not covered by the DWRF loan, which could require the Authority to go out on the open bond market to obtain additional funds.

J. Ray Scott interjected that his constituency is aware that there have been issues with this project and commented that it is important the public understands that this will not result in rate increases.

Informational only; no motion from the Board required.
4. **OLD BUSINESS:**

Philip W. Wagner asked for an update on the I-94 barrier wall issue. Mr. Jessee responded that he will be contacting his colleague at MDOT around the first of December and inform him that the negotiations have not been resolved and that, if a response is not received by December 11th, YCUA attorney Tom Daniels will be contacted.

Philip W. Wagner recommended a motion authorizing Mr. Daniels to pursue legal recourse to resolve this issue if necessary.

Motion by Wagner to authorize Mr. Daniels to pursue legal recourse to resolve this issue if necessary. Support by Scott. In favor: All. Opposed: None. (Motion carried)

5. **OTHER BUSINESS:**

Larry R. Thomas advised the Board that the county is going to be working on a bridge on Whittaker Road and that there is an agreement proposed between YCUA and the county regarding moving the water and sewer mains in the area.

T. Michael Jessee advised the Board that the bridge on Whittaker Road between Textile and Merritt will be realigned and that YCUA has an 8-inch sanitary main that lies on the west side of the main right at the bridge as well as a 16-inch water main that must be relocated. He indicated that the Washtenaw County Road Commission contacted the Authority about a year ago and conversation took place with them that YCUA was under the impression that they would be totally responsible for all engineering, design, and construction costs as well as the costs of relocating the mains. Mr. Jessee indicated that the Authority learned in late October that they would not be responsible for the design work, which needed to be completed by mid-November. He indicated that, due to workloads at YCUA, the Authority cannot accomplish that by the due date, and requested costs from the Washtenaw County Road Commission engineers. Mr. Jessee stated that the road commission came back with a price of $4,000, which YCUA staff agreed was reasonable. He advised that all other costs, e.g., construction engineering, inspections, and the construction itself will fall back on the Washtenaw County Road Commission.

Mr. Jessee recommended approval of a contract with the Washtenaw County Road Commission for $4,000 for the engineering design of this project.

Motion by Wagner to approve the contract with the Washtenaw County Road Commission for $4,000 for the engineering design of this project. Support by Scott. In favor: All. Opposed: None. (Motion carried)

6. **STATEMENTS AND CHECKS:** Motion by Namatevs to pay the bills in the amount of $2,689,997.80 plus an addendum in the amount of $96,529.56. Support by Koryzno. In favor: All. Opposed: None. (Motion carried.)
Mr. Thomas offered as a point of clarification that the first three pages of the cash requirements report are the checks that have been released prior to the Board meeting and that the rest of the report reflects payments that will not be released until after approval from the Board. He indicated that this is a reflection of the policy recently passed by the Board.

7. **PUBLIC COMMENTS:**

There were no public comments for the month.

8. **CLOSED SESSION:** Larry R. Thomas recommended adjourning the open session and calling to order a closed session in order to discuss his performance evaluation. Motion by Koryzno to accept Mr. Thomas’s recommendation for adjourning the open session and calling to order a closed session in order to discuss his performance evaluation. Support by Wagner. By roll call vote: Ayes: Larry J. Doe, Edward B. Koryzno, Jr., Mark Namatevs, J. Ray Scott, and Philip W. Wagner. Nayes: None. (Motion carried)

(Board then met in closed session.)

9. **ADJOURNMENT:** Motion by Wagner to adjourn the meeting at 5:25 p.m. Support by Namatevs. In-favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

MARK NAMATEVS, Secretary/Treasurer
Minutes of a regular meeting of the Board of Trustees of the Ypsilanti Community Utilities Authority held on the 28th day of November, 2006 at 4:00 p.m., Eastern Standard Time.

PRESENT: Members: Larry J. Doe, Edward B. Koryzno, Jr., Mark Namatevs, J. Ray Scott, and Philip W. Wagner

ABSENT: Members: None.

The following preamble and resolution were offered by Member Wagner and supported by Member Koryzno:

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 and the Charter Township of Ypsilanti (the “Local Unit”) intend to enter into a Contract (as hereinafter defined) for the acquisition, construction, financing, operation and maintenance of water supply system improvements, more particularly described in the Contract, to provide improved water supply system service for the Local Unit, which Contract is attached hereto and made a part of this resolution; and

WHEREAS, the Contract is hereby granted the approval of the Board of Trustees of the Authority (the “Board”) and has been approved by the legislative body of the Local Unit and has been fully executed by the Local Unit, with execution by the Authority to be authorized hereby; and

WHEREAS, plans, specifications and estimates of cost for the System have been prepared by the Authority’s consulting engineers (the “Consulting Engineers”), and are hereby granted the approval of
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

WHEREAS, under the provisions of the Contract, the Local Unit has obligated itself to pay the cost of the System 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 Unit has further obligated itself 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 water supply system improvements will be made available to the Local Unit 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 Unit to provide the necessary funds to pay 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.

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 6 hereof.

(c) “Contract” means the Contract between the Authority and the Local Unit, dated as November 28, 2006 of which has been approved by the Local Unit, and which the Authority
hereby approves and authorizes its Chair and Secretary to execute, as attached to this resolution.

(d) “Contractual Payments” means the debt service installment payments required to be made by the Local Unit 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 Water Supply System No. 6 (Charter Township of Ypsilanti), consisting of the acquisition, construction and equipping of water supply system improvements in the Local Unit, 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 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 Unit to acquire, construct and complete the System as provided in said plans and specifications.

Section 3. Approval of Contract. The Contract is hereby approved, and the Chair and Secretary of the Board are hereby authorized to execute the Contract.

Section 4. Estimated Cost; Useful Life 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 $1,500,000 is hereby approved and confirmed. The estimated period of usefulness of the System is determined to be not less than thirty (30) years.

Section 5. Authorization of Bonds. For the purpose of defraying the Local Unit’s share of the cost of the System, including payment of engineering, legal and financing expenses, including a bond discount, and other expenses incident thereto and incident to the issuance of the Bonds, there shall be borrowed the sum of $1,500,000, and in evidence thereof Bonds of the Authority shall be issued in an equivalent aggregate principal amount.

Section 6. Details of Bonds. The Bonds shall be designated WATER SUPPLY SYSTEM NO. 6 BONDS (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 Unit pursuant to the Contract, shall be in fully-registered form in the denomination of $5,000 or multiples of $5,000 not exceeding for each maturity the principal amount of such maturity, dated as of April 1, 2007, numbered as determined by the Transfer Agent and mature on October 1 in the years and amounts as follows:

<table>
<thead>
<tr>
<th>Principal Amount</th>
<th>Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000</td>
<td>2008 and 2009;</td>
</tr>
<tr>
<td>55,000</td>
<td>2010 to 2013; inclusive;</td>
</tr>
<tr>
<td>60,000</td>
<td>2014 and 2015;</td>
</tr>
<tr>
<td>65,000</td>
<td>2016, 2017 and 2018;</td>
</tr>
<tr>
<td>75,000</td>
<td>2019;</td>
</tr>
<tr>
<td>80,000</td>
<td>2020;</td>
</tr>
<tr>
<td>85,000</td>
<td>2021;</td>
</tr>
<tr>
<td>90,000</td>
<td>2022;</td>
</tr>
<tr>
<td>100,000</td>
<td>2023;</td>
</tr>
<tr>
<td>105,000</td>
<td>2024 and 2025;</td>
</tr>
<tr>
<td>110,000</td>
<td>2026;</td>
</tr>
<tr>
<td>115,000</td>
<td>2027;</td>
</tr>
</tbody>
</table>

The Bonds shall bear interest at a rate or rates to be determined on public sale thereof, but in any event not exceeding 6% per annum, payable on October 1, 2007, and semiannually thereafter, by check drawn on the Transfer Agent, mailed to the registered owner at the registered address, as shown on the registration books of the Authority maintained by the Transfer Agent. Interest shall be payable to the registered owner of record as of the fifteenth day of the month prior to the payment date for each interest payment. The date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Authority to conform to market practice in the future. The
principal of the Bonds shall be payable upon presentation and surrender of the appropriate Bond at the office of the Transfer Agent.

The Bonds shall be subject to redemption prior to maturity as provided in Section 12 hereof.

Section 7. Execution and Delivery of Bonds; Transfer Agent Duties. The Bonds shall be signed with the facsimile signature of the Chair of the Authority and countersigned by the facsimile signature of the Secretary of the Authority. The Bonds shall have the corporate seal, or a facsimile thereof, of the Authority impressed or imprinted thereon. The Bank of New York Trust Company, N.A., Detroit, Michigan is hereby appointed to act as Transfer Agent for the Bonds. No Bond of this series shall be valid until authenticated by an authorized officer of the Transfer Agent, if necessary. 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.

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 Authority shall execute and 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 Transfer Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Authority. Upon presentation for such purpose, the Transfer Agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred, on said books, Bonds as hereinbefore provided.

The Chair, Secretary or Director of the Authority is hereby authorized to execute an agreement
with the Transfer Agent regarding the duties and responsibilities of the Transfer Agent.

If any Bond shall become mutilated, the Authority, at the expense of the holder of the Bond, shall execute, and the Transfer Agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the Transfer Agent of the mutilated Bond. If any Bond issued under this resolution shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the Transfer Agent and, if this evidence is satisfactory to both and indemnity satisfactory to the Transfer Agent shall be given, the Authority, at the expense of the owner, shall execute, and the Transfer Agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, Public Acts of Michigan, 1972, as amended, being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws, or any applicable law hereafter enacted in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the Transfer Agent may pay the same without surrender thereof.

Section 8. 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 Unit has, in the Contract, pledged its limited tax full faith and credit pursuant to the provisions of the Act, in the amounts set forth in the Contract. The Local Unit has covenanted and agreed to provide annually general or special funds in amounts sufficient to meet when due its Contractual Payments in anticipation of which the Bonds are issued, or, if necessary, to levy ad valorem taxes on all taxable property within its 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 Unit, 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 Unit for the Contractual Payments.

Section 9. 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 10. 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 WATER SUPPLY SYSTEM NO. 6 (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 11. 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 12. Bond Form. The Bonds shall be in substantially the following form:
UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF WASHTENAW  

YPSILANTI COMMUNITY UTILITIES AUTHORITY  
WATER SUPPLY SYSTEM NO. 6 BONDS  
(CHARTER TOWNSHIP OF YPSILANTI)  

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Date of Original Issue</th>
<th>CUSIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, ____</td>
<td>April 1, 2007</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Registered Owner:  

Principal Amount:  

YPSILANTI COMMUNITY UTILITIES AUTHORITY, a public corporation of the State of Michigan (the “Issuer”), 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 Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon 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 April 1, 2004, and semiannually thereafter. Principal of this bond is payable upon presentation and surrender thereof at the principal office of The Bank of New York Trust Company, N.A., Detroit, Michigan, or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner 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 is as of the fifteenth (15) day of the month prior to each interest payment date, the registered owner, at the registered address as shown on the registration books of the Issuer maintained by the Transfer Agent.

The bonds of this issue are payable solely from the proceeds of contractual payments to be paid by the Charter Township of Ypsilanti, Washtenaw County, Michigan (the “Local Unit”) to the Issuer pursuant to a certain Contract dated as of November 28, 2006 (the “Contract”), between the Local Unit and the Issuer, whereby the Issuer is to assist in the financing of the cost of acquiring and constructing water supply system improvements and appurtenances and attachments thereto in the Local Unit, said system being designated as Ypsilanti Community Utilities Authority Water Supply System No. 6 (Charter Township of Ypsilanti) (the “System”). By the provisions of the Contract and pursuant to the authorization provided by law, the Local Unit has pledged its limited tax full faith and credit for the payment of its contractual payments, and the Local Unit is obligated to pay such amounts from its general funds, including collections of ad valorem taxes on all taxable property within its boundaries, subject to applicable statutory, constitutional and charter tax rate limitations. The Issuer has irrevocably pledged to the payment of this issue of bonds the total contractual payments, which said total payments are established in the amount required to pay the principal of and interest on the bonds of this issue when due.
This bond is one of a series of bonds of even Date of Original Issue, aggregating the principal sum of $1,500,000, issued under and in pursuance of a resolution duly adopted by the Board of Trustees 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 the System.

Bonds of this issue maturing October 1, _____ and October 1, _____ are subject to mandatory sinking fund redemption prior to maturity, by lot in such manner as the Transfer Agent may determine, at a redemption price of 100% of the principal amount thereof plus interest accrued to the redemption date on the dates and in the principal amounts as follows:

Bonds maturing in the years 2008 to 2016, inclusive, shall not be subject to redemption prior to maturity.

Bonds or $5,000 portions thereof maturing in the years 2017 to 2027, inclusive, shall be subject to redemption prior to maturity, at the option of the Authority, in any order and by lot within a single maturity, on any date on or after October 1, 2016. Bonds called for redemption shall be redeemed at par and accrued interest to the date fixed for redemption.

Notice of redemption shall be given to the registered owner of any bond to be redeemed by mailing of 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 Authority kept by the Transfer Agent. Bonds shall be called for redemption in multiples of $5,000 shall be treated as representing the number of bonds obtained by dividing the denominations of the bond 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 registered owner thereof with the same interest rate and maturity. No further interest shall accrue on bonds called for redemption after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem the bond 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 registered owner 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 said bonds, in order to make them valid and binding obligations of said Authority, 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 Unit does not exceed any constitutional, charter or statutory limitation.

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.

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 Authority authorizing the issuance of the bonds.

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY

By: [Signature]
LARRY J. DOE, Chair

Countersigned:

By: [Signature]
MARK NAMATEVS, Secretary - Treasurer
Certificate of Authentication

This bond is one of the bonds described in the above-referenced resolution.

The Bank of New York Trust Company, N.A.
Detroit, Michigan, Transfer Agent

By: ________________________________
   Authorized Signature

Date of Registration: ________________
Section 13. 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 14. 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 WATER SUPPLY SYSTEM NO. 6 (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 10 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 Unit, if such use be approved by the Local Unit. Any balance remaining after such use, if any, shall be paid into the Debt Retirement Fund, and the Local Unit shall receive a credit for the amount of such balance against the Contractual Payment next due.

Section 15. 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 16. 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 17. 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 six (6) 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 18. Notice of Sale. The Secretary shall fix a date for sale of the Bonds and cause notice of sale of the Bonds to be published in *The Bond Buyer*, New York, New York, at least seven (7) full days before the date fixed for sale of the Bonds. The notice of sale shall be in substantially the following form:
OFFICIAL NOTICE OF SALE
$1,500,000
YPSILANTI COMMUNITY UTILITIES AUTHORITY
COUNTY OF WASHTENAW, STATE OF MICHIGAN
WATER SUPPLY SYSTEM NO. 6 BONDS
(CHARTER TOWNSHIP OF YPSILANTI)

SEALED, FAXED OR ELECTRONIC BIDS: Bidders may submit bids for the purchase of the above bonds follows:

SEALED BIDS will be received by the undersigned at the Offices of the Authority located at 2777 State Road, Ypsilanti, Michigan 48198 on _______, the ____ day of ____________, 2007 until ______ p.m., Eastern ______ Time at which time and place said bids will be publicly opened and read.

SEALED BIDS will also be received on the same date and until the same time at the office of the Michigan Advisory Council of Michigan (the “MAC”), 1445 First National Building, Detroit, Michigan 48226 at which time and place said bids will be simultaneously opened and read.

FAXED BIDS: Signed bids may be submitted by fax to the Authority at fax number (734) 484-4699, attention Secretary or by MAC members only to the MAC at (313) 963-0943; provided that faxed bids must be arrived before the time of sale and the bidder bears all risks of transmission failure and the GOOD FAITH DEPOSIT MUST BE MADE AND RECEIVED as described in the section contained “GOOD FAITH” below.

ELECTRONIC BIDS: Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or Client Services, 1359 Broadway, Second Floor, New York, New York 10018, (212) 849-5021. NO ELECTRONIC BID WILL BE ACCEPTED UNLESS THE BIDDER HAS SUBMITTED A FINANCIAL SURETY BOND OR A CERTIFIED OR CASHIERS CHECK IN THE AMOUNT DESCRIBED IN THE SECTION CAPTIONED “GOOD FAITH” BELOW. IF ANY PROVISIONS OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE SHALL CONTROL. NO CHANGE OF THE DATED DATE WILL BE ALLOWED FOR THE COMPUTATION OF THE WINNING BID.

BOND DETAILS: Said bonds will be registered bonds of the denomination of $5,000 or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, originally dated as of April 1, 2007, numbered in order of registration, and will bear interest from their date payable on October 1, 2007 and semiannually thereafter.

The bonds will mature on the 1st day of October of each of the years, as follows:
$50,000 2008 and 2009; $85,000 2021;
55,000 2010 to 2013; inclusive; 90,000 2022;
60,000 2014 and 2015; 100,000 2023;
65,000 2016, 2017 and 2018; 105,000 2024 and 2025;
75,000 2019; 110,000 2026;
80,000 2020; 115,000 2027;

TERM BOND OPTION: Bidders shall have the option of designating bonds maturing in the years 2017 through 2027, inclusive, as serial bonds or term bonds or both. The bid must designate whether each of the principal requirements shown above for the years 2017 through 2027, inclusive, represent a serial maturity or mandatory redemption requirement for a term bond maturity. In any event, the above principal amount schedule for the years 2017 through 2027, inclusive, shall be represented by either serial maturities or mandatory redemption requirements, or a combination or both. Any such designation must be made at the time bids are submitted.

PRIOR REDEMPTION: Bonds of this issue maturing in the years 2008 to 2016, inclusive, shall not be subject to redemption prior to maturity. Bonds or $5,000 portions thereof maturing in the years 2017 and thereafter, shall be subject to redemption prior to maturity, at the option of the Authority, in such order of maturity as the Authority may determine, and by lot within any maturity, on any date on or after October 1, 2016 at par accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the transfer agent, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the transfer agent to redeem said bond or portion thereof.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at a rate or rates not exceeding 6% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. Interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The difference between the lowest and highest rates bid on the bonds shall not exceed 3% per annum. **THE INTEREST RATE FOR EACH SERIAL OR TERM BOND MATURITY SHALL BE EQUAL TO OR GREATER THAN THE PRECEDING SERIAL OR TERM BOND MATURITY.** No proposal for the purchase of less than all of the bonds or at a price less than 99% or greater than 100% of their par value will be considered.

TRANSFER AGENT AND REGISTRATION: Principal and interest shall be payable at the corporate trust office The Bank of New York Trust Company, N.A., Detroit, Michigan, or such other transfer agent as the Authority may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to an interest payment date. Interest shall be paid by check or draft mailed to the registered owner of record as shown on the registration books kept by the transfer agent as of the 15th day prior to an interest payment date. The bonds will be transferred only upon the
BOOK-ENTRY ONLY: The bonds will be issued in book-entry-only form only as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for the Depository Trust Company (“D.T.C.”), New York, New York. D.T.C. will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of $5,000 or any multiple thereof. Purchasers will not receive certificates representing their interests in bonds purchased. It shall be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the bonds. The book-entry-only system is described further in the preliminary Official Statement for the bonds.

PURPOSE AND SECURITY: The bonds of this issue are payable solely from the proceeds of contractual payments to be paid by the Charter Township of Ypsilanti (the “Township”) to the Issuer pursuant to a certain Contract (the “Contract”), between the Township and the Issuer, whereby the Issuer is to assist in the financing of the cost of the acquisition and construction of water supply system improvements and all appurtenances and attachments thereto, said system being designated as the Ypsilanti Community Utilities Authority Water Supply System No. 6 (Charter Township of Ypsilanti) (the “System”). By the provisions of the Contract and pursuant to the authorization provided by law, the Township has pledged its limited tax full faith and credit for the payment of its contractual payments, and the Township is obligated to pay such amounts from its general funds, including collections of ad valorem taxes on all taxable property within its boundaries, subject to applicable statutory, constitutional and charter tax rate limitations. The Issuer has irrevocably pledged to the payment of this issue of bonds the total contractual payments, which said total payments are established in the amount required to pay the principal of and interest on the bonds of this issue when due. The rights or remedies of bondholders may be affected by bankruptcy laws or other creditors’ rights legislation now existing or hereafter enacted.

GOOD FAITH: A certified or cashier’s check, or a Financial Surety Bond, in either instance in the amount of $30,000 drawn upon an incorporated bank or trust company and payable to the order of the Authority’s Treasurer is required for each bid as a guarantee of good faith on the part of the bidder, to be forfeited as a portion of the Authority’s damages if such bid be accepted and the bidder fails to take up and pay for the bonds. If a check is used, it must accompany the bid. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of Michigan and such Financial Surety Bond must be submitted to either the Authority’s financial advisor, Stauder, Barch & Associates, Inc. or the Municipal Advisory Council of Michigan, prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose good faith deposit is guaranteed by such Financial Surety Bond. If the bonds are awarded to a bidder utilizing a Financial Surety Bond, then the purchaser is required to submit its good faith deposit to the Authority in the form of a cashier’s check (or wire transfer such amount as instructed by the Issuer or its financial advisor) not later than Twelve o’clock, Noon, Eastern Time, on the next business day following the award. If such good faith deposit is not received by that time, the Financial Surety Bond may be drawn by the Authority to satisfy the good faith deposit requirement. In the event the purchaser of the bonds fails to honor its accepted bid, the good faith deposit will be retained by the Issuer. No interest shall be allowed on the good faith checks, and checks of the unsuccessful bidders will be promptly returned to each bidder’s representative or by registered mail. The good faith check of the successful bidder shall be immediately cashed and payment for the balance of the purchase price of the bonds shall be made at the
AWARD OF BONDS: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on October 1, 2007, and semi-annually thereafter) necessary to discount the debt service payments from their respective payment dates to _________, 2007, in an amount equal to the price bid, excluding accrued interest. Each bidder shall state in its bid the true interest cost to the Authority, computed in the manner specified above.

TAX MATTERS: In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, assuming compliance with certain covenants, interest on the bonds is excluded from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation in the State of Michigan except inheritance taxes and taxes on gains realized from the sale, payment or other disposition thereof. The successful bidder will be required to furnish, prior to the delivery of the bonds, a certificate in a form acceptable to bond counsel as to the “issue price” of the bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the “Code”).

QUALIFIED TAX EXEMPT OBLIGATIONS: The Authority and the Local Unit have each designated the Bonds as “qualified tax exempt obligations” for purposes of deduction of interest expense by financial institutions, pursuant to the Code.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan, a copy of which opinion will be printed on the reverse side of each bond and the original of which will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C. for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to validity of the above bonds, Miller, Canfield, Paddock and Stone, P.L.C. has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

DELIVERY OF BONDS: The Authority will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC in New York, New York. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. Payment for the bonds shall be made in immediately available funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid for by the Authority; provided, however, that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be
paid for by the purchaser.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

OFFICIAL STATEMENT: A Preliminary Official Statement that the Authority and the Township deem to be final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12 of the Securities and exchange Commission, has been prepared and may be obtained from Stauder, Barch & Associates, Inc., financial advisors to the Authority, at the address and telephone listed under FINANCIAL CONSULTANT below. Stauder, Barch & Associates, Inc., will provide the winning bidder with a reasonable number of final Official Statements within 7 business days from the date of sale to permit the purchaser to comply with Securities and Exchange Commission Rule 15c2-12. Additional copies of the Official Statement will be supplied by Stauder, Barch & Associates, Inc., upon request and agreement by the purchaser to pay the cost of additional copies. There request for additional copies should be made to Stauder, Barch & Associates, Inc. within 24 hours of the time of sale.

CONTINUING DISCLOSURE: As described more fully in the Official Statement, the Township has agreed in a resolution to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, on or prior to the 180th day after the end of its fiscal year commencing with the fiscal year ended December 31, 2006, (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement relating to the bonds, (ii) timely notice of the occurrence of certain material events with respect to the bonds and (iii) timely notice of a failure by the Township to provide the required annual financial information on or before the date specified in (i) above.

FINANCIAL CONSULTANT: Further information relating to the Bond may be obtained from the Authority’s Financial Consultant, Stauder, Barch & Associates, Inc., 3989 Research Park Drive, Ann Arbor, Michigan 48108. Telephone (734) 668-6688. Facsimile (734) 668-6723.

ENVELOPES containing the bids should be plainly marked “Proposal for Water Supply System No. 6 Bonds.”

LARRY J. DOE, Chair
Ypsilanti Community Utilities Authority
Section 19. Section Headings. Section headings are for convenience only and do not constitute a part of this resolution.

Section 20. Sale of Bonds. Pursuant to Act 34, Public Acts of Michigan, 2001, as amended, the Chair, Secretary and Director of the Authority is each authorized to sell the Bonds pursuant to the Notice of Sale to the bidder, whose bid produces the lowest true interest cost to the Authority. Each of the above officers are also authorized to adjust the details of the Bonds pursuant to Act 34, including reducing the size and changing the maturities of the Bonds.

Section 21. 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 22. Effective Date. This resolution shall become effective immediately upon its adoption.

The foregoing resolution was offered by Member Wagner and supported by Member Koryzno and adopted by the following roll call vote:

AYES: Commissioners Larry J. Doe, Edward B. Koryzno, Jr., Mark Namatevs, J. Ray Scott, and Philip W. Wagner

NAYS: Commissioners None.

MARK NAMATEVS, Secretary - Treasurer
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 Trustees of the Authority at a regular meeting held on November 28, 2006, 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.

MARK NAMATEVS, Secretary - Treasurer
WHEREAS, Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), and Act 233, Public Acts of Michigan, 1955, as amended (“Act 233”) permits the Ypsilanti Community Utilities Authority (the “Authority”) to advance refund all or part of the funded indebtedness of the Authority; and

WHEREAS, the Charter Township of Ypsilanti, County of Washtenaw, Michigan (the “Township”) and the Authority have entered into a Sanitary Sewer System No. 1 (Charter Township of Ypsilanti) Contract, dated as of June 15, 1999, wherein the Authority agreed to acquire and construct sewer improvements for the Township (the “1999 Contract”); and

WHEREAS, an issue of bonds has been issued pursuant to the 1999 Contract, denominated 1999 Sanitary Sewer System Bonds (Charter Township of Ypsilanti) (the “1999 Bonds”); and

WHEREAS, the Charter Township of Ypsilanti, County of Washtenaw, Michigan (the “Township”) and the Authority have entered into a Sanitary Sewer System No. 3 (Charter Township of Ypsilanti) Contract dated as of October 1, 2001 wherein the Authority agreed to acquire and construct sewer improvements for the Township (the “2001 Contract”); the 1999 Contract and the 2001 Contract hereinafter referred to as the “Contract”; and

WHEREAS, an issue of bonds has been issued pursuant to the 2001 Contract, denominated Sanitary Sewer System No. 3 Bonds (Charter Township of Ypsilanti) (the “2001 Bonds”); and

WHEREAS, the Township and the Authority have determined that it is in the best interest of the Township and the Authority to refund all or part of the 1999 Bonds maturing in the years 2009 to 2019, inclusive and all or part of the 2001 Bonds maturing in the years 2012 through 2031, inclusive; the 1999 Bonds
Bonds and the 2001 Bonds hereinafter referred to as the “Bonds; and

WHEREAS, pursuant to authority of Act 34 and Act 233, the Authority and the Township have or will shortly execute a contract (the “Refunding Contract”) providing for the implementation of such refunding program and for other details in connection therewith, said Refunding Contract being attached hereto in full and made a part of this resolution pursuant to law; and

WHEREAS, the Authority has received a proposal from NatCity Investments, Inc. (the “Purchaser”) to refund all or part of the Bonds; and

WHEREAS, all things necessary for the authorization of such refunding bonds pursuant to the provisions of law have been done, and the Authority is now empowered and desires to authorize the issuance of such refunding bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE YPSILANTI COMMUNITY UTILITIES AUTHORITY AS FOLLOWS:

Section 1. For the purpose of raising all or a portion of the money to refund all or part of the 1999 Bonds maturing in the years 2009 to 2019, inclusive and all or part of the 2001 Bonds maturing in the years 2012 through 2031, inclusive and pursuant to authority of Act 34 and Act 202, there shall be issued refunding bonds of the Authority (the “Refunding Bonds”) as hereinafter set forth. The Refunding Bonds shall be designated “2006 Refunding Bonds” and shall be in the aggregate principal amount of not to exceed Six Million Eight Hundred Thousand Dollars ($6,800,000), as finally determined upon sale thereof, consisting of bonds registered as to principal and interest of the denomination of $5,000 or integral multiples of $5,000, be dated as of December 15, 2006, or such other date as provided in the Sales Order approving the sale of the Refunding Bonds (the “Sales Order”) numbered as determined by the Transfer Agent, and maturing annually on May 1 in each of the years 2007 to 2031, inclusive, or such other years or dates as shall be determined at the time of sale and in the amounts as determined in the Sales Order.
The Refunding Bonds shall bear interest at a rate or rates to be determined upon negotiated sale, but in any event not exceeding 6% per annum, payable on May 1, 2007 and semiannually thereafter November 1st and May 1st of each year, or such other interest payment dates as provided in the Sales Order.

Interest shall be paid by check drawn on The Bank of New York Trust Company, N.A., Detroit, Michigan, which is hereby selected to act as transfer agent, registrar and paying agent (the “Transfer Agent”) mailed to the registered owner of the Refunding Bonds at the registered address, as shown on the registration books of the Authority maintained by the Transfer Agent. Interest shall be payable to the registered owner of record as of the fifteenth day of the month prior to the payment date for each interest payment or the first day of the month, if the payment date is the fifteenth day of the month. The date of determination of registered owner for purposes of payment for interest as provided in this paragraph may be changed by the Authority to conform to market practice in the future. The principal of the Refunding Bonds shall be payable at the Transfer Agent upon presentation and surrender of the appropriate Bond.

The designation, date of original issue and the principal and interest payment dates may be changed in the Sales Order.

Section 2. The Chairman and Secretary of the Authority are hereby authorized and directed to execute said Refunding Bonds by means of their facsimile signatures when issued and sold for and on behalf of the Authority and to cause to be imprinted thereon a facsimile of the seal of the Authority. No bond of this series shall be valid until authenticated by an authorized signatory of the Transfer Agent. 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 Treasurer of the Authority upon payment of the purchase price for the bonds. 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.

Section 3. The Refunding Bonds and the interest thereon shall be payable from the contractual payments of the Township received by the Authority, for the payment of which the Township has in the Refunding Contract pledged its limited tax full faith and credit pursuant to the provisions of Act 233. The Township has covenanted and agreed to levy taxes annually to the extent necessary to provide the funds to meet its contractual payments when due in anticipation of which the Refunding Bonds are issued, which taxes shall be subject to applicable statutory, charter and constitutional limits. All of such contractual payments are hereby pledged solely and only for the payment of principal of and interest on the Refunding Bonds.

Section 4. It shall be the duty of the Authority, after the adoption of this resolution and the sale of the Refunding Bonds, to open a special depository account with a bank or trust company to be designated by the Authority to be designated Debt Retirement Fund - Ypsilanti Community Utilities Authority 2006 Refunding Bonds (the “Debt Retirement Fund”), into which account the Authority shall deposit 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 Refunding Bonds. The accrued interest received upon delivery of the Refunding Bonds shall also be deposited in the Debt Retirement Fund.

Section 5. The proceeds of the Refunding Bonds, along with certain cash to be made available pursuant to the Refunding Contract, if any, shall be used to pay the costs of issuance thereof and to secure payment of the Bonds as provided in this paragraph. Upon receipt of such proceeds the accrued interest and premium, if any, shall be deposited in the Debt Retirement Fund. From such proceeds there shall next be set aside a sum sufficient to pay the costs of issuance of the Refunding Bonds.
The balance of the proceeds of the Refunding Bonds shall be deposited in an escrow fund (the "Escrow Fund") consisting of cash and investments in 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 and used to pay principal, interest and redemption premiums on the Bonds. The Chairman, Secretary and Treasurer be and are each hereby authorized and directed to (a) take all steps necessary to call the Bonds for redemption, including the preparation and publication of a notice of redemption and (b) negotiate terms of an escrow agreement with The Bank of New York Trust Company, N.A., Detroit, Michigan, which is hereby selected to act as escrow agent and (c) execute the escrow agreement on behalf of the Authority. The amounts held in the Escrow Fund shall be such that the cash and investments and income received thereon will be sufficient without reinvestment to pay the principal, interest and redemption premiums on the Bonds when due at maturity or call for redemption as required by this Section. Following establishment of the Escrow Fund, any debt retirement funds held by the Authority for the Bonds being refunded shall be transferred to the Debt Retirement Fund for the Refunding Bonds.

Section 6. The Authorized Officers shall determine in the Sales Order whether the Refunding Bonds shall be subject to redemption prior to maturity and the times and prices, and terms and conditions of such redemption.

Unless waived by any registered owner of Refunding Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the Authority. 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 Refunding Bonds called for redemption are to be surrendered for payment; and that interest on Refunding 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.

Section 7. The Refunding Bonds shall be substantially in the following form with such changes as shall be required to conform to the final terms of the Refunding Bonds established by the Sales Resolution:
The Ypsilanti Community Utilities Authority (the “Issuer”), 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 from the Date of Original Issue or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on May 1, 2007 and semiannually thereafter. Principal of this bond is payable at the principal corporate trust office of The Bank of New York Trust Company, N.A., Detroit, Michigan, or such other transfer agent as the Issuer may hereafter designate by notice mailed to the Registered Owner hereof not less than sixty (60) days prior to any interest payment date (the “Transfer Agent”). Interest on this bond is payable to the Registered Owner of record as of the fifteenth (15th) day of the month preceding the payment date as shown on the registration books of the Issuer maintained by the Transfer Agent, by check or draft mailed to the Registered Owner at the registered address.

The bonds of this issue are payable from the proceeds of contractual payments to be paid by the Charter Township of Ypsilanti, County of Washtenaw, Michigan, to the Issuer, pursuant to certain contracts between the Issuer and the Township, including a Refunding Contract. By the provisions of said contracts and pursuant to the authorization provided by law, the Township has pledged its limited tax full faith and credit for the payment of said contractual payments. The Issuer has irrevocably pledged to the payment of this issue of bonds the total contractual payments, which said total payments are established in the amount required to pay the principal of and interest on the bonds of this issue when due. The full faith and credit pledge of the Township is its limited tax general obligation, and the Township is required to pay its debt service commitment on the bonds as a first budget obligation from its general funds including the collection of any ad valorem taxes which it is authorized to levy subject to applicable constitutional, statutory and charter tax limitations.

This bond is one of a total authorized issue of bonds of even original issue date, aggregating the principal sum of $_______.

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>Date of Original Issue</th>
<th>CUSIP NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 1, ____</td>
<td>December ____, 2006</td>
<td></td>
</tr>
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</table>

Registered Owner:

Principal Amount: Dollars

Date of Issue: December ____, 2006
State of Michigan, including specifically Act 233, Public Acts of Michigan, 1955, as amended, and Act 34, Public Acts of Michigan, 2001, as amended, for the purpose of refunding part of two separate series of outstanding bonds of the Issuer issued to finance the cost of acquiring and constructing sewer improvements for the Township. 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 above described resolutions.

[Bonds of this issue shall not be subject to redemption prior to maturity.]

Any bond may be transferred by the person in whose name it is registered, in person or by his 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 will not register the transfer of or exchange any bond selected for redemption in whole or in part, except the unredeemed portion of bonds being redeemed in part.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this bond, and the series of which this is one, have been done and performed in regular and due time and form as required 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 Ypsilanti Community Utilities Authority, by its Commission, has caused this bond to be signed in its name by the facsimile signature of its Chairman and to be countersigned by the facsimile signature of its Secretary and a facsimile of the corporate seal of said Issuer to be imprinted hereon, all as of the Date of Original Issue.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

By: LARRY J. DOE, Chair

Countersigned:

MARK NAMATEVS, Secretary - Treasurer
Certificate of Authentication

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

The Bank of New York Trust Company, N.A.
Detroit, Michigan
Transfer Agent

By: ________________________________
   Authorized Signatory

Date of Authentication: ___________________________
Section 8. Nothing contained in this resolution or the Refunding Contract shall be construed to prevent the Authority from issuing additional bonds under the provisions of Act 233 for any of the purposes authorized by said Act, but any such bonds shall in no way have any lien on or be payable out of the contractual payments pledged to the payment of the Refunding Bonds.

Section 9. The provisions of this resolution, together with the Refunding Contract, shall constitute a contract between the Authority and the holder or holders of the Refunding Bonds from time to time, and after the issuance of such Refunding Bonds, no change, variation or alteration of the provisions of this resolution and the Refunding Contract may be made which would lessen the security for the Refunding Bonds. The provisions of this resolution and the Refunding Contract shall be enforceable by appropriate proceedings taken by such holder either at law or in equity.

Section 10. The Authority covenants and agrees with the successive holders of the Refunding Bonds that so long as any Refunding Bonds remain outstanding and unpaid as to either principal or interest:

(a) The Authority will punctually perform all of its obligations and duties under this resolution and the Refunding Contract, including all 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 the sale of the Refunding Bonds for the purposes and in the manner required by the Refunding Contract and this resolution. The Authority will maintain and keep proper books of record and account relative to the application of such proceeds and the contractual payments received pursuant to the Refunding Contract. Not later than four (4) 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 the sale of the Refunding Bonds, the cash receipts from the contractual payments and the application thereof, and such other information as may be necessary to enable
any taxpayer or any holder or owner of the Refunding Bonds, or anyone acting in their behalf, to be fully informed as to all matters pertaining to the application of funds therefor or for the payment of Refunding Bonds during such year. A certified copy of said statement shall be filed with the Secretary of the Authority and the Township Clerk and a copy shall also be sent to the manager of the syndicate purchasing the Refunding Bonds.

Section 11. The Director, Chairman, Secretary and Treasurer of the Authority are each hereby authorized to negotiate and execute a Bond Purchase Agreement with the Purchaser finalizing the details of the Refunding Bonds within the authorized parameters of the Resolution and each is hereby authorized to do all other acts and to take all necessary procedures required to effectuate the sale, issuance and delivery of the Refunding Bonds including executing a Sales Order selling the Refunding Bonds to the Purchaser and fixing all details of the Refunding Bonds, including, but not limited to such items as principal amount, maturity schedule, dates of payment and redemption provisions.

Section 12. The Authority hereby covenants that it shall comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission regarding continuing disclosure to negotiate a bond purchase agreement for the sale of the Refunding Bonds with the Purchaser and to execute the same on behalf of the Authority.

Section 13. The Director, Chairman, Secretary and Treasurer or any of them, are authorized to approve circulation of both a Preliminary and Final Official Statement describing the Refunding Bonds, to secure ratings for the Refunding Bonds, and to purchase municipal bond insurance for the Refunding Bonds.

Section 14. The Authority has considered the option of selling the Refunding Bonds through a competitive sale and a negotiated sale and, pursuant to the requirements of Act 34, determines that a negotiated sale of the Refunding Bonds will result in the most efficient and expeditious means of selling the Refunding Bonds due to the flexibility in the timing and sizing of the Refunding Bonds. The
Authority hires and appoints the Purchaser to arrange for the refunding of the Bonds.

Section 15. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are repealed.

Section 16. The Refunding Contract is hereby approved and the Chairman and Secretary are authorized to execute the same on behalf of the Authority.

Section 17. This resolution shall become effective immediately upon its passage.

Minutes of a Regular Meeting of the Commission of the Ypsilanti Community Utilities Authority held on the 28th day of November, 2006 at which the following Commissioners were present: Larry J. Doe, Edward B. Koryzno, Jr., Mark Namatevs, J. Ray Scott, and Philip W. Wagner.

and the following were absent: None.
The attached resolution was moved by Commissioner Scott and seconded by Commissioner Wagner. The following Commissioners voted aye: Larry J. Doe, Edward B. Koryzno, Jr., Mark Namatevs, J. Ray Scott, and Philip W. Wagner and the following Commissioners voted nay: None.

RESOLUTION DECLARED ADOPTED

MARK NAMATEVS, Secretary - Treasurer
I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Commission of the Ypsilanti Community Utilities Authority, at a Regular Meeting held on November 28, 2006, 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.

MARK NAMATEVS, Secretary - Treasurer
YCUA RESOLUTION NO. 06-8 ANNOUNCING
THE RETIREMENT OF WILLIAM FALK AND
COMMENDING HIM FOR HIS SERVICE

Minutes of a regular meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, held in the Authority, on the 28th day of November 2006 at 4:00 o’clock p.m., Eastern Standard Time.

PRESENT: Commissioners Larry J. Doe, Edward B. Koryzno, Jr., Mark Namatevs,
J. Ray Scott, and Philip W. Wagner

ABSENT: Commissioners None.

The following preamble and resolution were offered by Commissioner Koryzno and supported by Commissioner Wagner:

WHEREAS, William Falk, an employee of the Ypsilanti Community Utilities Authority, will have completed twenty-five (25) years of service to the Authority; and

WHEREAS, William Falk has requested retirement as of December 1, 2006, and

WHEREAS, William Falk demonstrated probity, loyalty, dependability, and dedication to this employment; and

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Ypsilanti Community Utilities Authority commends William Falk for his accomplishments and years of service to the Authority and expresses its appreciation to him.

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

AYES: Commissioners Larry J. Doe, Edward B. Koryzno, Jr., Mark Namatevs,
J. Ray Scott, and Philip W. Wagner

NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED.

MARK NAMATEVS, 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 regular meeting held on the 28th day of November 2006 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.

MARK NAMATEVS, Secretary/Treasurer