



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, April 28, 2009 – 9:00 a.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

Members Present: J. Ray Scott, Larry J. Doe, and Gregory A. Peoples.

Members Absent: Mark Namatevs and Deedra Climer Bass.

1. **CALL TO ORDER:** Scott called the meeting to order at 9:45 a.m.
2. **MINUTES OF THE PREVIOUS MEETINGS:** Motion by Doe to receive and file the minutes of the March 24, 2009 meeting as presented. Support by Peoples. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
 - A. **Request to Approve – YCUA Resolution No. 09-3 to Adopt the YCUA Drinking Water Revolving Fund Project Plan Dated April 28, 2009 –**
Larry R. Thomas

Mr. Thomas advised the Board that this resolution updates the Authority's DWRP project plan for 2009. He indicated that the plan is updated each year to reflect the water projects that are moved into the current fiscal year. Mr. Thomas also explained that the plan was public noticed for 30 days and a public hearing was held on April 16, 2009. He pointed out that the plan places Hewitt Road and Mansfield Street water main replacement projects into the current year. Mr. Thomas explained that the resolution also approves YCUA's director as the authorized representative, which allows him to sign for the various forms and functions dealing with the loan.

Mr. Thomas recommended approval of Resolution No. 09-3 to Adopt the YCUA Drinking Water Revolving Fund Project Plan Dated April 28, 2009.

Motion by Peoples to approve YCUA Resolution No. 09-3 to Adopt the YCUA Drinking Water Revolving Fund Project Plan Dated April 28, 2009. Support by Doe. In favor: All. Opposed: None. (Motion carried)

B. Request to Approve – YCUA Resolution No. 09-4 Authorizing the Issuance of not to Exceed \$600,000 YCUA Water Supply System No. 8 Bonds (Charter Township of Ypsilanti) – Larry R. Thomas

Mr. Thomas advised the Board that this resolution authorizes YCUA to sell the bonds for the Hewitt Road project for the water main replacement project there. He indicated that the interest rate will be 2.5% and the loan will have the economic stimulus funds included, which provide for the 42% principal forgiveness.

Mr. Thomas also explained that the resolution was drafted by the Authority's bond counsel Tom Colis, who was present to address the Board and answer their questions.

Mr. Colis reminded the Board that, at the last month's meeting, the Board approved the contract with Ypsilanti Township regarding this bond sale. He indicated that this resolution authorizes those bonds. Mr. Colis also explained that the bonds are in a not-to-exceed amount of \$600,000 and the number will be fine-tuned in the next few weeks and only that which is needed will be issued. He pointed out that all of the bonds through the DWRP and SRF programs are draw-downs, which means that an amount is authorized but interest is only paid back on the amount that is actually drawn down.

Mr. Colis explained that the interesting facet of this bond issue is that there is stimulus money available, so 42% of whatever is drawn down will be forgiven and interest will only be paid on the piece that is not forgiven. He further advised that this is a great deal for the Authority and for the township because it represents a significant savings and it's already at 2.5% interest rate as well.

Mr. Colis stated that this resolution authorizes Larry R. Thomas to execute some documents including a purchase contract between the bond authority, who is the purchaser of the bonds, and YCUA, and sets out the terms and the repayment schedule. He acknowledged that, if the resolution is adopted today, it will complete all of the proceedings needed for the Authority and Ypsilanti Township's have been completed as well. Mr. Colis confirmed that a call has been scheduled with the bond authority and MDEQ on May 28th to go over some specifics. He explained that, after that, MDEQ will issue their order on June 5th, purchase contracts will be mailed to YCUA on June 15th, pre-close is June 19th and funds are available on June 29th. Mr. Colis pointed out that all of the documentation will take place via mail and there is no physical closing necessary. He also stated that no signatures of Authority members will be needed.

J. Ray Scott commented that this is a great program.

Mr. Thomas recommended approval of YCUA Resolution No. 09-4 Authorizing the Issuance of not to Exceed \$600,000 YCUA Water Supply System No. 8 Bonds (Charter Township of Ypsilanti).

Motion by Doe to approve YCUA Resolution No. 09-4 Authorizing the Issuance of not to Exceed \$600,000 YCUA Water Supply System No. 8 Bonds (Charter Township of Ypsilanti). Support by Peoples. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – YCUA Red Flag Policy Identity Theft Protection Program – Larry R. Thomas

Mr. Thomas advised the Board that new federal regulations require all municipalities to have a Red Flag Identity Theft Program in place by May 1, 2009. He indicated that YCUA has much less personal information on its customers than a typical municipality but that it does provide services to its customers through ACH accounts and credit card payments which gives it access to some of the information which requires protection under this policy.

Mr. Thomas also explained that the policy involves setting up indicators and record checks which will trigger a red flag if something looks suspicious and could be an attempt from a third party to gather personal information on its customers or its employees. He pointed out that, clearly, identity theft is an important issue for YCUA customers and this policy is an attempt to protect the Authority's records.

Mr. Thomas explained that the policy started as a template from the Michigan Municipal League and was then modified for YCUA's specific areas of concern by Finance Director Dwayne Harrigan, who spear-headed the project. He further advised that the Finance Committee reviewed it this week and had no questions or concerns.

Mr. Thomas recommended approval of YCUA Red Flag Policy Identity Theft Protection Program.

Gregory A. Peoples interjected that the YCUA Finance Committee concurs with the recommendation. J. Ray Scott added that this keeps YCUA proactive.

Motion by Peoples to approve the YCUA Red Flag Policy Identity Theft Protection Program. Support by Doe. In favor: All. Opposed: None. (Motion carried)

D. Discussion Item – Contractor List – Larry R. Thomas

Mr. Thomas advised the Board that he has had some discussions with Ypsilanti Township officials regarding a contractor list, particularly contractors in the community that do underground private sewer and water

work for residents. He indicated that, in some cases, the quality of the work being done by these contractors has been, in YCUA's opinion, sub-standard. Mr. Thomas also explained that, for a number of years, it has been the policy of the Authority not to recommend any contractors if residents ask who they might hire to do such work.

Larry J. Doe concurred with Mr. Thomas and cited some examples of past experience with the poor performance of some local contractors. He pointed out that he does not like to see residents being taken advantage of, particularly senior citizens.

J. Ray Scott also concurred and indicated that the important implications of dealing with substandard work include the possibility of the Authority having to correct the work, which could cost YCUA more money in the long run.

Mr. Doe explained that it has also been discussed whether YCUA should do the work to assure its quality because that would create competition with private industry. Mr. Scott added that this could perhaps create liability for the Authority in terms of unfair labor practices claims.

Thomas E. Daniels advised the Board that he is of the opinion, as a matter of law, that it is a sound practice to provide to customers a list of contractors that YCUA knows, based on its experience and history in the field, are reputable and do a good job at a fair price. He indicated that, as a matter of policy, however, the problem occurs in that it is a fluid situation when certain contractors with an excellent track record suddenly go south. Mr. Daniels also explained that the response to this is to resolve internally to closely and regularly monitor the list and have some means of period review.

Mr. Thomas interjected that, in the past, the problems with maintaining a recommended contractors list came when certain contractors who were not being recommended began making complaints that YCUA was unfair in its recommendations and things escalated into a political situation.

Gwyn Belcher explained that this issue came to light because the YCUA foremen in the field have become very frustrated because they witness what kind of service the residents are getting and because they have been told over the last 10 years that they are not allowed to say anything one way or another about the work quality of local contractors. She further advised that they feel that it is their job to protect YCUA's customers, particularly the elderly. Ms. Belcher stated that the oversight of this list will come from these individuals, the four foremen, supervisor, and the director at the Service Center who put the customers first. She acknowledged that staff is aware that there will be complaints from contractors who are not on the list but that the wording on the list will not

indicate that YCUA endorses the contractors on the list but that the Authority has had positive experiences with them.

Mr. Daniels confirmed that YCUA needs to be prepared to address very specific criteria that would result in a contractor's elimination from the list. Ms Belcher suggested that the foremen and the management of the Service Center develop these criteria.

Mr. Scott concurred and suggested that they work with Tom Daniels on the specific language because if the Authority sets itself up as a protector of the residents, the burden of the responsibility for assuring the quality of the contractors on the list shifts to YCUA. He pointed out that the document needs to be fluid.

Mr. Daniels recommended that he meet with the appropriate members of the Service Center staff in order to move forward. Ms. Belcher indicated that she would schedule the meeting.

Motion by Peoples to approve ... Support by Doe. In favor: All. Opposed: None. (Motion carried)

E. Request to Approve – Mansfield Water Main Replacement Phase II OHM Design – T. Michael Jessee

Mr. Jessee advised the Board that this project will replace the water main from Westmoreland going south to Congress Street. He indicated that the City of Ypsilanti is planning a major road renovation on Mansfield Street and YCUA would like to utilize the opportunity to replace the water main there. Mr. Jessee also explained that the main is approximately 1,700 feet of 6-inch water main. He pointed out that staff contacted OHM and requested a design proposal. Mr. Jessee explained that OHM supplied a proposal in the amount of \$29,900 for the design and all of the work related to the design.

Mr. Jessee recommended approval of Mansfield Water Main Replacement Phase II OHM Design in the amount of \$29,900.

Gregory A. Peoples inquired as to whether this project is located in front of West Middle School down to Michigan Avenue. Mr. Jessee responded that it will end at Congress Street and that the school will also be doing some work on the school entrances as part of this project. He indicated that MDOT will be overseeing the project.

Motion by Peoples to approve the Mansfield Water Main Replacement Phase II OHM Design in the amount of \$29,900. Support by Doe. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve – Mansfield Water Main Replacement Phase I Construction Budget – T. Michael Jessee

Mr. Jessee advised the Board that this project will involve Mansfield Street from Westmoreland up to Washtenaw Avenue. He indicated that 1,300 feet of 6-inch water main will be replaced. Mr. Jessee also explained that the project will be funded by MDEQ DWRP monies. He pointed out that the construction budget is in the amount of \$364,000, which includes a \$20,600 contingency. Mr. Jessee explained that this project has been bid by MDOT and awarded to Angelo Iafrate. He further advised that YCUA has had positive experience with Mr. Iafrate.

Mr. Jessee recommended approval of Mansfield Water Main Replacement Phase I Construction Budget in the amount of \$364,000.

Motion by Doe to approve the Mansfield Water Main Replacement Phase I Construction Budget in the amount of \$364,000. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

G. Request to Approve – Mansfield Water Main Replacement Phase I OHM Construction Observation Proposal – T. Michael Jessee

Mr. Jessee advised the Board that OHM provided YCUA with a proposal for the observation of the construction. This is to guarantee and insure that all of the water main is replaced according to specifications outlined in the contract and that all of the codes that are associated with the water main replacement are followed. He indicated that the proposal was in a not-to-exceed amount of \$50,800.

Mr. Jessee recommended approval of Mansfield Water Main Replacement Phase I OHM Construction Observation Proposal in the amount of \$50,800.

Motion by Peoples to approve the Mansfield Water Main Replacement Phase I OHM Construction Observation Proposal in the amount of \$50,800. Support by Doe. In favor: All. Opposed: None. (Motion carried)

H. Request to Approve – North Golfside Pump Station Upgrade Construction Budget – T. Michael Jessee

Mr. Jessee advised the Board that the Authority is in the process of upgrading this pump station. He indicated that it is YCUA's intent to place a stationary generator there for auxiliary power during power failures, to supply MDEQ required bypassing pumping pipe network, and also upgrade the electrical system and bring all the electrical controls from down in the station to ground level, which will enhance safety and accessibility for the employees in that it is presently difficult to move large equipment in and out of this station.

Mr. Jessee also explained that a good deal of site renovation will also take place there. He pointed out that the project will be completed in house but that a couple of items will be bid out such as the concrete work, which will

include the pads for the generator and the electrical pad for the electrical panels.

Mr. Jessee explained that the project budget is in the amount of \$134,000 which includes a contingency of \$12,055.28 but does not include the generator since YCUA will incorporate one of its portable generators. He further advised that, in recent years, the Authority has installed numerous generators at specific locations where it did not have the retention time it wanted. Mr. Jessee stated that it was discovered that there was one too many portable generators for power failure issues. He acknowledged that this extra generator was retrofitted with a fuel tank and that it will be installed at North Golfside rather than purchasing a new one.

Mr. Jessee recommended approval of the North Golfside Pump Station Upgrade Construction Budget in the amount of \$134,000.

Motion by Doe to approve the North Golfside Pump Station Upgrade Construction Budget in the amount of \$134,000. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

I. Request to Approve – Replacement of Customer Service Tile Floor – T. Michael Jessee

Mr. Jessee advised the Board that, on Monday, April 7th, staff arrived to work to find that the tile in the customer service lobby had detached from the floor and popped up in some places as high as four inches in a horseshoe shaped pattern on the north end of the lobby. He indicated that, according to Tetra Tech engineers, due to thermal expansion and ground movement over the years, the moveable flooring slab under the tile shifted which caused the tile to detach itself from the subfloor. Mr. Jessee also explained that voids could be heard under the tile in the last few years.

He pointed out that the job was advertised on the MITN system and that the contractors indicated that they had seen this phenomenon before. Mr. Jessee explained that the tiles are of an age that they can no longer be matched so a full tile replacement in the customer service lobby will be necessary.

He further advised that four bids were received with the low bid from MGM in the amount of \$20,845, which will include the entire lobby, the four vestibules, and the landing just inside the door that goes to the basement. Mr. Jessee stated that staff is asking for a budget of \$23,000, the remainder being a contingency. He acknowledged that the area is still taped off for safety purposes and invited the Board to take a look at it. Mr. Jessee confirmed that he has never seen anything like it.

Mr. Jessee recommended approval of the Replacement of Customer Service Tile Floor in the amount of \$20,845.

Motion by Peoples to approve the Replacement of Customer Service Tile Floor in the amount of \$20,845. Support by Doe. In favor: All. Opposed: None. (Motion carried)

J. Fund Balance Report - Larry R. Thomas

Mr. Thomas directed the Board's attention to the Fund Balance Report for March 31, 2009. 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.

K. Financial Report – Authority Net Assets - Larry R. Thomas

Mr. Thomas directed the Board's attention to the Financial Report – Authority Net Assets Report for March 31, 2009. 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.

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 report and answered questions from the Board.

Informational only; no motion from the Board required.

M. Attorney's Report – Larry R. Thomas

Mr. Daniels advised the Board that he has three items to report on. He indicated that he was absent at the previous month's meeting due to the WTUA arbitration hearing, which will be the last and a very positive item to report on.

Mr. Daniels also explained that, since last reporting on the C.A. Hull litigation matter in February, a non-jury trial has begun before one of the local Washtenaw County circuit judges who gives not a lot of real consistent attention to non-jury cases in that she uses her docket primarily for criminal cases, jury trials, and motion practice and will hear non-jury cases on Friday afternoon piecemeal whenever it fits into her docket. He pointed out that, in spite of this, the case is going reasonably well and that Mr. Jessee has been there throughout the litigation as the client representative.

Mr. Daniels explained that he and Mr. Jessee have analyzed what has been happening every step of the way. He further advised that they were on trial on March 6th, April 3rd, and the previous Friday and will not return again until May 29th, hopefully to conclude the trial then. Mr. Daniels stated that six witnesses have been presented to date but that YCUA is not

finished presenting its case. He acknowledged that Authority employees that were involved at the time that the bypass operation was instituted have testified, including Scott Westover, who testified not only as a fact witness but as an expert witness.

Mr. Daniels confirmed that, all in all, there is a sense at this time the proofs are going in quite favorably to YCUA and that there have been no real surprises. He explained that because it has taken so many days and the judge has been very attentive and has taken notes, YCUA agreed with the court and opposing counsel at the last session on Friday that, when the case is over, the Authority will be submitting to the court its own written proposed findings of fact and conclusions of law so that the judge will have a written document rather than just an oral closing argument.

Mr. Daniels pointed out that, to that end, in order to give YCUA a better advantage and a more thorough closing summation, he and Mr. Jesse agreed that there are certain portions of the transcript that they have ordered so that it can be quoted verbatim what they feel is the most favorable testimony, particularly from two C.A. Hull witnesses that the Authority called last week.

Mr. Daniels advised the Board that the Meade Westvaco matter is still in pretrial discovery, which ends May 27th. He indicated that he was in South Carolina on April 20th and 21st for four depositions of Bioclimatic and Meade Westvaco executives. Mr. Daniels also explained that they have given a complete report to the litigation team on those depositions. He pointed out that they are doing all they can to keep Meade Westvaco in the case and to demonstrate their liability in spite of the fact that they withdrew from the LLC, which continues to be a major issue in that litigation.

Mr. Daniels explained that YCUA has not been satisfied with the documents that have been produced by opposing counsel so a formal motion has been filed to compel them to produce additional documents. He further advised that this will be argued in court on May 11th.

Mr. Daniels advised the Board that the WTUA arbitration is now complete and a favorable result can be reported. He indicated that the arbitration hearing took place on March 19, 20, 23, 24 and 25 and that it was an intense several days. Mr. Daniels also explained that the award from the arbitration panel, which worked very hard and did a good job, was received on April 8th. He pointed out that they wrote a detailed opinion several pages long concluding that WTUA breached the contract when they failed to pay their share of the OPEB Trust in 2006 and that YCUA was awarded \$145,000 for that item plus interest at the statutory interest rate. Mr. Daniels explained that the interest on that award will be somewhere in the range of \$9,000 when it is eventually paid. He further advised that the arbitrators also determined that WTUA has an ongoing

responsibility under the contract to continue to pay their formula-based share of the OPEB Trust funding through the balance of their contract with YCUA, which is for 99 years with 90 years left.

Mr. Daniels stated that the panel also awarded to YCUA all of the costs that it incurred for the American Arbitration Association and the fees it paid to the arbitrators. He acknowledged that, on that count, WTUA must reimburse YCUA \$54,000, which is the amount of YCUA's share of that expense, and it must be paid within 30 days along with other money awarded.

Mr. Daniels confirmed that, across the board, this was a good result. He explained that YCUA staff invited him and some other individuals from his office to a celebration last week and that they went to Frenchie's and that it was very appreciated. Mr. Daniels pointed out that it is not obligatory on his part to say that the litigation team which included Larry R. Thomas, T. Michael Jessee, Gwyn Belcher, Dwayne Harrigan, Scott Price, and Mark Kettner testified and worked consistently throughout this matter since it began in November of 2007. He also stated that WTUA very frequently altered its theory as to why YCUA was in breach of the contract rather than they and the litigation had to adjust frequently to those arguments that were being put forth, both relative to gathering facts from Ms. Belcher and Mr. Harrigan and others to developing legal theories to counter what they came up with.

Mr. Daniels advised the Board that the litigation team was simply marvelous in this ongoing effort and that the testimony of Mr. Thomas, Mr. Price, and Mr. Kettner was superb. He indicated that there were originally three experts but only two were called in the end. Mr. Daniels also explained that he anticipated calling Vic Cooperwasser from Tetra Tech on rate making theory but it was decided to call in the expert from Chicago along with a professor and PhD in accounting from Michigan State. He pointed out that the work of the staff at YCUA and the support that they gave to the law firm could not have been better and made all of the difference in the end.

Mr. Daniels explained that, although the award is binding as was agreed upon in the contract between YCUA and WTUA, WTUA does have the limited options for appeal, which would include fraud on the part of one of the arbitrators, a clear and manifest lack of partiality on the part of the arbitrators, or an absolutely clear error of law.

He further advised that both YCUA and WTUA both benefitted from the fact that the panel of three arbitrators, who are lawyers with experience in this area, paid a great deal of attention to the issues and reviewed the countless exhibits from both sides, much better than could have been received from a judge.

Mr. Thomas stated that WTUA staff has indicated to YCUA staff at the Finance Committee meeting that they had made a decision about an appeal but that they needed to wait until their Board meeting last night to get approval on their decision. He acknowledged that their deadline to notify YCUA of their intention to file an appeal is April 29th.

Larry J. Doe indicated that, considering the dollar amount, he is of the opinion that they are likely to file an appeal but that he hopes they make the right decision. Mr. Thomas confirmed that it is difficult to put a dollar value on the case itself because the funding of the trust is not something that is so much every year for 30 years but that it depends on investment returns and so on, but that it is somewhere between \$4 million and \$6 million over that period of time.

Gregory A. Peoples indicated that kudos are due to the litigation team for their hard work. J. Ray Scott interjected that kudos are also due to counselor Daniels.

Informational only; no motion from the Board required.

N. Director's Report - Larry R. Thomas

Mr. Thomas advised the Board that Mr. Daniels's handling of the WTUA arbitration should be commended and that his presentation of the facts was extremely impressive. He indicated that the arbitrators were able to come to a clear conclusion because of the statement of the facts in such a clear and concise manner. Mr. Thomas also explained that the Board should be very pleased to have Mr. Daniels as their attorney and counsel.

Mr. Thomas advised the Board that Ypsilanti Township made a temporary change in two of its ordinances regarding benefit charges and T & T fees that will have an effect at the Authority in that they are forgiving these charges for a one-year period.

Larry J. Doe interjected that this is being done to welcome new people coming in and that it will also benefit some existing homeowners who might not presently have sewer service. He indicated that it is being considered a stimulus package on the backs of YCUA. Mr. Doe also explained that it is their hope that this small loss will be made up by increased water usage.

4. OLD BUSINESS:

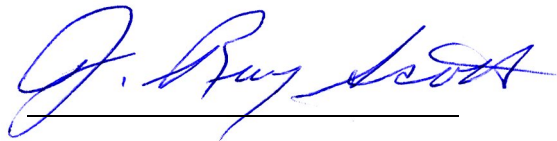
There was no old business for the month.

5. OTHER BUSINESS:

There was no other business for the month.

6. **STATEMENTS AND CHECKS:** Motion by Doe to pay the bills in the amount of \$3,725,114.59 with an addendum in the amount of \$3,775.93. Support by People. In favor: All. Opposed: None. (Motion carried)
7. **PUBLIC COMMENTS:**
There were no public comments for the month.
8. **ADJOURNMENT:** Motion by Doe to adjourn the meeting at 10:43 a.m. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,



J. RAY SCOTT, Chair



**YCUA RESOLUTION No. 09-3 TO ADOPT THE
YCUA DRINKING WATER REVOLVING FUND
PROJECT PLAN DATED APRIL 28, 2009**

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 April 2009 at 9:00 o'clock a.m., Eastern Daylight Time.

PRESENT: Commissioners J. Ray Scott, Larry J. Doe, and Gregory A. Peoples

ABSENT: Commissioners Mark Namatevs and Deedra Climer Bass

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

WHEREAS, the Ypsilanti Community Utilities Authority recognizes the need to make improvements to its existing water transmission and distribution system; and

WHEREAS, the Ypsilanti Community Utilities Authority prepared a Drinking Water Revolving Fund Project Plan for the City of Ypsilanti and Charter Township of Ypsilanti, which recommends the implementation of 70 separate improvements by the year 2033; and

WHEREAS, said Project Plan amendment was presented at a Public Hearing held on Thursday, April 16, 2009 and all public comments have been considered and addressed;

NOW THEREFORE BE IT RESOLVED, that the Ypsilanti Community Utilities Authority formally adopts said Project Plan and agrees to implement the selected alternatives stated in the Project Plan.

BE IT FURTHER RESOLVED, that the Director of the Ypsilanti Community Utilities Authority, a position currently held by Larry R. Thomas, is designated as the authorized representative for all activities associated with the project referenced above, including the submittal of said Project Plan update as the first step in applying to the State of Michigan for Drinking Water Revolving Fund

Loans to assist in the implementation of the selected alternatives.

AYES: Commissioners J. Ray Scott, Larry J. Doe, and Gregory A. Peoples

NAYS: Commissioners None

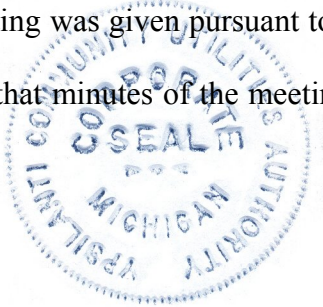
RESOLUTION DECLARED ADOPTED.






J. RAY SCOTT, Chair

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 April 2009 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.





J. RAY SCOTT, Chair

**YCUA RESOLUTION No. 09-4 AUTHORIZING THE ISSUANCE OF
NOT TO EXCEED \$600,000 YPSILANTI COMMUNITY UTILITIES AUTHORITY
WATER SUPPLY SYSTEM NO. 8 BONDS
(CHARTER TOWNSHIP OF YPSILANTI)**

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 April 2009 at 9:00 o'clock a.m., Eastern Daylight Time.

PRESENT: Commissioners J. Ray Scott, Larry J. Doe, and Gregory A. Peoples

ABSENT: Commissioners Mark Namatevs and Deedra Climer Bass

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

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 (the "City") for the purposes set forth in the Act; and

WHEREAS, the Authority and the Charter Township of Ypsilanti (the "Local Unit") have entered into a DWRP Contract dated March 24, 2009 (the "Contract") 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 (the "Project"); and

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 Local Unit's share of the cost of acquiring and constructing the System (hereinafter defined), and all things necessary to the authorization and issuance of the Authority's bonds under the Act having been done and the Authority being now empowered to issue, and desirous of authorizing the issuance of, the bonds; and

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

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

WHEREAS, in pursuance of the authority granted by Act 233, the Authority desires to issue and sell the necessary bonds to the MMBA to pay the cost of the Project; and

THEREFORE, BE IT RESOLVED BY THE BOARD OF THE AUTHORITY AS FOLLOWS:

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

- (a) "Authority" means the Ypsilanti Community Utilities Authority.

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

(c) “Contract” means the DWRP Contract dated as of March 24, 2009 between the Authority and the Local Unit.

(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. 8 (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, and necessary demolition thereof as more particularly described in the Contract, together with all necessary appurtenances and rights in land thereto, being defrayed from the proceeds of the Bonds.

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

Section 3. Estimated Cost; Useful Life of Local Unit's Share of System. The total estimated cost of acquiring and constructing the System, including payment of incidental expenses as specified in Section 5 of this resolution, in the amount of not to exceed \$600,000 and the Local Unit's share thereof of not to exceed \$600,000, is hereby approved and confirmed. The estimated period of usefulness of the System is determined to be not less than thirty (30) years.

Section 4. Authorization of Bonds. For the purpose of defraying the Local Unit's share of the cost of the System, including payment of engineering, legal and financing expenses, and other expenses incident thereto and incident to the issuance of the Bonds, there shall be borrowed the sum of not to exceed \$600,000, and in evidence thereof Bonds of the Authority shall be issued in an equivalent aggregate principal amount.

Section 5. Details of Bonds. The Bonds shall be designated WATER SUPPLY SYSTEM NO. 8 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 the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, and payable on October 1 in the years and amounts as follows:

2010	\$25,000
2011	25,000
2012	25,000
2013	25,000
2014	25,000
2015	25,000
2016	25,000
2017	30,000
2018	30,000
2019	30,000
2020	30,000
2021	30,000
2022	30,000
2023	30,000
2024	35,000
2025	35,000
2026	35,000
2027	35,000
2028	35,000
2029	40,000

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

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

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

The Bonds principal amount is expected to be drawn down by the Authority periodically, and interest on principal amount shall accrue from the date such principal amount is drawn down by the Authority.

The Bonds shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Bonds shall be payable as provided in the Bond form in this Resolution.

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

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

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

Section 7. Source of Payment; Pledge; Remedies. The Bonds and the interest thereon shall be payable solely from the Contractual Payments received by the Authority, for the payment of which the Local 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.

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

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

Section 9. Establishment of the Debt Retirement Fund. The Authority shall, after the adoption of this resolution and the delivery of the Bonds herein authorized, open a special depository account with the Depository Bank to be designated DEBT RETIREMENT FUND - YPSILANTI COMMUNITY UTILITIES AUTHORITY WATER SUPPLY SYSTEM NO. 8 (CHARTER TOWNSHIP OF YPSILANTI) (the "Debt Retirement Fund"), into which the Authority shall deposit the proceeds of the Bonds representing premium or accrued interest paid at the time of delivery of the Bonds, if any, and all Contractual Payments as received. The moneys from time to time on hand in the Debt Retirement Fund shall be used solely and only for the payment of the principal of and interest on the Bonds.

Section 10. Operation and Maintenance. The operation, maintenance and administration of the System, and the acquisition and construction thereof, shall be under the overall jurisdiction and control of the Authority.

Section 11. Bond Form. The Bonds shall be in substantially the following form, subject to such modifications which may be required by the Michigan Attorney General and the MMBA and approved by bond counsel:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF WASHTENAW

YPSILANTI COMMUNITY UTILITIES AUTHORITY
WATER SUPPLY SYSTEM NO. 8 BOND (CHARTER TOWNSHIP OF YPSILANTI)

REGISTERED OWNER: Michigan Municipal Bond Authority

PRINCIPAL AMOUNT: Six Hundred Thousand Dollars
(\$600,000)

DATE OF ORIGINAL ISSUE: _____, 2009

The YPSILANTI COMMUNITY UTILITIES AUTHORITY, a public corporation of the State of Michigan (the "Issuer"), for value received, hereby promises to pay to the Michigan Municipal Bond Authority (the "Authority"), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environmental Quality, in lawful money of the United States of America, unless prepaid or reduced prior thereto as hereinafter provided.

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

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth in Schedule A attached hereto and made a part hereof, as such Schedule may be adjusted if less than \$600,000 is disbursed to the Issuer or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of two and one-half percent (2.5%) per annum. Interest is first payable on October 1, 2009, and semiannually thereafter on the first days of April and October of each year, as set forth in the Purchase Contract.

Notwithstanding any other provision of this bond, as long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at the designated office of The Bank of New York Mellon Trust Company, N.A., or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository"); (b) the Issuer agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; and (c) written notice of any redemption of this bond shall be given by the Issuer and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

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

This bond is the single, fully-registered, non-convertible bond in the principal sum of \$600,000, issued under and in pursuance of a resolution duly adopted by the Board of Commissioners of the Issuer under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 233, Public Acts of Michigan, 1955, as amended, for the purpose of paying the cost of constructing improvements to the System (as hereinafter defined).

This bond is payable solely from the proceeds of contractual payments to be paid by the Charter Township of Ypsilanti, Washtenaw County, Michigan (the “Local Unit”) to the Issuer pursuant to a certain DWRP Contract dated as of March 24, 2009 (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. 8 (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 bond the total contractual payments, which said total payments are established in the amount required to pay the principal of and interest on this bond when due.

Bonds may be subject to redemption prior to maturity by the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.

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

It is hereby certified and recited that all acts, conditions and things required to be done, exist and happen, precedent to and in the issuance of this bond, in order to make it a valid and binding obligation of said Issuer, have been done, exist and have happened in regular and due form and time as provided by law, and that the total indebtedness of said Local Unit does not exceed any constitutional, charter or statutory limitation.

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

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY



(SEAL)

By: J. Ray Scott
J. RAY SCOTT, Chair

Countersigned:

By: Larry J. Doe
LARRY J. DOE, Commissioner

DEQ Project No.: 7263-01
 DEQ Approved Amt: \$600,000

SCHEDULE A

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

<u>Due Date</u>	<u>Amount of Principal Installment Due</u>
October 1, 2010	\$25,000
October 1, 2011	25,000
October 1, 2012	25,000
October 1, 2013	25,000
October 1, 2014	25,000
October 1, 2015	25,000
October 1, 2016	25,000
October 1, 2017	30,000
October 1, 2018	30,000
October 1, 2019	30,000
October 1, 2021	30,000
October 1, 2021	30,000
October 1, 2022	30,000
October 1, 2023	30,000
October 1, 2024	35,000
October 1, 2025	35,000
October 1, 2026	35,000
October 1, 2027	35,000
October 1, 2028	35,000
October 1, 2029	40,000
	\$600,000.00

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the Issuer which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of 2.50% per annum, payable October 1, 2009, and semi-annually hereafter.

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

Section 12. Additional Bonds. Nothing contained in this resolution or the Contract shall be construed to prevent the Authority from issuing additional bonds under the provisions of the Act, but any such additional bonds shall in no way have any lien on or be payable out of the Contractual Payments pledged to the payment of the Bonds, except such additional bonds as may be necessary may be issued to complete the System pursuant to the authorization provided in Section 16 of the Contract.

Section 13. Construction Fund. The proceeds of sale of the Bonds, other than proceeds for premium or accrued interest described below, shall be deposited in a special depository account in the Depository Bank designated "YPSILANTI COMMUNITY UTILITIES AUTHORITY WATER SUPPLY SYSTEM NO. 8 (CHARTER TOWNSHIP OF YPSILANTI) CONSTRUCTION FUND" (the "Construction Fund"). Proceeds of the Bonds representing premium or accrued interest paid at the time of delivery of the Bonds shall be deposited into the Debt Retirement Fund established under the provisions of Section 9 of this resolution. The moneys in the Construction Fund shall be used solely and only to pay costs of the improvements authorized in this resolution and any engineering, legal, bond insurance, financing or other expenses incidental thereto on authorization of the Authority, in accordance with the provisions of the Contract. Any unexpended balance remaining in the Construction Fund after completion of the System may be used for the improvement or enlargement of the System or for other projects of the Authority undertaken on behalf of the Local 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 14. Investment of Funds. Moneys in any funds and accounts of the Authority may be invested by the Authority in United States government obligations, the principal of and interest on which are guaranteed by the United States government, or in interest-bearing time deposits, as shall from time to time be determined by the Authority. In the event such investments are made, the securities representing the same shall be kept on deposit with the depository or depositories of the fund or funds from which such investments are made and such securities and the income therefrom shall become part of the Debt Retirement Fund, to the extent necessary to pay amounts owing on the Bonds.

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

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

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

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

(c) The Authority will maintain and keep proper books of record and account relative to the application of funds for the construction of the System and the Contractual Payments received pursuant to the Contract. Not later than three (3) months after the end of each year, the Authority shall cause to be prepared a statement in reasonable detail, sworn to by its chief accounting officer, showing the application of the proceeds of sale of the Bonds, the cash

receipts from the Contractual Payments during such year and the application thereof, and such other information as may be necessary to enable any taxpayer or any holder or owner of the Bonds, or anyone acting in their behalf, to be fully informed as to all matters pertaining to the construction of the System and application of funds therefor or for the payment of the Bonds during such year. A certified copy of said statement shall be filed with the Clerk of the Local Unit and a copy shall also be sent to the manager or managers of the account purchasing the Bonds. The Authority shall also cause an annual audit of the books of record and account for the preceding operating year to be made by a recognized independent certified public accountant and shall mail such audit to the manager or managers of the account purchasing the Bonds and the Department of Treasury. The aforesaid audit may be submitted to said manager(s) in place of the aforesaid statement.

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

Section 17. Purchase Contract. When prepared, the proposed forms of Purchase Contract between the Authority and the MMBA and Supplemental Agreement among the Authority, the MMBA and MDEQ shall be authorized to be approved by any or all of the Authorized Officers, and they are each authorized and directed to execute such documents with such revisions permitted by law and not materially adverse to the Authority as may be necessary or advisable to accomplish the sale of the Bonds to the MMBA as contemplated herein.

The Authorized Officers are hereby jointly or severally authorized to take any actions necessary to comply with requirements of the MMBA and MDEQ in connection with sale of the Bonds to the MMBA. The Authorized Officers are hereby jointly or severally authorized to execute and deliver such

other contracts, certificates, documents, instruments, applications and other papers as may be required by the MMBA or MDEQ or as may be otherwise necessary or convenient to effect the approval, sale and delivery of the Bonds.

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

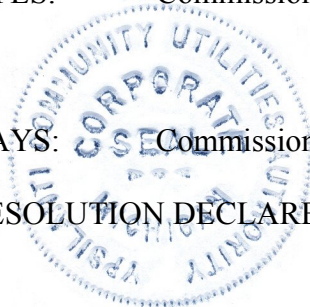
Section 19. Repealer. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are repealed.

Section 20. Effective Date. This resolution shall become effective immediately upon its adoption.

AYES: Commissioners J. Ray Scott, Larry J. Doe, and Gregory A. Peoples

NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED.






J. RAY SCOTT, Chair

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 April 2009 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.





J. RAY SCOTT, Chair