

**RESOLUTION
RELATING TO ISSUANCE BY
THE GREAT LAKES WATER AUTHORITY OF
WATER SUPPLY SYSTEM REVENUE BONDS
FOR THE BENEFIT OF THE DETROIT LOCAL WATER SUPPLY SYSTEM**

Board of Water Commissioners
Detroit Water and Sewerage Department
County of Wayne, State of Michigan

Minutes of a regular meeting of the Board of Water Commissioners of the City of Detroit Water and Sewerage Department, County of Wayne, State of Michigan, held on the 19th day of February, 2020, at 2 p.m., prevailing Eastern Time.

PRESENT: Members _____

ABSENT: Members _____

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

WHEREAS, the Detroit Water and Sewerage Department (the "Department") has requested or intends to request the Great Lakes Water Authority (the "Authority") to authorize the issuance and sale of its Water Supply System Revenue Bonds, pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in one or more series (the "Bonds"), of which an amount not to exceed One Hundred Million Dollars (\$100,000,000) will be used for the purpose of paying all or part of the cost of acquiring and constructing additions, extensions and improvements to the Local Water Supply System of the City of Detroit (the "City"), together with all necessary structures, equipment, furnishings and all appurtenances and attachments; and

WHEREAS, the Department will utilize the proceeds of the Bonds to finance improvements to the City's Local Water Supply System as described in Exhibit A attached hereto (the "Projects"); and

WHEREAS, the Authority may sell the Bonds directly to underwriters or to the Michigan Finance Authority (the "MFA"), which will sell one or more series of its own bonds (the "MFA Bonds") to underwriters;

WHEREAS, the Department contemplates entering into supplemental agreements with the Authority, and the MFA if the Bonds are sold to the MFA, to govern the Department's expenditure of Bond proceeds, the reporting thereof, as well as certain covenants relating to the Projects in favor of the Authority and the MFA if the Bonds are sold directly to the MFA; and

WHEREAS, the underwriters will use an official statement or other disclosure document (the "Official Statement") to offer the Bonds or MFA Bonds for sale to the public;

WHEREAS, the Official Statement will contain, among other things, the disclosure of certain key financial and operating data about the Authority's and the City's Water Supply systems; and

WHEREAS, in connection with the sale of the Bonds or MFA Bonds, in order to fulfill their responsibilities under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the underwriters will require the Department to enter into a continuing disclosure undertaking (the "Continuing Disclosure Undertaking") for the benefit of the underwriters and owners of the Bonds or MFA Bonds; and

WHEREAS, the Department intends, at this time to formally request the Authority to issue new money bonds to finance the improvements to the Local Water Supply System described on Exhibit A hereto (the "Improvements") and to state its intentions to be reimbursed from proceeds of the Bonds for any expenditures made by the Department for the Project prior to issuance of the Bonds and to authorize the Department Director and Chief Financial Officer to take various actions in connection with the sale and delivery of each series of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Department is authorized to request the Authority to issue the Bonds to provide funds to pay all or part of the cost of the Improvements, which are anticipated to be incurred in the 2021 and 2022 fiscal years.

2. In the event the Department makes expenditures prior to the issuance of the Bonds to be reimbursed through the proceeds of the Bonds, the Department makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended (the "Code"):

- (a) The Department reasonably expects to reimburse itself with proceeds of the Bonds for certain costs of the Projects which were paid or will be paid from the general funds and/or Improvement and Extension Fund and other funds of the Department's Water Fund subsequent to sixty (60) days prior to today.
- (b) The maximum principal amount of Bonds expected to be issued for the Projects, including an allocable portion of issuance costs, is \$100,000,000.
- (c) A reimbursement allocation of the capital expenditures described above with the proceeds of the Bonds will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Projects are placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the Department's use of the proceeds of the Bonds to reimburse the Department for a capital expenditure made pursuant to this resolution.

3. The Department shall, to the extent permitted by law, take or abstain from taking all actions required by the Code, and regulations thereunder as may be necessary to maintain the exclusion of interest on the Bonds from adjusted gross income for federal income tax purposes.

4. The Director and Chief Financial Officer of the Department (each, an “Authorized Officer”) are each authorized and directed to assist the Authority with information relating to the Department’s operations and finances or otherwise required by securities law to be included in the Official Statement, and to enter into the Continuing Disclosure Undertaking in the form approved by the signer thereof. The Department hereby covenants to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12, the information set forth in a Continuing Disclosure Undertaking, as and when required by Rule 15c2-12.

5. The Authorized Officers are each hereby authorized and directed to take such further steps and actions and to execute and deliver such agreements, documents and certificates as are necessary or desirable to enable the Authority to issue the Bonds as contemplated herein, including but not limited to, certificates relating to the Department’s portion of the Official Statement, entering into a supplemental agreement with the Authority regarding the expenditure of bond proceeds by the Department and the reporting thereof by the Department to the Authority and/or the State of Michigan as well as certain covenants relating to the Projects in favor of the Authority and/or the MFA. All actions previously taken by the Authorized Officers in connection with the issuance and/or delivery of the Bonds are hereby ratified and approved.

6. The fees and expenses of Miller, Canfield, Paddock and Stone, P.L.C. as special counsel to the Department in connection with the Bonds, including fees related to the preparation of any special bankruptcy disclosure, if any, for the Official Statement or for the delivery of 10b-5 opinions and other bond related fees and expenses may be paid as a cost of issuance from proceeds of the Bonds or other available funds of the Department.

7. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members _____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

Its:

I hereby certify that the attached is a true and complete copy of a resolution adopted by the Board of Water Commissioners of the City of Detroit Water and Sewerage Department, County of Wayne, State of Michigan, at a Regular Meeting held on February 19, 2020, 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 the minutes of said meeting were kept and will be or have been made available as required by said Act.

Secretary

EXHIBIT A

DETROIT LOCAL WATER SUPPLY SYSTEM IMPROVEMENT PROJECTS

Water main replacements & improvements at various locations in the City including, but not limited to:

Project #:	Project Details:
WS-704	Outer Drive
WS-705	Eastside and Westside, Select Locations
WS-706	Wayne County Roads
WS-707	Select Streets Across Detroit
WS-710	Schoolcraft, Five Points, West Chicago, Warren, Chandler Park, Kelley
WS-711	East Jefferson, Greenfield Road, Greenview, West Parkway, and Northbound Southfield Service Drive
WS-712	Cornerstone Village Water (46,000 LF)
WS-713	Jefferson-Chalmers
WS-714	Michigan Department of Transportation (Grand River Streetscape)
WS-715	West Side Neighborhoods - Riverdale, Minock Park, Miller Grove and Rosedale
WS-718	New Center Commons and Virginia Park
DWS-907	North Rosedale Park