

**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**

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

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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 21st day of September, 2016, at 2:00 p.m., prevailing Eastern Time.

PRESENT: Members Einheuser, Blackmon, Coleman, Davis, Forte, Garcia, and Rodgers

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ABSENT: Members \_\_\_\_\_

The following preamble and resolution were offered by Member Linda D. Forte and supported by Member: Jane C. Garcia

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, in the principal amount of not to exceed in total One Hundred Fifty Million Dollars (\$150,000,000) (the "Bonds"), 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 System as described in Exhibit A attached hereto (the "Projects"); and

WHEREAS, the Department contemplates entering into supplemental agreements with the Authority to govern the Department's expenditure of Bond proceeds, the reporting thereof to the Authority and the Michigan Finance Authority (the "MFA") as well as certain covenants relating to the Projects in favor of the Authority and the MFA; and

WHEREAS, the Department anticipates that the Authority will sell the Bonds directly to the MFA, which will sell one or more series of its own bonds (the "MFA Bonds") to underwriters and that the underwriters will use an official statement or other disclosure document (the "Official Statement") to offer the MFA Bonds for sale to the public; and

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 also anticipates that the Authority has or will sell two or more series of Bonds to the MFA as part of the Michigan Drinking Water Revolving Fund ("DWRF") Program; and

WHEREAS, the Department intends, at this time to state its intentions to be reimbursed from proceeds of the Bonds for any expenditures undertaken 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 City 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 Project 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 Project, including an allocable portion of issuance costs, is \$150,000,000.
- (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 Project is 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.

2. 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.

3. The Director and Chief Financial Officer of the Department (each, an "Authorized Officer") are each authorized and directed 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.

4. 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, 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 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.

5. The appointment of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan, as Special Counsel to the Department in connection with the delivery of an initial series of Bonds to the MFA through the DWRF Program is hereby ratified and confirmed, notwithstanding the periodic representation by Miller, Canfield, Paddock and Stone, P.L.C., in unrelated matters of other parties and potential parties to the issuance of the Bonds. The fees and expenses of Miller, Canfield, Paddock and Stone, P.L.C. as Special Counsel, including fees related to the preparation of any special bankruptcy disclosure, if any, for the Official Statement or for the delivery of special opinions and other accumulated bond related fees and expenses shall be payable as a cost of issuance from proceeds of the Bonds or other available funds of the Department.

6. 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 Einheuser, Blackmon, Coleman, Davis, Forte, Garcia, and Rodgers

NAYS: Members \_\_\_\_\_

RESOLUTION DECLARED ADOPTED.

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September 21, 2016

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 September 21, 2016, 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.

Marian A. King-Bell

Secretary

EXHIBIT A

THE PROJECTS

DETROIT LOCAL WATER SYSTEM IMPROVEMENTS

1. Water main replacements & improvements at various locations in the City including, but not limited to:
  - Joy Road between Greenfield and Schaefer
  - Davison Ave. between Linwood and Livernois
  - Livernois Ave. between Ranspach and Michigan Avenue
  - Rutherford Ave. between Trojan Ave. and W. Eight Mile Rd.
  - Minock Ave. between Plymouth Rd. and Fitzpatrick Ave.
  - Leewin Ave. between Cherokee Dr. and Berg Rd.
  - Lindsay Ave. between Fargo and W. Eight Mile Rd.
  - Faust Ave. between Pembroke Ave. and W. Eight Mile Rd.
  - Oakfield Ave. between Pembroke Ave. and W. Eight Mile Rd.
  - Glastonbury Ave. between Pembroke Ave. and W. Eight Mile Rd.
  - Frisbee Ave. between Five Points Ave. and Telegraph Rd.
  - Grandville Ave. between Joy Rd. and W. Chicago Ave.
  - Southfield Rd. N.B. between Pembroke Ave. and Trojan Ave.
  - Lakepointe St. between Morang Dr. and Moross
  - Roxbury St. between Berkshire Rd. and Whittier St.
  - Greensboro St. between Berkshire Rd. and Whittier St.
  - Balfour Rd. between Berkshire Rd. and Yorkshire Rd.
  - McKinney St. between Berkshire Rd. and Grayton St.
  - Woodhall St. between Chandler Park Drive and Harper Ave.
  - Dean St. between E. Outer Drive and E. 8 Mile Rd.
  - Sunset St. between E. 7 Mile Rd. and E. Outer Drive
  - Justine St. between E. 7 Mile Rd. and E. Outer Drive
  - Healy St. between Emery Ave. and E. Outer Drive
  - Lamont St. between Emery Ave and Lantz Ave.
  - Ewald Circle between Davison Rd. and Livernois Ave.
  - Beatrice St. between Schaefer Hwy. and Pleasant Ave.
  - Deacon St. between Schaefer Hwy. and Pleasant Ave.
  - Manor St. between Seven Mile and W. Outer Drive
  - Scotten between Michigan Ave. and Buchanan Ave.
  - Stout St. between Seven Mile Rd. and Six Mile Rd.
  - Vaughn St. between Pickford St. and Santa Maria Ave.
  - Burgess Ave. between Six Mile Rd. and Puritan Rd.
  - Burgess Ave. between Hessel St. and Pembroke Rd.
  - Giardin St. between Seven Mile Rd. to End of Road
  - Stotter Ave. between Outer Drive and Seven Mile Rd.
  - Burt Rd. between Joy Rd. and Van Buren Ave.

2. Water System Improvements
  - Various streets throughout the City
  - Joy Road from Southfield Freeway to Trinity
3. Water Meter Replacement Program
4. Fire Hydrant Replacement at Various Locations in the City

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