



# Minutes

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**YPSILANTI COMMUNITY UTILITIES AUTHORITY  
BOARD OF COMMISSIONERS MEETING  
Tuesday, April 24, 2012 – 9:00 a.m.  
YCUA Administration Building  
2777 State Road  
Ypsilanti, MI 48198-9112**

**Members Present:** Brenda L. Stumbo, Andrew Cameron, and Larry J. Doe.

**Members Absent:** Mark Namatevs and Gregory A. Peoples.

1. **CALL TO ORDER:** Ms. Stumbo called the meeting to order at 9:00 a.m.
2. **MINUTES OF THE PREVIOUS MEETINGS:** Motion by Doe to receive and file the minutes of the March 27, 2012 meeting as presented. Support by Cameron. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
  - A. **Request to Approve – Contract to Human Resources Director – Larry R. Thomas**

Mr. Thomas reminded the Board that the selection committee consisting of Brenda Stumbo, Greg Peoples, Bob Brewster and him interviewed three candidates to fill the position of Human Resources Director at the Authority. He indicated that the group unanimously selected Kimberly Robinson as the individual to fill the position.

Mr. Thomas directed the Board’s attention to a draft employment contract for the new Human Resources Director for their approval. Mr. Thomas explained that the contract is similar in format with the current contracts of non-bargaining unit employees with some differences as requested by committee members. He pointed out that the contract has a starting salary of \$70,000 with a raise after six months and another after one year. Mr. Thomas also explained that the contract removes the longevity bonus and reduces the amount of paid time-off that the current contracts contain. He further advised that the contract also has a “use it or lose it” provision for paid time off after an accumulation of 240 hours. Mr. Thomas further

stated that the contract contains language in compliance with current state law requiring an employee to pay 20% of the cost of health care.

Mr. Thomas recommended approval of the draft contract with Kimberly Robinson to fill the position of Human Resources Director.

Motion by Doe to approve the draft contract with Kimberly Robinson to fill the position of Human Resources Director. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

Mr. Doe inquired as to when Ms. Robinson will be starting in her new position. Mr. Thomas responded that a date has not yet been set but that he anticipates it will be soon.

Ms. Stumbo thanked the employees in the human resources department, the department heads, and all YCUA staff for doing such a great job during the time without an HR director. She added that this candidate has a lot of energy and experience with team-building.

**B. Request to Approve - YCUA Resolution No. 12-3 to Adopt the YCUA Drinking Water Revolving Fund Project Plan Dated April 24, 2012 – Larry R. Thomas**

Mr. Thomas advised the Board that Resolution No. 12-3 adopts an updated Drinking Water Revolving Fund Plan for the Authority. He indicated that the plan is updated periodically to reflect changes in YCUA's expectations of projects that the Authority may undertake in the future. Mr. Thomas explained that the updated plan needs to be submitted to the MDEQ on May 1, 2012.

Mr. Thomas recommended approval of YCUA Resolution No. 12-3 to adopt the YCUA Drinking Water Revolving Fund Project Plan Dated April 24, 2012.

Scott Westover advised the Board that this is a large plan, the bulk of the details of which are available for review in the draft plan that has been posted on the YCUA website. He indicated that more details will be provided in the final plan in the near future.

Motion by Cameron to approve YCUA Resolution No. 12-3 to adopt the YCUA Drinking Water Revolving Fund Project Plan Dated April 24, 2012. Support by Doe. In favor: All. Opposed: None. (Motion carried)

Ms. Stumbo commented that this plan contains some very important improvements projects, particularly in terms of fire protection.

**C. Request to Approve - YCUA Resolution No. 12-4 Authorizing Issuance of Not-To-Exceed \$8 Million 2012 Water System No. 8 Bonds (Charter Township of Ypsilanti) – Larry R. Thomas**

Mr. Thomas advised the Board that this resolution authorizes the sale of up to \$8,000,000 in bonds to finance the Ecorse / Emerick / I-94 water main replacement project. He indicated that the 45-day referendum period has not yet expired but that this resolution will allow YCUA to proceed when the referendum period ends. Mr. Thomas explained that Tom Colis, YCUA's bond counsel, was present for a presentation and to answer any questions.

Mr. Colis proceeded to provide his report in detail and addressed questions from the Board.

Motion by Doe to approve YCUA Resolution No. 12-4 Authorizing Issuance of Not-To-Exceed \$8 Million 2012 Water System No. 8 Bonds (Charter Township of Ypsilanti). Support by Cameron. In favor: All. Opposed: None. (Motion carried)

**D. Request to Approve - Award of Contract re: Water Street Sanitary Sewer Lining Project – Scott D. Westover**

Mr. Westover reminded the Board that, at the February Board meeting, staff was authorized to proceed with soliciting bids for the Huron Street sanitary sewer project. He indicated that this sanitary sewer requires improvements to eliminate the SSO potential from the system.

Mr. Westover explained that the lining component of this project was advertised as an independent project in compliance with the Authority's purchasing policy. He pointed out that other portions of the project have been delayed for further investigation of capacity and flows in the system.

Mr. Westover also explained that three bids for the lining portion of the project were received. He further advised that the low bid was from Insituform Technologies in the amount of \$39,600. Mr. Westover stated that staff is recommending a contingency of \$5,400 for a construction budget of \$45,000. He acknowledged that this project is to be paid from O & M funds.

Mr. Westover recommended approval of the award of the Water Street Sanitary Sewer Lining contract to Insituform Technologies in the amount of \$39,600 with a contingency of \$5,400 for a construction budget of \$45,000.

Motion by Cameron to approve the award of the Water Street Sanitary Sewer Lining contract to Insituform Technologies in the amount of

\$39,600 with a contingency of \$5,400 for a construction budget of \$45,000. Support by Doe.

Mr. Doe inquired as to why the contingency is so high. Mr. Westover responded that because there are unknown factors that could result in the possible need for bypass pumping, staff feels this amount is reasonable for a contract of this amount.

Ms. Stumbo inquired as to whether grease and roots are concerns in this area. Mr. Westover responded that, generally speaking, any sewer collects grease but that, because the lining of the new pipe is smoother, it should be less susceptible to grease accumulation than the older, rougher pipes. He added that this is a seamless pipe (whereas an older pipe typically has a joint every three to six feet), so the possibility of root intrusion is limited to each service connection. Mr. Westover indicated that, because there are no service laterals in this area, the risk of root intrusion is eliminated.

Mr. Doe inquired as to whether the main will be televised before the work begins. Mr. Westover responded that standard procedure is for YCUA staff to camera, clean, and televise the section of sewer and that the contractor is also required to do the same a second time.

Mr. Doe inquired as to the thickness of this lining. Mr. Westover responded that it is approximately 1/8-inch to 1/4-inch thick but that he would confirm a specific thickness.

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

**E. Request to Approve - 2012 Double Check Valve Assembly Installation Project – Scott D. Westover**

Motion by Doe to approve the award of the 2012 Double Check Valve Assembly Installation contract to C.I. Contracting in the amount of \$106,498 with a contingency of \$8,502 for a project construction cost of \$115,000. Support by Cameron.

Mr. Westover reminded the Board that, at the March Board meeting, staff was authorized to solicit bids for the installation of two double check valves to separate the EMU distribution system from the Authority's in the not to exceed amount of \$100,000. He indicated that the bids were advertised as per YCUA's purchasing policy and three bids were received.

Mr. Westover explained that the low bid was from C.I. Contracting in the amount of \$106,498. He pointed out that, although the bids both exceeded the \$100,000, staff believes the bid price reflects the level of effort required for the project. Mr. Westover also explained that staff is

recommending the award and a contingency of \$8,502 for a project construction cost of \$115,000.

He further advised that the Authority has been installing these check valves on the water mains entering the EMU campus for several years to eliminate flow through of water across the EMU system. Mr. Westover stated that these valves complete the main campus area.

He acknowledged that this project is to be paid from the O & M budget.

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

**F. Request to Approve - Award of Contract re: Wastewater Treatment Plant Ash Removal Project – Scott D. Westover**

Motion by Doe to approve the award of the wastewater treatment plant Ash Removal Project to Prolime Corporation in the amount of \$89,090 with a contingency of \$15,720 for a total project cost of \$104,810. Support by Cameron.

Mr. Westover advised the Board that ash generated from incineration of wastewater sludge at the wastewater treatment plant is pumped and stored in two ash lagoons at the north edge of the wastewater treatment plant property to allow the ash to dry. He indicated that, periodically, the lagoons are emptied and the ash trucked to a landfill for disposal. Mr. Westover explained that one of YCUA's lagoons is full and needs to be emptied this summer.

He pointed out that bids were advertised as per YCUA's purchasing policy and five bids were received. Mr. Westover also explained that the low bidder was Prolime Corporation in the amount of \$89,090. He further advised that, at last month's board meeting, when authorization to bid was approved, staff estimated the project cost at \$70,000. Mr. Westover stated that bidders cited diesel fuel costs as the major factor in higher costs. He acknowledged that staff is requesting a contingency of \$15,720 for a total project cost of \$104,810. Mr. Westover confirmed that the high contingency is due to the uncertainty of the exact amount of ash that can be removed.

He explained that this is a budgeted item.

Ms. Stumbo inquired as to whether this is where the odors are presently coming from. Perry M. Thomas responded that the ash lagoon is not the source but that the new odor control system for the plant is not yet installed.

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

**G. Request to Approve - Award of Contract re: Ecorse / Emerick / I-94 Water Main Improvements – Scott D. Westover**

This item was removed from the agenda.

**H. Request to Approve - Award of Contract re: Ecorse / Emerick / I-94 Water Main Improvements Construction Phase Engineering – Scott D. Westover**

This item was removed from the agenda.

**I. Fund Balance Report – Larry R. Thomas**

Informational only; no motion from the Board required.

**J. Financial Report – Authority Net Assets – Larry R. Thomas**

Informational only; no motion from the Board required.

**K. Usage Report – Consumption Report – Larry R. Thomas**

Informational only; no motion from the Board required.

**L. Attorney's Report – Thomas E. Daniels**

Mr. Daniels advised the Board that he has no report for the month. He indicated that he sent a memo to the Board a few days prior, which updated the Board on the progress of written report regarding the WTUA negotiations. Mr. Daniels explained that the Board can expect that report by the end of the week.

Informational only; no motion from the Board required.

**M. Environmental Report – Perry M. Thomas**

Mr. Thomas advised the Board that YCUA submitted its monthly discharge report for the wastewater treatment plant. He indicated that the Authority is in compliance with all of its requirements for its NPDES report.

Mr. Thomas explained that the NPDES permit expired October 2011 and YCUA submitted its application in April of 2012 as required. He pointed out that the Authority has been informed that the new permit should be received this summer, at which time he will report to the Board on the changes.

Mr. Thomas also explained that the Industrial Pretreatment Program revisions were submitted to MDEQ, which is currently providing its comments to YCUA. He further advised that the revised plan will require Board approval and will be presented to them in the near future.

Mr. Thomas stated that the Huron Street Sanitary Sewer Improvements

Program progress report was submitted to MDEQ. He acknowledged that YCUA explained that it wants to delay the Pearl Street relief sewer portion pending some investigations surrounding whether it has the integrity to receive the sewage.

Mr. Westover confirmed that staff televised the Pearl Street relief sewer from Huron Street to Hill and has identified a potential grade problem in about 40-feet of pipe that may require replacement.

Informational only; no motion from the Board required.

**M. Director's Report** – There was no director's report for the month.

**4. OLD BUSINESS:**

**N. Request to Approve – Annual Committee Member Appointments**

Ms. Stumbo inquired as to whether this item should remain on table due to the fact that there are Board members absent again this month. Mr. Thomas responded that the Finance Committee needs to meet soon in order to discuss the budget so any new appointments would need to be made now. He added that the Personnel Committee still needs to have a permanent appointment to fill the vacancy created by Deedra Climer Bass.

Ms. Stumbo inquired as to whether anyone has heard from Mark Namatevs in recent months. There was no knowledge of any contact with Mr. Namatevs. Mr. Thomas added that Mr. Namatevs has generally always attended the Finance Committee meetings when they were scheduled in the past.

Motion by Doe to appoint Ms. Stumbo to the Personnel Committee and leave everything else the same. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

**P. Discussion Item – YCUA Board Policy re: The Role of the Board of Commissioners in Personnel Discipline and Grievance Matters**

Ms. Stumbo suggested that this item remain on table until all Board members can be present for the discussion.

**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 \$3,554,624.19. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

**7. PUBLIC COMMENTS:**

Patrick Morris, Chief Stewart for the AFSCME union, addressed the Board and indicated that, years ago, there were members of the AFSCME and Teamsters unions appointed to the YCUA committees. He indicated that, during Ms. Belcher's tenure, that policy was

eliminated. Mr. Morris explained that he is curious as to why that had happened and asked that this be reconsidered.

8. **ADJOURNMENT:** Motion by Doe to adjourn the meeting at 9:33 a.m. Support by Cameron. In favor: All. Opposed: None. (Motion carried)



Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Andrew Cameron', written over a horizontal line.

ANDREW CAMERON, Secretary - Treasurer



**YCUA RESOLUTION NO. 12-3**  
**TO ADOPT THE YCUA DRINKING WATER REVOLVING FUND**  
**PROJECT PLAN DATED APRIL 24, 2012**

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 24<sup>th</sup> day of April 2012 at 9:00 o'clock a.m., Eastern Daylight Time.

PRESENT: Commissioners Brenda L. Stumbo, Andrew Cameron, and Larry J. Doe.

ABSENT: Commissioners Mark Namatevs and Gregory A. Peoples.

The following preamble and resolution were offered by Commissioner Cameron 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 more than 100 separate improvements by the year 2038; and

WHEREAS, said Project Plan was presented at a Public Hearing held on Thursday, April 19, 2012 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 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.

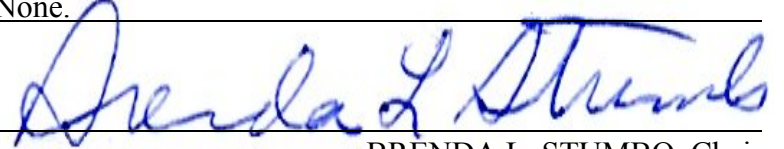
AYES: Commissioners

Brenda L. Stumbo, Andrew Cameron, and Larry J. Doe.

NAYS: Commissioners

None.

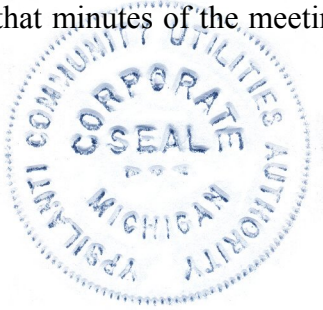
RESOLUTION DECLARED ADOPTED.

  
BRENDAL STUMBO

BRENDA L. STUMBO, 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 24<sup>th</sup> day of April 2012 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.



BRENDA L. STUMBO, Chair

**YCUA RESOLUTION No. 12-4**  
**AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$8,000,000**  
**2012 WATER SUPPLY SYSTEM NO. 8 BONDS**  
**(CHARTER TOWNSHIP OF YPSILANTI)**

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"), for the purposes set forth in the Act; and

WHEREAS, the Authority and the Charter Township of Ypsilanti (the "Local Unit") have each approved and executed a Contract dated March 27, 2012 (the "Contract") for the acquisition, construction and installation of various water supply system improvements, together with all necessary appurtenances and attachments thereto, to serve the Local Unit (the "Project"); and

WHEREAS, the Local Unit has published a notice of intent to enter into the Contract, which provides that the Contract shall become effective upon the expiration of a forty-five day referendum period beginning on the date of publication thereof (the "Referendum Period"), provided that during such period no petition for a referendum is signed by at least ten percent of the registered electors of the Local Unit and properly filed with the clerk of the Local Unit; 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 the Authority; 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 and statutory 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, provided that the Referendum Period expires without the filing of a referendum petition, 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.

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS 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) “Authorized Officer” means any of the Director, Chair, Secretary and Treasurer of the Authority.
- (c) “Bonds” means the \$8,000,000 Water Supply System No. 8 Bonds (Charter Township of Ypsilanti), authorized by Section 4 hereof.
- (d) “Contract” means the Contract, dated as of March 27, 2012 between the Authority and the Local Unit which has been approved by the Local Unit and which the Authority hereby approves and authorizes its Chair and Secretary to execute.
- (e) “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.
- (f) “Depository Bank” means the Michigan bank or trust company selected by the Board of Commissioners of the Authority or an Authorized Officer, 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, as more particularly described in the Contract and the Contract, together with all necessary appurtenances and rights in land thereto, being defrayed from the proceeds of the Bonds.
- (h) “Transfer Agent” means a bank or trust company qualified and approved by an Authorized Officer the Authority to serve as transfer agent for 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 complete the acquiring, constructing and completing of the System as provided in said plans and specifications.

Section 3. 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 4 of this resolution, in the amount of approximately \$8,000,000 and the Local Unit’s share thereof (100%) is hereby approved and confirmed. The cost of the System shall be defrayed from bonds to be issued by the Authority under the Contract in an amount not to exceed \$8,000,000. The estimated period of usefulness of the System is determined to be not less than twenty-five (25) 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, including a bond discount, and other expenses incident thereto and incident to the issuance of the Bonds, there shall be borrowed the sum of \$8,000,000, and in evidence thereof Bonds of the Authority shall be issued in an equivalent aggregate principal amount.

Section 5. Details of Bonds. The Bonds shall be designated 2012 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 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 the date of delivery therof, or such other date as shall be determined by an Authorized Officer at the time of sale, numbered as determined by the Transfer Agent and mature on April 1 in the years and amounts as follows:

\$75,000	2014;	\$480,000	2024;
75,000	2015;	485,000	2025;
175,000	2016;	490,000	2026;
300,000	2017;	495,000	2027;
310,000	2018;	525,000	2028;
315,000	2019;	550,000	2029;
350,000	2020;	560,000	2030.
355,000	2021;	565,000	2031;
370,000	2022;	575,000	2032
375,000	2023;	575,000	2033

The Bonds shall bear interest at a rate or rates to be determined on public sale thereof, but in any event not exceeding 7% per annum, payable on April 1, 2013, 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 11 hereof.

Section 6. 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. 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.

Each Authorized Officer is hereby authorized to execute an agreement with the Transfer Agent regarding the duties and responsibilities of the Transfer Agent.

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 and statutory 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 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 2012 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 and any 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:

UNITED STATES OF AMERICA

STATE OF MICHIGAN  
COUNTY OF WASHTENAW

YPSILANTI COMMUNITY UTILITIES AUTHORITY  
2012 WATER SUPPLY SYSTEM NO. 8 BONDS  
(CHARTER TOWNSHIP OF YPSILANTI)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	April 1, ____	_____, 2012	

Registered Owner:

Principal Amount: Dollars

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, 2013, and semiannually thereafter. Principal of this bond is payable upon presentation and surrender thereof at the principal corporate trust office of \_\_\_\_\_, \_\_\_\_\_, 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 March 27, 2012 (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 and constitutional 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 \$8,000,000, issued under and in pursuance of a resolution duly adopted by the Board of Commissioners of the Issuer under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 233, Public Acts of Michigan, 1955, as amended, for the purpose of paying the cost of constructing the System.

[Insert term bond provisions, if applicable]

Bonds maturing in the years 2014 to 2022, inclusive, shall not be subject to redemption prior to maturity.

Bonds or \$5,000 portions thereof maturing in the years 2023 to 2033, 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 April 1, 2022. 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 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 Commissioners, 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.



(SEAL)

By: *Brenda L. Stumbo*  
BRENDA L. STUMBO, Chair

Countersigned:

By: *Andrew Cameron*  
ANDREW CAMERON, Secretary - Treasurer

[FORM OF TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]  
Certificate of Authentication

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

\_\_\_\_\_,  
\_\_\_\_\_, Michigan  
Transfer Agent

By: \_\_\_\_\_  
Authorized Signature

Date of Registration: \_\_\_\_\_

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.

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 and any 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 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.

Section 17. Notice of Sale. The Secretary shall fix a date for sale of the Bonds, which shall not occur prior to the date on which the Referendum Period expires without the filing of a referendum petition, and cause notice of sale of the Bonds (the "Notice of Sale") to be published in *The Bond Buyer*, New York, New York, or any other newspaper approved by the Department of Treasury, 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

\$8,000,000

YPSILANTI COMMUNITY UTILITIES AUTHORITY  
COUNTY OF WASHTENAW, STATE OF MICHIGAN  
2012 WATER SUPPLY SYSTEM NO. 8 BONDS  
(CHARTER TOWNSHIP OF YPSILANTI)

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

SEALED BIDS Bidders may submit sealed bids for the purchase of the above bonds at the offices of the Authority located at 2777 State Road, Ypsilanti Michigan 48198-9112 on \_\_\_\_\_, the \_\_ day of \_\_\_\_\_, 2012 until \_\_\_\_\_m, prevailing Eastern Time, at which time and place said bids will be publicly opened and read. Sealed bids will also be received at the same time and date at the offices of The Municipal Advisory Council of Michigan, 535 Griswold, Suite 1850, Detroit, MI 48226 (the "MAC").

FAXED BIDS: Faxed bids may be submitted to the Authority at fax number (734) 484-4699 (Attn: Authority Director) or to the MAC at fax number (313) 963-0943, provided that faxed bids must arrive before the time of sale, the bidder bears all risks of transmission failure and the GOOD FAITH DEPOSIT MUST BE MADE AND RECEIVED as described in the section captioned "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. IF ANY PROVISIONS OF THIS NOTICE OF SALE SHALL CONFLICT WITH THE 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 the date of delivery thereof, numbered in order of registration, and will bear interest from their date payable on April 1, 2013 and semiannually thereafter.

The bonds will mature on the 1<sup>st</sup> day of April of each of the years, as follows:

\$75,000	2014;	\$480,000	2024;
75,000	2015;	485,000	2025;
175,000	2016;	490,000	2026;
300,000	2017;	495,000	2027;
310,000	2018;	525,000	2028;
315,000	2019;	550,000	2029;
350,000	2020;	560,000	2030.
355,000	2021;	565,000	2031;
370,000	2022;	575,000	2032
375,000	2023;	575,000	2033

TERM BOND OPTION: Bidders shall have the option of designating bonds as serial bonds or term bonds or both. Any term bond may consist of bonds which, if maturing as serial bonds, would be subject to optional redemption or bonds which, if maturing as serial bonds, would not be subject to optional redemption, but no term bond may consist of both. The bid must designate whether each of the principal requirements shown above represent a serial maturity or mandatory redemption requirement for a term bond maturity. In any event, the above principal amount schedule shall be represented by either serial maturities or mandatory redemption requirements, or a combination or both. Any such designation must be made within twenty-four hours after the time of sale.

**PRIOR REDEMPTION:** Bonds of this issue maturing in the years 2014 to 2022, inclusive, shall not be subject to redemption prior to maturity. Bonds or \$5,000 portions thereof maturing in the years 2023 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 April 1, 2022, 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 7% 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 highest and lowest rates on the bonds shall not exceed 3%. No proposal for the purchase of less than all of the bonds or at a price less than 98.75% or greater than 101% of their par value will be considered. THE INTEREST RATE FOR EACH SERIAL OR TERM BOND MATURITY SHALL BE EQUAL TO OR GREATER THAN THE INTEREST RATE FOR THE PRECEDING SERIAL OR TERM BOND MATURITY. In submitting a proposal for the bonds, the bidder agrees to the representation of the Authority by Miller, Canfield, Paddock and Stone, P.L.C. as bond counsel

**TRANSFER AGENT AND REGISTRATION:** Principal and interest shall be payable at the corporate trust office of \_\_\_\_\_, \_\_\_\_\_, 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 registration books of the Authority kept by the transfer agent.

**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. 8 (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 and constitutional 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 good faith deposit in the form of a certified or cashier's check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of \$160,000 payable to the order of the Treasurer of the Authority will be required of the successful bidder. The successful bidder is required to submit its good faith deposit to the Authority as instructed by the Authority not later than Noon, prevailing Eastern Time, on the next business day following the sale. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the Authority. No interest shall be allowed on the good faith check. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

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 April 1, 2013 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment date to \_\_\_\_\_, 2012 in an amount equal to the bid price, excluding accrued interest.

TAX MATTERS: In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, under existing law, assuming compliance with certain covenants, interest on the bonds is excludable from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

The successful bidder will be required to furnish, at 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"). Such certificate will include (i) for those maturities where 10% of each such maturity of the bonds has been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, the price at which the first 10% of each such maturity was sold to members of the general public and (ii) for those maturities where 10% of such maturity has not been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, an agreement by the successful bidder to provide bond counsel with the prices at which the first 10% of each such maturity is ultimately sold to members of the general public.

[QUALIFIED TAX EXEMPT OBLIGATIONS: The Bonds have been designated 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.

BOND INSURANCE AT PURCHASER'S OPTION: If the bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the bonds. Any and all increased costs of issuance of the bonds resulting from such purchase of insurance shall be paid by the purchaser, except that if the Authority has requested and received a rating on the Bonds from a rating agency, the Authority shall pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser. FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE AUTHORITY.

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.

BOOK-ENTRY ONLY: The bonds will be issued in book-entry only form 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 ("DTC"), New York, New York. DTC 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 interest in bonds purchased. It will 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.

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.

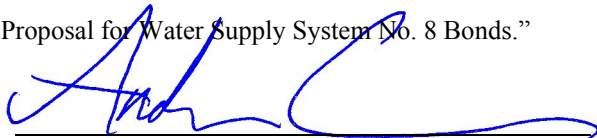
THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

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 reasonable 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. The 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 will 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 180<sup>th</sup> day after the end of its fiscal year commencing with the fiscal year ended December 31, [2012], (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 concerning the bond issue may be obtained from the District Library's financial advisor, 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. 8 Bonds."

  
ANDREW CAMERON, Secretary - Treasurer  
Ypsilanti Community Utilities Authority



Section 18. Tax Covenant; Qualified Tax Exempt Obligations. The Authority shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds. The Director is authorized to designate the Bonds as “qualified tax exempt obligations” for purposes of deduction of interest expense by financial institutions pursuant to the Code.

Section 19. Approval of Sale; Execution of Sale Order. Each Authorized Officer is hereby authorized to take all necessary procedures required to effectuate the sale, issuance and delivery of the Bonds including executing an order awarding the sale of the Bonds according to the Notice of Sale.

Section 20. Authorization of Other Actions. Each Authorized Officer is hereby designated, for and on behalf of the Authority, to (a) make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, premiums, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series, and other matters, other matters within the parameters established by this resolution; (b) execute and deliver such certificates and documents and do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the Bonds, including, if appropriate, purchase of bond insurance or other credit enhancements, make application for ratings, and revise the bond form, payment dates, date of original issue, designation of bonds, redemption provisions; and (c) make such other filings with the Michigan Department of Treasury or with other parties, to enable the sale and delivery of the Bonds as contemplated herein.

Section 21. Preliminary and Final Official Statement. The Authorized Officers, or any of them, are authorized to approve circulation of both a preliminary and final official statement describing the Bonds, to secure ratings for the Bonds.

Section 22. Section Headings. Section headings are for convenience only and do not constitute a part of this resolution.

Section 23. Repealer. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are repealed.

*[remainder of page left blank intentionally]*

Section 24. Effective Date. This Resolution shall become effective immediately upon its adoption.

Minutes of a Regular Meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority held on the 24<sup>th</sup> day of April, 2012 at which the following Commissioners were present:

Brenda L. Stumbo, Andrew Cameron, and Larry J. Doe.

and the following were absent:

Mark Namatevs and Gregory A. Peoples.

The attached resolution was moved by Commissioner Doe and seconded by Commissioner Cameron.


AYES: Brenda L. Stumbo, Andrew Cameron, and Larry J. Doe.

NAYS: None.

RESOLUTION DECLARED ADOPTED

  
\_\_\_\_\_  
ANDREW CAMERON, Secretary - Treasurer

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Commissioners of the Ypsilanti Community Utilities Authority, at a regular Meeting held on April 24, 2012, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

  
\_\_\_\_\_  
ANDREW CAMERON, Secretary - Treasurer

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