

**RESOLUTION NO. 23-06
CITY OF ST. CLAIR
ST. CLAIR COUNTY, MICHIGAN**

NOTICE OF INTENT RESOLUTION WATER SUPPLY SYSTEM REVENUE BONDS

Minutes of a regular meeting of the City Council of the City of St. Clair, County of St. Clair, State of Michigan, held on the 20th day of February, 2023, at 7:00 p.m., prevailing Eastern Time.

Present: Members Cedar, Gottler, Kuffa, LaPorte, Paul, Volz, Watt
Absent: None

The following preamble and resolution were offered by Member LaPorte and supported by Member Paul:

WHEREAS, the City of St. Clair, County of St. Clair, State of Michigan (the “City”), has determined that it is necessary for the public health, safety and welfare of the City to acquire, construct, furnish and equip improvements to the City’s water supply system (the “System”), including water treatment plant improvements, improvements to Shorewell pump station, pretreatment, filtration, chemical feed, flow meters, electrical and SCADA, water treatment plant building improvements and expansion and water mains in the City, and all related sites, structures, equipment, appurtenances and attachments thereto (the “Project”); and

WHEREAS, the City has been advised by the Michigan Department of Environment, Great Lakes and Energy (“EGLE”), that financial assistance to accomplish the acquisition and construction of the Project is available through the Drinking Water State Revolving Fund (“DWSRF”) Loan Program administered by EGLE and the Michigan Finance Authority (the “MFA”); and

WHEREAS, the City has made application for participation in the DWSRF loan program; and

WHEREAS, a notice of intent to issue revenue bonds must be published before the issuance of the bonds in order to comply with the requirements of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended (“Act 94”); and

WHEREAS, the City intends at this time to state its intentions to be reimbursed from proceeds of the bonds for any expenditures undertaken by the City for the Project prior to issuance of the bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a notice of intent to issue the bonds in the *Port Huron Times Daily*, a newspaper of general circulation in the City.
2. The notice of intent shall be published as a display advertisement not less than one-quarter (1/4) page in size in substantially the form attached to this resolution as Exhibit A.
3. The City Council does hereby determine that the foregoing form of Notice of Intent to Issue Bonds, and the manner of publication directed, is adequate notice to the electors and

taxpayers of the City and users of the System, and is the method best calculated to give them notice of the City's intent to issue the bonds, the purpose of the bonds, the security for the bonds, the source of payment for the bonds and the right of referendum of the electors with respect thereto, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

4. 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:

- (a) The City reasonably expects to reimburse itself with proceeds of the Bonds for the costs of acquiring and constructing the Project which were paid or will be paid from the water system fund and/or general fund of the City subsequent to sixty (60) days prior to today.
- (b) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$3,500,000.
- (d) A reimbursement allocation of the capital expenditures described above with the proceeds of the borrowing described herein 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 related Project 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 City's use of the proceeds of the debt to be issued for the Project to reimburse the City for a capital expenditure made pursuant to this resolution.

5. The City hereby confirms the retention of Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield"), as bond counsel in connection with the bonds. The City has been advised that Miller Canfield has represented the MFA in the past and may be representing the MFA presently in connection with various matters including the DWSRF loan program and the City consents to the representation of the MFA by Miller Canfield in connection with the DWSRF loan program that may be utilized by the City in connection with the bonds.

6. The City hereby confirms the retention of Bendzinski & Co. Municipal Finance Advisors as municipal advisor in connection with the bonds.

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 Gottler, Kuffa, LaPorte, Paul, Volz, Watt, Cedar
NAYS: None

RESOLUTION DECLARED ADOPTED.

Bill Cedar, Jr, Mayor

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of St. Clair, County of St. Clair, State of Michigan, at a regular meeting held on February 20, 2023, 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.

Annette Sturdy, City Clerk

EXHIBIT A

NOTICE TO TAXPAYERS AND ELECTORS OF THE CITY OF ST. CLAIR
AND TO USERS OF THE CITY'S WATER SUPPLY SYSTEM
OF INTENT TO ISSUE REVENUE BONDS AND THE
RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the City Council of the City of St. Clair, County of St. Clair, State of Michigan (the "City"), intends to issue and sell revenue bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in one or more series, in an aggregate principal amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000), for the purpose of paying part of the cost to acquire, construct, furnish and equip improvements to the City's water supply system, including water treatment plant improvements, improvements to Shorewell pump station, pretreatment, filtration, chemical feed, flow meters, electrical and SCADA, water treatment plant building improvements and expansion and water mains in the City, and all related sites, structures, equipment, appurtenances and attachments thereto.

SOURCE OF PAYMENT OF REVENUE BONDS

THE PRINCIPAL OF AND INTEREST ON THE REVENUE BONDS SHALL BE PAYABLE primarily from the revenues received by the City from the operations of the water supply system (the "System"). The City expects the revenue bonds to be sold to the Michigan Finance Authority in connection with the Michigan Department of Environment, Great Lakes and Energy Drinking Water Revolving Fund program in which case the bonds sold to Michigan Finance Authority may also be payable as described below. The revenues will consist of rates and charges billed to the users of the System, a schedule of which is presently on file in the office of the City Clerk. The rates and charges may from time to time be revised to provide sufficient revenues to provide for the expenses of operating and maintaining the System, to pay the principal of and interest on the bonds and to pay other obligations of the System.

BOND DETAILS

THE REVENUE BONDS will be payable in not more than thirty (30) annual installments for each series of bonds and will bear interest at the rate or rates to be determined at public or private sale but in no event to exceed such rates as may be permitted by law on the unpaid balance from time to time remaining outstanding on said bonds.

ADDITIONAL SOURCES OF PAYMENTS FOR BONDS
SOLD TO MICHIGAN FINANCE AUTHORITY

IF THE REVENUE BONDS ARE SOLD TO THE MICHIGAN FINANCE AUTHORITY, THE CITY MAY ALSO PLEDGE ITS LIMITED TAX FULL FAITH AND CREDIT AS SECURITY FOR THE BONDS. IN SUCH CASE, IF REVENUES OF THE SYSTEM ARE INSUFFICIENT TO PAY DEBT SERVICE AT ANY TIME, THEN TO PAY DEBT SERVICE THE CITY SHALL ADVANCE LEGALLY AVAILABLE FUNDS INCLUDING, IF NECESSARY, FUNDS FROM THE LEVY OF TAXES UPON ALL TAXABLE PROPERTY IN THE CITY, SUBJECT HOWEVER TO APPLICABLE CONSTITUTIONAL, STATUTORY AND CHARTER TAX RATE LIMITATIONS. IN ADDITION, THE CITY MAY BE REQUIRED TO PLEDGE FOR THE PAYMENT OF THE BONDS SOLD TO THE MICHIGAN FINANCING AUTHORITY MONEY RECEIVED OR TO BE RECEIVED BY THE CITY DERIVED FROM IMPOSITION OF TAXES BY THE STATE AND RETURNED OR TO BE RETURNED TO THE CITY AS PROVIDED BY LAW, except for money the use of which is prohibited for such purposes by the State Constitution. The City may enter into an agreement providing for the payment of taxes, which taxes are collected by the State and returned to the City as provided by law, to the authority or a trustee, and such funds may be pledged for the payment of the revenue bonds.

RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS OF THE CITY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 33, Act 94, Public Acts of Michigan, 1933, as amended.

ADDITIONAL INFORMATION will be furnished at the office of the City Clerk upon request.

Annette Sturdy
City Clerk, City of St. Clair

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