



Great Lakes Water Authority
Resolution 2016-08-02
RE: Approval of Ordinance Amending Master Water Bond Ordinance
Ordinance 2016-06

By Board Member: Brian Baker

Whereas There has been presented to the Board of Directors of the Great Lakes Water Authority (the “Authority”) an ordinance (the “2016 Second Supplemental Water Bond Ordinance”) that amends Master Bond Ordinance No. 2015-01 adopted by the Board of Directors on October 7, 2015, as amended on December 9, 2015 and January 27, 2016 (as amended, the “Master Water Bond Ordinance”).

Whereas The Articles of Incorporation of the Authority provide that at least 5 of the 6 members of the Authority Board must vote to approve the 2016 Second Supplemental Water Bond Ordinance.

Now, Therefore Be It:

Resolved That the 2016 Second Supplemental Water Bond Ordinance, in the form presented to this meeting, is approved and adopted, and the Chairperson and the Secretary are authorized to authenticate the 2016 Second Supplemental Water Bond Ordinance in the form approved; **And Be it Further**

Resolved That an affirmative vote of at least 5 members of the Authority Board is necessary for the passage of this Resolution.

Adopted by the Great Lakes Water Authority Board on: August 10, 2016



Great Lakes Water Authority Board of Directors

General Certification

The undersigned hereby certifies that (i) the Resolution 2016-08-02 “Approval of Ordinance Amending Master Water Bond Ordinance – Ordinance 2016-06” attached hereto is a true and complete copy of the Resolution duly passed by the Great Lakes Water Authority Board of Directors at a meeting held on August 10, 2016 at which meeting a quorum was present and remained throughout, (ii) the original thereof is on file in the records of the Great Lakes Water Authority Board of Directors, (iii) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended) and (iv) Minutes of such meeting were kept and will be or have been made available as required thereby.

YES: Robert J. Daddow, Gary A. Brown, Joseph Nardone, Brian Baker,
Freman Hendrix, and Craig A. Hupy
NO: None
ABSTAIN: None
ABSENT: None

Dated: August 10, 2016

By: Rechanda L. Willis
Title: Executive Board Assistant

GREAT LAKES WATER AUTHORITY

ORDINANCE NO. 2016-06

AN ORDINANCE TO AMEND MASTER BOND ORDINANCE NO. 2015-01

WHEREAS, pursuant to Resolution No. 2015-10-02 adopted by the Board of Directors of the Great Lakes Water Authority (the "Authority") on October 7, 2015, the Authority approved and adopted Master Bond Ordinance No. 2015-01, an ordinance entitled "AN ORDINANCE TO PROVIDE FOR THE ASSUMPTION BY THE GREAT LAKES WATER AUTHORITY OF ALL OF THE OUTSTANDING WATER SUPPLY SYSTEM REVENUE BONDS AND WATER SUPPLY SYSTEM REVENUE REFUNDING BONDS ISSUED BY THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN; TO PROVIDE FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS TO THE WATER SUPPLY SYSTEM OF THE GREAT LAKES WATER AUTHORITY AND THE CITY OF DETROIT; TO PROVIDE FOR THE ISSUANCE AND SALE OF REVENUE BONDS TO PAY THE COSTS THEREOF; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS AND THE ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM" (such ordinance as amended by Ordinance No. 2015-03 and Ordinance No. 2016-01 referred to in the next two recitals is hereinafter referred to as the "Master Water Bond Ordinance"); and

WHEREAS, pursuant to Resolution No. 2015-12-08 adopted by the Board of Directors of the Authority on December 9, 2015, the Authority approved and adopted Ordinance No. 2015-03, which made certain amendments to Master Bond Ordinance No. 2015-01; and

WHEREAS, pursuant to Resolution No. 2016-01-02 adopted by the Board of Directors of the Authority on January 27, 2016, the Authority approved and adopted Ordinance No. 2016-01, which made certain further amendments to Master Bond Ordinance No. 2015-01; and

WHEREAS, it is necessary to amend further the Master Water Bond Ordinance as hereinafter provided.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE GREAT LAKES WATER AUTHORITY AS FOLLOWS:

Section 101. Authority for this Supplemental Ordinance. This Supplemental Ordinance (the "2016 Second Supplemental Ordinance") is adopted pursuant to Section 1102(7) of the Master Water Bond Ordinance.

Section 102. Definitions. Except as otherwise provided in this 2016 Second Supplemental Ordinance, all terms which are defined in Section 101 of the Master Water Bond Ordinance shall have the same meanings, respectively, in this 2016 Second Supplemental Ordinance as such terms are given in the Master Water Bond Ordinance.

Section 103. Amendments to Section 101 of the Master Water Bond Ordinance.

(a) The following is substituted for and in the place of the definition of “Bond Reserve Account” in Section 101 of the Master Water Bond Ordinance:

“ ‘Bond Reserve Account’ or ‘Reserve Account’ means collectively, the Senior Lien Bond Reserve Account and the Second Lien Bond Reserve Account Fund created pursuant to Section 502(a).”

(b) The following is substituted for and in the place of the definition of “Reserve Requirement” in Section 101 of the Master Water Bond Ordinance:

“ ‘Reserve Requirement’ means, except as otherwise provided with respect to a particular Series of Bonds in the applicable Series Ordinance pursuant to Section 506(d), an amount equal to the Maximum Annual Debt Service requirements for each Series of Outstanding Senior Lien Bonds, which amount is required to be on deposit or, if permitted by law, otherwise provided for (including, but not limited to, through provision of a letter of credit, surety bond or insurance policy in the same amount and with a credit rating at the time of issuance of such Series of Bonds not less than the credit rating on such Series of Bonds) in the Senior Lien Bond Reserve Account; provided, however, that such requirement may be satisfied by a deposit of Bond proceeds at the time of issuance of a Series of Senior Lien Bonds, or by an accumulation on a scheduled basis of investment earnings or other deposits which will result in an amount equal to the Reserve Requirement for such Series of Bonds being on deposit no later than the date of the last scheduled application of all capitalized interest for such Series; provided, further, that with respect to a Series of Senior Lien Bonds which are proposed to be issued as Variable Rate Bonds, the Reserve Requirement shall be calculated utilizing the assumptions set forth under subparagraph (iii) of the definition of Debt Service; and provided that in no event shall the Reserve Requirement exceed the maximum permitted by the Code. Any Reserve Requirement with respect to one or more Series of Junior Lien Bonds shall be established by the related Series Ordinance, and if no amount is established therein, the Reserve Requirement shall be based on the Maximum Annual Debt Service requirement.”

Section 104. Amendment to Section 201 of the Master Water Bond Ordinance. (a) The following is substituted for and in the place of Section 201(a) and (b) of the Master Water Bond Ordinance:

“(a) It is hereby determined to be a necessary public purpose for the Authority to replace the City as the obligor on the DWSD Water Bonds and assume all of the obligations of the City related to the operation, administration and maintenance of the Regional Water System.

(b) To facilitate the assignment to and the assumption of the DWSD Water Bonds by the Authority, and the issuance of Additional Bonds by the Authority, it is also determined to be a necessary public purpose of the Authority for this Ordinance to amend, restate and supersede

the provisions of Ordinance No. 01-05 and the Indenture and to incorporate certain provisions thereof into this Ordinance as provided herein.”

Section 105. Amendment to Section 506 of the Master Water Bond Ordinance. The following is substituted for and in the place of Section 506(b) of the Master Water Bond Ordinance:

“(b) Following the annual valuation as provided in Section 519, if the amount then on deposit in or credited to a Reserve Account exceeds the Reserve Requirement for such Reserve Account, the amount of such excess shall be transferred by the Trustee into the Debt Service Account of the Bond Interest and Redemption Fund to which such Reserve Account relates if the Reserve Account was funded from proceeds of related Bonds, and if not, then to the Receiving Fund upon the direction of the Authority.”

Section 106. Amendment to Section 519 of the Master Water Bond Ordinance. The following is substituted for and in the place of Section 519(a) of the Master Water Bond Ordinance:

“(a) Investments credited to any Reserve Account shall be valued at least annually on each July 1, unless otherwise specified in the Series Ordinance providing for the issuance of such Bonds, at the market value thereof. Any funds on deposit in a Reserve Account on or as of such valuation date in excess of the Reserve Requirement shall be transferred by the Trustee as provided in Section 506(b). Any deficit in a Reserve Account shall be restored by the Trustee at the beginning of the next succeeding Fiscal Year with Funds on deposit in the Receiving Fund and Surplus Fund, in that order.”

Section 107. Publication and Recordation. This 2016 Second Supplemental Ordinance shall be published in full in the Detroit Legal News, a newspaper of general circulation within the geographic boundaries of the Authority qualified under State law to publish legal notices, promptly after its adoption, and shall be maintained in the official records of the Authority and such recording authenticated by the signatures of the Chairperson and Secretary of the Authority Board.

Section 108. Repeal. All ordinances, resolutions, indentures or orders, or parts thereof, in conflict with the provisions of this 2016 Second Supplemental Ordinance are, to the extent of such conflict, repealed.

Section 109. Effective Date. This 2016 Second Supplemental Ordinance shall be effective as of the Effective Date.

Adopted and signed on the 10th day of August, 2016.

GREAT LAKES WATER AUTHORITY

Signed Robert J. Daddow
Chairperson

Signed Jim R. Allen
Secretary

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