



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOUR
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

RESOLUTION 2015-8

**APPROVING THE CITY OF DETROIT'S REQUEST TO APPROVE
CERTAIN TRANSACTIONS INVOLVING THE DETROIT WATER AND
SEWERAGE DEPARTMENT AND GREAT LAKES WATER
AUTHORITY**

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the "Act"), allows for the creation of the Detroit Financial Review Commission (the "Commission") within the Department of Treasury;

WHEREAS, the Act empowers the Commission to provide oversight for the City of Detroit (the "City") beginning on the Effective Date of the Plan of Adjustment;

WHEREAS, a Memorandum of Understanding Regarding the Formation of the Great Lakes Water Authority (the "Authority") was executed in September, 2014, by the City of Detroit by Kevin Orr, as Emergency Manager and Mike Duggan, as Mayor, Wayne County by Robert A. Ficano, County Executive, Oakland County by L. Brooks Patterson, County Executive, Macomb County by Mark A. Hackel, County Executive and the State of Michigan by Rick Snyder, Governor (the "MOU");

WHEREAS, the MOU calls for the City to enter into a lease (the "Lease") of the Systems, as defined in the MOU annexed to this Resolution (except the Detroit local system

infrastructure) for a period of 40 years, extendable to at least match the term of any outstanding bonds of the Authority at the lease rental amount of \$50 million annual rental fee;

WHEREAS, the MOU fully sets forth the terms of the proposed transaction;

WHEREAS, the MOU was approved by the Bankruptcy Court in its Order of Confirmation entered November 12, 2014 at paragraph J. on pages 94 and 95, such Order authorizing the City to “enter into, and take any action necessary to perform under or implement, the terms of the Memorandum of Understanding, and any final agreement resulting therefrom creating a regional water and sewer/storm water authority...”

WHEREAS, section 6(6) of the Act requires the approval of the Commission for “applicable contracts”, as defined in section 3(a) of the Act;

WHEREAS, under the terms of the MOU, and the City will enter into several contracts, including various asset and cost sharing and other agreements that may qualify as “applicable contracts”;

WHEREAS, the Commission believes that the completion of the transactions contemplated by the MOU are in the best interests of the City;

NOW, THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the contracts that the City will be required to enter into, including the Lease, as part of the consummation of the transactions contemplated by the MOU are hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

IN WITNESS WHEREOF, the members of the Commission, or their designees, have signed and adopted this Resolution.

DETROIT FINANCIAL REVIEW COMMISSION

By ABSENT
Darroll Burks, Detroit Financial Review Commission
Member

By Michael Duggan
Michael Duggan, Detroit Financial Review
Commission Member

By Stacy Fox
Stacy Fox, Detroit Financial Review Commission
Member

By Lorron James
Lorron James, Detroit Financial Review Commission
Member

By Brenda Jones
Brenda Jones, Detroit Financial Review Commission
Member

By Nick A. Khouri
Nick A. Khouri, State Treasurer, and Detroit Financial
Review Commission Member

By William Martha
William Martha, Detroit Financial Review
Commission Member

By John S. Roberts
John S. Roberts, Detroit Financial Review
Commission Member

By Tony Saunders
Tony Saunders, Detroit Financial Review Commission
Member

Date: 5/18/15
Detroit, Michigan
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