



Jim Nash

February 3, 2015

The Honorable Kurt Dawson
Treasurer
City of Rochester Hills
1000 Rochester Hills Drive
Rochester Hills, MI 48309-3003

Re: Oakland-Macomb Interceptor Drain – Proposed Project Financing
Segment 4 – Contract 5B, Sewer Lining and Repairs
Northeast Sewage Pump Station - Repairs and Upgrades

Dear Mr. Dawson:

Please be advised that the Oakland-Macomb Interceptor Drain Drainage District is planning to secure financing up to \$20 Million in connection with the referenced projects. A State of Michigan SAW loan for approximately \$10 Million and a public bond issue for an additional \$10 Million are anticipated to secure these funds. Both the SAW loan closing and the public bond issue are scheduled for April 2015. The rate of interest for the SAW loan is anticipated to be 2.5% for 20 years and the rate of interest for the public bond issue is estimated to be 3.20% for 20 years. This round of financing will complete the rehabilitation of the Oakland-Macomb Interceptor system as initiated in 2009. In addition, necessary improvements to the Northeast Sewage Pump Station will also be done.

The SAW loan will be used to fund the work in Contract 5B which is for the repair of the sewer on the Oakland Arm of the system in Shelby Township and the City of Utica. The work will include the construction of access shafts, lining of large diameter sewer pipes, grouting and sealing of leaks, manhole rehabilitation and a televised inspection of the pipe upon project completion.

The Northeast Sewage Pump Station project will be funded using the proceeds from the public bond issue. The work involves the rehabilitation of the discharge chamber and gatehouse due to severe deterioration of the concrete from hydrogen sulfide gas. The demolition of damaged pipes and structural components, installation of new pipes and flow management devices, access accommodations, ventilation improvements and corrosion control measures will be addressed by this project. The funding will also be used for the design and installation of a new pump to improve the overall efficiency and reliability of the facility. The project cost includes legal, financial and other related expenses.

Please be advised that each municipality has the option of prepaying their entire assessment for either the SAW loan, or the public bond sale, **or both**. However, in order to prepay, the District must have a certified copy of a resolution from the municipality's council or board attesting to the fact that the municipality would like to prepay their entire assessment for either or both of the bond issues. A certified copy of that resolution should be submitted to the Oakland County Water Resources Commissioner (District Secretary) no later than **February 25, 2015**. If the District does not receive a copy of a certified resolution by that day it will assume that the municipality will be included in both bond issues and their




assessments collected over 20 years. Once a municipality decides to prepay their entire assessment and adopts a resolution to that effect, that municipality cannot rescind that decision. After the resolution is submitted, an invoice will be sent for the prepayment of the entire assessment to be remitted to the Oakland-Macomb Interceptor Drain Drainage District in c/o the Oakland County Treasurers Office. **The total amount will be due on April 1, 2015.**

The estimated dollar amounts for the assessments for each municipality based on the estimated bond issues are set forth in the attached schedules as determined from the apportionment percentages adopted by the District in 2010.

Should you have any questions, please do not hesitate to contact Jacklyn Thomas, Staff Assistant, at 248-858-1270 or thomasjm@oakgov.com.

Sincerely,



Steven A. Korth, P.E., Manager

Enclosure

c: Holly Conforti, Oakland County Fiscal Services
Nancy Ryan, Macomb County Public Works
Meredith Shanle, MFCI