



## Oakland-Macomb Interceptor Drain Drainage District

---

April 20, 2023

Re: Oakland-Macomb Interceptor Drain, Extension and Improvement Project  
Assessment Roll No. 1 Series 2020B (2023 Issue) Bonds Not to Exceed \$15,600,000

Dear OMID Community:

The Oakland-Macomb Interceptor Drain Drainage District (Drainage District) Drainage Board will soon commence the next construction segment of the project to improve the Oakland-Macomb Interceptor Drain (OMID). This project segment, known as North Interceptor – East Arm Contract No. 2, will consist of lining, upgrading, repairing, and rehabilitating the North Interceptor-East Arm and North East Pump Sanitary Sewer Pump Station. The Drain Board will issue Drain Bonds, Series 2020B (2023 Issue) (the “Bonds”) of up to \$15.6 million to finance this segment of the project.

The Great Lakes Water Authority charge reduction negotiated in 2019 offsets the anticipated increase in debt service from the Bonds. OMID continues to be on track to complete the \$99.5 million of critical infrastructure improvements with no net addition to your community’s annual charges due to the increased debt service.

On April 19, 2023, the Drainage Board approved Assessment Roll No. 1, which apportions the cost of the Bonds related to the North Interceptor – East Arm Contract No. 2 across the local units. Section 526 of Chapter 21 of the Michigan Drain Code of 1956 (“Drain Code”), as amended, MCL 280.526, requires the Chairperson of the Drainage Board to certify the assessment to each public corporation, and allow for prepayment of the assessment for any communities that determine prepayment to be in their best interest. Prepayment allows communities to avoid interest and finance costs associated with the Bonds. Attached is a copy of the Special Assessment Roll No. 1 and certification of the assessment.

**Each community may elect to either pay its assessment in installments with interest or prepay its assessment to save the cost of issuance and interest.**

### **Installment Payments**

**If your community chooses to pay in installments, no action is required.** Your community’s assessments will be included in the Bonds. Each assessment will be collected over twenty (20) installments. The Bonds are anticipated to be sold at a competitive public sale in June 2023. The estimated interest rate based on the current market is approximately 4.00%. The interest rate is an estimate subject to change and will not be final until the bond sale date. Interest is anticipated to be due semiannually beginning on January 1, 2024, and principal due annually beginning on July 1, 2024.

### **Prepayment**

**Each community electing to prepay its assessments must notify the Drain Board of its intent to prepay and the amount to be prepaid by May 26, 2023.** The notice of the intent to prepay may be communicated in any form. If your community’s board or council decides to adopt a resolution approving prepayment following consultation with your local attorney, please include the adopted resolution in your prepayment notice. A template resolution confirming the prepayment of your community’s special assessment is attached for your convenience.

**Email the notice of intent/resolution to prepay** to Carrie Cox, P.E., and Steven Burke, CFA ([coxc@oakgov.com](mailto:coxc@oakgov.com); [steveb@mfc.com](mailto:steveb@mfc.com)). In addition, mail a hard copy of the notice of intent to prepay to the Office of the Oakland County Water Resources Commissioner, Attention: Carrie Cox, P.E., One Public Works Drive, Bldg. 95-West, Waterford, MI 48328.

Oakland County Fiscal Services will send prepayment invoices with payment instructions on or about June 1, 2023. **All prepayments must be received by the County no later than June 27, 2023.**

Should you have any questions, please contact the following individuals:

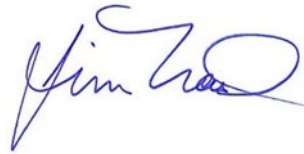
- Project questions: Carrie Cox, P.E., Chief Engineer, Oakland County Water Resources, at 248.470.1314 or email: [coxc@oakgov.com](mailto:coxc@oakgov.com).
- Financing questions: Steven Burke, CFA, financial advisor to the Drainage District, MFCI, LLC, at 313.782.3011 or email: [steveb@mfc.com](mailto:steveb@mfc.com).

Thank you, and we look forward to our continued relationship as we proceed with this critical Project.

Sincerely,



Candice Miller  
Macomb County Public Works Commissioner



Jim Nash  
Oakland County Water Resources Commissioner

Enclosures

## ***Drain Background***

The terminus of the Drain is located within the City of Detroit and includes the Northeast Sewage Pumping Station located on Outer Drive north of Seven Mile Road. The Drain also includes the North Interceptor East-Arm, a seven-mile 8' to 13' foot diameter sewer extending from the pump station to Gratiot Avenue (collectively, the pump station and downstream sewer are referred to as “wastewater facilities”).

These wastewater facilities were originally constructed by the City of Detroit in the 1970s and currently serve over 850,000 residents and businesses, including your community, along with 22 other communities located in Macomb and Oakland Counties. The present condition of the wastewater facilities requires significant rehabilitation and improvements, including the extension of the Drain.

In the past, the Detroit Water and Sewerage Department (and now, Great Lakes Water Authority, “GLWA”), would have undertaken the repairs and improvements, along with the day-to-day maintenance and operations of the wastewater facilities, and included them in the rates charged to your community pursuant to a wastewater services contract between the OMID Drainage Board and GLWA. However, in 2019, the wastewater services contract was amended to permit the Drainage District to assume the capital improvement and day-to-day maintenance responsibilities of the wastewater facilities. Under this agreement, GLWA would continue to have operational responsibilities since the NESPS requires careful coordination with the regional system operated by GLWA.

In fiscal year 2018-19 (ending July 1, 2019), the annual charge to the Drainage District (and passed on to each of the communities within the Drainage District) was more than \$10.5 million. With the Drainage District’s assumption of the capital improvement and day-to-day maintenance responsibilities, and the reduction of the annual GLWA charge for operations (which has been reduced from \$10.5 million to \$2.1 million per year), the Project can be undertaken without the necessity of increasing your sewer rates. In other words, the savings associated with the Drainage District performing day-to-day maintenance, and the bonding of the Project, will be enough to result in no significant increases to your rates charged to your sewer customers associated with this Project.

The first segment of the Project was the acquisition and contribution in aid to capital payment to GLWA in the amount of \$11,920,000. This was paid with a combination of community prepayments and the Series 2019 Bond Issue. This Project cost was part of the agreement between the Drainage District and GLWA and has the added benefit of eliminating any prior debt on the wastewater facilities. The second segment of the Project was funded by the issuance of \$57,215,000 of bonds and the prepayments of assessments in September 2020. The third segment of the Project, anticipated to be sold in June 2023, will complete the \$99.5 million dollar project described below.

## ***Project Description***

### North Interceptor East Arm

The proposed Project includes design and rehabilitation of approximately 1600 lineal feet of lining of the existing 17.5-foot diameter PCI-4 interceptor, lining of approximately 800 lineal feet of the existing 12-foot diameter PCI-19 interceptor.

The Project also consists of construction earth retention systems, shafts, gates, manholes, new piping, electrical, control and communication systems. In also consists of related modifications to gain access to the interceptor in the North Interceptor East-Arm and GLWA systems as well as upstream OMID flow control system operations and modifications to facilitate the downstream work. Contracted work also includes various spot repairs and other ancillary work in the North Interceptor East-Arm including the

transition point of the and OMID and GLWA systems. Related surface repairs of existing infrastructure to access the underground interceptor will also be needed along with various agreements with other government and private corporations for permitting, access and managing the flow in order to commence the work.

#### Northeast Sewage Pump Station (NESPS) Repairs

The purpose of the Northeast Sewage Pumping Station (NESPS) Pumping and Electrical Upgrades Project is to improve redundancy and efficiency to the pumping operations at the pump station. This will be achieved through the replacement of the existing pumps, motors, process piping, plumbing, electrical service, transformers, gear, starters, controls, communications, computer, software and all appurtenances to completely rehabilitate the pump station process from service power into the facility to wastewater leaving the facility. Five new pumps that will be approximately 1000 horsepower each will be installed with new discharge piping, controls, valves, actuators and other appurtenances. The station will utilize best management practices with pumping units that are better sized to match the expected flow along with some alternative energy features. Demolition of the old pumps and related piping and electrical gear and service will also be required.

Civil/ Site Work for new drainage, concrete access drive, earthwork, landscaping, lighting, fencing and security features are also included in the Project. A new roof for the existing pump station will be required to protect the new equipment inside the facility along with a new electrical building which will allow concurrent operations of the pump station while phasing over to the new system. The new building will include restroom, storage, cleaning and control rooms and office facilities for staff to properly maintain the new assets.

[TEMPLATE PREPAYMENT RESOLUTION]

CITY/TOWNSHIP OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_, MICHIGAN

RESOLUTION

Minutes of a regular meeting of the [*City Council/Board of Trustees*] of the [*City/Township*] of \_\_\_\_\_, County of \_\_\_\_\_, State of Michigan (the "*City/Township*"), held in said City/Township on the \_\_\_\_\_ day \_\_\_\_\_ 2023, at \_\_\_\_ a.m./p.m., Eastern Daylight Savings Time.

PRESENT: *Council/Board* Members:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

ABSENT: *Council/Board* Members:

\_\_\_\_\_

WHEREAS, pursuant to the petitions received by the Charter Township of Waterford, Oakland County, and the City of Sterling Heights, Macomb County (collectively, the "Petitions") requesting the Maintenance, Extension and Improvement of the Oakland-Macomb Interceptor Drain (the "Drain") pursuant to Section 535 of Michigan Public Act 40 of the Public Acts of 1956 ("Drain Code" or Act 40), as amended, MCL §280.535 and filed with the Director of the Michigan Department of Agriculture, proceedings have been carried out by the Augmented Drainage Board and Drainage Board for the Oakland-Macomb Interceptor Drain Drainage District (the "Drainage District") to acquire, finance, construct, improve, and replace certain wastewater facilities (the "Project") as set forth in Attachment A, and said Project having been determined to be necessary for the public health; and,

WHEREAS, on August 21, 2019, the Drainage Board for the Drainage District confirmed and adopted a Final Order of Apportionment and cost of the Project has been apportioned against the following public corporations in the counties of Oakland and Macomb as follows: (in Oakland County) City of Auburn Hills (4.9705%), Independence Township (includes City of Clarkston) (2.4213%), City of Lake Angelus (0.0185%), City of Rochester (1.9526%), City of Rochester Hills (8.1106%), Oakland Township (1.0393%), Orion Township (3.1494%), Oxford Township (1.2468%), Village of Lake Orion (0.3409%), Village of Oxford (0.5928%), Waterford Township (7.6159%), West Bloomfield Township (1.6414%); (in Macomb County) Chesterfield Township (4.7983%), City of Fraser (2.7237%), City of Sterling Heights (20.8080%), City of Utica (1.1036%), Clinton Township (14.1538%), Harrison Township (4.1556%), Lenox Township

(0.6353%), Macomb Township (9.4344%), Shelby Township (6.6490%), Village of New Haven (0.5475%), and Washington Township (1.8907%) (the “Public Corporations”); and,

WHEREAS, on April 19, 2023, the Drainage Board approved and adopted Special Assessment No. 1 Relating to Drain Bonds, Series 2020B (2023 Issue) with respect to the costs of the second segment of the Project not to exceed \$15,600,000, for the improvements to the Northeast Sewage Pumping Station and North Interceptor East-Arm in accordance with the Final Order of Apportionment; and,

WHEREAS, pursuant to the authorization provided in Section 528 of Chapter 21 of the Drain Code (MCL §280.528), the Drainage Board of the Drainage District expects to provide for the issuance of one or more series of bonds to finance the costs of the Project, and the costs of issuance of such bonds, in anticipation of the collection of assessments to be made pursuant to the Drain Code, and to pledge the full faith and credit of the Drainage District for the prompt payment of the principal thereof and the interest thereon; and

WHEREAS, such bonds will be payable from the collection of special assessments against the Public Corporations, said special assessments to be duly confirmed as provided in the Drain Code; and

WHEREAS, prior to the issuance of said bonds for the first segment, the Drainage Board has notified the *[City/Township]*, to permit, should the *[City/Township]* determine expedient, to prepay the assessment and avoid interest and finance charges associated with the anticipated Series 2020B (2023 Issue) Bond issue for this Project segment; and,

WHEREAS, the Drainage Board has requested that the *[City/Township]* adopt a resolution and affirming its intention to prepay its Series 2020B (2023 Issue) drain special assessment for this Project segment, and forward same by May 26, 2023, and make full payment of the assessment by June 27, 2023.

NOW, THEREFORE, BE IT RESOLVED, that the *[City/Township]* hereby confirms that it will pay in full, its drain assessment in the amount of *[amount of assessment]*, pursuant to the Special Assessment No. 1 Relating to Drain Bonds, Series 2020B (2023 Issue).

BE IT FURTHER RESOLVED that the City/Township Treasurer is directed to notify the Drainage Board for the Oakland-Macomb Interceptor Drain Drainage District by May 26, 2023 and of its intention to submit payment to the no later than June 27, 2023.

BE IT FURTHER RESOLVED, that all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES:

---

---

NAYS:

---

RESOLUTION DECLARED ADOPTED.

---

*[City/Township Clerk]*

State of Michigan     )  
                                  )ss  
County of                )

I hereby certify that the foregoing constitutes a true and correct copy of the resolution adopted by the City Council/Board of Trustees of the City/Township of \_\_\_\_\_, County of \_\_\_\_\_, State of Michigan, at a regular meeting held on \_\_\_\_\_, 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 Michigan Public Act 267 of the Public Acts of 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

In witness whereof, I have hereunto fixed my official signature on this \_\_\_\_ day of \_\_\_\_\_, 2023.

---

*[City/Township Clerk]*