



WRC
WATER RESOURCES COMMISSIONER

Jim Nash

March 30, 2017

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

**Re: Clinton River Water Resource Recovery Facility Drainage District
Pre-payment Option**

Dear Mr. Dawson:

Please be advised that the Clinton River Water Resource Recovery Facility Drainage District is planning on selling its Drain Bonds Series 2017 to the Michigan Finance Authority for the Biosolids Handling and Septage Receiving Facility Project in the aggregate principal amount not to exceed \$42 million with a maturity length of 20 years and an interest rate of 2.50 percent. The current project estimate is \$38.5 million, which is subject to change once construction bids are opened on April 12, 2017.

Each municipality has the option of prepaying its entire assessment for the Drain Bonds for this project. 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 its entire assessment. A certified copy of that resolution should be submitted to the District Secretary (the Oakland County Water Resources Commissioner) no later than April 30, 2017. 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 the bond issue and its assessments will be spread and collected over the 20-year term.

Once a municipality decides to prepay its entire assessment and adopts a resolution to that effect, the municipality cannot rescind that decision. The prepayment of the entire assessment will be due on June 15, 2017. The estimated dollar amount of the assessment based on the estimated bond issue of \$38.5 million to \$42 million for each municipality is set forth in the attached schedule and is based on the apportionments adopted in 2017 by the District.

The District currently is advertising for bids for its Biosolids Handling and Septage Receiving Facility Project. The bids will be opened on April 12, 2017.

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ROCHESTER HILLS
TREASURY



The Clinton River Water Resource Recovery Facility consists of the East Boulevard facility and the Auburn facility interconnected to operate as one facility. The East Boulevard facility was placed into service in 1921. The Auburn facility was constructed in 1962 and both were renovated in the 1980's. Upgrades were recently made at both facilities in 2010, 2012 and in 2014.

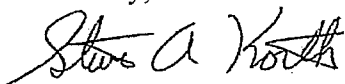
The Perry Street Pump Station began pumping flow diverted from the Clinton Oakland Interceptor to the facility in 2015. Most of the East Boulevard's and Auburn's equipment is beyond its useful life and is not performing at optimal levels. Improvements are necessary to efficiently accommodate this extra flow.

The Bio-Solids Handling and Septage Receiving Facility Project will consist of the following:

1. Thermal Hydrolysis Pre-treatment (THP) system, including:
 - a. Pre-dewatering centrifuges
 - b. Solids screens
 - c. Steam boilers
 - d. Sludge cooling system
2. Construction of an 80-foot-by-100-foot, two-story Biosolids Handling Building for the new THP system and support equipment including the new dewatering centrifuges
3. Primary and secondary digester mixing equipment and cover
4. Replacement of Biosolids dewatering belt filter presses
5. Improvements to the Biosolids storage pad
6. Septage receiving station
7. Sludge belt conveyors from the Biosolids Handling Building
8. A building for the new septage receiving equipment
9. A prefabricated building for the new digester electrical equipment
10. Supervisory Control and Data Acquisition (SCADA) improvements to fully automate and integrate operations

If you have any questions, please do not hesitate to call Jacklyn Thomas at 248-858-1270. You also can reach her via email at: thomasjm@oakgov.com.

Sincerely,



Steven A. Korth, P.E. Manager

Enclosure

CLINTON RIVER WATER RESOURCE RECOVERY FACILITY DRAINAGE DISTRICT
DRAIN BONDS, SERIES 2017
BIO-SOLIDS HANDLING AND SEPTAGE RECEIVING FACILITY PROJECT
NOT TO EXCEED \$42,000,000

<u>MUNICIPALITY</u>	<u>PERCENTAGE OF PROJECT</u>	<u>ESTIMATED TOTAL AMOUNT OF ASSESSMENT</u>
CITY OF AUBURN HILLS	6.124%	\$2,572,080.00
CHARTER TOWNSHIP OF INDEPENDENCE	3.804%	\$1,597,680.00
CITY OF LAKE ANGELUS	0.032%	\$13,440.00
VILLAGE OF LAKE ORION	0.601%	\$252,420.00
CHARTER TOWNSHIP OF OAKLAND	1.276%	\$535,920.00
CHARTER TOWNSHIP OF ORION	4.597%	\$1,930,740.00
CHARTER TOWNSHIP OF OXFORD	1.847%	\$775,740.00
VILLAGE OF OXFORD	0.609%	\$255,780.00
CITY OF PONTIAC	53.170%	\$22,331,400.00
CITY OF ROCHESTER	2.759%	\$1,158,780.00
CITY OF ROCHESTER HILLS	10.561%	\$4,435,620.00
CHARTER TOWNSHIP OF WATERFORD	11.602%	\$4,872,840.00
CHARTER TOWNSHIP OF WEST BLOOMFIELD	3.018%	\$1,267,560.00
	100.000%	\$42,000,000.00