

CITY COUNCIL PROCEEDINGS

St. Louis, Michigan
July 15, 2025

The regular meeting of the Saint Louis City Council was called to order by Mayor Ralph R. Echtenaw on Tuesday July 15, 2025, at 6:00 p.m. in the City Hall Council Chambers.

Council Members Present: Mayor Ralph R. Echtenaw, Fares E. Azzam, Mayor Pro Tem William R. Leonard, Kevin D. Palmer, Elizabeth A. Upton.

Council Members Absent: None

City Manager: Kurt Giles
Deputy Clerk: Bobbie Marr
Police Chief: Richard Ramereiz

Others in Attendance: Brian Buysse-resident, Josh Leppien- Economic Development Coordinator, Keith Risdon-Utilities Director, John & Bunny Fisher-residents, Lou Fleury-OHM, Pat Bowland-MPPA, Andy Campbell-Bendzinski Group.

Mayor Echtenaw led the Pledge of Allegiance.

Approval of Agenda.

Moved by Azzam, supported by Leonard to approve the agenda for July 15, 2025, with the addition of 11F- Bond Ordinance B-243. All ayes carried the motion.

Presentation from Michigan Public Power Agency.

Pat Bowland from MPPA gave a brief presentation on MPPA membership and general operations.

City Council Minutes.

Moved by Palmer, supported by Azzam, to approve the minutes of the Regular Meeting held on July 1, 2025. All ayes carried the motion.

Claims & Accounts.

City Council discussed the Claims & Accounts.

Moved by Palmer, supported by Azzam, to approve the Claims & Accounts in the amount of \$977,373.53. All ayes carried the motion.

Monthly Reports.

City Council discussed the June 2025 Monthly Reports.

Moved by Leonard, supported by Azzam, to receive the June 2025 Monthly Reports and place on file. All ayes carried the motion.

Audience Recognition.

There were no comments.

Consent Agenda.

Mayor Echtenaw requested approval/receipt of Consent Agenda item “a” through “j” as shown below:

- a. Payment to Central Asphalt, Inc. for the 2025 Spring Street Paving Project.
- b. Payment to Crafcro for Crack Seal for Road Preventative Maintenance.
- c. Payment to MCD Architects for the Library Space Utilization Study & Master Plan.
- d. Payment to Seifert Concrete for Concrete Work at the SLED Standard Building.
- e. Payment to Hutson, Inc. for Purchase of a Flail Mower.
- f. Payment to T.H. Eifert, Mechanical for the Installation of a Cornell Biosolids Pump and Piping Modifications.
- g. Payment to Scotland Oil Company for Diesel Fuel for Generating Units 1,7,8,9.
- h. Payment to OHM for Consultant Construction Engineering Services for the DWSRF Grant Project I, Phase II.
- i. Change Order #1-Malley Construction.
- j. Receive and Discuss Information on the Joe Scholz Memorial Fishing Derby and Community Days.

Moved by Azzam, supported by Leonard, to approve Consent Agenda items “a” through “j”. All ayes carried the motion.

Casting Ballot for MML Worker’s Compensation Fund.

Manager Giles requested members to cast the ballot for the MML Worker’s Compensation Fund with the four qualified candidates.

Discussion was held.

Moved by Palmer, supported by Upton, to cast the ballot for the MML Worker’s Compensation Fund with the four qualified candidates. All ayes carried the motion.

Set Public Hearing.

Manager Giles requested members to set the public hearing to uphold the order by the Hearing Officer on 117 South East Street for August 5, 2025.

Discussion was held.

Moved by Upton, supported by Leonard, to set the public hearing to uphold the order by the Hearing

Officer on 117 South East Street for August 5, 2025. All ayes carried the motion.

Replacement of the Air Conditioning Unit at the Library.

Manager Giles requested members to approve the quote from Powell's Service, Inc. in the amount of \$6,650 for parts and labor to replace an air conditioning unit at the library.

Discussion was held.

Moved by Azzam, supported by Leonard, to approve the quote from Powell's Service, Inc. in the amount of \$6,650 for parts and labor to replace an air conditioning unit at the library. All ayes carried the motion.

Resolution 2025-13 to Tentatively Award DWSFR Phase II Water Main Project Contract #1.

WHEREAS, the City of St. Louis wishes to construct improvements to its existing water treatment and distribution system; and

WHEREAS, the water system improvements project formally adopted on May 23, 2025, will be funded through the state of Michigan's Drinking Water State Revolving Fund (DWSRF) program; and

WHEREAS, the City of St. Louis has sought and received construction bids for the proposed improvements and has received a low bid in the amount of **\$4,383,234.08** from Crawford Contracting, Inc.; and

WHEREAS, the City's engineer, OHM Advisors, has recommended awarding the contract to the low bidder.

NOW THEREFORE BE IT RESOLVED, that the City of St. Louis tentatively awards the contract for construction of the proposed water system improvements project to Crawford Contracting, Inc. contingent upon successful financial arrangements with the DWSRF.

Moved by Azzam, supported by Leonard, to adopt Resolution 2025-13 to Tentatively Award DWSFR Phase II Water Main Project Contract #1.

Yeas: Azzam, Leonard, Palmer, Upton, Echtenaw

Nays: None

Abstain: None

Absent: None

Resolution adopted.

Resolution 2025-14 to Tentatively Award DWSRF Phase II Water Valve Replacement Contract #2.

WHEREAS, the City of St. Louis wishes to construct improvements to its existing water treatment and distribution system; and

WHEREAS, the water system improvements project formally adopted on May 23, 2025, will be funded through the state of Michigan's Drinking Water State Revolving Fund (DWSRF) program; and

WHEREAS, the City of St. Louis has sought and received construction bids for the proposed improvements and has received a low bid in the amount of **\$1,972,365.50** from Crawford Contracting, Inc.; and

WHEREAS, the City's engineer, OHM Advisors, has recommended awarding the contract to the low bidder.

NOW THEREFORE BE IT RESOLVED, that the City of St. Louis tentatively awards the contract for construction of the proposed water system improvements project to Crawford Contracting, Inc. contingent upon successful financial arrangements with the DWSRF.

Moved by Azzam, supported by Upton, to approve Resolution 2015-14 to Tentatively Award DWSRF Phase II Water Valve Replacement Contract #2.

Yeas: Azzam, Upton, Leonard, Palmer, Echinaw

Nays: None

Abstain: None

Absent: None

Resolution Adopted.

Addition to Agenda-Ordinance B-243-Water Supply and Sewage Disposal Bonds.

AN ORDINANCE TO PROVIDE FOR THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE WATER SUPPLY SYSTEM OF THE CITY OF ST. LOUIS; TO PROVIDE FOR THE ISSUANCE AND SALE OF A SERIES OF JUNIOR LIEN REVENUE BONDS TO PAY A PORTION OF THE COST THEREOF; TO PRESCRIBE THE FORM OF THE BONDS; 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 SYSTEM REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; TO PRESCRIBE THE FORM OF THE BONDS; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM.

THE CITY OF ST. LOUIS ORDAINS:

Section 1. Definitions. Whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) “Act 94” means Act 94, Public Acts of Michigan, 1933, as amended.
- (b) “Authority” means the Michigan Finance Authority.
- (c) “Authorized Officers” means the Mayor, City Manager, City Clerk and the Finance Director/Treasurer of the Issuer.
- (d) “Bonds” means the Series 2025 Bond, and any additional Bonds of equal standing hereafter issued.
- (e) “EGLE” means the Michigan Department of Environment, Great Lakes and Energy.
- (f) “Engineers” means OHM Advisors, Midland, Michigan.
- (g) “Issuer” means the City of St. Louis, County of Gratiot, State of Michigan.
- (h) “Outstanding Ordinances” means Ordinance Nos. B-227 and B-239 of the Issuer.
- (i) “Outstanding Senior Lien Bonds” means the Series 2013 Bond and the Series 2020 Bonds and any additional bonds issued that are senior in standing and priority of lien.
- (j) “Project” means the acquisition, construction, furnishing and equipping of paying all or part of the cost to acquire, construct, furnish and equip improvements to the water supply system of the Issuer, consisting generally of the replacement of water mains, service lines, valves, and hydrants, including necessary equipment, together with interests in land, appurtenances and attachments thereto, together with interests in land and all related sites, structures, equipment, appurtenances and attachments thereto, as described in the plans prepared by the Engineers and approved herein.
- (k) “Purchase Contract” means the Purchase Contract to be entered into between the Authority and the Issuer relating to the purchase by the Authority of the Series 2025 Bond.
- (l) “Revenues” and “Net Revenues” means the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to “Revenues”, the earnings derived from the investment of moneys in the various funds and accounts established by the Outstanding Ordinances and this Ordinance.
- (m) “Series 2013 Bond” means the Issuer’s Water Supply and Sewage Disposal System Revenue Bond, Series 2013, dated September 17, 2013.
- (n) “Series 2020 Bonds” means the Issuer’s Water Supply and Sewage Disposal System Revenue Bonds, Series 2020, dated February 19, 2020.
- (o) “Series 2025 Bond” means the Water Supply System Junior Lien Revenue Bonds, Series 2025, in the principal amount of not to exceed \$14,000,000 issued pursuant to this Ordinance.
- (p) “Sufficient Government Obligations” means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of

America, not redeemable at the option of the issuer, the principal and interest payments upon which without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds and the principal and redemption premium, if any, on the Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the paying agent.

(q) “Supplemental Agreement” means the supplemental agreement among the Issuer, the Authority and EGLE relating to the Series 2025 Bond.

(r) “System” means the entire water supply system of the Issuer, including the Project and all additions, extensions and improvements hereafter acquired.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Project in accordance with the plans and specifications prepared by the Engineers, which plans and specifications are hereby approved. The Project qualifies for the Drinking Water State Revolving Fund financing program being administered by EGLE and the Authority, whereby bonds of the Issuer are sold to the Authority and bear interest at a fixed rate of one percent (1.00%) per annum.

Section 3. Costs; Useful Life. The cost of the Project is estimated to be approximately Fourteen Million Dollars (\$14,000,000), including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed. The period of usefulness of the Project is estimated to be not less than forty (40) years.

Section 4. Payment of Cost; Series 2025 Bond Authorized. To pay part of the cost of acquiring and constructing the Project, legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2025 Bond, the Issuer shall borrow the sum of not to exceed Fourteen Million Dollars (\$14,000,000), or such lesser amount as shall have been advanced to the Issuer pursuant to the Purchase Contract and the Supplemental Agreement, and issue the Series 2025 Bond pursuant to the provisions of Act 94. The remaining cost of the Project shall be defrayed from an appropriation from the State of Michigan, grant funds and Issuer funds on hand and legally available for such use.

Except as amended by or expressly provided to the contrary in this Ordinance, all of the provisions of the Outstanding Ordinances shall apply to the Series 2025 Bond issued pursuant to this Ordinance, the same as though each of said provisions were repeated in this Ordinance in detail; the purpose of this Ordinance being to authorize the issuance of additional revenue bonds of subordinate lien with respect to the Outstanding Senior Lien Bonds to finance the cost of acquiring and constructing additions, extensions and improvements to the System, additional bonds of subordinate standing with the Outstanding Senior Lien Bonds for such purpose being authorized by the provisions of the Outstanding Ordinances, upon the conditions therein stated, which conditions have been fully met.

Section 5. Issuance of Series 2025 Bond; Details. The Series 2025 Bond of the Issuer, to be designated **WATER SUPPLY SYSTEM JUNIOR LIEN REVENUE BOND, SERIES 2025**, is authorized to be issued in the principal amount of not to exceed Fourteen Million Dollars (\$14,000,000) as finally determined by order of EGLE for the purpose of paying part of the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Series 2025 Bond. The Series 2025 Bond shall be payable out of the Net Revenues, as set forth more fully in Section 8 hereof, provided that the Series 2025 Bond shall be subordinate to the prior lien with respect to the Net Revenues in favor of the Outstanding Senior Lien Bonds and of any additional bonds of equal standing with the Outstanding Senior Lien Bonds hereafter issued.

The Series 2025 Bond shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, payable in principal installments as finally determined by the order of EGLE at the time of sale of the Series 2025 Bond and approved by the Authority

and an Authorized Officer. Final determination of the principal amount of the Series 2025 Bond, the payment dates and amounts of principal installments of the Series 2025 Bond and the dates for payment of interest on the Series 2025 Bond shall be evidenced by execution of the Purchase Contract, and each Authorized Officer is hereby individually authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above; provided, however, that the first principal installment shall be due no earlier than October 1, 2026, the total number of principal installments shall not exceed forty (40), and the total principal amount shall not exceed \$14,000,000.

The Series 2025 Bond shall bear interest at a rate of one percent (1.00%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and any Authorized Officers as shall be appropriate shall deliver the Series 2025 Bond in accordance with the delivery instructions of the Authority.

The principal amount of the Series 2025 Bond is expected to be drawn down by the Issuer periodically, and interest on principal amount shall accrue from the date such principal amount is drawn down by the Issuer.

The Series 2025 Bond shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Series 2025 Bond shall be payable as provided in the Series 2022 Bond form in this Ordinance.

The Series 2025 Bond shall be subject to optional redemption by the Issuer with the prior written approval of the Authority and on such terms as may be required by the Authority.

The Treasurer of the Issuer shall record on the registration books payment by the Issuer of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the Treasurer.

Upon payment by the Issuer of all outstanding principal of and interest on the Series 2025 Bond, the Authority shall deliver the Series 2025 Bond to the Issuer for cancellation.

Section 6. Execution of Series 2025 Bond. The Series 2025 Bond shall be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk and shall have the corporate seal of the Issuer or a facsimile thereof impressed thereon. The Series 2025 Bond bearing the manual or facsimile signatures of the Mayor and the City Clerk sold to the Authority shall require no further authentication.

Section 7. Registration and Transfer. Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the transfer agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the transfer agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The transfer agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The Issuer shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Series 2025 Bond contained in Section 15 of this Ordinance and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The Issuer shall give the transfer agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The transfer agent shall keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and upon presentation for such purpose the transfer agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred on said books Bonds as hereinbefore provided.

If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bond, shall execute, and the transfer agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the transfer agent of the mutilated Bond. If any Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the transfer agent and, if this evidence is satisfactory to both and indemnity satisfactory to the transfer agent shall be given, and if all requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the Issuer, at the expense of the owner, shall execute, and the transfer agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the transfer agent may pay the same without surrender thereof.

Section 8. Payment of Series 2025 Bond; Security; Priority of Lien. Principal of and interest on the Series 2025 Bond shall be payable from the Net Revenues. There is hereby recognized the statutory lien upon the whole of the Net Revenues created by this Ordinance which shall be a second lien that is junior and subordinate to the lien of the Outstanding Senior Lien Bonds created by the Outstanding Ordinances, to continue until payment in full of the principal of and interest on all Bonds payable from the Net Revenues, or until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holders of that series shall have no further rights under the Outstanding Ordinances or this Ordinance except for payment from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under the Outstanding Ordinances or this Ordinance.

As additional security for repayment of the Series 2025 Bond, the Issuer hereby pledges the taxes collected by the State of Michigan and returned to the Issuer pursuant to Act 140, Public Acts of Michigan, 1971, as amended, to the Authority as purchaser and holder of the Series 2025 Bond, and the Issuer hereby authorizes the Authorized Officers to approve, execute and deliver a Revenue Sharing Pledge Agreement between the Issuer and the Authority, authorizing the State Treasurer to transmit the revenue sharing moneys assigned and pledged therein directly to the Authority or its designee if payments on the Series 2025 Bond is not made in accordance with this Ordinance. The Issuer shall be reimbursed for any such advance from the Net Revenues of the System subsequently received which are not otherwise pledged or encumbered by this Ordinance or the Outstanding Ordinances.

Section 9. Management; Fiscal Year. The operation, repair and management of the System and the acquiring and constructing of the Project shall continue to be under the supervision and control of the Issuer. The Issuer may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The Issuer may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System. The System shall be operated on the basis of an operating year which shall coincide with the Issuer's fiscal year.

Section 10. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance.

Section 11. No Free Service or Use. No free service or use of the System, or service or use of the System at less than the reasonable cost and value thereof, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the Issuer.

Section 12. Fixing and Revising Rates. The rates presently in effect in the Issuer are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Series 2025 Bond as the same become due and payable, and the maintenance of the reserve therefor and to provide for all other obligations,

expenditures and funds for the System required by law and this Ordinance. In addition, the rates shall be set from time to time so that there shall be produced Net Revenues in an amount equal to 100% of the principal of and interest on the Bonds coming due in each fiscal year. The rates shall be reviewed not less than once a year and shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

Section 13. Funds and Accounts; Flow of Funds; Junior Lien Bond and Interest Redemption Fund. The funds and accounts established by the Outstanding Ordinances are hereby continued, provided that a Junior Lien Bond and Interest Redemption Fund shall be established as follows:

There shall be established and maintained a separate depository fund designated “Junior Lien Bond and Interest Redemption Fund” (the “Junior Lien Fund”), the moneys on deposit therein from time to time to be used solely for the purpose of paying the principal of, redemption premiums (if any) and interest on the Series 2025 Bond, and any bonds of equal standing with the Series 2025 Bond.

Out of the Net Revenues remaining in the Receiving Fund after provision has been made for the Operation and Maintenance Fund and only after provision has been made for the Redemption Fund, there shall be set aside monthly in the Junior Lien Fund a sum proportionately sufficient to provide for the payment when due of the current principal of and interest on the Series 2025 Bond, less any amount in the Junior Lien Fund representing accrued interest on the Series 2025 Bond. Commencing on October 1, 2025, the amount set aside each month for interest on the Series 2025 Bond shall be 1/6 of the total amount of interest on the Series 2025 Bond next coming due. The amount set aside each month for principal on the Series 2025 Bond, commencing October 1, 2025, shall be 1/12 of the amounts of principal next coming due. If there is any deficiency in the amounts previously set aside, that deficiency shall be added to the next succeeding months’ requirements.

No moneys shall be set aside and credited to the Junior Lien Fund unless and until the Issuer is current with respect to all required transfers to all other funds under the Outstanding Ordinances and there is no default in any payments or requirements under the Outstanding Ordinances.

If for any reason there is a failure to make such quarterly deposit in the amounts required, then the entire amount of the deficiency shall be set aside and deposited in the Junior Lien Bond Redemption Account out of the Revenues first received thereafter which are not required by this Ordinance to be deposited in the Operation and Maintenance Account or the Bond and Interest Redemption Fund or the Junior Lien Bond Redemption Account, which amount shall be in addition to the regular monthly deposit required during such succeeding month or months.

Section 14. Bond Proceeds. The proceeds of the sale of the Series 2025 Bond as received by the Issuer shall be deposited in a separate account in a bank or banks qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94 designated 2025 WATER SUPPLY SYSTEM JUNIOR LIEN REVENUE BOND CONSTRUCTION FUND (the “Construction Fund”). Moneys in the Construction Fund shall be applied solely in payment of the cost of the Project and any engineering, legal and other expenses incident thereto and to the financing thereof.

Section 15. Bond Form. The Series 2025 Bond shall be in substantially the following form with such changes or completion as necessary or appropriate to give effect to the intent of this Ordinance and subject to such modifications which may be required by the Michigan Attorney General and the Authority and approved by bond counsel:

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF MICHIGAN

COUNTY OF GRATIOT

CITY OF ST. LOUIS

WATER SUPPLY SYSTEM JUNIOR LIEN REVENUE BOND, Series 2025

REGISTERED OWNER: Michigan Finance Authority

PRINCIPAL AMOUNT: _____ Dollars (\$_____)

DATE OF ORIGINAL ISSUE: _____, 2025

The CITY OF ST. LOUIS, County of Gratiot, State of Michigan (the "Issuer"), acknowledges itself to owe and for value received hereby promises to pay, but only out of the hereinafter described Net Revenues of the Issuer's Water Supply System (hereinafter defined), to the Michigan Finance Authority (the "Authority"), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environment, Great Lakes and Energy, in lawful money of the United States of America, unless prepaid or reduced prior thereto as hereinafter provided.

During the time funds are being drawn down by the Issuer under this bond, the Authority will periodically provide the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding Principal Amount actually advanced (subject to any principal forgiveness as provided for in Schedule A), all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on Schedule A attached hereto and made a part hereof, as such Schedule A may be adjusted if less than \$_____ is disbursed to the Issuer or if a portion of the Principal Amount is prepaid or reduced as provided below, with interest on the principal installments from the date each installment is delivered to the holder hereof until paid at the rate of one percent (1.00%) per annum. Interest is first payable on [April] [October] 1, 202_, and semiannually thereafter and principal is payable on the first day of [April] [October] commencing [April] [October] 1, 202_ (as identified in the Purchase Contract) and annually thereafter.

Notwithstanding any other provision of this bond, so long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at U.S. Bank Trust Company, National Association or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository"); (b) the Issuer agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this bond shall be given by the Issuer and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the

maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

For prompt payment of principal and interest on this bond, the Issuer has irrevocably pledged the revenues of the Water Supply System of the Issuer, including all appurtenances, extensions and improvements thereto (the "Water Supply System"), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory lien thereon is hereby recognized and created which is junior in standing and priority of lien as to the prior lien of the Issuer's Water Supply and Sewage Disposal System Revenue Bond, Series 2013 and the Issuer's Water Supply and Sewage Disposal System Revenue Bonds, Series 2020 (the "Outstanding Senior Lien Bonds") of the Issuer and of any additional bonds of the Issuer of equal standing and priority of lien with the Outstanding Senior Lien Bonds and which is equal in standing.

This bond is a single, fully-registered, non-convertible bond in the principal sum indicated above issued pursuant to Ordinance Nos. B-227, B-239 and _____ duly adopted by the City Council (the "Ordinances"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying part of the cost of acquiring and constructing additions, extensions and improvements to the Water Supply System of the Issuer.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of superior and equal standing may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinances.

This bond is a self-liquidating bond, payable, both as to principal and interest, from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned. As additional security, the Issuer has pledged certain taxes collected by the State of Michigan and returned to the Issuer pursuant to a revenue sharing pledge agreement as further described in the Ordinances.

The Issuer has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the Water Supply System shall be outstanding, such rates for service furnished by the Water Supply System as shall be sufficient to provide for payment of the interest upon and the principal of this bond and any bonds of equal standing with this bond and the Outstanding Senior Lien Bonds and any additional bonds of equal standing with the Outstanding Senior Lien Bonds, as and when the same shall become due and payable, and to maintain a bond redemption fund (including, except for bonds of this issue, a bond reserve account) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the Water Supply System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the Water Supply System as are required by the Ordinances.

Principal installments of this bond are subject to prepayment by the Issuer prior to maturity only with the prior written consent of the Authority and on such terms as may be required by the Authority.

This bond is transferable only upon the books of the Issuer by the registered owner in person or the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the transfer agent, duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance, and upon payment of the charges, if any, therein prescribed.

Capitalized terms used in this bond and not defined herein have the meanings set forth in the Ordinances.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the Issuer, by its City Council has caused this bond to be executed with the manual or facsimile signatures of its Mayor and its City Clerk and the corporate seal of the City to be impressed or imprinted hereon, all as of the Date of Original Issue.

EGLE Project Number:
EGLE Approved Amt: \$*
Loan Amount Forgiven: (\$)
Loan Amount to be Repaid: \$

SCHEDULE A

Based on the schedule provided below unless revised as provided in this paragraph, repayment of the principal of the bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environment, Great Lakes and Energy (the "Order") approves a principal amount of assistance less than the amount of the bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority, or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the Issuer is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

<u>Due</u> <u>October 1</u>	<u>Amount of</u> <u>Principal</u> <u>Installment Due</u>	<u>Due</u> <u>October 1</u>	<u>Amount of</u> <u>Principal</u> <u>Installment Due</u>
2028	\$315,000	2047	\$380,000
2029	320,000	2048	385,000
2030	320,000	2049	390,000
2031	325,000	2050	390,000
2032	325,000	2051	395,000
2033	330,000	2052	400,000
2034	335,000	2053	405,000
2035	335,000	2054	405,000
2036	340,000	2055	410,000
2037	345,000	2056	415,000
2038	345,000	2057	420,000
2039	350,000	2058	425,000
2040	355,000	2059	430,000
2041	360,000	2060	435,000
2042	360,000	2061	435,000
2043	365,000	2062	440,000
2044	370,000	2063	445,000
2045	375,000	2064	450,000
2046	375,000		

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the Issuer which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of 1.00% per annum, payable [April] [October] 1, 202_, and semi-annually thereafter.

The Issuer agrees that it will deposit with the Authority's Depository, or such other place as shall be designated in writing to the Issuer by the Authority payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority

an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

*Not to exceed amount. Loan reductions at close out will result in a proportional decrease.

Section 16. Bondholders' Rights; Receiver. The holder or holders of the Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest upon the Series 2025 Bond, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Issuer and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the Issuer more particularly set forth herein and in Act 94.

The holder or holders of the Series 2025 Bond shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Series 2025 Bond and the security therefor.

Section 17. Additional Bonds. The Issuer may issue additional bonds of equal standing with the Series 2025 Bond for the following purposes and subject to the following conditions:

(a) To complete the Project in accordance with the plans and specifications therefor. Such bonds shall not be authorized unless the engineers in charge of construction shall execute a certificate evidencing the fact that additional funds are needed to complete the Project in accordance with the plans and specifications therefor and stating the amount that will be required to complete the Project. If such certificate shall be so executed and filed with the Issuer, it shall be the duty of the Issuer to provide for and issue additional revenue bonds in the amount stated in said certificate to be necessary to complete the Project in accordance with the plans and specifications plus an amount necessary to issue such bonds or to provide for part or all of such amount from other sources.

(b) For subsequent repairs, extensions, enlargements and improvements to the System or for subsequent repairs, extensions, enlargements and improvements to the System and for the purpose of refunding part or all of the Junior Lien Bonds then outstanding and paying costs of issuing such additional Junior Lien Bonds. Junior Lien Bonds for such purposes shall not be issued pursuant to this subparagraph (b) unless the Adjusted Net Revenues of the System for the then last two (2) preceding twelve-month operating years or the Adjusted Net Revenues for the last preceding twelve-month operating year, if the same shall be lower than the average, shall be equal to at least one hundred percent (100%) of the maximum amount of principal and interest thereafter maturing in any operating year on the then outstanding Senior Lien Bonds, Junior Lien Bonds and on the additional Bonds then being issued. If the additional Junior Lien Bonds are to be issued in whole or in part for refunding outstanding Junior Lien Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Junior Lien Bonds to be refunded from the proceeds of the additional Junior Lien Bonds. For purposes of this subparagraph (b) the Issuer may elect to use as the last preceding operating year any operating year ending not more than sixteen months prior to the date of delivery of the additional Junior Lien Bonds and as the next to the last preceding operating year, any operating year ending not more than twenty-eight months prior to the date of delivery of the additional Junior Lien Bonds. Determination by the Issuer as to existence of conditions permitting the issuance of additional Junior Lien Bonds shall be conclusive. No additional Junior Lien Bonds of equal standing as to the Net Revenues of the System shall be issued pursuant to the authorization contained in this subparagraph if the Issuer shall then be in default in making its required payments to the Operation and Maintenance Fund or the Redemption Fund.

(c) For refunding a part or all of the Junior Lien Bonds then outstanding and paying costs of issuing such additional Junior Lien Bonds including deposits which may be required to be made to the bond reserve account for such Junior Lien Bonds. No additional Junior Lien Bonds shall be issued pursuant to this subsection unless the maximum amount of principal and interest maturing in any operating year after giving effect to the refunding shall be less than the maximum amount of principal and interest maturing in any operating year prior to giving effect to the refunding.

Section 18. Negotiated Sale; Application to EGLE and Authority; Execution of Documents. The Issuer determines that it is in the best interest of the Issuer to negotiate the sale of the Series 2025 Bond to the Authority because the Drinking Water State Revolving Fund financing program provide significant interest savings to the Issuer compared to competitive sale in the municipal bond market. The Authorized Officers are hereby authorized to make application to the Authority and to EGLE for placement of the Series 2025 Bond with the Authority. The actions taken by the Authorized Officers with respect to the Series 2025 Bond prior to the adoption of this Ordinance are ratified and confirmed. The Authorized Officers are each authorized to execute and deliver the Purchase Contract, the Supplemental Agreement, the Revenue Sharing Pledge Agreement and the Issuer's Certificate. Any Authorized Officer is further authorized to execute and deliver such contracts, documents and certificates as are necessary or advisable to qualify the Series 2025 Bond for the Drinking Water State Revolving Fund. Prior to the delivery of the Series 2025 Bond to the Authority, any Authorized Officer is hereby authorized to make such changes to the form of the Series 2025 Bond contained in Section 15 of this Ordinance as may be necessary to conform to the requirements of Act 227, Public Acts of Michigan 1985, as amended ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227.

Section 19. Covenant Regarding Tax Exempt Status of the Bonds. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exemption of the interest on the Series 2025 Bond from general federal income taxation (as opposed to any alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Series 2025 Bond proceeds and moneys deemed to be Bond proceeds.

Section 20. Approval of Bond Details. The Authorized Officers are each hereby authorized to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 7a(1)(c) of Act 94, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters, provided that the principal amount of Series 2025 Bond issued shall not exceed the principal amount authorized in this Ordinance, the interest rate per annum on the Series 2025 Bond shall not exceed one percent (1.00%) per annum, and the Series 2025 Bond shall mature in not more than forty (40) annual installments.

Section 21. Authorization of other Actions. The Authorized Officers are each authorized and directed to take all other actions necessary or advisable, and to make such other filings with the Michigan Department of Treasury or other parties, to seek long-form application for prior approval and necessary waivers to enable the sale and delivery of the Series 2025 Bond as contemplated herein. Bendzinski & Co. Municipal Finance Advisors, or Miller Canfield, or any of the Authorized Officers are each hereby severally designated responsibility on behalf of the Issuer to make such filings with the Michigan Department of Treasury or other parties, to seek long-form application for prior approval, if necessary, and necessary waivers, to enable the sale and delivery of the Series 2025 Bond as contemplated herein.

Section 22. Savings Clause. The Outstanding Ordinances shall continue in effect, except as specifically supplemented or altered herein.

Section 23. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision

of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 24. Publication and Recordation. This Ordinance shall be published in full in the *Gratiot County Herald*, a newspaper of general circulation in the Issuer qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such record authenticated by the signatures of the Mayor and the City Clerk.

Section 25. Effective Date. Pursuant to the provisions of Section 6 of Act 94, this Ordinance shall be approved on the date of first reading and accordingly this Ordinance shall be effective upon its adoption and publication.

Moved by Upton, supported by Leonard, to adopt Ordinance B-243 with a forty-year payback.

Yeas: Upton, Leonard, Azzam, Palmer, Echtenaw

Nays: None

Abstain: None

Absent: None

Ordinance Adopted.

City Manager Report.

Manager Giles reported that tonight is Member Upton's last meeting and would like to extend our appreciation. The replacement needs to be within 30 days. To accomplish this at a regular meeting it needs to be done at the August 5th meeting.

Manager Giles asked if there was any interest in hosting or attending the mayor exchange. The council members did show interest in an exchange with a city with a similar population.

City Clerk Report.

Deputy Clerk Marr relayed information from the pool director that they had 135 patrons at the 1pm-4pm session, 181 patrons at the 5pm-8pm session and 84 patrons at the night swim for the Independence Festival.

Police Chief Report:

Nothing to report.

Council Comments.

Member Upton stated she was grateful for the opportunity and hopes her replacement is good for the community.

Mayor Pro Tem Leonard reported that the festival went great and thanked Invenergy for their donations.

Member Azzam thanked Upton and stated that he hopes that they can find someone with heart for the community.

Member Palmer thanked Upton and wished her well.

Public Comments.

Brian Buysse, a resident, asked if the police are allowed to use discretion and mentioned the resident that has a felony with a firearm in the house. Buysse concluded with his dissatisfaction with the police upholding laws and ordinances and that he would like to see the Police Chief fired.

Adjournment.

Moved by Leonard, supported by Upton, to adjourn at 7:22 p.m. All ayes carried the motion.

Bobbie Marr, Deputy Clerk