



KAREGNONDI WATER AUTHORITY
Meeting of Incorporating and Authority Board
February 19, 2014
2 p.m.

City of Flint
Council Chambers
1101 South Saginaw Street
Flint, Michigan 48502

A G E N D A

Pledge of Allegiance
Prayer
Roll Call

1. Minutes: November 20, 2013
2. Reports: Treasurer's Report
3. Communication:
 - John F. O'Brien to KWA Board – Bond Status
 - Karl Kramer to John F. O'Brien (w/ attach) – KWA Audit
4. Consent Agenda:
 - Wire Transfer Agreement
5. Public Comment – Agenda Items Only
6. Old Business: None
7. New Business:
 - (A) First Addendum to the Water Supply Contract (Resolution 2014-01)
 - (B) First Addendum to the Water Purchase Contract (Resolution 2014-02)
8. Second Public Comment
9. Board Comment
10. Adjournment



KAREGNONDI WATER AUTHORITY
Public Board Meeting
City of Lapeer
(810) 732-7870

MINUTES OF MEETING
November 20, 2013

Meeting Convened 2 p.m.
The Pledge of Allegiance was recited.
Invocation was given by Greg Alexander.

Roll Call –

Board Members Present: Larry Green, Richard Hammel, Marilyn Hoffman, Steve Landaal, Tom Svrcek, Tracey Tucker, Paula Zelenko, Joe Suma, Greg Alexander, Sheldon Neeley, Josh Freeman, Dale Kerbyson, Ted Henry

Members Absent (Excused): Dayne Walling, Jamie Curtis

Also Present:

Jeff Wright, CEO
Kevin K. Kilby, Corporation Counsel

Minutes:

- ❖ Motion for Approval of October 16, 2013 Minutes by *Dale Kerbyson*; Supported by *Paula Zelenko*; Voice Vote – Motion Passed Unanimously

Reports:

- ❖ Motion to Approve Treasurer's Report by *Richard Hammel*; Supported by *Marilyn Hoffman*; Voice Vote – Motion Passed Unanimously

Consent Agenda:

- ❖ Motion to Accept Ethics Policy by *Tracey Tucker*; Supported by *Sheldon Neeley*; Voice Vote – Motion Passed Unanimously

Public Comment:

Marilyn LeClair inquired as to what the Ethics Policy was.
Richard Demaray inquired as to when the digging was going to begin.

Old Business: None

Nomination Committee - Slate:

- ❖ Motion to Nominate Dayne Walling as Chairman by *Larry Green*; Supported by *Paula Zelenko*; Voice Vote – Motion Passed Unanimously
- ❖ Motion to Nominate Greg Alexander as Vice Chairman by *Dale Kerbyson*; Supported by *Joseph Suma*; Voice Vote – Motion Passed Unanimously
- ❖ Motion to Nominate Steve Montle as Secretary by *Josh Freeman*; Supported by *Marilyn Hoffman*; Voice Vote – Motion Passed Unanimously

- ❖ Motion to Nominate Trudy Nicol as Treasurer by *Josh Freeman*; Supported by *Dale Kerbyson*; Voice Vote – Motion Passed Unanimously

Ad Hoc Committees:

CEO Wright indicated there is nothing in bylaws that require subcommittees. CEO Wright would like a finance committee to review the different financing issues and help the Board make a determination on the best way to fund the project. He would like the Economics Committee to meet with the different economic development organizations to ensure they are aware of what KWA can offer and how we can work together to sell to the new business. CEO Wright had discussions with Rick Hammel who indicated he would like to act as Chairman of the Finance Committee and Sheldon Neeley, who indicated he would like to act as Chairman of the Economics Committee.

- ❖ Motion to Establish the Finance Committee with Rick Hammel Acting as Chairman by *Tracey Tucker*; Supported by *Ted Henry*; Voice Vote – Motion Passed Unanimously

Member Volunteers on Committee: Josh Freeman, Tracey Tucker, Ted Henry, Larry Green

- ❖ Motion to Establish the Economics Committee with Sheldon Neeley Acting as Chairman by *Paula Zelenko*; Supported by *Josh Freeman*; Voice Vote – Motion Passed Unanimously

Member Volunteers on Committee: Marilyn Hoffman, Steve Landaal, Dale Kerbyson, Paula Zelenko, Tracey Tucker

Construction Budget:

John O'Brien discussed the Construction Budget and the proposed Resolution No. 2013-14. Short discussion ensued.

- ❖ Motion to Accept Resolution 2013-14 to Establish the Appropriations and Capital Projects Fund of the KWA by *Marilyn Hoffman*; Supported by *Ted Henry*; Voice Vote – Motion Passed Unanimously

Resolution – Authority Bonds:

Attorney Dave Massaron discussed the bonding process and explained Resolution No. 2013-15. The referendum period expired so the City of Flint and Genesee County Contracts are now in effect, which provides the primary revenue source -- the security for whatever financing the Board ends up doing. The Resolution authorizes CEO Wright to begin negotiations with banks or a competitive sale of bonds.

CEO Wright indicated that the subcommittee will be looking at different ways to finance the bonds and the resolution authorizes the selling or borrowing of up to \$300,000,000, but it does indicate how or what process will be used. The Finance Committee will determine the best way to borrow the money.

CEO Wright indicated that the Authority Board approved the use of Miller Canfield as bonding counsel, and Stauder and Barch as the financial analysts. No bond agent has been selected as of this time.

- ❖ Motion to Adopt 2013-15 Not to Exceed \$300,000,000 KWA System Bonds by *Josh Freeman*; Supported by *Larry Green*; Discussion; Voice Vote – Motion Passed Unanimously

Second Public Comment:

Trudy Nichol indicated she appreciated the vote.

Larry Bourgeois indicated he is very pleased with the positive attitude of the Board.

Board Coment:

CEO Wright indicated to Mr. Demaray that the digging of the intake portion of the system has already began. CEO Wright invited everyone to attend the tunneling machine being lowered into the water on Tuesday, November 26. The pipeline is hoped to be placed in ground in five separate contracts, simultaneously, in April or May of next year. The Pump Stations will be bid approximately the same time. Mr. Demaray was directed to speak to Matt Raysin, Division of Water & Waste Services Division Engineer, about his drain tiles.

CEO Wright responded to Marilyn LeClair that it was decided to have an ethics policy because at some point in time it will be asked about and it basically says that as Board members we do not use our knowledge to go out and personally profit off the system and that if we become aware of any corruption or misuse of public funds that it is our obligation to notify the proper authorities.

On Wednesday, November 13, 2013, American Cast Iron Pipe, the first new business to be brought to the region by the pipeline, announced the construction of a new 200,000 square foot manufacturing facility, hoping to break ground late December or early January. 25% of the pipe would be coming from South Carolina and the other 75% would be made locally. American will be hiring local employees and sending them down to Columbia, South Carolina to train on making our pipe and other products. American's intention is to stay in the location even after the pipeline project is complete.

Each Board member had an opportunity to speak.

Next scheduled Board meeting is February 19, 2014, at 2 p.m., in the City of Flint.

Meeting Adjourned at 3:13 p.m.

MEETING MINTUES DECLARED ADOPTED.

STATE OF MICHIGAN)
) ss:
COUNTY OF GENESEE)

I, Steve Montle, Secretary of the Karegnondi Water Authority Board, do hereby certify the foregoing is a true and complete copy of the Minutes of Meetings of November 20, 2013, adopted by the Karegnondi Water Authority Board, acting in the City of Lapeer, at a meeting held on February 19, 2014, and that public notice of said meeting was given pursuant to Act 267 of the Michigan Public Acts of 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have affixed my official signature on this _____ day of _____, 2014.

STEVE MONTLE, Secretary

**Karegnondi Water Authority
Treasurer's Report - October, 2013**

FirstMerit Checking Account

10/01/13 Beginning Balance		\$0.00
Funds Received:		
10/29/13 GCDC Initial One-Time Fee	1,356,600.00	
10/31/13 GCDC Loan to KWA	<u>5,000,000.00</u>	6,356,600.00
10/31/13 Checking Account Interest Earned		56.00
Funds Paid Out:		
10/31/13 Wire-In Transfer Fee (Net)	<u>(15.00)</u>	(15.00)
10/31/13 Ending Balance		<u><u>\$6,356,641.00</u></u>

Balance Sheet Accounts (Preliminary)

Cash

10/31/13 Checking Cash - End of Month	6,356,641.00	<u><u>\$6,356,641.00</u></u>
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Accounts Receivable

10/28/13 City of Flint - Initial One-Time Fee	581,400.00	<u><u>\$581,400.00</u></u>
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Accounts Payable

10/30/13 Brown & Brown Insurance - Directors & Officers	(3,387.00)	<u><u>(\$3,387.00)</u></u>
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Notes Payable

10/31/13 To GCDC for Pipe Downpayment (Due: 4/30/14)	(5,000,000.00)	<u><u>(\$5,000,000.00)</u></u>
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**Karegnondi Water Authority
Treasurer's Report - November, 2013**

FirstMerit Checking Account

11/01/13 Beginning Balance		\$6,356,641.00
Funds Received:		
11/13/13 GCDC - November Installment	113,050.00	
11/22/13 City of Flint - Initial Fee and November Installment	629,850.00	742,900.00
11/27/13 Checking Account Interest Earned		434.83
Funds Paid Out:		
11/05/13 American Cast Iron Pipe - Downpayment via Wire	(5,000,000.00)	
11/05/13 Wire-Out Transfer Fee (Net)	(20.00)	(5,000,020.00)
11/30/13 Ending Balance		<u><u>\$2,099,955.83</u></u>

Balance Sheet Accounts (Preliminary)

Cash

11/30/13 Checking Cash - End of Month	2,099,955.83	<u><u>\$2,099,955.83</u></u>
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Accounts Receivable

\$0.00

Construction in Progress

11/30/13 American Pipe	<u><u>\$5,000,000.00</u></u>
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Accounts Payable

10/30/13 Brown & Brown Insurance - Directors & Officers	(3,387.00)	
11/04/13 McGraw Morris Legal Fees for October	(18,815.46)	
11/07/13 Jones & Henry Feasibility Study for Bond Sale	(1,268.40)	<u><u>(\$23,470.86)</u></u>

Notes Payable

11/30/13 To GCDC for Pipe Downpayment (Due: 4/30/14)	(5,000,500.00)	<u><u>(\$5,000,500.00)</u></u>
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**Karegnondi Water Authority
Treasurer's Report - December, 2013**

FirstMerit Checking Account

12/01/13 Beginning Balance	\$2,099,955.83
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Funds Received:

12/10/13 GCDC - December Installment	113,050.00	
12/13/13 City of Flint - December Installment	48,450.00	161,500.00

Checking Account Interest Earned	0.00
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Funds Paid Out:

12/10/13 Check 10001 - Brown & Brown Insurance	(3,387.00)	
12/10/13 Check 10002 - McGraw Morris - Legal October	(18,815.46)	
12/10/13 Check 10003 - Jones & Henry - Feasibility Study/Bond	(1,268.40)	
12/11/13 Check 10004 - McGraw Morris - Legal November	(12,339.41)	
12/11/13 Check 10005 - Kendall - Check Printing	(192.38)	
12/13/14 FirstMerit Account Analysis Fee (Refunded in January)	(100.00)	
12/27/13 Check 10006 - Jones & Henry - Feasibility Study/Bond	(2,852.36)	(38,955.01)

12/31/13 Ending Balance	<u><u>\$2,222,500.82</u></u>
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Balance Sheet Accounts (Preliminary)

Cash

12/31/13 Checking Cash - End of Month	2,222,500.82	<u><u>\$2,222,500.82</u></u>
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Accounts Receivable

\$0.00

Construction in Progress

12/31/13 American Pipe	<u><u>\$5,000,000.00</u></u>
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Accounts Payable

\$0.00

Notes Payable

10/31/13 To GCDC for Pipe Downpayment (Due: 4/30/14)	(5,001,000.00)	<u><u>(\$5,001,000.00)</u></u>
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FirstMerit Bank, N.A.
295 FirstMerit Circle
Akron Ohio 44307-2359



KAREGNONDI WATER AUTHORITY
G4610 BEECHER RD
FLINT MI 48532

Statement Period
Dec 1, 2013 to
Dec 31, 2013

Primary Account
50 5002 8663

Questions?
1-888-283-2303

117510 - 31

2

Summary of Accounts

Deposit Accounts

BUSINESS CHECKING	50 5002 8663	2,222,500.82
Total Deposit Accounts		2,222,500.82

BUSINESS CHECKING
50 5002 8663

KAREGNONDI WATER AUTHORITY

Account Summary

Beginning Balance as of Dec 1, 2013	2,099,955.83✓
2 Deposits and Credits	161,500.00✓
7 Withdrawals and Debits	38,955.01✓
Ending Balance as of Dec 31, 2013	2,222,500.82✓

Checks

Date	Number	Amount	Date	Number	Amount
Dec 17	10001	3,387.00✓	Dec 16	10004	12,339.41✓
Dec 16	10002	18,815.46✓	Dec 17	10005	192.38✓
Dec 16	10003	1,268.40✓	Dec 31	10006	2,852.36✓
Total Checks		38,855.01			
Total Number of Checks		6			

Indicates there is a gap between check numbers

Other Transactions

Date	Description	Withdrawals	Deposits
Dec 10	DEPOSIT		113,050.00✓
Dec 13	CITY OF FLINT 00000017963 VENDORPYMT		48,450.00✓
Dec 13	ANALYSIS FEE FOR NOVEMBER 2013	100.00✓	

Daily Balance Information

Date	Balance	Date	Balance	Date	Balance
Nov 30	2,099,955.83	Dec 10	2,213,005.83	Dec 13	2,261,355.83

Balanced (KRP) 1-10-14

**Karegnondi Water Authority
Treasurer's Report - January, 2014**

FirstMerit Checking & Savings Accounts

01/01/14 Beginning Balance	\$2,222,500.82
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Funds Received:

01/08/14 GCDC/LHI Loan to KWA	5,232,000.00	
01/08/14 GCDC - December Installment	113,050.00	
01/17/14 City of Flint - December Installment	48,450.00	
01/31/14 Refund of December Account Analysis Fee	100.00	5,393,600.00

Savings Account Interest Earned (Net)	395.32
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Funds Paid Out:

01/08/14 Wire-In Transfer Fee (Net)	(15.00)	
01/09/14 American Cast Iron Pipe - 2nd Payment, via Wire	(3,000,000.00)	
01/09/14 Wire-Out Transfer Fee (Net)	(20.00)	
01/14/14 Wire-In Transfer Fee (Net)	(15.00)	
01/14/14 Check 10007 - State of Mich. - Treasury Bond App.	(2,000.00)	
01/14/14 Check 10008 - State of Mich. - Treasury Bond App.	(2,000.00)	
01/21/14 Check 10009 - DTE Energy - P.S. 2 Line Extension	(2,232,000.00)	
01/24/14 Check 10010 - McGraw Morris - Legal December	(262.50)	
01/24/14 Check 10011 - Jones & Henry - Feasibility Study/Bond	(11,040.37)	(5,247,352.87)

01/31/14 Ending Balance	\$2,369,143.27
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Balance Sheet Accounts (Preliminary)

Cash

01/31/14 Checking Cash - End of Month	368,747.95	
01/31/14 Savings Cash - End of Month	2,000,395.32	\$2,369,143.27

Accounts Receivable

\$0.00

Construction in Progress

01/31/14 American Pipe & DTE	\$10,232,000.00
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Accounts Payable

\$0.00

Notes Payable

10/31/13 To GCDC for Pipe Downpayment (Due: 4/30/14)	(5,001,500.00)	
01/08/14 To GCDC for American Pipe & DTE (Due: 4/7/14)	(5,232,000.00)	(\$10,233,500.00)

Submitted by Karl Kramer, Deputy Treasurer 2/5/2014



MEMORANDUM

To: Jeff Wright, CEO
From: John F. O'Brien, P.E., Deputy CEO *JFO*
Re: KWA Bonding
Date: February 13, 2014

This memorandum is a status update of the bonding process for Karegnondi Water Authority. On November 20, 2013, the KWA Board authorized the selling of up to \$300,000,000 in bonds. As part of the bond sale, the City of Flint and Genesee County pledged their full faith and credit general obligation to support the bond sale. All referendums have expired.

The County of Genesee, as part of their \$35,000,000 bond sale for the Lake Huron Intake, accepted proposals from Bond Underwriters. We accepted the proposals from a team of JP Morgan, Wells Fargo, and Stiefl Nichols. JP Morgan was the lead. Stauder and Barch was our Financial Advisor. In preparing the official statement (POS/OS) the Team had to develop the preliminary information on KWA to provide a clear picture of our Intake bond sale.

The City of Flint, County of Genesee, and the County Agency all use Stauder Barch as financial advisers. With the GO Pledge by the two communities, it was obvious to use Stauder Barch as financial advisers for KWA. The bond underwriter on our Intake bond had developed an understanding of KWA, and they were chosen to continue as the underwriter for KWA.

Because KWA is a new entity and the financial story is difficult to comprehend, the bond underwriter and the financial adviser recommended that we have a negotiated bond sale. Our bond counsel, Miller Canfield, agreed with their recommendation.

It was decided to do two series of bonds, our first bond in 2014 collecting enough money to cover the first year and a half of construction. The second issue would occur in 2015 after all of the projects have been bid and are under construction. This should allow us to borrow only what is needed and reduce our cost of capitalized interest. Our first sale would be for \$280,000,000.

With that said, I have attached a copy of our draft financing timeline. I will have a draft POS available at the meeting. We are currently on schedule to price the bonds on March 18-19, 2014, with revenue in hand on March 27, 2014.

I will be available at the meeting to give a current update on the bond sale and construction schedule.

JFO/JMW
Attachment

Karegnondi Water Authority
Water Supply System Bonds (Karegnondi Water Pipeline), Series 2014
Draft Financing Timeline
As of January 31, 2014

February 2014							March 2014						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1							1
2	3	4	5	6	7	8	2	3	4	5	6	7	8
9	10	11	12	13	14	15	9	10	11	12	13	14	15
16	17	18	19	20	21	22	16	17	18	19	20	21	22
23	24	25	26	27	28		23	24	25	26	27	28	29
							30	31					

Red - Holiday

Financing Timeline

Date	Event	Parties
Week of February 3	Flint files Deficit Elimination Plan	FL
	Distribute Draft of Feasibility Report	FC
	Circulate Second Draft of KWA POS	UC
	KWA files long form application	BC, KWA
February 7	Weekly Update Call (10:30am EST)	All
February 10	Circulate Draft of Rating Agency Presentation	JPM
February 12	Circulate Revised Draft of Rating Agency Presentation	JPM
	Circulate Third Draft of KWA POS	UC
February 14	Weekly Update Call (10:30am EST)	All
	Distribute Final Draft of Feasibility Report	FC
	Circulate Final Draft of Rating Agency Presentation	JPM
February 17	<i>Presidents' Day – Market Holiday</i>	All
February 18	Distribute KWA POS, Bond Documents and Feasibility Report to Rating Agencies	FA
February 19 - 21	Rating Agency Calls	KWA
February 21	Weekly Update Call (10:30am EST)	All
	Circulate First Draft of NetRoadshow Presentation	JPM
February 25	Due Diligence Call (10am EST)	All
	Circulate Second Draft of NetRoadshow Presentation	JPM
February 28	Weekly Update Call (10:30am EST)	All
	Distribute Final Draft of POS	UC
	Distribute Final Draft of NetRoadshow Presentation	JPM
	Record Pre-Recorded NetRoadshow	KWA, FA, JPM
March 3	Receive Treasury Approval	KWA
	Receive Ratings	KWA
	Post and Mail Preliminary Official Statement	UC, JPM
	Post Pre-Recorded NetRoadshow	JPM
March 7	Weekly Update Call (10:30am EST)	All
Week of March 3 through March 17	Investor Marketing and Follow-up One-on-One Calls	All

Karegnondi Water Authority
Water Supply System Bonds (Karegnondi Water Pipeline), Series 2014
Draft Financing Timeline
As of January 31, 2014

Date	Event	Parties
March 14	Weekly Update Call (10:30am EST)	All
March 18 - 19	Pricing Execute BPA	KWA, JPM, FA KWA, JPM
March 20	Circulate Draft of Final OS	UC
March 25	Print and Distribute Official Statement	UC
March 26	Pre-Closing	All
March 27	Closing	All

Legend


KWA	Karegnondi Water Authority	FA	Financial Advisor (Stauder Barch)
GC	Genesee County	UC	Underwriters' Counsel (Dickinson Wright)
FL	City of Flint	BC	Bond Counsel (Miller Canfield)
JPM	J.P. Morgan (Senior Manager)	FC	Feasibility Consultant



Karegnondi Water Authority®

G-4610 Beecher Road Flint, Michigan 48532-2617
Phone (810) 732-7870 Fax (810) 732-9773

MEMORANDUM

Date: 02-11-14
To: File
CC: John O'Brien, Deputy CEO
From: Karl Kramer, Deputy Treasurer 
Subject: KWA Audits for years prior to Fiscal 2014

KWA received a letter dated February 6, 2014 from the Michigan Department of Treasury stating that it was delinquent in filing an audit for the year ended September 30, 2012. KWA had previously submitted a letter to the Michigan Department of Treasury, Local Audit and Finance Division on March 25, 2013 as follow up to discussions between Plante & Moran and the Department of Treasury, where the Department of Treasury had acknowledged that since KWA had no financial transactions at any time prior to fiscal 2014, an audit would not be required under PA 2 of 1068.

As a result of the February 6, 2014 letter, Joe Heffernan of Plante & Moran contacted the same Department of Treasury today to confirm that audits for these prior years are not needed. Cary Vaughn, Audit Manager for the Local Audit and Finance Division, left a voice mail message for Joe Heffernan stating that the February 6th letter was sent to KWA in error. Specifically, he affirmed that KWA was not required to submit audit reports for the prior fiscal years which had no financial activity, and then went on to explain that KWA had been entered into their database twice. The first instance of KWA in their database correctly showed that KWA did not need audits for these prior fiscal years, while the second instance of KWA should not have been entered into the database and did erroneously show audits were missing. He stated that the second instance of KWA would be removed from the database entirely, and indicated no further action was required by KWA.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

February 6, 2014

Chief Financial Officer
Karegnondi Water Authority
G-4610 Beecher Road
Flint, MI 48532

Notice of Delinquency
Muni Code: 257554

Fiscal Year Ending: 9/2012

Dear Chief Financial Officer:

Public Act 2 of 1968, the Uniform Budgeting and Accounting Act, specifically Section 5, requires all local units of government with a population of 4,000 or more to file an annual audit of its financial records. In some cases, those with less than 4,000 in population are required to file no less than biennially. Section 7 of the Act requires that a unit of local government file within six months of its fiscal year end.

Department of Treasury records indicate that we have not received the above referenced audit. Public Act 2 authorizes the Department to conduct the audit at the expense of the local unit or, under Public 140 of 1971, the Glenn Steil Revenue Sharing Act of 1971, the Department may withhold revenue sharing payments if revenue sharing is received. To avoid either of these actions, please submit the audit within 30 days from the date of this letter electronically via Treasury's website at www.michigan.gov/treasury (See Numbered Letter 2008-4 for instructions).

A complete audit should include the following:

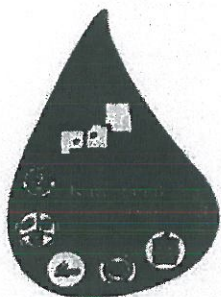
- Auditing Procedures Report (Form 496) completed by your Certified Public Accountant;
- Audit Report;
- Single Audit, if applicable;
- Report of Comments and Recommendations (Management Letter).

If you have any questions or believe that you have received this notification in error, please contact Ms. Cynthia Korienek of the Local Audit and Finance Division at (517) 373-3512.

Sincerely,

Cary Jay Vaughn, CPA, CGFM
Audit Manager
Local Audit and Finance Division

cc Chief Administrative Officer
Clerk



Karegnondi Water Authority.

G-4610 Beecher Road Flint, Michigan 48532-2617
Phone (810) 732-7870 Fax (810) 732-9773

March 25, 2013

Ms. Suzanne Schafer
Michigan Department of Treasury
Local Audit and Finance Division
P.O. Box 30728
Lansing, MI 48909

RE: Karegnondi Water Authority (KWA)

Dear Ms. Schafer:

This letter is to confirm the discussion you recently had with Joe Heffernan, Partner at Plante & Moran, PLLC on our behalf.

KWA was formed in 2010 after the counties of Genesee, Lapeer and Sanilac together with the cities of Flint and Lapeer adopted the KWA's Articles of Incorporation and the Articles of Incorporation were filed with Michigan's Office of the Great Seal.

Since 2010, KWA has had no financial transactions whatsoever, and has merely continued with planning and development of a possible project, all of which was done with the benefit of uncompensated time by our members. We have no assets or liabilities, and accordingly have had no financial activity to audit.

We do anticipate the KWA will become active financially, in the near future.

Based on your discussion with Mr. Heffernan, he confirmed to us that since KWA had no financial transactions at any time from 2010 until now, that we are not required to have an audit performed under PA 2 of 1968. Furthermore, the fact that we have not had an audit for any time from 2010 until now will not be considered a violation of PA 2 of 1968 nor will it inhibit our ability to be qualified for future debt issuance.

Once we become active, we will of course submit audited financial reports as required.

Thank you for your guidance in this matter.

Sincerely,
Karegnondi Water Authority

John O'Brien, PE, Deputy CEO

CC: Les Pulver, Plante & Moran, PLLC

*Spoke with Suzanne
Schafer + she assigned
Muni Code: 257554
To KWA on 10-29-13*



**WIRE TRANSFER AGREEMENT
DOMESTIC AND INTERNATIONAL**

Date: 01/14/2014

Company Full Name: Karegnondi Water Authority

Address: G4610 Beecher Rd

City: Flint

State: MI

Zip Code: 48532

Company Phone Number: 810-732-7870

Contact Name: Karl Kramer

Description of Company's Business _____

Expected Wire Volume: _____

hereinafter, referred to as "Company", or "you", desires the service of transferring funds via wire and,

FirstMerit Bank, N.A.,

106 South Main Street

Akron, Ohio 44308

Banker: Peter Lambropoulos

hereinafter referred to as "FirstMerit", wishes to provide said service. Therefore, for consideration the sufficiency and receipt of which is hereby acknowledged, FirstMerit and Company agree to the following terms of this Wire Transfer Agreement, Domestic and International (the "Agreement").

I. Definitions

Agreement means these terms and conditions.

Account means such checking accounts, savings accounts, money market accounts, commercial loans, lines of credit, etc., utilized in this Agreement and their respective agreements governing such Accounts. This Agreement does not affect the terms and conditions of the Accounts which are currently in place and said terms and conditions are fully incorporated herein by reference (i.e., Account Terms and Conditions-Ohio, Business Loan Agreements, etc.).

Authorized Agent means an employee or other designate of Company who has been authorized by you, and accepted by FirstMerit, to conduct Wire Transfers on your behalf. Authorized Agents are listed on Exhibit A, List of Authorized Agents for the Transfer of Funds. Company acknowledges and agrees that its Authorized Agent(s) are the sole responsibility and liability of Company. FirstMerit will not be responsible for unauthorized transactions or other misconduct which occurs as a result of an Authorized Agent's access.

Business Day. Bank business days are Monday through Friday, except holidays recognized by the Federal Reserve.

Company includes you each of your employees or contractors who are Authorized Agents.

FirstMerit e-Connect is an internet-based cash management system that allows your Company to view all previous day and even current day activity that is posted against the Company's FirstMerit Account(s). Company may elect to use e-Connect to issue Instructions or Payment Orders (as defined below). If Company initiates wires through e-Connect, Company will be subject to e-Connect Terms and Conditions as well as this Agreement.

Instructions or Payment Orders are issued by Authorized Agents to transfer funds from FirstMerit Accounts to other FirstMerit accounts or to accounts at different financial institutions. Instructions or Payment Orders have, at a minimum, the name and routing number of the beneficiary's financial institution, the beneficiary's account number and the beneficiary's name. Where there is a discrepancy between the beneficiary's account number and the beneficiary's name, the account number shall control. You will be responsible for the content and accuracy of any Instruction or Payment Order.

Nonpublic Personal Information (NPI) means sensitive nonpublic personal information (as defined by 12 CFR 40.3(n)) of Company's customers.

Personal Identification Number (PIN) identifies the individual Authorized Agent of the Company to FirstMerit. The PIN is confidential information which must be safeguarded by each Authorized Agent and Company. Company acknowledges and agrees to inform each Authorized Agent of the confidential nature of the PIN and to authorize only those individuals who agree to keep the PIN confidential.

Repetitive Transfers are transfers that have consistent and unchanging crediting instructions, with only the amount of funds subject to change.

Wire Transfer means the series of transactions, beginning with the Payment Order or Instructions, which culminates in a payment to a beneficiary.

Terms which are not defined above shall have the meaning ascribed to them in Ohio Revised Code Sections 1304.51, et seq.

II. The Service

1. Upon receipt of Company's Instruction, FirstMerit is hereby authorized and directed to transfer funds from a Company account to the beneficiary in accordance with the Instructions. FirstMerit shall execute such Wire Transfer Instructions in any order convenient to FirstMerit; and, FirstMerit shall select whatever means for the transfer of funds as FirstMerit, in its sole discretion, deems appropriate.

2. Instructions for one or more transfers of funds may be given to FirstMerit by an Authorized Agent:

- (a) Orally – Domestic Wire Transfers (wire transfers within the United States of America), only;
- (b) Written – via facsimile transmission, electronic means or other writing;
- (c) FirstMerit e-Connect – International or Domestic Wire Transfers; or,
- (d) by any other communication procedure which FirstMerit may institute, from time to time.

FirstMerit will accept wire Instructions only from Authorized Agents of Company who are listed on the "List of Authorized Agents for the Transfer of Funds" form attached hereto as Exhibit A and made a part hereof. It is Company's responsibility to promptly inform FirstMerit, in writing, whenever there are deletions/additions to

Exhibit A. Any modifications to Exhibit A shall not become effective until FirstMerit receives sufficient information and has had a reasonable period of time to effect the modification.

FirstMerit is not responsible for unauthorized transactions which are completed through an Instruction or Payment Order from an Authorized Agent. Company acknowledges that it is responsible for the content or accuracy of Instructions or Payment Orders. If a Wire Transfer Instruction describes the intended beneficiary inconsistently by name and account number, then payment by the beneficiary's bank might be made on the basis of the account number even if it identifies a person different from the named beneficiary. If Company is the originator of a transfer request containing an inconsistent name and account number, and the beneficiary's bank (including FirstMerit), makes payment on the basis of the account number, then Company is obligated to pay the amount which is directed to the account number given.

3. FirstMerit will act on Instructions as promptly as possible, having due regard for the volume of other requests. Instructions received after FirstMerit's cut-off hour, as established from time to time by FirstMerit, shall be treated as received on the next Business Day. FirstMerit will act as promptly as possible on any amended or cancelled Instruction, however, FirstMerit assumes no liability if such amendment or cancellation is not effected.

4. FirstMerit agrees to notify Company with mail, telephone, or statement advices of charges/deposits to Company's account(s) for wire activity. It is the Company's responsibility to examine statements and mail advices upon receipt and to notify FirstMerit within three (3) days from the date the statement or other advice containing any discrepancy, irregularity or unauthorized transfer is mailed or otherwise made available to Company by FirstMerit. Failure of Company to so notify FirstMerit shall relieve FirstMerit of any liability with respect to any such discrepancy or irregularity or unauthorized transfer.

5. FirstMerit may impose wire transfer fees as a charge directly to Company's Account(s) or otherwise. Company agrees that these charges may be established and changed from time to time by FirstMerit at its discretion and Company agrees to pay such fees.

III. Security

1. FirstMerit and Company agree that FirstMerit, at its option, may implement various security procedures at any time. Security procedures include, but are not limited to: taping of phone conversations; issuance of confidential access codes or PINs to assist FirstMerit in identifying individuals requesting funds transfer; issuance of codes for Repetitive Transfers; calling back Company for verification of a Payment Order with another Authorized Agent; or any other reasonable security procedure. Company and FirstMerit agree that these security procedures are commercially reasonable and meet and/or exceed Company's security needs. FirstMerit shall modify such security procedures as it, in its sole discretion, deems reasonable and Company, by using the Service after the installation of any security procedure modification, agrees to the modification and that said modification is commercially reasonable.

2. FirstMerit shall be conclusively deemed to have discharged its duties to act in good faith and to exercise ordinary care in determining the authority and correctness of Instructions if it has followed any of the security procedures provided for in this Agreement or otherwise agreed to by FirstMerit and Company.

3. Upon establishment of a pattern of transfer of funds, FirstMerit may notify Company in writing that the transfers are Repetitive Transfers. FirstMerit shall assign a specific code to be used by Company when requesting the Repetitive Transfer. FirstMerit shall process Repetitive Transfers only if the appropriate code is given.

4. FirstMerit may, in its sole discretion, refrain from processing a Wire Transfer until FirstMerit receives suitable verification from Company. FirstMerit shall be entitled, in its sole discretion, to elect not to execute Wire Transfer Instructions in the event such Instructions are inconsistent with information previously supplied to FirstMerit or if FirstMerit reasonably believes that execution of such Instructions might result in an unauthorized or erroneous transfer of funds. Company shall indemnify and hold FirstMerit harmless from and against any and all damages which may arise due to FirstMerit's inability to obtain verification or if FirstMerit has a reasonable belief that the Payment Order is unauthorized or otherwise erroneous.

5. Should access codes, personal identification numbers (PINs), or other verification tools, i.e., tokens, keys, etc. (hereafter taken together and referred to as "Identifiers") be issued by FirstMerit, it is Company's responsibility to maintain such Identifiers in a confidential and secure manner. FirstMerit shall assume no responsibility nor incur any liability should there be a security breach of an Identifier by Company. Company shall promptly notify FirstMerit of any misuse, loss, misplacement, theft, unauthorized disclosure or any other circumstance which may threaten the confidentiality or security of any such Identifier. FirstMerit shall not incur any liability for acting on Instructions or verification given by a person purporting to be an Authorized Agent of Company with an active Identifier.

6. Company shall only permit individuals authorized by Company (each an "Authorized Agent") and FirstMerit to issue wire Instructions or Payment Orders. FirstMerit shall assign each Authorized Agent a unique Identifier in conformance with FirstMerit's requirements from time to time. Company shall only permit Authorized Agents who have been assigned a unique Identifier to issue wire Instructions or Payment Orders. Each Instruction from an Authorized Agent using an Identifier is subject to verification and acceptance by FirstMerit. Company shall ensure that each Authorized Agent fully complies with these terms and conditions, and Company shall indemnify and hold FirstMerit harmless for all damages, costs and expenses incurred by FirstMerit as a result of the acts and omissions of any Authorized Agent. Company acknowledges and agrees that the use of unique Identifiers is consistent with commercially acceptable practices and meets all standards for Company's security.

7. Company is solely responsible for the use or misuse of the services provided under this Agreement, the Identifiers issued to Authorized Agent, and all charges incurred with such Authorized Agent. Company shall notify FirstMerit immediately of any unauthorized use of the services under this Agreement (including the Identifiers assigned to an Authorized Agent) or any other breach or threatened breach of security.

IV. Company Representations and Warranties

1. Company represents and warrants that its use of this Wire Transfer service is in accordance with, and represents and warrants full compliance with, all applicable governmental laws, rules and regulations as now or may hereafter be in effect, including the Bank Secrecy Act, the USA PATRIOT Act, US sanctions administered by Office of Foreign Asset Control and other Federal and state laws and regulations pertaining to anti-money laundering, terrorist financing, use of "payable-through" or "concentration" accounts, money transfers or remittances. To the extent applicable, Company represents and warrants that he/she/it maintains an effective compliance program designed to reduce the risk of money laundering through the prevention and detection of transactions involving illegal activity.

2. To the extent applicable, Company agrees to comply with the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.) (the "Act"), and the regulations promulgated thereunder, as the Act and such regulations may be amended from time-to-time. Company shall notify FirstMerit whenever Company becomes aware of suspected or actual unauthorized access to NPI; and, will notify FirstMerit whether Company believes misuse of NPI is likely or unlikely to occur. Company will take appropriate steps to safeguard the interests of its affected customers, including the monitoring of affected transactions for on-

going unusual or suspicious activity. Company further represents and warrants that it maintains and utilizes an appropriate and effective "Identity Theft Program" (as defined under applicable sections of the Fair Credit Reporting Act and the Fair and Accurate Credit Transactions Act) designed to detect, prevent and mitigate identity theft. Company further warrants that it will provide prompt, written notice to FirstMerit of any use or attempted unauthorized use of customer information as well as any pattern, practice or specific activity that indicates the possible existence of identity theft. Company acknowledges that FirstMerit reserves the right to periodically review Company's policies and procedures regarding its Identity Theft Program and to request a reporting of activity.

V. FirstMerit Representations and Warranties

1. In no event shall FirstMerit be responsible for any loss, claim, liability, or damage for any act, failure to act or delay in performance of FirstMerit's obligations under this Agreement if such act, failure, or delay is caused by natural disaster, fire, war, strike, civil unrest, governmental directive, error in or inoperability of communication equipment or lines, compliance with any governmental rule or regulation or any other circumstance beyond the reasonable control of FirstMerit. FirstMerit shall not be responsible for any loss, claim, liability or damage resulting from actions or inactions of the U.S. Office of Foreign Asset Control or any other governmental entity's blocking or restraining any funds of Company. FirstMerit makes no guarantee and assumes no liability for the application, availability, or crediting of funds at the receiving depository financial institution.

2. FirstMerit shall have the right to reject or impose conditions that must be satisfied before it will accept a wire Instruction or Payment Order, including without limitation: (a) Company's violation of this Agreement; (b) Company's failure to maintain sufficient withdrawable (collected funds) account balance; (c) or the belief by FirstMerit that the Payment Order may have not been authorized. If FirstMerit, in its discretion, makes any transfer that exceeds the amount of Company's deposited or collected funds, Company shall be liable for any overdraft amounts plus interest and any other fees which apply to the Company Account(s) used to draw from. The Payment Order may also be rejected by an intermediary or beneficiary's bank other than FirstMerit, or by operation of law. If a Payment Order is rejected, FirstMerit shall attempt to notify the Company by telephone, in writing or by other means chosen by FirstMerit. The notice shall be effective when given. FirstMerit shall, however, have no liability to Company by reason of such rejection by another person in the funds transfer chain, or the fact that such notice was not given or was not given at an earlier time. FirstMerit shall have no liability to Company for failing to notify Company within any specified period of time of receipt, acceptance, execution, or payment of any Payment Order.

3. Limitations of Liability. THE SERVICE IS PROVIDED "AS IS." THERE IS NO WARRANTY OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR USE, AND NO OTHER WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED REGARDING THE SERVICE, INFRINGEMENT OR DOCUMENTATION. ACCORDINGLY, THE ENTIRE RISK AS TO THE USE, RESULTS AND PERFORMANCE OF THE SERVICE IS ASSUMED BY COMPANY. IN NO EVENT WILL FIRSTMERIT BE LIABLE TO COMPANY OR ANYONE ELSE FOR ANY CONSEQUENTIAL, SPECIAL, OR INDIRECT DAMAGES RESULTING FROM POSSESSION, USE OR MALFUNCTION OF THIS SERVICE, INCLUDING WITHOUT LIMITATION, DAMAGE TO PROPERTY. NOTWITHSTANDING THE FOREGOING, COMPANY AGREES THAT THE LIABILITY OF FIRSTMERIT ARISING OUT OF ANY KIND OF LEGAL CLAIM (WHETHER IN CONTRACT, TORT OR OTHERWISE) WILL NOT EXCEED THE AMOUNT OF \$500.00.

4. FirstMerit shall be required to perform only the services expressly provided in this Agreement. FirstMerit shall not be liable for any consequential or indirect damages, special damages, or punitive damages in connection with this Agreement or the services provided hereunder. Company agrees to indemnify FirstMerit against, and hold FirstMerit harmless from, any and all losses, costs, damages, and expenses (including reasonable attorney's fees) arising directly or indirectly from, or relating in any manner

to, any actions taken by FirstMerit which were reasonably believed by FirstMerit to be taken pursuant to this Agreement, including, but not limited to, actions taken by FirstMerit to amend or cancel any funds transfer Instructions or any decision by FirstMerit to effect or not to effect a transfer as provided in this Agreement, or any other action taken by FirstMerit in good faith pursuant to its responsibilities under this Agreement.

VI. General

1. This Agreement and all transactions pursuant hereto shall be governed by the laws of the State of Ohio and by Regulation J (12 C.F.R. 210). Unless the context requires otherwise, any terms not defined herein shall have the meanings set forth in Chapter 1304 of the Ohio Revised Code.
2. If a dispute arises between Company and FirstMerit with respect to one or more terms of any transfer initiated, amended, or confirmed by telephonic communication, then any electronic recording of the telephonic communication maintained by FirstMerit in the ordinary course of business shall be conclusive as to the terms of the transfer request in dispute.
3. This Agreement may be canceled, with or without cause, by FirstMerit or Company. Such cancellation shall occur immediately after receipt of the written notification of cancellation request, provided however, that this Agreement shall remain in effect with respect to all transactions hereunder that occur prior to the termination.
4. All notices hereunder shall be in writing (unless stated otherwise) and directed to the addresses set forth above or to such other address as the parties hereto shall provide each other in writing.
5. A waiver by FirstMerit or Company of any right(s) or obligation(s) under this agreement will not act as a continuing waiver of any future right or obligation.
6. This Agreement, together with any exhibits hereto or fee schedules or additional written agreements in connection with Accounts or subsequent hereto, constitutes the entire agreement of the FirstMerit and Company and supersedes any and all other agreements, written or oral, between the parties with respect to the subject matter thereof.
7. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns provided that Company may not assign this Agreement or any rights or obligations hereunder. To the extent services hereunder are performed by any of FirstMerit's affiliates, including but not limited to its affiliate banks and its parent holding company, the provisions of this Agreement and all documents or exhibits in connection herewith shall create contractual rights, duties and obligations with respect to said affiliates the same as if such affiliates are signatories hereto.

Date: _____
This Agreement is entered into as of the date written above.

Company Full Name:

Karegnondi Water Authority

By: _____
Printed Name: _____
Its: _____
Phone Number: _____

FirstMerit Bank, N.A.

By: _____
Printed Name: Jason VanWormer
Its: Treasury Management Officer
Phone Number: 9897761403

COMPANY IS REQUESTING

DOMESTIC WIRE TRANSFER ☒ YES ☐ NO

INTERNATIONAL WIRE TRANSFER ☐ YES ☒ NO

EXHIBIT A

**WIRE TRANSFER AGREEMENT
DOMESTIC & INTERNATIONAL
LIST OF AUTHORIZED AGENTS FOR THE TRANSFER OF FUNDS**

Company Full Name: Karegnondi Water Authority

Address: G4610 Beecher Rd

City: Flint State: MI Zip Code: 48532

Account Number	Account Title
5050028663	Karegnondi Water Authority

The following individuals are permitted to initiate and/or verify wire transfer instructions on behalf of the above-named Company with PIN verification:

Typed Name	Signature	Phone	D/I/B	Initiate	Verify	Max Amt (Optional)

A 6-digit PIN will be issued to each named Authorized Agent from the International Wire Transfer Department.

A 4-digit PIN will be issued to each named Authorized from the Domestic Wire Transfer Department. Notification of the PINs will be mailed to each named Authorized Agent. No wire transfer will be initiated until FirstMerit receives confirmation from the above named Authorized Agent indicating receipt of their PIN.

Authorized Signature _____

Title _____

Print Name: _____

Date: _____

**DOMESTIC
CALL BACK VERIFICATION WAIVER**

In accordance with the Wire Transfer Agreement, Company and FirstMerit may agree in writing to less protective security procedures. Company understands that by rejecting FirstMerit's preferred security procedures (callback verification on non-repetitive transfers), Company is accepting a higher degree of risk of an unauthorized or erroneous transfer and agrees to be bound by any Payment Order resulting therefrom. In consideration of this request, Company agrees to indemnify FirstMerit and hold it harmless from all liability, loss and expense which may occur by reason of such transfers being unauthorized or erroneous.

Karegnondi Water Authority

_____ hereby requests that FirstMerit Bank, N.A. ("FirstMerit") NOT verify any non-repetitive transfers by calling back Company. The undersigned represents and warrants that he/she is authorized to legally bind Company and has the requisite authority to execute this Waiver of Call Back Verification.

Authorized Signature

Title

Company Name:

Date:

**INTERNATIONAL
DUAL CALL BACK VERIFICATION WAIVER**

Due to the nature of international transactions, the International Wire Department practices heightened security procedures. The International Wire Transfer Department will call back and verify the PIN of two different Authorized Agents for all non-repetitive Wire Transfers. If the waiver below is signed, International Wire Transfer will call back and verify the PIN of only one Authorized Agent. Company understands that by rejecting FirstMerit's preferred security procedures (dual call back verification on non-repetitive transfers), Company is accepting a higher degree of risk of an unauthorized or erroneous transfers and agrees to be bound by any Payment Order resulting therefrom. In consideration of this request, Company agrees to indemnify FirstMerit and hold it harmless from all liability, loss and expense which may occur by reason of such transfers being unauthorized or erroneous.

_____ hereby requests that FirstMerit Bank, N.A. ("FirstMerit") call back verify non-repetitive transfers once (one Authorized Agent will always be called back), only. The undersigned represents and warrants that he/she is authorized to legally bind Company and has the requisite authority to execute this Dual Call Back Verification Waiver.

Please make sure you designate the appropriate number of individuals for this procedure in the event of any absences. Should FirstMerit be unable to obtain verification from an Authorized Agent, the wire transfer instruction will not be processed.

Authorized Signature

Title

Company Name:

Date:

FirstMerit Bank, N.A.

**RESOLUTIONS OF
Karegnondi Water Authority**

(Name of Company)

BE IT RESOLVED that Karegnondi Water Authority
(Name of corporation)(referred to hereinafter as "the Corporation") be and it is hereby authorized and empowered to enter into a Wire Transfer Agreement ("the Agreement") with FirstMerit Bank, N.A., 106 S. Main Street, Ohio 44308 Attention TOW-13 ("FirstMerit"), authorizing funds transfers by wire, such Agreement to contain any and all terms and conditions required by the FirstMerit and agreed to by the officer of this Corporation hereinafter specifically designated and authorized to sign the Agreement; and

BE IT FURTHER RESOLVED that _____
(Name of authorized officer)

_____ of this Corporation (hereinafter "Authorized Officer"), be and he/she _____ (office)

is hereby authorized from time to time and at his/her sole discretion to execute for and on behalf of this Corporation the Agreement authorizing transfers as aforesaid and containing any and all other terms and conditions as he/she in his/her sole and uncontrolled discretion deems necessary and proper or desirable in order to transfer funds as aforesaid and to execute or approve such amendments to modifications of any Agreement pertaining to funds transferred by wire from time to time in his/her sole and uncontrolled discretion.

BE IT FURTHER RESOLVED that the aforesaid Authorized Officer shall be authorized to designate an individual or individuals (hereinafter "Authorized Representative(s)") who shall be authorized to initiate funds transfer by wire, said Authorized Representative(s) to be designated by the aforesaid Authorized Officer on the list of authorized representatives furnished by the Corporation to FirstMerit pursuant to the aforesaid Agreement, it being expressly within the power and authority of the aforesaid Authorized Officer to change the aforesaid list of Authorized Representatives from time to time in any way or manner in which he/she deems necessary in his/her sole and uncontrolled discretion, FirstMerit being fully authorized to rely upon the authorities of any such Authorized Representatives as named on the most current list.

BE IT FURTHER RESOLVED that FirstMerit is authorized and requested to accept requests for funds transfers pursuant to the aforesaid Agreement from any one of the Authorized Representative(s), acting alone and individually, without further inquiry and that FirstMerit shall be fully protected in relying on representations made by any one of the Authorized Representatives without further inquiry.

BE IT FURTHER RESOLVED that all previous transfers of funds or actions relating to transfers of funds by wire by any officer, employee, or agent of the Corporation are hereby ratified and affirmed.

BE IT FURTHER RESOLVED that FirstMerit shall rely on these resolutions and the provisions contained herein, including specifically the designation initially and from time to time of Authorized Representatives, which resolutions shall remain in full force and effect and may be relied upon by FirstMerit until receipt of written notice by the Secretary of the Corporation of their amendment or rescission.

CERTIFICATE

I, _____, am the duly-elected and qualified Secretary
(name of Secretary)
of Karegnondi Water Authority _____ and do certify that _____
(Name of Corporation) (Name of authorized officer)

is the duly-elected, qualified, and acting _____ of the Corporation; That the
(office)
foregoing is a true and correct copy of resolution adopted at as meeting of the Board of
Directors of _____ held in accordance with the charter, bylaws,
(Name of Corporation)
or other governing rules of the corporation at _____
(Domicile of Corporation)

on the _____ day of _____, 20____, that the above resolutions are in full
force and effect and have not been amended, modified, or rescinded.

IN WITNESS WHEREOF, I have affixed my signature as Secretary on this, the
_____ day of _____, 20____.

Secretary

FirstMerit International Services
Enhanced Due Diligence Form
Rev. 2009

High Risk Country(s): (if any) _____

Transaction/Service:

☐ Incoming Wire ☐ Outgoing Wire ☐ Standby Letter of Credit / Guarantee

☐ Import Letter of Credit ☐ Other

Company:

☐ **Business/Organization:**

TIN 454532704

Name Karegnondi Water Authority

Nature of business

SIC Code Required

Product

☐ **Individual:**

TIN

Name

Occupation

Beneficiary:

☐ **One time:**

☐ Business/Organization ☐ Individual

Name

Relationship to Company

☐ **Various beneficiaries:**

Relationship to Company

Source of Funds:

Obtained Information From:

Completed By:

Date:

