



Detroit Water and Sewerage Department Meeting Minutes - Final Finance Committee

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Monday, November 2, 2015

7:30 AM

5th Floor Board Room, Water Board Building

Finance Committee Special Meeting

1. CALL TO ORDER

Co-Chairperson Forte called the meeting to order at 7:32 A.M.

2. ROLL CALL

Present: 3 - Linda Forte, Michael Einheuser and Jody Caldwell

3. APPROVAL OF AGENDA

Co-Chairperson Forte requested a motion to approve the agenda.

Retail and Wholesale Customer Delinquencies were added to the agenda.

A motion was made by Co-Chairperson Einheuser, seconded by Co-Chairperson Caldwell that the agenda be approved as amended. The motion carried by the following vote:

approved as amended

Aye: 3 - Co-Chairperson Forte, Co-Chairperson Einheuser and Co-Chairperson Caldwell

4. APPROVAL OF MINUTES

Co-Chairperson Forte requested approval of the minutes of October 12, 2015 and October 19, 2015.

A motion was made by Co-Chairperson Caldwell, seconded by Co-Chairperson Einheuser that the minutes be approved. The motion carried by the following vote:

approved

Aye: 3 - Co-Chairperson Forte, Co-Chairperson Einheuser and Co-Chairperson Caldwell

5. PUBLIC PARTICIPATION

None

6. OLD BUSINESS

A. Bondholder Consent and 2015 Financing Update

Presenter: Lee Donner, First Southwest, reported that Standard & Poor's (S&P) expected to go to rating committee this week; financing team discussed open issues on the Preliminary Official Statements (POS) approaching a near final document; launching of the voluntary consent solicitation discussions with insurance companies and bondholders; Citibank development of a consensus interest rate scale based on S&P assumptions.

7. NEW BUSINESS - Please view the Finance Committee Binder of November 2, 2015 for details.

A. Retail and Wholesale Customer Delinquencies Report

Jon Wheatley, DWSD Finance Manager submitted and reported an update.

[15-1179](#)

Retail and Wholesale Customer Delinquencies

Attachments: [Retail and Wholesale Customer Delinquencies 11.2.15](#)

B. Resolutions Water and Sewer Refunding

Water-Page 10; Sewer-Page 39

[15-1164](#)

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department hereby approves a **Resolution and Ordinance Authorizing the Issuance and Sale of Water Supply System Revenue Refunding Senior Lien Bonds of the City of Detroit and/or Water Supply System Revenue Refunding Second Lien Bonds of the City of Detroit, all for the Purposes of Refunding Certain Water Supply System Revenue and Revenue Refunding Bonds, Funding one or more Reserve Funds, and Paying Costs of Issuance, all under Act No. 94, Public Acts of Michigan, 1933, as Amended, and Ordinance No. 01-05 adopted by the City Council of the City on January 26, 2005 which amended and restated Ordinance No. 30-02; Prescribing the Form of the Bonds Herein Authorized; Providing for Bond Insurance; Providing for Certain Amendments to Ordinance No. 01-05 of the City and the related Indenture; Authorizing the Solicitation of certain Consents from Holders of Outstanding Securities; and Authorizing the Director of the Detroit Water and Sewerage Department to Make Determinations with Respect to the Foregoing and to Take Other Actions.**

Sponsors: Bateson and Wolfson

Attachments: [LAN01- 394453-v4-DWSD - BOWC Authorizing Resolution for Refunding Bonds and Consent Solicitation Process \(Water Supply System\)](#)

A motion was made by Co-Chairperson Caldwell, seconded by Co-Chairperson Einheuser that this Resolution Finance, be recommended for approval. The motion carried by the following vote:
recommended for approval

Aye: 3 - Co-Chairperson Forte, Co-Chairperson Einheuser and Co-Chairperson Caldwell

[15-1165](#)

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department hereby approves a **Resolution and Ordinance Authorizing the Issuance and Sale of Sewage Disposal System Revenue Refunding Senior Lien Bonds of the City of Detroit and/or Sewage Disposal System Revenue Refunding Second Lien Bonds of the City of Detroit, all for the Purposes of Refunding Certain Sewage Disposal System Revenue and Revenue Refunding Bonds, Funding one or more Reserve Funds, and Paying Costs of Issuance, all under Act No. 94, Public Acts of Michigan, 1933, as Amended, and Ordinance No. 18-01 of the City Council of the City; Prescribing the Form of the Bonds Herein Authorized; Providing for Bond Insurance; Providing for Certain Amendments to Ordinance No. 18-01 of the City and the related Indenture; Authorizing the Solicitation of certain Consents from Holders of Outstanding Securities; and Authorizing the Director of the Detroit Water and Sewerage Department to Make Determinations with Respect to the Foregoing and to Take Other Actions.**

Sponsors: Bateson and Wolfson

Attachments: [LAN01- 378491-v7-DWSD - BOWC Authorizing Resolution for Refunding Bonds and Consent Solicitation Process \(Sewage Disposal System\)](#)

A motion was made by Co-Chairperson Caldwell, seconded by Co-Chairperson Einheuser that this Resolution Finance, be recommended for approval. The motion carried by the following vote:

recommended for approval

Aye: 3 - Co-Chairperson Forte, Co-Chairperson Einheuser and Co-Chairperson Caldwell

C. Preliminary Official Statements

Presenter: Ann Fillingham of Dykema Gossett and DWSD Bond Counsel reported that the Finance Committee has reviewed the draft POS. The resolutions recommended for approval to the BOWC is to authorize the issuance of preliminary official statements for refunding transactions and authorize issuance of consensual solicitation documents. It is contemplated that there will be securities law related offering documents disclosure memorandum that describe the refunding transactions and the connection of the consent solicitation documents. Ms. Fillingham stated that the preparation of the documents is a long process. The offering documents are still in draft form but have been circulated twice to Commissioners for review. The Commissioners received a first draft and then a redline draft that depicts the updates since the first draft. She said they are refining a couple of sections and anticipate a final form closer to the BOWC's special meeting and to expect another redline draft before that meeting. Ms. Fillingham stated that the Board will hold a closed session to address any questions or concerns. She also said preparation of the Preliminary Official Statements (POS) is proceeding.

8. CLOSED SESSION

Co-Chair Forte requested a motion to enter Closed Session.

A motion was made by Co-Chairperson Einheuser, seconded by Co-Chairperson Caldwell to enter into Closed Session at 8:02 A.M. be approved. The motion carried by the following vote:

approved

Aye: 3 - Co-Chairperson Forte, Co-Chairperson Einheuser and Co-Chairperson Caldwell

Return from Closed Session

Co-Chair Forte requested a motion to return from Closed Session.

A motion was made by Co-Chairperson Einheuser, seconded by Co-Chairperson Caldwell to return from Closed Session at 9:21 A.M. The motion carried by the following vote:

approved

Aye: 3 - Co-Chairperson Forte, Co-Chairperson Einheuser and Co-Chairperson Caldwell

The only matter discussed was attorney-client privileged communication.

9. OTHER MATTERS

None

10. ADJOURNMENT

Co-Chair Forte requested a motion to adjourn.

A motion was made by Commissioner Caldwell, seconded by Commissioner Einheuser that the meeting be adjourned. The motion carried by the following vote:
adjourned

Aye: 3 - Co-Chairperson Forte, Co-Chairperson Einheuser and Co-Chairperson Caldwell

There being no further business, the meeting adjourned at 9:22 A.M.