

**OFFICIAL MINUTES OF MAYVILLE
VILLAGE COUNCIL MEETING
SEPTEMBER 6, 2022
(Official)**

The Village Council of Mayville, Michigan held a Meeting at the Fire Hall on September 6th, 2022. The meeting was called to order at 7:00 p.m. by Barbara Valentine, Village President, with the following officers and Trustees present: Sue Marlow, Susan Shaver, Kelly Torrey

Absent - Steve Charette

Employees Present – Police Chief Louis Cook, Assistant Fire Chief Terry Wingert, Zoning Administrator Bernie Milot and Clerk - Kayla Reed

Guests – 8

Pledge of Allegiance -

Public Comments - None

Action Items -

Spicer Recommendation of Award for Mayville Wastewater Improvements and Rural Development Concurrence of Award -

Motion by Torrey, 2nd by Shaver to Accept Spicers recommendation of Award and Rural Developments Concurrence of Award for both Division A and Division B, contingent upon both financing and tentative acceptance of change order #1 for Division B

Roll call vote - Charette - ABSENT Shaver - Y Marlow- N Torrey - Y Valentine - Y

Motion carried

*****SEE ATTACHED DOCUMENTS*****



September 6, 2022

Barb Valentine, President
Village of Mayville
PO Box 219
6104 Fulton Street
Mayville, MI 48744

RE: Recommendation of Award
Mayville Wastewater Improvements

Barb,

Enclosed are two (2) copies of the tabulation of bids received in your office on August 12, 2022 for the above-referenced project. Bidders were allowed to bid on Division A, or Division B, or both.

Division A

A total of two (2) bids were received, ranging from a low bid of \$2,067,772.72 to the high bid of \$2,265,000. While the low bid is higher than budget, both bids are within a reasonable range of increase that is being experienced in the current market climate. There are several factors that appear to have contributed to the increased costs, mainly being higher material costs and busier contractor workloads. Unfortunately, bids that exceed project budgets are common in the industry as of late, since numerous product price increases have occurred across the industry since January 1, 2021.

The low bid was submitted by American Excavating of Saginaw, MI. American has successfully completed dozens of projects similar to this one and have a known and respected reputation in the region. Therefore, we recommend award of this project to American Excavating for a contract price of \$2,067,772.72.

Division B

A total of one (1) bid was received, at a bid price of \$10,500,000.00, which is 2.6 times higher than the budget. The construction budget obligated by USDA Rural Development for Division B was \$3,983,500.00, for a difference of \$6,516,500.00. The lack of multiple bidders and the large increase in price reflects the perceived risk of the project with the lagoon island and the current market climate. Contractors are not bidding as often and aggressively as other times. Unfortunately, bids that exceed project budgets for treatment facility projects are not uncommon in the industry as of late. While it was expected that project costs would increase somewhat, a cost overrun of this magnitude was not expected.

There are several factors that appear to have contributed to the increased costs, including high material costs, the American Iron and Steel provisions, contractor workloads, a large quantity of earth excavation and earth moving, the slow timeframe required for working on cell #2 due to poor soils, and the perceived risk of the project with the lagoon island. Finally, cost increases in scope items resulted in a large increase to bonding and insurance, which affects the cost of the entire project.

We completed an extensive value engineering effort with the low bidder, EGLE, USDA Rural Development and the Village to identify areas of cost savings, which has resulted in tentative Change Order #1 deduct in the amount of (\$6,837,572.72). The scope of the project is being reduced to construct

Wastewater Improvements Recommendation of Award
September 6, 2022
Page 2 of 2

Cell #3 only and a revised transfer structure that will serve all three cells in one. Change Order #1-Division B (enclosed) illustrates an amended contract price of \$3,662,427.28. The scope of work cannot be reduced any further and still achieve a maximum two-phase project approach that is satisfactory to both the Village's and EGLE's objectives.

This revised scope of work being recommended is phase one of a two phase approach to completing the entire project, which is required by EGLE as stated in the facility's NPDES permit and in the EGLE violation notice letter dated 8/31/22 (enclosed). Since receiving the bid on August 12, 2022, Spicer Group, Village staff, and USDA-RD staff have had two meetings with EGLE staff to discuss the bid status and project scope. EGLE is agreeable to allowing the phased approach and constructing Cell #3 first, to allow construction to be completed with the obligated funding that is on-hand. EGLE is requiring that a new Part 41 construction permit application be submitted to ensure that the proposed changes allow two cells to be in operation at all times, both currently and in future Phase II. Therefore, during this time period of negotiation with Fisher Contracting over the last three weeks, Spicer has also provided draft updated design documents to EGLE, to assist with an expedited process of reviewing and issuing a new construction permit. EGLE has assured Spicer Group that they do not see any issues with the new drawings and this two-phase approach.

In closing, the low bid was submitted by Fisher Contracting Co., Midland, MI. Fisher Contracting has successfully completed other projects similar and larger to this one and has well known and respected reputation. Therefore, we recommend the award of this project to Fisher Contracting for a contract price of \$3,662,427.28, which is contingent upon execution of Change Order #1.

If you need any additional information, please let me know.

Sincerely,

Jennifer M. Garza

Jennifer M. Garza, P.E.
Project Manager

SPICER GROUP, INC
230 S. Washington Avenue
Saginaw, MI 48607
Phone: (989) 488-8497
mail to: jenniferg@spicergroup.com

Encl: Bid Tab
Change Order #1-Division B
EGLE Violation Notice, 8/31/2022

Cc: USDA-Rural Development



BIDS FOR: MAYVILLE WASTEWATER IMPROVEMENTS
 VILLAGE OF MAYVILLE

TAKEN ON: Friday, August 12, 2022 @ 2:00 PM at the Village of Mayville Hall

BIDDERS>>

Item No.	Estimated Quantity	Unit	Description	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Fisher Contracting Company Midland, MI
1.	1	LS	Division A, Complete	LS	\$2,067,772.72	LS	\$2,265,000.00	LS	no bid	no bid
1.	1	LS	Division B, Complete	LS	no bid	LS	no bid	LS	\$10,500,000.00	\$10,500,000.00
TOTAL BID AMOUNT					\$2,067,772.72		\$2,265,000.00			\$10,500,000.00



BIDS FOR: MAYVILLE WASTEWATER IMPROVEMENTS
VILLAGE OF MAYVILLE

TAKEN ON: Friday, August 12, 2022 @ 2:00 PM at the Village of Mayville Hall

BIDDERS>>

Item Estimated	No.	Quantity	Unit	Description	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount				
	1.	1	LS	Division A, Complete	LS	\$2,067,772.72	LS	\$2,265,000.00	LS	\$2,067,772.72	LS	\$2,265,000.00				
	1.	1	LS	Division B, Complete	LS	no bid	LS	no bid	LS	no bid	LS	\$10,500,000.00				
TOTAL BID AMOUNT												\$2,067,772.72		\$2,265,000.00		\$10,500,000.00

American Excavating
Saginaw, MI

Cooper Excavating
Vassar, MI

Fisher Contracting Company
Midland, MI

Change Order

No. 1

Date of Issuance: September 1, 2022 Effective Date: Upon Funding Agency Approval

Project: Mayville Wastewater Improvements	Owner: Village of Mayville	Owner's Contract No.:
Contract: Mayville Wastewater Improvements – Division B		Date of Contract:
Contractor: Fisher Contracting Co.		Engineer's Project No.: 128168SG2020

The Contract Documents are modified as follows upon execution of this Change Order:

Description:

Bid Price Value Engineering Reduction:

1) Reduce scope to Cell #3 Only and Transfer Structure 1-2-3 (\$6,837,572.72)

Attachments: (List documents supporting change): Fisher Contracting letter, dated 8/30/22

CHANGE IN CONTRACT PRICE:

CHANGE IN CONTRACT TIMES:

Original Contract Price:

\$ 10,500,000.00

[Increase] [Decrease] from previously approved Change Orders No. --- to No. ---:

\$0

Contract Price prior to this Change Order:

\$ 10,500,000.00

[Increase] [Decrease] of this Change Order:

\$ (6,837,572.72)

Contract Price incorporating this Change Order:

\$ 3,662,427.28

Original Contract Times: Working days Calendar days

Substantial completion (days or date): October 1, 2024

Ready for final payment (days or date): November 1, 2024

[Increase] [Decrease] from previously approved Change Orders No. --- to No. ---:

Substantial completion (days): N/A

Ready for final payment (days): N/A

Contract Times prior to this Change Order:

Substantial completion (days or date): October 1, 2024

Ready for final payment (days or date): November 1, 2024

[Increase] [Decrease] of this Change Order:

Substantial completion (days or date): _____

Ready for final payment (days or date): _____

Contract Times with all approved Change Orders:

Substantial completion (days or date): October 1, 2024

Ready for final payment (days or date): November 1, 2024

RECOMMENDED:

ACCEPTED:

ACCEPTED:

By: Jennifer M. Garza
Engineer (Authorized Signature)

By: _____
Owner (Authorized Signature)

By: _____
Contractor (Authorized Signature)

Date: 9/1/22

Date: _____

Date: _____

Approved by Funding Agency (if applicable): _____

Date: _____



Barbara Valentine
Village President
Village of Mayville, MI

RE: *Mayville Lagoon Scope Reduction – Cell 3 Only*

August 30th, 2022

Barbara,

We appreciate the opportunity to help the Village make this project a reality and fit within the project budget. Below you will find our revised scope, some clarifications to reduce cost and revised pricing. Some of the price will change based on the final design since some things will need to change in order for the system to work.

Scope of Work:

1. Clearing as required for placement of excess spoils to the south.
2. Excavate and grade Cell 3 Lagoon per the grading plan.
3. Install liner system and venting system for Cell 3. This includes the protective cover and stone.
4. Construct access roads.
5. Four inches of topsoil and seed on the lagoon backslopes and spoils area. Also topsoil and seed the 2' area between the road and rip rap.
6. Install (1) effluent and (1) transfer structure with stubs-outs to cell 1 and 2 for future.
 - a. This includes the installation of (6) 12" valves at the effluent structure.
 - b. This includes the installation of (3) 14" valves and (0) 12" valves at the transfer structure.
 - c. Pipe will be stubbed out of each structure a minimum of 5' from the exterior face of the structure. These stubs and caps are included in the applicable structure pricing.
 - i. Included (3) 12" stubs and (1) 10" Stub at the effluent structure.
 - ii. Included (3) 14" stubs, (3) 12" stubs, (2) 10" stubs and (1) 12" influent stub at the transfer structure.
 - d. Does not included exterior or interior coatings.
7. Piping from the effluent and transfer structure into Cell 3.
8. Installation of the 15" PVC effluent pipe to the first structure which is a standard 4' manhole. The metering manhole is not included.



Clarifications:

1. Proposal is based on the construction of cell 3 only utilizing the fill area shown in attachment 2.
2. The chain link fence (item #27) is the quantity estimated to be replaced. We plan to remove approximately 1,400 ft of fencing and this item will be used to replace that fence.
3. Clearing of the area to the south as shown in the attached fill area drawing is included. This proposal is based that there are no restrictions clearing this area other than it must be done before April 1st. The fill areas outside of the lagoon berms will not have stumps removed; stumps in these areas will simply be buried in place. If the stumps are required to be removed additional costs will apply.
4. This proposal assumes specification 31 05 13 Part 2.1.A does not apply for this work. Boulders (12"+) will be removed as they are encountered during the excavation process for fill within the cell 3 lagoon berm. If boulders are encountered in the excess spoils, they will be left. No screening, sifting or work to reduce the size of lumps or rocks has been included and if required will be considered extra work that will be reimbursable.
5. Acceptable subgrade for the GCL will be similar to the following: Protrusions extending from the subgrade surface that can damage the GCL shall be removed, crushed or pushed into the surface with a smooth drum compactor. We have included some time for rock picking via a rockhound and laborers. This item is a separate item in the attached pricing and is intended to be a budget. This activity will be tracked on a T&M basis and billed accordingly.
6. The unit price for the 12' gravel road does not include excavation for the roadway. If additional gravel drives are required outside of the limits of cell 3 a change order would be required. This item only includes the sand subbase and aggregate surface.
7. Proposal is based on being able to simply track fill material area in the excess spoils area. No compaction requirements will apply in that area.
8. Proposal is based on specification 07 14 00 Fluid Applied Coatings and 09 96 00 High Performance Coatings not applying to this project as it pertains to concrete. No coatings for precast or cast in place structures has been included.
9. Proposal is based on the effluent and transfer structure being positioned where no sheeting or shoring will be required for installation due to the proximity of cell 1 and 2.



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10. Proposal is based on the interior slope of cell #3 being adjusted slightly to allow the anchor trench to continue around the effluent structure so that batten bar or other structure connections are not needed.
11. Proposal based on the revised drawing of the transfer structure. This revised made the structure a "3-way structure."
12. Pricing valid 120 days from the original bid date of August 12th, 2022.

Again, thank you for the opportunity. If there are any questions, please let us know.

Josh McClaren
Project Manager/Estimator
Fisher Contracting
jmclaren@thefisher.co
C: 270-621-0186

Attachments:
Attachment 1: Bid Form
Attachment 2: Fill Area Concept



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Attachment 1: Pricing

Note – Only the Subtotals and Total Bid Amount per Division are required on bid day. (Shaded gray cells below.) Then within 10 work days after bid opening, the entire Bid Form will be required to be submitted as a Schedule Of Values from the two lowest bidders per Division.

Bid Form

Item No.	Estimated Quantity	Unit	Description	Unit Price	Amount
DIVISION B - LAGOON SYSTEM IMPROVEMENTS					
1.	1	Lump Sum	Mobilization, Bonds, and Insurance	\$ <u>Lump Sum</u>	\$ <u>363,585.80</u>
2.	0	Gallons	Cell #1 Sludge Removal and Land Apply Disposal	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
3.	0	Gallons	Cell #2 Sludge Removal and Land Apply Disposal	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
4.	0	Lump Sum	Cell #1 Dewatering, Removals, and Reshaping	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
5.	0	Lump Sum	Cell #1 Venting System	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
6.	0	Lump Sum	Cell #1 Geosynthetic Clay Liner	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
7.	0	Lump Sum	Cell #1 Geomembrane Liner	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
8.	0	Lump Sum	Cell #1 Geotextile Liner	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
9.	0	Lump Sum	Cell #1 Sand Bottom, 12"	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
10.	0	Ton	Cell #1 Plain Rip Rap, 4-8"	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
11.	1	Lump Sum	Cell #3 Excavation and Shaping	\$ <u>Lump Sum</u>	\$ <u>583,915.05</u>
12.	1	Lump Sum	Cell #3 Venting System	\$ <u>Lump Sum</u>	\$ <u>130,775.63</u>
13.	1	Lump Sum	Cell #3 Geosynthetic Clay Liner	\$ <u>Lump Sum</u>	\$ <u>223,671.00</u>
14.	1	Lump Sum	Cell #3 Geomembrane Liner	\$ <u>Lump Sum</u>	\$ <u>259,001.55</u>
15.	1	Lump Sum	Cell #3 Geotextile Liner	\$ <u>Lump Sum</u>	\$ <u>22,842.00</u>
16.	1	Lump Sum	Cell #3 Sand Bottom, 12"	\$ <u>Lump Sum</u>	\$ <u>192,504.54</u>
17.	3,200	Ton	Cell #3 Plain Rip Rap, 4-8"	\$ <u>82.40</u>	\$ <u>263,680.00</u>
18.	0	Lump Sum	Influent Structure & Valves, Complete	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
19.	0	LF	12" D.I. Influent Piping, Cell #1	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
20.	1	Lump Sum	Transfer/Effluent Structure & Valves, Complete	\$ <u>Lump Sum</u>	\$ <u>241,288.31</u>

Item No.	Estimated Quantity	Unit	Description	Unit Price	Amount
21.	98	LF	12" D.I. Piping for Transfer/Effluent Structure	\$ 315.40	\$ 30,751.50
22.	15	LF	10" D.I. Piping for Transfer/Effluent Structure	\$ 176.35	\$ 2,645.25
23.	100	LF	15" SDR35 PVC Effluent Piping	\$ 182.03	\$ 18,203.00
24.	1	Ea	4' Dia. Effluent Manhole	\$ 4,885.69	\$ 4,885.69
25.	0	Lump Sum	5' Dia. Effluent Metering Manhole & Meter, Complete	\$ NOT INCLUDED	\$ NOT INCLUDED
26.	0	Lump Sum	Effluent Pipe Outfall, Complete	\$ NOT INCLUDED	\$ NOT INCLUDED
27.	1400	Lin. Ft.	Fencing - Perimeter	\$ 46.16	\$ 64,624.00
28.	1,908	Lin. Ft.	12' Wide Gravel Drive	\$ 28.46	\$ 54,301.68
29.	1	Lump Sum	Soil Erosion Sedimentation Control	\$ Lump Sum	\$ 16,605.65
30.	1	Lump Sum	Site Grading, incl. Brush Removal	\$ Lump Sum	\$ 101,755.99
31.	1	Lump Sum	Cleanup and Seeding	\$ Lump Sum	\$ 493,409.37
32.	20	EA	Stump Removal, 18" dia. or Larger	\$ 230.79	\$ 4,615.80
SUBTOTAL A					\$ 3,073,061.81

ALTERNATE DESIGN WITH CELL #2 PARTIAL REHABILITATION

33.	0	EA	Install & Monitor Owner-Provided Soil Settlement Plate	\$ NOT INCLUDED	\$ NOT INCLUDED
34.	0	Lump Sum	Cell #2 Dewatering, Island Soil Manage and Reshape	\$ NOT INCLUDED	\$ NOT INCLUDED
35.	0	Lump Sum	Cell #2 Proposed Berm	\$ NOT INCLUDED	\$ NOT INCLUDED
36.	0	Lump Sum	Cell #2 Venting System	\$ NOT INCLUDED	\$ NOT INCLUDED
37.	0	Lump Sum	Cell #2 Geosynthetic Clay Liner	\$ NOT INCLUDED	\$ NOT INCLUDED
38.	0	Lump Sum	Cell #2 Geomembrane Liner	\$ NOT INCLUDED	\$ NOT INCLUDED
39.	0	Lump Sum	Cell #2 Geotextile Liner	\$ NOT INCLUDED	\$ NOT INCLUDED
40.	0	Lump Sum	Cell #2 Sand Bottom, 12"	\$ NOT INCLUDED	\$ NOT INCLUDED
41.	0	Ton	Cell #2 Plain Rip Rap, 4-8"	\$ NOT INCLUDED	\$ NOT INCLUDED
42.	0	LF	12" D.I. Influent Piping, Cell #2	\$ NOT INCLUDED	\$ NOT INCLUDED

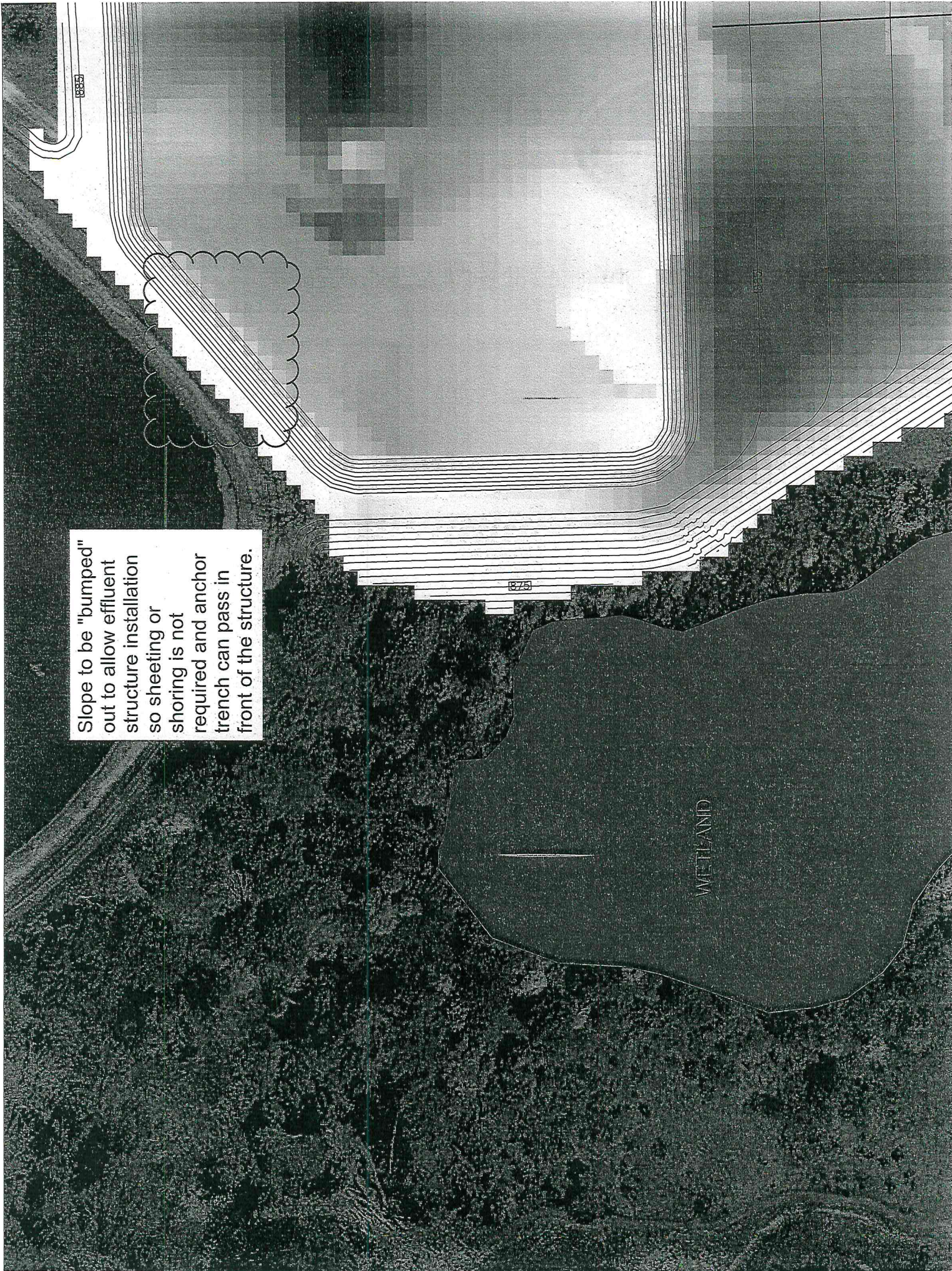
Item No.	Estimated Quantity	Unit	Description	Unit Price	Amount
43.	0	Lump Sum	Transfer Structure & Valves, Complete (Cell 1-2)	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
44.	0	LF	14" D.I. Piping at Transfer Structure	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
45.	0	LF	10" D.I. Piping at Transfer Structure	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
46.	0	SY	High Strength Geotextile Wrap	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
47.	0	SY	Biaxial Geogrid	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
48.	0	SY	MDOT 6A Crushed Stone, 2' Depth, Wrapped	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
49.	0	CY	Subgrade Undercut, incl. MDOT 6A Crushed Stone and High Strength Geotextile Wrap	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
50.	0	TN	CL II Sand (Void Fill), As Needed	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
51.	0	TN	MDOT 6A Crushed Stone (Void Fill), As Needed	<u>\$NOT INCLUDED</u>	<u>\$ NOT INCLUDED</u>
SUBTOTAL B					\$ 0.00
Proposed New Items					
52.	1	Lump Sum	Transfer Structure & Valves, Complete (Cell 1-3)	<u>\$ Lump Sum</u>	<u>\$ 313,381.89</u>
53.	1,230	LF	14" D.I. Piping at Transfer Structure (Cell 1-3)	<u>\$ 160.89</u>	<u>\$ 197,894.70</u>
54.	410	LF	10" D.I. Piping at Transfer Structure (Cell 1-3)	<u>\$ 129.84</u>	<u>\$ 53,234.40</u>
55.	1	LS	Rock Picking Liner Subgrade (T&M as needed; Allowa	<u>\$ Allowance</u>	<u>\$ 24,854.48</u>
TOTAL BID AMOUNT - DIVISION B LAGOON SYSTEM, WITH ALTERNATE DESIGN					\$ 3,662,427.28
Note:clarication letter applies to this pricing					



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Attachment 2: Fill Area Concept

Slope to be "bumped" out to allow effluent structure installation so sheeting or shoring is not required and anchor trench can pass in front of the structure.





GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY

BAY CITY



LIESL EICHLER CLARK
DIRECTOR

August 31, 2022

SENT VIA EMAIL: mglasgow@villageofmayville.org

Michael Glasgow
Director of Public Works
Village of Mayville
5950 Fox Street
PO Box
Mayville, Michigan 48744

Dear Michael Glasgow:

SUBJECT: Violation Notice VN-013412

The Department of Environment, Great Lakes, and Energy (EGLE), Water Resources Division (WRD), has determined that the Mayville Wastewater Stabilization Lagoon (WWSL) is in violation of the National Pollutant Discharge Elimination System (NPDES) Permit No. MI0060276, which was issued on March 26, 2021, effective April 1, 2021.

Mayville WWSL was required to submit a notification that construction had begun on improvements to the Village of Mayville wastewater treatment system and collection system. The proposed improvements are to include the construction of a third lagoon cell, the relining of the existing two lagoon cells, upgrades to two lift stations, the relining of segments of the collection system, and upgrades to the facility's roads, signage, and fencing. It has also been determined that construction of said facilities has not begun. Failure to commence construction of said facilities by April 30, 2021, and notification that construction has begun by May 15, 2021, are violations of your permit.

The violations identified in this Violation Notice are continuing.

Mayville WWSL should take immediate action to achieve and maintain compliance with the terms and conditions of the NPDES Permit No. MI0060276.

Please submit a written response to this office by October 3, 2022. At a minimum, the response shall include:

1. A plan for utilization of the available USDA Rural Development funds towards the treatment system and collection system improvements.
2. A plan for obtaining funds for the remaining improvements outlined under the NPDES Permit No. MI0060276 Part I Section A. 8. Schedule for Construction of System Improvements not covered by the current USDA Rural Development funds.
 - a. Copies of funding applications as submitted.

Michael Glasgow
Page 2
August 31, 2022

3. An updated schedule for completion of treatment system and collection system improvements.
 - a. Quarterly progress reports on the status of funding, planning, and construction of said system improvement beginning January 15, 2023.

If you have any factual information you would like us to consider regarding the violations identified in this Violation Notice, please provide them with your written response.

We anticipate and appreciate your cooperation in resolving this matter. Should you require further information regarding this Violation Notice or if you would like to arrange a meeting to discuss it, please contact me at RoeserD@Michigan.gov; 989-439-2260; or EGLE, WRD, 401 Ketchum Street, Bay City, Michigan 48708-5430.

Sincerely,



Davis Roeser, PE
Bay City District Office
Water Resources Division

cc: Barbara Valentine, Village of Mayville
Jennifer Garza, Spicer Group
Andy Granskog, USDA
Charlie Bauer, EGLE
Amy Clark, EGLE

Rural Development September 6, 2022

Michigan State Office

3001 Coolidge Rd
Suite 200
East Lansing, MI
48823

Voice 517.324.5156
Fax 855.813.7741

Barb Valentine
Village of Mayville
PO Box 219
6104 Fulton Street
Mayville, MI 48744

SUBJECT: Mayville Wastewater Improvements Project
Construction Contract Bid Award

Dear Ms. Valentine,

We have received copies of the September 6, 2022 letter from your engineer, Spicer Group, Inc., recommending bid award for the above-mentioned project. We have also reviewed the bid tabulations with respect to our concurrence in the bid award. It appears that a fair showing of bidders responded to the advertisement with two bids received for Division A (Collection System Improvements) and one bid for Division B (Lagoon Improvements).

As a primary tier recipient of federal funds, you have responsibilities under 2 CFR 180.300 to screen contractors for exclusions under the System for Award Management (SAM). You can accomplish this in one of three ways: checking contractor names at www.sam.gov/content/exclusions ; collecting a certification (certification forms are currently included in the RD standard contract documents) or adding a clause or condition to the covered transaction. If you need any assistance in this regard, please contact me.

We concur with Jennifer Garza's recommendation letter and your tentative award of the work in the amounts as listed below:

	<i>Low Bidder</i>	<i>Amount</i>
Village of Mayville Division A Collection Improvements	American Excavating	\$2,067,772.72
Village of Mayville Division B Lagoon Improvements	Fisher Contracting	\$10,500,000.00

USDA is an equal opportunity provider, employer and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

It is our understanding that the bids for Division B significantly exceeded the obligated budgets for construction, and that a value engineering effort was conducted by your engineer in coordination with the low bidder, EGLE, and USDA RD. The value engineering effort reduced the scope to constructing only Lagoon Cell 3 with the appurtenances needed to put it in operation. This results in a savings of \$6,837,572.72, which be implemented with Change Order No. 1. Award should be made for Division B at the base bid of \$10,500,000, contingent on contractor's concurrent approval of Change Order No. 1 reducing the scope and price to \$3,662,427.28.

The improvements to Cell 1 and Cell 2 are still required by EGLE. These improvements will be deferred to a Phase 2 project to be obligated in the future. We would caution the Village to not delay in applying for the Phase 2 project, EGLE has already cited the village with a violation. Violations can lead to enforcement, including fines.

Said award should be made subject to the availability of funds and completion of necessary financial arrangements with USDA Rural Development. Please be advised that we require a review of the contract documents and a certification signed by the local attorney (Exhibit GC-A of the General Conditions) before we can concur with the contract.

Federal law requires prospective lower tier participants to certify that neither it, nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency.

Surety companies executing construction contract bonds must appear on the Treasury Department's most current Circular 570, List of Approved Sureties. The dates of the performance and payment bonds may not be prior to the date of the construction contracts. The effective date of "Power of Attorney" attached to the bonds, must be the same as the bonds. The bonds must be the EJCDC bond forms, 2018 version.

Please continue to work with Carrie Williamson-Moody of our Caro area office in the remainder of the project processing. If you have any questions or need additional information, please feel free to contact us.

Sincerely,

ANDREW GRANSKOG Digitally signed by ANDREW GRANSKOG

Date: 2022.09.06 09:19:04 -04'00'

Andrew H. Granskog, P.E.
State Engineer

cc Carrie Williamson-Moody, Area Specialist – Caro A/O (by email)
Spicer Group, Inc. – Jennifer M. Garza, PE (by email)

Bond Resolution - Sewage Disposal System Junior Lien Revenue Bond, Series 2022

Motion by Shaver, 2nd by Torrey to Adopt Bond Resolution '**Sewage Disposal System Junior Lien Revenue Bonds, Series 2022**'

Roll call vote - Torrey - Y Marlow- N Charette - ABSENT Shaver - Y Valentine - Y

Motion carried

*******SEE ATTACHED BOND RESOLUTION*******

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At a regular meeting of the Village Council of the Village of Mayville, Tuscola County, Michigan, held on September 6, 2022.

PRESENT: **Sue Marlow, Susan Shaver, Kelly Torrey and Barbara Valentine**_____

ABSENT: **Steve Charette**_____

The following resolution was offered by Shaver and seconded by Torrey:

BOND RESOLUTION

Sewage Disposal System Junior Lien Revenue Bonds, Series 2022

WHEREAS, this Village Council does hereby determine that it is necessary to acquire, construct and install improvements to the Village's sewage disposal system, including without limitation, lining and replacement of sewer pipes, manhole repairs, replacement of and improvements to existing pump stations, rehabilitation of two existing lagoon cells and construction of a third lagoon cell, together with related appurtenances (the "2022 Project"); and

WHEREAS, the cost of acquiring and constructing the 2022 Project is estimated to be approximately Seven Million One Hundred Sixty Thousand Dollars (\$7,160,000); and

WHEREAS, the Village desires to issue bonds, as authorized by the provisions of Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"), to pay part of the cost of acquiring and constructing the 2022 Project; and

WHEREAS, the Village has previously issued a note in principal amount of \$415,000 (the "Note") to pay part of the preliminary costs of the 2022 Project; and

WHEREAS, the Village wishes at this time to authorize the issuance of bonds to defray part of the cost of acquiring and constructing the 2022 Project, including payment of the principal of and interest on the Note and payment of legal, financial and other expenses incidental to the

cost of the 2022 Project and incidental to the issuance and sale of the Series 2022 Bonds, and to sell such bonds in a private negotiated sale to the United States of America acting through the United States Department of Agriculture, Rural Development (“Rural Development”) in furtherance of Rural Development’s program to provide low-interest rate, long-term loans for eligible projects (the “Program”).

THEREFORE, BE IT RESOLVED by the Village Council of the Village of Mayville, Tuscola County, Michigan, as follows:

SECTION 1. DEFINITIONS. Whenever used in this Resolution, except when otherwise indicated by the context:

(a) “Additional Junior Lien Bonds” means any additional bonds of equal standing with the Series 2022 Bonds issued pursuant to Section 24.

(b) “Bond Reserve Requirement” means the lesser of the Maximum Annual Debt Service on any outstanding Senior Lien Bonds or the maximum amount permitted by the Code.

(c) “Bond Reserve Subaccount” means the subaccount established within the Redemption Account pursuant to Section 14B.

(d) “Bonds” means the Series 2022 Bonds, together with any Additional Junior Lien Bonds and any Senior Lien Bonds.

(e) “Code” means the Internal Revenue Code of 1986, as amended.

(f) “Council” means the Village Council of the Village.

(g) “Fiscal Year” means the fiscal and operating year of the Village which begins on April 1 and ends on the following March 31.

(h) “Issue Date” means the date on which the Series 2022 Bonds are delivered to the original purchaser thereof.

(i) “Junior Lien Bonds” means the Series 2022 Bonds, together with any Additional Junior Lien Bonds.

(j) “Junior Lien Redemption Account” means the account established pursuant to Section 14C.

(k) “Maximum Annual Debt Service” means, at any point in time, with respect to any outstanding Senior Lien Bonds or Junior Lien Bonds, as the case may be, the maximum amount of principal (whether by scheduled maturity or mandatory redemption) and interest becoming due in the then current or any future Fiscal Year; provided, however, that principal of and interest on Senior Lien Bonds or Junior Lien Bonds, as the case may be, maturing or becoming due by mandatory redemption on the first day of any Fiscal Year shall be deemed for purposes of this definition to mature or be subject to mandatory redemption on the last day of the immediately preceding Fiscal Year.

(l) “Operation and Maintenance Account” means the account established pursuant to Section 14A.

(m) “Receiving Account” means the account established pursuant to Section 14.

(n) “Repair and Replacement Account” means the account established pursuant to Section 14D.

(o) “Revenues” and “Net Revenues” shall be construed as defined in Section 3 of Act 94.

(p) “Senior Lien Bonds” means bonds or other obligations which may hereafter be issued or incurred by the Village to provide funds for any lawful purpose of the System which are of senior standing and priority of lien with respect to the Net Revenues to the claim of the Junior Lien Bonds, as provided in Section 24.

(q) “Series 2022 Bonds” means the Bonds authorized pursuant to Section 3.

(r) “System” means the Village’s complete sewage disposal system, both inside and outside the Village, including all sanitary sewers, combined sanitary and storm sewers, plants, works, equipment, instrumentalities and properties used or useful in connection with the

collection, treatment or disposal of sewage or industrial wastes, as the same now exists, together with all additions, extensions, repairs and improvements thereto hereafter acquired.

(s) “2022 Junior Lien Bond Reserve Subaccount” means the subaccount established within the Junior Lien Redemption Account pursuant to Section 14C.

(t) “Village” means the Village of Mayville, County of Tuscola, Michigan.

SECTION 2. NECESSITY; PUBLIC PURPOSE; 2022 PROJECT COSTS; PERIOD OF USEFULNESS. It is hereby determined to be a necessary public purpose of the Village to acquire and construct the 2022 Project in accordance with the plans and specifications prepared by Spicer Group, which plans and specifications are now on file with the Clerk and are hereby approved and adopted. The Village hereby adopts the estimate of 40 years and upwards as the period of usefulness of the 2022 Project and also the estimate of not to exceed \$7,160,000 as the cost of the 2022 Project, both of which estimates are on file with the Clerk.

SECTION 3. AUTHORIZATION OF SERIES 2022 BONDS - PURPOSE. To pay part of the cost of the 2022 Project, including payment of the principal of and interest on the Note and payment of legal, financial and other expenses incidental to the cost of the 2022 Project and incidental to the issuance and sale of the Series 2022 Bonds, the Village shall borrow the sum of not to exceed Five Million Two Hundred Forty-One Thousand Dollars (\$5,241,000), as determined by the President at the time of sale, and issue the Series 2022 Bonds therefor pursuant to the provisions of Act 94 and other applicable statutory provisions. The remaining cost of the 2022 Project shall be paid by the Village from federal or state grants and/or from funds on hand and legally available for such use.

SECTION 4. SERIES 2022 BOND DETAILS. The Series 2022 Bonds shall be designated “Sewage Disposal System Junior Lien Revenue Bonds, Series 2022”; shall be dated as of the Issue Date; shall be issued as Junior Lien Bonds payable out of the Net Revenues, as more fully set forth in Section 5; shall be issued in the form of a single fully-registered bond, designated No. 1, in the original principal amount of the Series 2022 Bonds; shall bear interest at a rate of not to exceed 2.125% per annum, or such lower rate as determined by the President at the time of the

sale, from the date a principal payment is received from the purchaser thereof as shown on the registration grid on the Series 2022 Bonds, payable on such dates as shall be determined by the President at the time of sale; and shall mature on such dates and in such principal amounts as shall be determined by the President at the time of sale.

SECTION 5. PAYMENT OF PRINCIPAL AND INTEREST; PRIORITY OF LIEN.

The Bonds and the interest thereon shall be payable solely from the Net Revenues, and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues that shall continue until payment in full of the principal of and interest on all Bonds payable from the Net Revenues, or until sufficient cash or direct obligations of the United States of America or obligations the principal and interest of which are fully guaranteed by the United States of America, not redeemable at the option of the issuer thereof, the principal and interest payments on which, without reinvestment of interest, come due at such times and in such amounts as to be fully sufficient to pay, when due, the principal of and interest on all Bonds payable from the Net Revenues to be paid or defeased to their stated maturity date or earlier redemption, shall have been deposited in trust for payment in full of such Bonds to their maturity or, if called for redemption, to the date fixed for redemption. Upon such deposit, the statutory lien herein created shall be terminated with respect to such Bonds to be defeased, the holders of such Bonds shall have no further rights under this Resolution except for payment from the deposited funds, and such Bonds no longer shall be considered to be outstanding under this Resolution.

The statutory lien on the Net Revenues securing any Senior Lien Bonds shall be a first lien and shall at all times and in all respects be and remain superior to the lien on the Net Revenues securing the Series 2022 Bonds and any Additional Junior Lien Bonds.

The principal of and interest on the Series 2022 Bonds shall be payable in lawful money of the United States. Principal and interest on the Series 2022 Bonds shall be paid when due through an electronic payment process acceptable to Rural Development or by check or draft that shall be mailed to the registered owner at the address shown on the registration books of the Village

kept by the bond registrar and paying agent. The final payment of the principal of the Series 2022 Bonds is payable upon the surrender thereof at the office of the bond registrar and paying agent.

SECTION 6. BONDHOLDERS' RIGHTS; RECEIVER. The registered owner or owners 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 and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Village, 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 on the Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Village 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 Village more particularly set forth herein and in Act 94.

The registered owner or owners of the Bonds shall have all other rights and remedies given by Act 94 for the payment and enforcement of the Bonds and the security therefor.

SECTION 7. PREPAYMENT OF PRINCIPAL. Principal installments of the Series 2022 Bonds may be prepaid prior to maturity upon the terms and conditions set forth in the form of Series 2022 Bonds contained in Section 14 hereof.

SECTION 8. BOND REGISTRAR AND PAYING AGENT. Until a successor is appointed by the Council, the Treasurer shall act as bond registrar and paying agent for the Series 2022 Bonds. In the absence of the Treasurer or in the event of the inability of the Treasurer to act, the Clerk may perform the duties of the bond registrar and paying agent.

SECTION 9. EXECUTION AND DELIVERY OF THE SERIES 2022 BONDS. The Series 2022 Bonds shall be executed in the name of the Village by the manual signatures of the President and the Clerk. After the Series 2022 Bonds have been executed, they shall be delivered

by the Clerk or Treasurer to the purchaser upon receipt of the first principal payment from the purchaser. The first and each subsequent principal payment received by the Village from the purchaser shall be noted on the registration grid of the Series 2022 Bonds.

SECTION 10. EXCHANGE AND TRANSFER OF THE SERIES 2022 BONDS. The Series 2022 Bonds, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be transferred to another party. The Series 2022 Bonds shall be transferable only upon the books of the Village, which shall be kept for that purpose by the bond registrar and paying agent. Upon the exchange or transfer of the Series 2022 Bonds, the bond registrar and paying agent shall register the Series 2022 Bonds in the name of the transferee on the registration books of the Village and shall note such registration on the registration grid.

The Village and the bond registrar and paying agent may deem and treat the person in whose name the Series 2022 Bonds shall be registered upon the books of the Village as the absolute owner of the Series 2022 Bonds, whether such Series 2022 Bonds shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Series 2022 Bonds and for all other purposes, and all payments made to such registered owner, or upon his order, in accordance with the provisions of Section 5 of this Resolution shall be valid and effectual to satisfy and discharge the liability upon such Series 2022 Bonds to the extent of the sum or sums so paid, and neither the Village nor the bond registrar and paying agent shall be affected by any notice to the contrary. Registration of the Series 2022 Bonds shall not be transferred less than five (5) days prior to an interest payment date.

For every exchange or transfer of the Series 2022 Bonds, the Village or the bond registrar and payment agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

SECTION 11. MANAGEMENT OF SYSTEM. The management and operation of the System shall be under the supervision and control of the Council. The Council may employ such persons in such capacities as it deems advisable to carry on the efficient management and operation of the System. The Council may make such rules and regulations as it deems necessary and advisable to assure the efficient management and operation of the System and not inconsistent with the provisions of this Resolution.

SECTION 12. NO FREE SERVICE OR USE. No free service or use of the System, or service or use of the System at less than cost, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality.

SECTION 13. FIXING AND REVISING RATES; RATE COVENANT. 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 Resolution. Rates shall be fixed and revised from time to time by the Council so as to produce amounts that are 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 pay an amount equal to at least 100% of the principal of and interest on the Junior Lien Bonds as the same become due and payable, to pay an amount equal to at least 110% of the principal of and interest on the Senior Lien Bonds as the same become due and payable, and to provide for all other obligations, expenditures and funds for the System required by law and this Resolution. The Village covenants and agrees to review such rates at least annually and maintain at all times such rates for service furnished by the System as shall be sufficient to provide for the foregoing.

SECTION 14. ACCOUNTS; FLOW OF FUNDS. All Revenues of the System shall be set aside as collected and credited to the SEWAGE DISPOSAL SYSTEM RECEIVING ACCOUNT (the "Receiving Account") which is hereby established. Moneys on hand in the Receiving Account are pledged for the purpose of the following accounts and shall be transferred

from the Receiving Account periodically in the manner and at the times and in the following order of priority:

A. Operation and Maintenance Account: There shall be first set aside in, or credited to, an account designated OPERATION AND MAINTENANCE ACCOUNT (the "Operation and Maintenance Account"), monthly, a sum sufficient to provide for all payment of the expenses of administration and operation of the System and such current expenses for maintenance thereof as may be necessary to preserve the System in good repair and working order.

B. Bond and Interest Redemption Account: There shall be established and maintained a separate depository account designated BOND AND INTEREST REDEMPTION ACCOUNT (the "Redemption Account"), the moneys on deposit therein from time to time to be used solely for the purpose of paying the principal of and interest on the Senior Lien Bonds. The moneys in the Redemption Account shall be accounted for separately.

Revenues remaining in the Redemption Account after provision for the requirements of the Operation and Maintenance Account shall be set aside, but not more often than monthly, in the Redemption Account for the Senior Lien Bonds in accordance with the resolution authorizing the issuance or sale of such Senior Lien Bonds so that on each interest payment date and principal payment date for such Senior Lien Bonds there shall be sufficient funds in the Redemption Account to pay the interest and principal due on such dates.

No further payments need to be made into the Redemption Account after enough of the Senior Lien Bonds have been retired so that the amount then held in the Redemption Account is equal to the entire amount of principal and interest that will be payable at the time of maturity of all the then outstanding Senior Lien Bonds.

There is hereby established in the Redemption Account a separate subaccount to be known as the Bond Reserve Subaccount, into which shall be deposited on the date of delivery of each series of Senior Lien Bonds, such moneys or securities, as determined by the Village in the resolution authorizing the issuance or sale of such Senior Lien Bonds, that will cause the amount on deposit in the Bond Reserve Subaccount to equal the Bond Reserve Requirement. Thereafter,

from the Revenues remaining in the Receiving Account after provision has been made for the Operation and Maintenance Fund and the Redemption Account, there shall be deposited in the Bond Reserve Subaccount each month an amount equal to the balance in the Receiving Fund or the amount necessary to accumulate and maintain in the Bond Reserve Subaccount a sum equal to the Bond Reserve Requirement, whichever is lesser. Except as otherwise provided herein, moneys in the Bond Reserve Subaccount shall be used solely for the payment of the principal of and interest on Senior Lien Bonds as to which there would otherwise be default.

C. Junior Lien Bond and Interest Redemption Account. There shall be established and maintained a separate depository account designated JUNIOR LIEN BOND AND INTEREST REDEMPTION ACCOUNT (the "Junior Lien Redemption Account"), the moneys on deposit therein from time to time to be used solely for the purpose of paying the principal of and interest on the Series 2022 Bonds and any Additional Junior Lien Bonds. The moneys in the Junior Lien Redemption Account shall be accounted for separately.

Revenues remaining in the Receiving Account after provision for the requirements of the Operation and Maintenance Account and the Redemption Account including the Bond Reserve Subaccount, shall be set aside each month in the Junior Lien Redemption Account in an amount proportionately sufficient to provide for the payment when due of the current principal of and interest on the Junior Lien Bonds, less any amount in the Junior Lien Redemption Account representing accrued interest and premium, if any, on the Junior Lien Bonds. Commencing the month in which the Issue Date occurs, until the Junior Lien Bonds are paid in full the amount set aside each month for interest on the Junior Lien Bonds shall be $1/6$ of the total amount of interest on the Junior Lien Bonds coming due on the next interest payment date or such greater or lesser amount in approximately equal monthly installments necessary to accumulate the amount of interest next coming due by the date such interest is to be paid. Commencing the month in which the Issue Date occurs, the amount set aside each month for principal shall be $1/12$ of the total principal amount of the Junior Lien Bonds next coming due or such greater or lesser amount in approximately equal monthly installments necessary to accumulate the principal amount next

coming due by the date such principal is to be paid. If there is any deficiency in the amounts previously set aside, that deficiency shall be added to the next succeeding month's requirements.

There is hereby established in the Junior Lien Redemption Account a separate subaccount to be known as the 2022 Junior Lien Bond Reserve Subaccount, into which there shall be paid in equal annual installments from the moneys in the Receiving Account after provision for the requirements of the Operation and Maintenance Account, the Redemption Account, the Bond Reserve Subaccount and the Junior Lien Redemption Account, on such annual date and commencing on such date as shall be determined by the President at the time of sale, the sum of \$19,600 per year until there is accumulated in such subaccount the sum of \$196,000. Except as hereinafter provided, no further deposits need be made into the 2022 Junior Lien Bond Reserve Subaccount once the sum of \$196,000 has been deposited therein. Moneys in the 2022 Junior Lien Bond Reserve Subaccount shall be used solely for the payment of the principal and interest on the Series 2022 Bonds as to which there would otherwise be a default.

If at any time it shall be necessary to use moneys in the 2022 Junior Lien Bond Reserve Subaccount for such payment, then the moneys so used shall be replaced from the moneys transferred from the Receiving Account thereafter that are not required to be used for operation and maintenance or for current principal and interest requirements.

No further payments need to be made into the Junior Lien Redemption Account after enough of the Junior Lien Bonds have been retired so that the amount then held in the Junior Redemption Account (including the 2022 Junior Lien Bond Reserve Account) is equal to the entire amount of principal and interest that will be payable at the time of maturity of all the then outstanding Junior Lien Bonds.

D. Repair and Replacement Account: There shall be established and maintained an account designated REPAIR AND REPLACEMENT ACCOUNT (the "Repair and Replacement Account"). The Council shall include in the annual budget and there shall be deposited in the Repair and Replacement Account such amounts so as to maintain the System in proper repair and working order, including the amounts hereinafter set forth. Out of the Revenues

remaining after meeting the monthly requirements of the Operations and Maintenance Account, the Redemption Account and the Junior Lien Redemption Account (including the 2022 Bond Reserve Subaccount), there shall be deposited annually into the Repair and Replacement Account on such annual date and commencing on such date as shall be determined by the President at the time of sale, the amount of \$900 until the sum of \$196,000 has been accumulated in the 2022 Junior Lien Bond Reserve Subaccount, after which the amount of \$20,500 shall be deposited annually in the Repair and Replacement Account until the Series 2022 Bonds and any Additional Junior Lien Bonds purchased by the United States of America or any agency or department thereof are paid in full. The money deposited in the Repair and Replacement Account may be withdrawn to pay the cost of emergency maintenance of the System, extensions to System facilities and replacement of System assets having useful lives ending prior to the final maturity of the Series 2022 Bonds or any Additional Junior Lien Bonds purchased by the United States or any agency or department thereof.

E. Surplus Moneys: Any Revenues remaining in the Receiving Account at the end of any Fiscal Year after satisfying the foregoing requirements of this Section shall be deemed to be surplus moneys, and may, at the option of the Village, be used and applied for any purpose related to the System for which the foregoing accounts were established or to improve or extend the System; provided however, that if there should be any deficit in the Operation and Maintenance Account, the Redemption Account including the Bond Reserve Subaccount or the Junior Lien Redemption Account including the 2022 Junior Lien Bond Reserve Subaccount, then deposits of surplus moneys shall be made to such accounts in the priority and order named to the extent of any such deficit.

SECTION 15. DEPOSITARY AND FUNDS ON HAND. Moneys in the several accounts of the System established pursuant to this Resolution and moneys derived from the proceeds of the sale of the Bonds shall be deposited with a bank, savings and loan association, or credit union designated by resolution of the Council. Moneys in the several accounts, except moneys in the Redemption Account (including the Bond Reserve Subaccount) and Junior Lien

Redemption Account (including the 2022 Junior Lien Bond Reserve Subaccount) and moneys derived from the proceeds of the sale of the Bonds, may be kept in one account at a bank, savings and loan association or credit union; provided that the moneys in the account shall be allocated on the books and records of the Village in the manner provided in this Resolution. The moneys in the Redemption Account (including the Bond Reserve Subaccount) and the Junior Lien Redemption Account (including the 2022 Junior Lien Bond Reserve Subaccount) and moneys derived from the proceeds of the sale of the Bonds shall each be kept in a separate depository account.

SECTION 16. PRIORITY OF ACCOUNTS. In the event the moneys in the Receiving Account are insufficient to provide for the current requirements of the Operation and Maintenance Account, the Redemption Account or the Junior Lien Redemption Account, any moneys or securities in other funds of the System, except the proceeds of the sale of the Bonds, shall be credited or transferred, first, to the Operation and Maintenance Account, second, to the Redemption Account, and third, to the Junior Lien Redemption Account, to the extent of any deficit therein.

SECTION 17. INVESTMENTS. Moneys in the accounts established herein and moneys derived from the proceeds of the sale of the Bonds may be invested by the Village in accordance with the Village's investment policy adopted by the Council pursuant to Act 20, Public Acts of Michigan, 1943, as amended. Profit realized or interest income earned on investment of funds in the Receiving Account, the Operation and Maintenance Account, the Redemption Account, the Junior Lien Redemption Account and the Repair and Replacement Account shall be deposited in or credited as received to the Receiving Account.

SECTION 18. SERIES 2022 BOND PROCEEDS. The proceeds of the sale of the Series 2022 Bonds there shall be used solely to pay part of the cost of the 2022 Project, including payment of the principal of and interest on the Note and any engineering, legal and other expenses incidental to the cost of the 2022 Project and incidental to the issuance and sale of the Series 2022 Bonds, and shall be paid out only upon authorization of the Council; provided that the Council shall not

authorize the payment of any such moneys for acquisition and construction of the 2022 Project until there shall have been first filed with it by the consulting engineer in charge of such work, a written statement to the effect that the sum so to be paid is in full or partial payment of a contractual obligation in connection with the 2022 Project and that the Village has received the consideration for such payment. The statement of the consulting engineer shall also show the cost of acquisition and construction of the 2022 Project that has theretofore been approved by him for payment and the amount of the balance that will be required for completion of the 2022 Project.

SECTION 19. SERIES 2022 BOND FORM. The Series 2022 Bonds shall be in substantially the following form, with such changes and additions as shall be required by the purchaser and approved by the President and the Clerk, with such approval to be evidenced by their manual signatures thereon:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF TUSCOLA

VILLAGE OF MAYVILLE
SEWAGE DISPOSAL SYSTEM JUNIOR LIEN REVENUE BOND, SERIES 2022

No. 1

\$5,241,000

The Village of Mayville, County of Tuscola, State of Michigan (the "Village"), acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner the sum of Five Million Two Hundred Forty-One Thousand Dollars (\$5,241,000) on the dates and in the amounts set forth on Exhibit A, attached hereto and made a part hereof, with interest on such principal sum from the date each principal payment is received by the Village as set forth on the Registration Grid of this bond at the rate of Two and 12.5/100 percent (2.125% per annum, payable on the first days of _____ and _____ of each year commencing on _____ 1, 20___. Principal and interest shall be payable in lawful money of the United States of America and shall be paid through an electronic payment process acceptable to the Registered Owner or by check or draft mailed to the Registered Owner at the address shown on the Registration Grid.

This bond is issued pursuant to a resolution duly adopted by the Village Council of the Village on _____, 2022 (the "Resolution"), 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, constructing and installing improvements to the sewage disposal system of the Village (the "System"). The System includes sanitary sewers, combined sanitary and storm sewers, plants, works, instrumentalities, and properties used or useful in connection with the collection, treatment, or disposal of sewage or industrial wastes, as the same now exist, together with all additions, extensions, repairs and improvements thereto hereafter acquired.

This bond is a self-liquidating bond and is not a general obligation of the Village and does not constitute an indebtedness of the Village within any constitutional, statutory or charter limitation, but is payable, both as to principal and interest, solely from the net revenues of the System, including all appurtenances, extensions and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"). The principal of and interest on this bond are secured by a statutory lien on the Net Revenues. The bonds of this series shall have equal standing with any additional junior lien bonds that may be issued pursuant to the Resolution. Additional bonds of superior standing to the bonds of this series may be issued pursuant to the Resolution.

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 equal or superior standing may hereafter be issued, the rights and limitations on the owner of this bond and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Resolution.

The Village 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 System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the principal of and interest on this bond and any other bonds payable from the Net Revenues as and when the same shall become due and payable, and to maintain a bond and interest redemption account and a bond reserve subaccount therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the 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 System as are required by the Resolution.

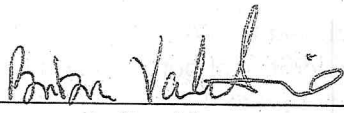
This bond shall be registered as to principal and interest, as provided in the Resolution, in the name of the owner upon the books of the Village kept for that purpose by the Village Treasurer as bond registrar and paying agent, and such registration shall be noted on the Registration Grid. This bond may be transferred only by submitting the same, together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the Registered Owner or his attorney duly authorized in writing, to the bond registrar and paying agent for registration in the name of the transferee on the registration books and for notation of such registration on the Registration Grid. This bond may not be transferred less than five (5) days prior to an interest payment date.

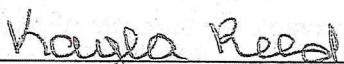
Principal installments may be prepaid prior to maturity without premium and in such order as shall be determined by the Village on any one or more dates other than on a Saturday, Sunday or holiday. Principal installments that have been prepaid shall be noted on Exhibit A and such installments no longer shall be considered outstanding for any purpose. Thirty days' notice of prepayment shall be given to the Registered Owner by mail to the address shown on the Registration Grid.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this bond existed, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the Village, including this bond, does not exceed any constitutional, statutory or charter limitation.

IN WITNESS WHEREOF, the Village of Mayville, County of Tuscola, State of Michigan, by its Village Council, has caused this bond to be executed in its name by the manual signatures of its President and its Clerk, all as of the date set forth below.

VILLAGE OF MAYVILLE

By: 
Its President

By: 
Its Clerk

Dated: September 2022

EXHIBIT A

VILLAGE OF MAYVILLE

SEWAGE DISPOSAL SYSTEM JUNIOR LIEN REVENUE BOND, SERIES 2022

Due _____ 1

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
2023		2043	
2024		2044	
2025		2045	
2026		2046	
2027		2047	
2028		2048	
2029		2049	
2030		2050	
2031		2051	
2032		2052	
2033		2053	
2034		2054	
2035		2055	
2036		2056	
2037		2057	
2038		2058	
2039		2059	
2040		2060	
2041		2061	
2042		2062	

SECTION 20. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF SERIES 2022 BONDS. The Series 2022 Bonds shall be sold to and registered in the name of the United States of America acting through Rural Development in furtherance of the Program. This Council determines that the Program and the delivery of the Series 2022 Bonds directly to the United States of America as provided in this Resolution will provide the Village with the lowest costs of borrowing for the 2022 Project. The President is authorized to execute an order approving the final terms and conditions of the Series 2022 Bonds within the parameters set forth in this Resolution. The President, the Clerk, the Treasurer and other Village employees and officials are authorized to execute and deliver such certificates and documents as bond counsel shall require and to do all other things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the Series 2022 Bonds in accordance with the provisions of this Resolution, including without limitation the execution and delivery of a grant agreement with Rural Development.

SECTION 21. NO DEFEASANCE. The Village hereby covenants and agrees that it will not defease this Resolution with respect to the Series 2022 Bonds so long as the registered owner of the Series 2022 Bonds is the United States of America or any agency or department thereof.

SECTION 22. REPLACEMENT OF BONDS. Upon receipt by the Clerk of proof of ownership of an unmatured Bond, of satisfactory evidence that the Bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the Clerk, the Clerk may authorize the bond registrar and paying agent to deliver a new executed Bond to replace the Bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured Bond is lost, apparently destroyed or wrongfully taken, the Clerk may authorize the bond registrar and paying agent to pay the Bond without presentation upon the receipt of the same documentation required for the delivery of a replacement Bond. The bond registrar and paying agent, for each new Bond delivered or paid without presentation as provided above, shall require the payment of expenses, including counsel fees, which may be incurred by the bond registrar and paying agent and the Village in the premises. Any Bond delivered pursuant the provisions of this Section in lieu of any Bond lost, apparently

destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the Bond in substitution for which such Bond was delivered.

SECTION 23. COVENANTS. The Village hereby covenants and agrees with the registered owners, from time to time, of the Bonds herein authorized to be issued, that it will punctually perform all duties with reference to the System and the Bonds required by the Constitution and laws of the State of Michigan and by this Resolution; that it will not sell, lease, mortgage or in any manner dispose of the System or any substantial part thereof, until all Bonds shall have been paid in full; and that it will not, to the extent permitted by law, permit any person, firm or corporation to compete with it in the furnishing of sewage disposal services to premises within its corporate limits. The Village further covenants and agrees with the registered owners of the Bonds that it will maintain the System in good condition and operate the same in an efficient manner and at a reasonable cost, so long as the Bonds are outstanding; that it will maintain insurance on the System for the benefit of the registered owners of the Bonds in an amount which usually would be carried by private companies engaged in a similar type of business; that it will prepare, keep and file such records, statements and accounts as may be required by Act 94; and that it will furnish a copy of the foregoing statements and the annual audit of the System prepared by a certified public accountant to the registered owner of the Bonds.

SECTION 24. ADDITIONAL JUNIOR LIEN BONDS. In accordance with the provisions of Act 94, the right is reserved to issue Additional Junior Lien Bonds payable from the Revenues of the System that shall be of equal standing and priority of lien on the Net Revenues of the System with the Series 2022 Bonds for the acquisition and construction of repairs, enlargements, extensions, additions and improvements to the System, for refunding all or a part of any outstanding Junior Lien Bonds or any other debt incurred by the Village for any purpose for which Junior Lien Bonds may be issued hereunder, for paying costs of issuing such Additional Junior Lien Bonds and for payment of interest on such Additional Junior Lien Bonds. Additional Junior Lien Bonds for such purposes shall not be issued unless the actual or augmented (as hereinafter detailed in this Section) Net Revenues of the System for the then last preceding audited

Fiscal Year shall be equal to the sum of (i) at least 110% of the Maximum Annual Debt Service on any outstanding Senior Lien Bonds and (ii) at least 100% of the Maximum Annual Debt Service on any outstanding Junior Lien Bonds and Additional Junior Lien Bonds then being issued. If the Additional Junior Lien Bonds are to be issued in whole or in part for refunding of outstanding Junior Lien Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each Fiscal 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 Section, the Village may elect to use as the last preceding Fiscal Year any Fiscal Year ending not more than sixteen months prior to the date of delivery of the Additional Junior Lien Bonds for which an audit is available. If any change in the rates, fees or charges of the System shall be authorized at or prior to the time of the resolution authorizing the sale of any Additional Junior Lien Bonds, the Net Revenues for the preceding Fiscal Year shall be augmented by an amount reflecting the effect of such change had the System's billings during such Fiscal Year been at the adopted rates. In addition, the actual Net Revenues for the preceding Fiscal Year may be augmented by 70% of the estimated increase in Net Revenues to accrue as a result of the acquisition and construction of the repairs, enlargements, extensions, additions and improvements to the System to be paid for in whole or in part from the proceeds of the Additional Junior Lien Bonds and 100% of the increase in Net Revenues resulting from any repair, enlargement, extension, addition or improvement that was made subsequent to the end of the last audited Fiscal Year. Determination by the Council as to existence of conditions permitting the issuance of Additional Junior Lien Bonds shall be conclusive. No Additional Junior Lien Bonds of equal standing with the Series 2022 Bonds as to the Net Revenues of the System shall be issued pursuant to the authorization contained in this Section if the Village shall then be in default in making its required payments to any accounts created hereunder.

SECTION 25. SENIOR LIEN BONDS. In accordance with the provisions of Act 94, the right is reserved to issue Senior Lien Bonds payable from the Revenues of the System that shall be of superior standing and priority of lien on the Net Revenues of the System with the Series 2022

Bonds and any Additional Junior Lien Bonds for the acquisition and construction of repairs, enlargements, extensions, additions and improvements to the System, for refunding all or a part of any outstanding Senior Lien Bonds or any other debt incurred by the Village for any purpose for which Senior Lien Bonds may be issued hereunder, for paying costs of issuing such Senior Lien Bonds including deposits, if any, to be made to the Bond Reserve Subaccount, and for payment of interest on such Senior Lien Bonds. Senior Lien Bonds for such purposes shall not be issued unless the actual or augmented (as hereinafter detailed in this Section) Net Revenues of the System for the then last preceding audited Fiscal Year shall be equal to the sum of (i) at least 110% of the Maximum Annual Debt Service on any outstanding Senior Lien Bonds and additional Senior Lien Bonds then being issued and (ii) at least 100% of the Maximum Annual Debt Service on any outstanding Junior Lien Bonds. If the Senior Lien Bonds are to be issued in whole or in part for refunding of outstanding Senior Lien Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each Fiscal Year the annual principal and interest requirements of any Senior Lien Bonds to be refunded from the proceeds of the additional Senior Lien Bonds. For purposes of this Section, the Village may elect to use as the last preceding Fiscal Year any Fiscal Year ending not more than sixteen months prior to the date of delivery of the Additional Junior Lien Bonds for which an audit is available. If any change in the rates, fees or charges of the System shall be authorized at or prior to the time of the resolution authorizing the sale of any Senior Lien Bonds, the Net Revenues for the preceding Fiscal Year shall be augmented by an amount reflecting the effect of such change had the System's billings during such Fiscal Year been at the adopted rates. In addition, the actual Net Revenues for the preceding Fiscal Year may be augmented by 70% of the estimated increase in Net Revenues to accrue as a result of the acquisition and construction of the repairs, enlargements, extensions, additions and improvements to the System to be paid for in whole or in part from the proceeds of the Senior Lien Bonds and 100% of the increase in Net Revenues resulting from any repair, enlargement, extension, addition or improvement that was made subsequent to the end of the last audited Fiscal Year. Determination by the Council as to existence of conditions permitting the

issuance of Senior Lien Bonds shall be conclusive. No Senior Lien Bonds of superior standing to the Series 2022 Bonds and any Additional Junior Lien Bonds as to the Net Revenues of the System shall be issued pursuant to the authorization contained in this Section if the Village shall then be in default in making its required payments to any accounts created hereunder.

SECTION 26. SEVERABILITY; SECTION HEADINGS. If any section, paragraph or clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution. The section headings in this Resolution are furnished for convenience of reference only and shall not be considered part of this Resolution.

SECTION 27. OPERATING AND FISCAL YEAR. The System shall be operated on the basis of an operating and fiscal year commencing on April 1 and ending on the following March 31.

SECTION 28. PUBLICATION AND RECORDATION. This Resolution shall be published promptly after its adoption as required by law, including publication in full once in a newspaper of general circulation in the Village.

SECTION 29. CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions insofar as they may be in conflict herewith are hereby rescinded.

SECTION 30. EFFECTIVE DATE. This Resolution shall be effective immediately upon its adoption.

RESOLUTION DECLARED ADOPTED.

YEAS: **Torrey, Shaver and Valentine** _____

NAYS: **Marlow** _____

STATE OF MICHIGAN)
) ss
COUNTY OF TUSCOLA)

I hereby certify that the foregoing constitutes a true and complete copy of a resolution duly adopted by the Village Council of the Village of Mayville, Tuscola County, Michigan, at a regular meeting held on September 6, 2022, the original of which resolution is on file in my office. I further certify that notice of the meeting was given in accordance with the Open Meetings Act.

Hayla Reed
Clerk, Village of Mayville

Homecoming Parade Permit Application -

Motion by Torrey 2nd Shaver to Approve the Homecoming Parade Permit for September 23, 2022 at 6:00pm

Yays - 4 Nays – 0

Motion by Shaver 2nd by Torrey to hire Contracted Zoning Administrator\ Enforcement Officer Bernie Milot as an Employee.

Bernie requested Closed Session to discuss further

Motion by Torrey 2nd by Shaver to move into Closed Session at 7:19 pm

Motion by Torrey 2nd by Shaver to Open Meeting at 7:31pm

Discussion - Hire Bernie Milot as the Zoning Administrator\ Enforcement Officer as employee at \$20.00 per hour for 15- 20 hours per week and allow up to 10 gallons of Gas\ Fuel per week.

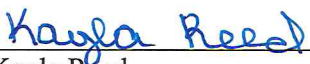
Roll call vote - Shaver - Y Charette - ABSENT Torrey - Y Marlow- N Valentine - Y

Motion carried

Public Comments - None

Adjournment – Moved by Torrey, 2nd by Shaver to adjourn at 7:33 pm.

Yays - 4 Nays – 0 Meeting Adjourned.



Kayla Reed
Village Clerk



Barbara Valentine
Village President