Pleyte, Beth (Treasury)

From:	SaxtonT@michigan.gov
Sent:	Friday, February 12, 2016 5:18 AM
To:	Wayne Workman
Cc:	Khouri, Nick (TREASURY); Steckelberg, Larry (TREASURY)
Subject:	Re: Karegnondi Water Authority OS

At this point don't call him though

On Feb 11, 2016, at 6:48 PM, Wayne Workman <workmanwayne@gmail.com> wrote:

> I think Massaron did at least the first deal
>
> Sent from my iPhone
>
> On Feb 11, 2016, at 5:13 PM, Saxton, Thomas (Treasury) <SaxtonT@michigan.gov> wrote:
>
>> Fyi.
>>
>> **From:** Barton, John (Treasury)
>> **Sent:** Thursday, February 11, 2016 3:20 PM
>> **To:** Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
>> **Subject:** Karegnondi Water Authority OS
>>
>> There have been two deals for KWA. The first deal was done in 2013 by Genesee county at $35 million to finance the intake at Lake Huron.
>>
>> The other deal was done by KWA with Genesee, Lapeer and Sanilac Counties in 2014 at $220.5 million.
>>
>> The team on both deals were Miller as Bond Counsel with Dickson Wright as Underwriters Counsel. Stauder who is now with PFM was FA.
>>
>> I believe they are currently working on a $60 million deal as well.
>>
>> Let me know if you need anything else.
>>
>> Thanks
>> John
>>
>> <MIKaregnondi01b-FIN.pdf>
>>
>> <MIGenesee01a-FIN.pdf>

NEW ISSUE **Rating:** See "RATING" herein
Book-Entry-Only

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, assuming compliance with certain covenants by the Issuer, the interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. See" TAX MATTERS" and "FORM OF APPROVING OPINION" herein for a description of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), which may affect the tax treatment of interest on the Bonds for certain Bondholders.

KAREGNONDI WATER AUTHORITY
COUNTIES OF GENESEE, LAPEER AND SANILAC
STATE OF MICHIGAN

$220,500,000
WATER SUPPLY SYSTEM BONDS
(KAREGNONDI WATER PIPELINE), SERIES 2014A

Dated: Date of Delivery **Principal Due: November 1, as shown on Inside Cover Page**

The Water Supply System Bonds (Karegnondi Water Pipeline), Series 2014A (the "Bonds") are issued under the provisions of Act 233, Public Acts of Michigan, 1955, as amended, and a resolution adopted by the Board of Trustees of the Karegnondi Water Authority, Counties of Genesee, Lapeer and Sanilac, State of Michigan (the "Issuer") on November 20, 2013. The Bonds are being issued for the purpose of paying a portion of the cost of acquiring and constructing the Issuer's Water Supply System (the "System") to serve initially the City of Flint and the County of Genesee (individually a "Local Unit" and collectively, the "Local Units"), funding a debt service reserve account, paying capitalized interest and paying the costs of issuing the Bonds. The Bonds are to be issued in anticipation of, and are payable primarily as to principal and interest from, payments (the "Contractual Payments") to be made by the Local Units to the Issuer pursuant to a Contract among the Issuer and the Local Units dated as of August 1, 2013 (the "Contract"). The Contractual Payments will be in installments that will equal the principal and interest payments on the Bonds. Further, each Local Unit has pledged its limited tax full faith and credit for the payment of its Contractual Payments and is obligated, to the extent necessary, as a first budget obligation to levy ad valorem taxes on all taxable property within its boundaries for such purpose, subject to applicable constitutional, statutory and charter tax limitations. Each Local Unit is expected to make its Contractual Payments from revenues collected from charges imposed on the customers of its respective water supply system. The County of Genesee in the Contract has pledged to make all payments that the City of Flint fails to make to the Issuer under the Contract. The Issuer has irrevocably pledged the Contractual Payments for the payment of the principal of and interest on the Bonds.

The Bonds are issuable only as fully registered Bonds without coupons, and when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry only form, in the denominations of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial interest in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See *BOOK-ENTRY ONLY SYSTEM* herein.

Interest on the Bonds will be payable semiannually on May 1 and November 1 of each year commencing on November 1, 2014. The Bonds will be registered Bonds, of the denomination of $5,000 or multiples thereof not exceeding for each maturity the principal amount of such maturity. The principal and interest shall be payable at the corporate trust office of The Huntington National Bank, Grand Rapids, Michigan or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any change in interest payment date (the "Transfer Agent"). Interest shall be paid when due by check mailed to the registered owner as shown by the registration books as of the fifteenth day of the month preceding the payment date for each interest payment. Payment of principal and interest to Beneficial Owners shall be made as described in *BOOK-ENTRY ONLY SYSTEM* herein.

The Bonds are subject to redemption at par, as described herein.

The Bonds are offered when, as and if issued by the Issuer and subject to receipt of the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Dickinson Wright PLLC, Troy and Lansing, Michigan. It is expected that delivery of the Bonds through DTC will be made in New York, New York on or about April 16, 2014.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT.

J.P. Morgan

Wells Fargo Securities **Stifel, Nicolaus & Company, Incorporated**

Dated. April 1, 2014