

RESOLUTION 2020-11-05

Utility System Revenue Bond Amendment Resolution

A RESOLUTION TO AUTHORIZE:

- An amendment to modify the interest rate parameter of variable rate Bonds to complete the Delta Energy Park.

WHEREAS, the City of Lansing, acting by and through the Lansing Board of Water and Light, from time to time issues its utility system revenue bonds payable from revenues of the water supply, steam, chilled water and electric utility system under the provisions of Act 94, Public Acts of Michigan, 1933, as amended; and

WHEREAS, on March 27, 2018 the Board approved the Amended and Restated Bond Resolution (as amended on March 26, 2019, the "Bond Resolution"), which authorized issuance of utility system revenue bonds in order to finance the costs of various improvements, including Delta Energy Park, defined as the "Series 2019 Project" in the Bond Resolution; and

WHEREAS, in order to finance costs of the Series 2019 Project, the Bond Resolution authorized the utility system revenue bonds in an amount not-to-exceed \$500,000,000 (the "Series 2019 Bonds"), and authorized the Chief Financial Officer to sell the Series 2019 Bonds without further resolution of this Board at a maximum interest rate not-to-exceed 5.50% per annum; and

WHEREAS, on June 25, 2019 the Board delivered the \$319,875,000 Utility System Revenue Bonds, Series 2019A as the first series of the Series 2019 Bonds; and

WHEREAS, the Board intends to sell additional series of Series 2019 Bonds to finance costs to complete the Series 2019 Project, with such series designation as determined at the time of sale by the Chief Financial Officer to reflect the sequence and the year of sale or delivery of such series of Series 2019 Bonds, currently anticipated to be January 2021 (the "Series 2021 Bonds"); and

WHEREAS, based on the advice of PFM Financial Advisors LLC (the "Municipal Advisor"), if the Board sells a portion of the Series 2021 Bonds as variable rate Bonds, the Board may obtain more favorable prior redemption provisions and reduce interest expense; and

WHEREAS, standard interest rate provisions for variable rate Bonds, such as the default rate formula or post-tender rate mode formula, provide that the interest rate shall not exceed the maximum rate permitted by law; and

WHEREAS, the Board wishes to amend the maximum interest rate provision of the Bond Resolution to avoid any ambiguity and correct and supplement the Bond Resolution to facilitate sale of Series 2021 Bonds as variable rate Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Definitions. All terms not defined herein shall have the meanings set forth in the Bond Resolution.

Section 2. Amendment to Maximum Interest Rate. Section 33 of the Bond Resolution is hereby deleted and replaced with the following:

Section 33. Sale of Series 2019 Bonds. The Chief Financial Officer is authorized, in consultation with the Municipal Advisor, to accept an offer to purchase the Series 2019 Bonds without further resolution of this Board. This authorization includes, but is not limited to, determination of original principal amount of the Series 2019 Bonds; the prices at which the Series 2019 Bonds are sold; the date of the Series 2019 Bonds; the schedule of principal maturities and whether the Series 2019 Bonds shall mature serially or as term bonds; provisions for early redemption, if any, including mandatory redemption of term bonds, if any; the interest rates and payment dates of the Series 2019 Bonds; and application of the proceeds of the Series 2019 Bonds. Approval of the matters delegated to the Chief Financial Officer under this resolution may be evidenced by her execution of the Bond Purchase Agreement for the Series 2019 Bonds or other offer to purchase the Series 2019 Bonds, or a certificate of award of sale, or the Official Statement.

The maximum interest rate of the Series 2019 Bonds sold as fixed rate Bonds shall not exceed 5.50% per annum. The maximum interest rate of the Series 2019 Bonds sold as variable rate Bonds shall not exceed the maximum rate permitted by law, and in the case of any variable rate Bonds issued initially in a fixed rate mode, such initial fixed rate shall not exceed 5.50%. The purchase price for the Series 2019 Bonds, exclusive of any original issue discount or premium, shall not be less than 97% of the principal amount of the Series 2019 Bonds, plus accrued interest, if any. In making such determinations the Chief Financial Officer is authorized to rely upon data and computer runs provided by the Municipal Advisor.

Section 3. Amending Resolution. The Board hereby determines that this resolution is adopted for the purpose of amending and supplementing the Bond Resolution in order to cure an ambiguous provision and correct and supplement a provision contained in the Bond Resolution, and does not have a material, adverse effect on the interests of the Registered Owners of the Bonds. Therefore, pursuant to the provisions of Section 28(a) of the Bond Resolution, this resolution can be adopted without the consent of or notice to the Registered Owners of any of the Outstanding Bonds.

Section 4. Severability and Paragraph Headings. If any section, paragraph, 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 paragraph

headings in this resolution are furnished for convenience of reference only and shall not be considered to be part of this resolution.


Section 5. Conflicting Resolutions; Effective Date. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded. This resolution shall become effective immediately.

We hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Commissioners of the Lansing Board of Water and Light at a Regular meeting held on November 17, 2020, at 5:30 p.m., Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

We further certify that the following Commissioners were present at said meeting David Price, Beth Graham, Deshon Leek, David Lenz, Tony Mullen, Ken Ross, Tracy Thomas, and Sandra Zerkle and that the following Commissioners were absent: None.

We further certify that Commissioner Tony Mullen moved adoption of said resolution, and that said motion was supported by Commissioner Beth Graham.

We further certify that the following Commissioners voted for adoption of said resolution David Price, Beth Graham, Deshon Leek, David Lenz, Tony Mullen, Ken Ross, Tracy Thomas, and Sandra Zerkle and that the following Commissioners voted against adoption of said resolution: None. We further certify that said resolution has been recorded in the Resolution Book and that such recording has been authenticated by the signature of the Chairperson and Corporate Secretary.


Digitally signed by David Price
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Chairperson

**M. Denise
Griffin**
Digitally signed by M. Denise Griffin
DN: cn=M. Denise Griffin, o=Lansing
Board of Water and Light, ou,
email=MDenise.Griffin@lbwl.com,
c=US
Date: 2020.11.19 14:55:13 -05'00'

Corporate Secretary

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