

**CITY OF EDGERTON
REGULAR COMMON COUNCIL MEETING
EDGERTON CITY HALL, COUNCIL CHAMBERS
12 ALBION STREET**

Monday, November 18, 2019 at 7:00 p.m.

1. Call to order; Roll call
2. Pledge of Allegiance.
3. Confirmation of appropriate meeting notice posted on Friday, November 15, 2019.
4. Council acceptance of agenda.
5. Public Hearing:
 - A. Hear comments regarding the 2020 proposed Budget Document.
 - B. Close the public hearing.
6. Consider adoption of City of Edgerton Resolution 23-19: Adopt the 2020 Annual Budget and Establish the 2019 Property Tax Levy for the City of Edgerton.
7. Personal appearances for non-agenda items limited to 3 minutes.
 - A. The public will be allowed to speak on agenda items during the meeting.
8. Minutes:
 - A. Consider approval of minutes from November 4, 2019 Council meeting.
9. Committee Reports:
 - A. Finance Committee:
 1. Consider change order #1 from Robinson Brothers Environmental, Inc for the demolition project at 407 N Main St.
 2. Consider approval of pay request #1 from Robinson Brothers Environmental, Inc for the demolition project at 407 N Main St.
 3. Consider approval of bills and payroll vouchers.
 4. Consider approval of licenses.
 5. Consider approval of public event packet for Home for the Holidays and waive fees.
 6. Consider Edgerton Chamber of Commerce sublease of Depot.
 7. Consider bids for library carpet and flooring.
 8. Consider purchase of DPW snowblower.
 9. Consider disallowance of claim for Koby Wellnitz.
 - B. Personnel Committee:
 1. Report on discussion and action taken at previous meeting, future agenda items and upcoming scheduled meetings.
 2. Consider appointing Municipal Services Director.

C. Utility Commission:

1. Report on discussion and action taken at previous meeting, future agenda items and upcoming scheduled meetings.
10. Consider adoption of City of Edgerton Resolution 24-19: Resolution Authorizing the Issuance and Sale of up to \$234,605 Water System Revenue Bonds, Series 2019, and Providing for Other Details and Covenants with Respect Thereto.
11. Consider approval of the Financial Assistance Agreement for Safe Drinking Water Loan program.
12. Consider introducing and approving the first reading of City of Edgerton Ordinance 19-09: To Amend Section 18.105 "Prohibiting the Use of Tobacco Products".
13. Consider introducing and approving the first reading of City of Edgerton Ordinance 19-10: To Create Section 16.47 "Bullying".
14. Mayor, alderperson and staff reports.
15. Closed Session Pursuant to Wisconsin Statute 19.85(1)(c): Considering Employment, Promotion, Compensation or Performance Evaluation Data of any Public Employee over which the governmental Body has Jurisdiction or Exercises Responsibility". Discuss and consider WPPA Union Contract.
16. Return to open session and consider taking action on items discussed in closed session.
17. Adjourn.

Notice: If a person with a disability requires that the meeting be accessible or that materials at the meeting be in an accessible format, call the City Administrator's office at least 6 hours prior to the meeting to request adequate accommodations. Telephone: (608) 884-3341.

CITY OF EDGERTON RESOLUTION No. 23-19

**ADOPT THE 2020 ANNUAL BUDGET
AND ESTABLISH THE 2019 PROPERTY TAX LEVY FOR THE
CITY OF EDGERTON**

WHEREAS, the City of Edgerton prepared an annual budget for the 2020 fiscal year in accordance with Section 4.05 of the City of Edgerton Municipal Code; and

WHEREAS, the Common Council has reviewed the proposed revenues from all sources and the proposed expenditures for all purposes and has directed that the proposed budget be adjusted accordingly; and

WHEREAS, a public hearing on the 2020 Annual Budget was held on November 18, 2019 after due and proper notice of said hearing having been given in accordance with Wis. Stat. Section 65.90; and

WHEREAS, the Common Council has adopted certain resolutions relating to borrowing and levying irrepealably taxes sufficient to pay such borrowing; and

WHEREAS, it is necessary to levy a property tax in the amount of \$2,436,113 to fund the expenses of the City of Edgerton as presented in the 2020 Annual Budget;

NOW THEREFORE, BE IT RESOLVED by the Common Council of Edgerton, Wisconsin as follows:

1. That the 2020 Annual Budget, a summary of which is attached hereto and made a part hereof, be and is hereby approved.
2. By the adoption of this budget, the City Council hereby confirms that it is the intention of the Council to commit the 2019 and 2020 resources noted in the Refuse Collection Fund for the support of refuse collection operations and debt service related to refuse collection.
3. By the adoption of this budget, the City Council hereby confirms that it is the intention of the Council to commit the 2019 and 2020 resources noted in the City Revolving Loan Fund for the purposes of 1) support of economic development 2) support of the promotion of a diverse mix of employment opportunities and 3) other expenditures that support business and economic development of the City of Edgerton.
4. By the adoption of this budget, the City Council hereby confirms that it is the intention of the Council to commit the 2019 and 2020 non-donation revenues noted in the Library Fund for the purposes of 1) support of library operations, 2) support of debt service related to library operations, and 3) other expenditures that support library services of the City of Edgerton.
5. That the property tax is hereby levied and to be placed upon the 2019 tax roll as follows: General Fund \$1,735,737 of which \$187,066 is attributable to the Fire District; Refuse Collection Fund \$277,867; Debt Service Fund \$663,594 of which \$54,019 is attributable to the Fire District debt; and Capital Project Fund \$0.00.
6. That the City Administrator be and is hereby authorized to reduce or increase the expenditure amounts reflected in the 2020 Annual Budget through the transfer of funds between expenditure accounts within a budgetary function

level as authorized in Section 4.06 of the City of Edgerton Municipal Code provided the authorized expenditure limit of the General Fund is not exceeded and the 2020 Annual Budget is not increased.

Passed and adopted this 18th day of November, 2019

Motion by:

Seconded by:

Roll Call: Yeas: Noes:

Christopher W. Lund, Mayor

ATTEST:

Ramona Flanigan, City Administrator

**City of Edgerton
General Fund Budget Summary
2020 Budget**

| | 2018 <u>Actual</u> | 2019 <u>Estimate</u> | 2019 <u>Budget</u> | 2020 <u>Budget</u> | <u>% Increase 2019-2020</u> |
|----------------------------|-----------------------|-------------------------|-----------------------|-----------------------|---------------------------------|
| Revenues | | | | | |
| Taxes | 1,868,873 | 1,902,437 | 1,894,338 | 1,956,697 | |
| Special Assessments | - | - | - | | |
| Intergovernmental | 1,271,268 | 1,304,403 | 1,308,726 | 1,318,208 | |
| Licenses and Permits | 132,986 | 124,205 | 124,200 | 124,300 | |
| Fines, Forfeitures | 51,841 | 49,670 | 36,000 | 44,000 | |
| Public Charges | 187,492 | 184,259 | 189,600 | 185,300 | |
| Investment Income | 18,254 | 63,422 | 10,500 | 27,000 | |
| Miscellaneous | 123,228 | 126,732 | 32,650 | 43,080 | |
| Transfers from Other Funds | - | 13,903 | - | - | |
| Fund Balance Applied | - | 92,265 | 42,000 | 11,000 | |
| TOTAL REVENUES | <u>3,653,942</u> | <u>3,861,296</u> | <u>3,638,014</u> | <u>3,709,585</u> | 2.0% |
| Expenditures | | | | | |
| Common Council | 14,071 | 16,339 | 15,839 | 15,839 | |
| Municipal Court | 17,061 | 17,371 | 17,546 | 17,621 | |
| Legal | 45,797 | 38,333 | 38,333 | 38,500 | |
| Mayor | 2,713 | 2,713 | 2,713 | 2,713 | |
| Administrator | 59,195 | 61,474 | 61,361 | 62,681 | |
| City Clerk | 88,712 | 91,524 | 91,424 | 93,964 | |
| Elections | 7,464 | 6,126 | 6,600 | 17,725 | |
| Accounting | 81,718 | 83,326 | 83,610 | 85,569 | |
| Independent Accting | 28,243 | 28,000 | 25,000 | 28,000 | |
| Finance | 5,495 | 5,518 | 5,475 | 5,993 | |
| Assessment | 25,821 | 26,054 | 25,922 | 25,966 | |
| City Hall | 30,119 | 31,134 | 31,163 | 33,332 | |
| Other General Govt | 12,545 | 8,517 | 31,272 | 30,036 | |
| General Government | 418,954 | 416,429 | 436,258 | 457,939 | 5.0% |
| Police Admin | 219,791 | 181,964 | 221,870 | 205,939 | |
| Police Patrol | 918,598 | 933,235 | 936,018 | 963,787 | |
| Police Training | 3,022 | 4,500 | 6,552 | 7,068 | |
| Police Celebrations | 3,548 | 6,877 | 3,552 | 3,552 | |
| Police Station | 37,025 | 20,102 | 20,102 | 39,144 | |
| Crossing Guards | 14,206 | 18,676 | 19,103 | 19,050 | |
| Fire Protection | 197,502 | 201,941 | 201,198 | 204,066 | |
| Bldg Inspection | 31,586 | 24,055 | 27,900 | 26,900 | |
| Weights and Measures | 1,200 | 800 | 800 | 800 | |
| Public Safety | 1,426,478 | 1,392,150 | 1,437,095 | 1,470,306 | 2.3% |

| | | | | | |
|----------------------------|------------------|------------------|------------------|------------------|-------------|
| DPW Admin | 150,874 | 151,500 | 152,967 | 157,620 | |
| Engineering | 1,443 | 4,055 | 2,000 | 2,000 | |
| Muni Garage | 51,150 | 67,005 | 57,635 | 58,985 | |
| Mach & Equip | 56,562 | 57,364 | 62,659 | 67,123 | |
| Street Maintenance | 221,215 | 372,424 | 263,576 | 266,985 | |
| Snow/Ice Control | 113,233 | 93,354 | 93,720 | 84,903 | |
| Traffic Control | 16,541 | 11,547 | 11,678 | 11,862 | |
| Street Lighting | 71,907 | 62,500 | 61,500 | 62,500 | |
| Sidewalks | 2,249 | 5,435 | 5,454 | 6,496 | |
| Storm Sewers | 16,106 | 10,178 | 11,533 | 10,573 | |
| Parking Facilities | 2,821 | 2,823 | 2,823 | 2,799 | |
| Weed Control | 9,053 | 6,155 | 6,155 | 6,642 | |
| Public Works | 713,154 | 844,340 | 731,700 | 738,488 | 0.9% |
| Animal Control | 658 | - | 400 | 400 | |
| Fassett Cemetery | 77,706 | 90,233 | 89,159 | 81,758 | |
| Other Cemeteries | 5,612 | 5,837 | 6,015 | 6,269 | |
| Health & Social Services | 83,976 | 96,070 | 95,574 | 88,427 | -7.5% |
| Library | 405,017 | 439,083 | 426,906 | 414,651 | |
| Veteran's Building | 33,749 | 35,826 | 4,021 | 5,271 | |
| Shared Ride Service | 53,731 | 53,026 | 61,000 | 61,000 | |
| Donations | 422 | 75 | - | - | |
| Depot | 2,998 | 1,798 | 2,044 | 1,898 | |
| Parks/Playgrounds | 174,953 | 186,598 | 148,822 | 213,893 | |
| Celebrations | 13,881 | 10,363 | 11,201 | 11,647 | |
| Concession Stand | 15,564 | 15,409 | 15,636 | 15,628 | |
| Pool | 147,421 | 192,353 | 188,118 | 182,010 | |
| Culture & Recreation | 847,736 | 934,531 | 857,747 | 905,999 | 5.6% |
| Planning | 35,519 | 36,039 | 36,039 | 36,827 | |
| Zoning | 55 | 100 | 100 | 100 | |
| Downtown Renewal | 13,516 | 13,000 | 13,000 | 11,000 | |
| Economic Development | 278 | 29,350 | 500 | 500 | |
| Conservation & Development | 49,368 | 78,489 | 49,639 | 48,427 | -2.4% |
| Transfer to Other Funds | 131,839 | 185,088 | 30,000 | - | |
| Other Finance Uses | - | - | - | - | |
| Debt Issuance Costs | - | - | - | - | |
| Other Financing | 131,839 | 185,088 | 30,000 | - | |
| TOTAL EXPENDITURES | 3,671,505 | 3,947,097 | 3,638,013 | 3,709,585 | 0.22 |

2020 Levy Supported Funds

| Fund | |
|------------------------|------------------|
| General Fund | 1,548,671 |
| Refuse Collection Fund | 277,867 |
| Debt Service Fund | 609,575 |
| Capital Project Fund | |
| Fire District Levy | 241,085 |
| Total Tax Levy | 2,677,198 |

**NOVEMBER 4, 2019 COMMON COUNCIL MEETING MINUTES
CITY OF EDGERTON**

Mayor Christopher Lund called the meeting to order at 7:00 p.m.

Present: Sarah Braun, David Esau, Candy Davis, Debbie Olson, Anne Radtke and Jim Burdick

Others Present: City Administrator Ramona Flanigan, City Clerk/Treasurer Cindy Hegglund, Utility Director Randy Oren, Police Chief Bob Kowalski, City Attorney Bill Morgan, the Edgerton Reporter and citizens.

Hegglund confirmed the meeting agendas were properly posted on Friday, November 1, 2019 at the Post Office, Edgerton Library and City Hall.

ACCEPT THE AGENDA: A Candy Davis/Debbie Olson motion to accept the agenda as posted passed, all voted in favor.

MINUTES: A Sarah Braun/David Esau motion to approve the minutes from the October 21, 2019 Common Council meeting passed, all voted in favor.

COMMITTEE REPORTS:

Finance Committee: A Candy Davis/Debbie Olson motion to approve the bills and payroll list in the amount of \$120,417.20 passed on a 6/0 roll call vote.

A Candy Davis/Jim Burdick motion to approve the CDBG-PF Grant Administration contract with Cedar Corp passed on a 6/0 roll call vote.

Mayor Lund recommended the Public Works Committee look into ways of policing the materials that are be dropped off at the compost pile. Burdick reported the Committee is looking at different options.

A Candy Davis/David Esau motion to reject all the bids for the compost pile removal passed on a 6/0 roll call vote.

Plan Commission: An Anne Radtke/Sarah Braun motion to approve an extraterritorial land division for Roscoe Development, E. Mallwood Dr, Section 12, Town of Fulton passed, all voted in favor

An Anne Radtke/Sarah Braun motion to approve an extraterritorial land division for Sundby, N. Blackhawk Dr., Section 16, Town of Fulton passed, all voted in favor.

COMMITTEE APPOINTMENTS: A David Esau/Anne Radtke motion to approve the Mayor's recommendation to appoint Becky Stein and Dennis Johnson to the Housing Authority passed, all voted in favor.

2020 BUDGET: The legal notice was published in the Edgerton Reporter. Flanigan reported some final wage numbers were added to the budget resulting in a reduction of the contingency fund in the amount of \$901 to balance the budget.

Staff was recently made aware of some pool wall repairs needed that were not included in the pool painting project. This was not included the 2019 budget. The Department of Public Works staff discovered the concrete had bubbled and popped away from the wall. The estimate for the repairs is \$2,700. This project will need to be done in 2020.

A Sarah Braun/David Esau motion to reduce the Contingency Fund and add the expense to the pool budget for wall repairs in the amount of \$2,700 passed on a 6/0 roll call vote.

A Sarah Braun/David Esau motion to reduce the Contingency Fund in the amount of \$901 to balance the budget passed on a 6/0 roll call vote.

Being no other business before the Council, a Candy Davis/Sarah Braun motion to adjourn passed, all voted in favor.

Cindy Hegglund/wl
City Clerk-Treasurer
Adopted November 18, 2019

Memo

To: Common Council
From: Staff
Date: 11/15/2019
Re: November 18, 2019 Meeting

Safe Drinking Water Loan for water tower painting: The documents included in your packet are related to a water utility loan for the water tower painting. The \$234,605 revenue bond issue has a subsidized rate of 1.65% through the State of Wisconsin with a 20 year term. The loan will be repaid with water user fees.

Snow Blower: The PW department is requesting to purchase the \$700 snow blower that is included in the 2020 budget in 2019. The 2019 budget is predicted to have adequate surplus to cover this purchase and staff recommends we purchase the snow blower now.

Memo

To: Personnel Committee
From: Staff
Date: 11/13/2019
Re: November 18, 2019 Meeting

The Personnel Committee will meet in open session to recommend the appointment of Howard Moser as the City's Municipal Services Director. The Committee is recommending a salary of \$77,500.

Howard Moser has 23 years of municipal service experience in the Public Works field with four municipalities. During those years, Howard served as a public works operator, a foreman, a superintendent, and a Public Works Director. Howard is a certified arborist, a graduate of the Illinois Public Services Institute, has had specialized management training, and has water operator certifications in Illinois and Wisconsin. Prior to starting his career in municipal service, Howard served three years in the Army as a construction equipment operator.

The Personnel Committee's selection process consisted of the following:

- Job description update by the Personnel Committee;
- Selection of a short list of 6 candidates from the total applicant pool. Selection was made with the assistance of three industry experts: City Engineer Dave Sauer with Cedar Corporation, Evansville Municipal Services Director Chad Renly; and Utilities Chair Jim Kapellen;
- First interviews conducted by industry experts and the Personnel Committee;
- Second interviews and a community tour conducted by industry experts and the Personnel Committee; and
- Extensive background research.

Municipal Services Director (MSD) oversees operations of the Public Works Department and serves as the Public Works Director as described in the Code of General Ordinances. The MSD serves under the general direction of the City Administrator subject to statutory and municipal regulations. The areas of responsibility include: parks, cemetery, streets, stormwater utility, urban forestry, municipal buildings, and property code compliance.

RESOLUTION NO. 24-19

RESOLUTION AUTHORIZING THE ISSUANCE AND
SALE OF UP TO \$234,605 WATER SYSTEM REVENUE BONDS, SERIES 2019,
AND PROVIDING FOR OTHER DETAILS AND
COVENANTS WITH RESPECT THERETO

WHEREAS, the City of Edgerton, Rock and Dane Counties, Wisconsin (the "Municipality") owns and operates a water system (the "System") which is operated for a public purpose as a public utility by the Municipality; and

WHEREAS, pursuant to Resolution No. 21-04 adopted on October 18, 2004 (the "Senior Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, dated November 15, 2004 (the "Senior Bonds"), which Senior Bonds are payable from the income and revenues of the System; and

WHEREAS, certain improvements to the System are necessary to meet the needs of the Municipality and the residents thereof, consisting of the construction of a project (the "Project") assigned Safe Drinking Water Loan Program Project No. 4800-04 by the Department of Natural Resources, and as described in the Department of Natural Resources approval letter for the plans and specifications of the Project, or portions thereof, issued under Section 281.41, Wisconsin Statutes, assigned No. W-2019-0017 and dated February 28, 2019 by the DNR; and

WHEREAS, under the provisions of Chapter 66, Wisconsin Statutes any municipality may, by action of its governing body, provide for purchasing, acquiring, constructing, extending, adding to, improving, operating and managing a public utility from the proceeds of bonds, which bonds are to be payable only from the revenues received from any source by such utility, including all rentals and fees; and

WHEREAS, the Municipality deems it to be necessary, desirable and in its best interest to authorize and sell water system revenue bonds of the Municipality payable solely from the revenues of the System, pursuant to the provisions of Section 66.0621, Wisconsin Statutes, to pay the cost of the Project; and

WHEREAS, other than the Senior Bonds, no bonds or obligations payable from the revenues of the System are now outstanding.

NOW, THEREFORE, be it resolved by the Governing Body of the Municipality that:

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by implication requires otherwise:

- (a) "Act" means Section 66.0621, Wisconsin Statutes;
- (b) "Bond Registrar" means the Municipal Treasurer which shall act as Paying Agent for the Bonds;

(c) "Bonds" means the \$234,605 Water System Revenue Bonds, Series 2019, of the Municipality dated their date of issuance, authorized to be issued by this Resolution;

(d) "Bond Year" means the twelve-month period ending on each May 1;

(e) "Current Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but shall exclude depreciation, debt service, tax equivalents and capital expenditures;

(f) "Debt Service Fund" means the Water System Special Redemption Fund of the Municipality, which shall be the "special redemption fund" as such term is defined in the Act;

(g) "Financial Assistance Agreement" means the Financial Assistance Agreement by and between the State of Wisconsin by the Department of Natural Resources and the Department of Administration and the Municipality pursuant to which the Bonds are to be issued and sold to the State, substantially in the form attached hereto and incorporated herein by this reference;

(h) "Fiscal Year" means the twelve-month period ending on each December 31;

(i) "Governing Body" means the Common Council, or such other body as may hereafter be the chief legislative body of the Municipality;

(j) "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from water charges imposed by the Municipality, all payments to the Municipality under any service agreements between the Municipality and any contract users of the System, and any other monies received from any source including all rentals and fees and any special assessments levied and collected in connection with the Project;

(k) "Municipal Treasurer" means the Treasurer of the Municipality who shall act as Bond Registrar and Paying Agent;

(l) "Municipality" means the City of Edgerton, Rock and Dane Counties, Wisconsin;

(m) "Net Revenues" means the Gross Earnings of the System after deduction of Current Expenses;

(n) "Parity Bonds" means bonds payable from the revenues of the System other than the Bonds but issued on a parity and equality with the Bonds pursuant to the restrictive provisions of Section 11 of this Resolution;

(o) "Project" means the Project described in the preamble to this Resolution. All elements of the Project are to be owned and operated by the Municipality as part of the System as described in the preamble hereto;

(p) "Record Date" means the close of business on the fifteenth day of the calendar month next preceding any principal or interest payment date;

(q) "Senior Bonds" means the Municipality's Water System Revenue Bonds, dated November 15, 2004;

(r) "Senior Resolution" means Resolution No. 21-04 adopted by the Governing Body on October 18, 2004 authorizing the issuance of the Senior Bonds; and

(s) "System" means the entire water system of the Municipality specifically including that portion of the Project owned by the Municipality and including all property of every nature now or hereafter owned by the Municipality for the extraction, collection, treatment, storage and distribution of water, including all improvements and extensions thereto made by the Municipality while any of the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such water system and including all appurtenances, contracts, leases, franchises, and other intangibles.

Section 2. Authorization of the Bonds and the Financial Assistance Agreement. For the purpose of paying the cost of the Project (including legal, fiscal, engineering and other expenses), there shall be borrowed on the credit of the income and revenue of the System up to the sum of \$234,605; and fully registered revenue bonds of the Municipality are authorized to be issued in evidence thereof and sold to the State of Wisconsin Safe Drinking Water Loan Program in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference and the Mayor and City Clerk of the Municipality are hereby authorized, by and on behalf of the Municipality, to execute the Financial Assistance Agreement.

Section 3. Terms of the Bonds. The Bonds shall be designated "Water System Revenue Bonds, Series 2019" (the "Bonds"); shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 1.650% per annum; shall be issued in denominations of \$0.01 or any integral multiple thereof; and shall mature on the dates and in the amounts as set forth in Exhibit B of the Financial Assistance Agreement and in the Bond form attached hereto as Exhibit A as it is from time to time adjusted by the State of Wisconsin based upon the actual draws made by the Municipality. Interest on the Bonds shall be payable commencing on May 1, 2020 and semiannually thereafter on May 1 and November 1 of each year. The Bonds shall not be subject to redemption prior to maturity except as provided in the Financial Assistance Agreement.

The schedule of maturities of the Bonds is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

Section 4. Form, Execution, Registration and Payment of the Bonds. The Bonds shall be issued as registered obligations in substantially the form attached hereto as Exhibit A and incorporated herein by this reference.

The Bonds shall be executed in the name of the Municipality by the manual signatures of the Mayor and City Clerk, and shall be sealed with its official or corporate seal, if any.

The principal of, premium, if any, and interest on the Bonds shall be paid by the Municipal Treasurer, who is hereby appointed as the Municipality's Bond Registrar.

Both the principal of and interest on the Bonds shall be payable in lawful money of the United States of America by the Bond Registrar. Payment of principal of the final maturity on the Bond will be payable upon presentation and surrender of the Bond to the Bond Registrar. Payment of principal on the Bond (except the final maturity) and each installment of interest shall be made to the registered owner of each Bond who shall appear on the registration books of the Municipality, maintained by the Bond Registrar, on the Record Date and shall be paid by check or draft of the Municipality and mailed to such registered owner at his or its address as it appears on such registration books or at such other address may be furnished in writing by such registered owner to the Bond Registrar.

Section 5. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the Municipality nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Debt Service Fund hereinafter created and established, and shall be a valid claim of the registered owner or owners thereof only against such Debt Service Fund and the revenues of the System pledged to such fund, junior and subordinate to the pledge granted to the holders of the Senior Bonds. Sufficient revenues are hereby pledged to said Debt Service Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Senior Bonds, the Bonds and any Parity Bonds as the same becomes due.

Section 6. Funds and Accounts. In accordance with the Act, for the purpose of the application and proper allocation of the revenues of the System, and to secure the payment of the principal of and interest on the Senior Bonds, the Bonds and Parity Bonds, certain funds of the System which were created and established by a resolution adopted on August 27, 1996 are hereby continued and shall be used solely for the following respective purposes:

(a) Water System Revenue Fund, into which shall be deposited as received the entire Gross Earnings of the System which monies shall then be divided among the Operation and Maintenance Fund, the Debt Service Fund and the Surplus Fund in the amounts and in the manner set forth in Section 7 hereof and used for the purposes described below;

(b) Water System Operation and Maintenance Fund (the "Operation and Maintenance Fund"), which shall be used for the payment of Current Expenses;

(c) Water System Special Redemption Fund (the "Debt Service Fund"), which shall be divided into two separate accounts to be known as the "Interest and Principal Account" and the "Reserve Account".

(i) There shall be deposited in the Interest and Principal Account an amount sufficient (after giving effect to available amounts in said account from accrued interest, any premium, investment earnings and any other source) to pay the principal of and interest on the outstanding Senior Bonds, the Bonds and any Parity Bonds as the same becomes due. The Interest and Principal Account shall be used solely for the purposes of paying principal of and interest on, first, the Senior Bonds, and, second, the Bonds and any Parity Bonds in accordance with the provisions of this Resolution.

(ii) The Reserve Account established with respect to the Senior Bonds shall be continued to secure the outstanding Senior Bonds and any bonds issued in the future to be secured thereby, as provided in the Senior Resolution. The Reserve Account is not pledged to the Bonds, and funds on deposit therein shall under no circumstances be used to pay principal of or interest on the Bonds.

(d) Water System Surplus Fund (the "Surplus Fund"), which shall first be used whenever necessary to pay principal of or interest on the outstanding Senior Bonds, the Bonds and any Parity Bonds when the Special Redemption Fund shall be insufficient for such purpose, and thereafter shall be disbursed as follows:

(i) at any time, to remedy any deficiency in any of the funds or accounts provided in Section 7 hereof; and,

(ii) money thereafter remaining in the Surplus Fund at the end of any Fiscal Year may be transferred to any of the funds or accounts created herein (including the Water System SDWLP Project Fund), or to reimburse the general fund of the Municipality for advances made by the Municipality to the System.

Section 7. Application of Revenues. After the delivery of the Bonds, the Gross Earnings of the System shall be deposited as collected in the Revenue Fund and shall be transferred monthly to the funds listed below in the following order of priority and in the manner set forth below:

- (a) to the Operation and Maintenance Fund, in an amount equal to the estimated Current Expenses for such month and for the following month (after giving effect to available amounts in said Fund from prior deposits);
- (b) to the Debt Service Fund, for monthly transfer to the Interest and Principal Account thereof, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Senior Bonds, the Bonds and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Senior Bonds, the Bonds and any Parity Bonds coming due on the next succeeding principal payment date (after giving effect to available amounts in said Fund from accrued interest, any premium or any other source), and for monthly transfer to the Reserve Account thereof, the amount required by the Senior Resolution, as well as any amount required by a future resolution authorizing the issuance of bonds to fund the Reserve Account securing such bonds; and
- (c) to the Surplus Fund, any amount remaining in the Revenue Fund after the monthly transfers required above have been completed.

Transfers from the Revenue Fund to the Operation and Maintenance Fund, the Debt Service Fund and the Surplus Fund shall be made monthly not later than the tenth day of each month, and such transfer shall be applicable to monies on deposit in the Revenue Fund as of the last day of the month preceding. Any other transfers and deposits to any fund required or permitted by subsection (a) through (c) of this Section, except transfers or deposits which are

required to be made immediately or annually, shall be made on or before the tenth day of the month. Any transfer or deposit required to be made at the end of any Fiscal Year shall be made within sixty (60) days after the close of such Fiscal Year. If the tenth day of any month shall fall on a day other than a business day, such transfer or deposit shall be made on the next succeeding business day.

It is the express intent and determination of the Governing Body that the amounts transferred from the Revenue Fund and deposited in the Debt Service Fund shall be sufficient in any event to pay the interest on the Senior Bonds, the Bonds and any Parity Bonds as the same accrues and the principal thereof as the same matures, and to fund the Reserve Account as required in connection with the Senior Bonds and any future bonds secured thereby.

Section 8. Deposits and Investments. The Debt Service Fund shall be kept apart from monies in the other funds and accounts of the Municipality and the same shall be used for no purpose other than the prompt payment of principal of and interest on, first, the Senior Bonds and, next, the Bonds and any Parity Bonds as the same becomes due and payable. All monies therein shall be deposited in special and segregated accounts in a public depository selected under Chapter 34, Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes. The other funds herein created (except the Water System SDWLP Project Fund) may be combined in a single account in a public depository selected in the manner set forth above and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes.

Section 9. Service to the Municipality. The reasonable cost and value of services rendered to the Municipality by the System by furnishing water services for public purposes shall be charged against the Municipality and shall be paid in monthly installments as the service accrues, out of the current revenues of the Municipality collected or in the process of collection, exclusive of the revenues derived from the System; that is to say, out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses. The reasonable cost and value of such service to the Municipality in each year shall be equal to an amount which, together with other revenues of the System, will produce in each Fiscal Year Net Revenues equivalent to not less than the annual principal and interest requirements on the Senior Bonds, the Bonds, any Parity Bonds and any other obligations payable from the revenues of the System then outstanding, times the greater of (i) 110% or (ii) the highest debt service coverage ratio required with respect to any obligations payable from revenues of the System then outstanding. However, such payment out of the tax levy shall be subject to (a) approval of the Public Service Commission, or successors to its function, if applicable, (b) yearly appropriations therefor, and (c) applicable levy limitations, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the Municipality to make any such appropriation over and above the reasonable cost and value of the services rendered to the Municipality and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 10. Operation of System: Municipality Covenants. It is covenanted and agreed by the Municipality with the owner or owners of the Bonds, and each of them, that the

Municipality will perform all of the obligations of the Municipality as set forth in the Financial Assistance Agreement.

Section 11. Additional Bonds. The Bonds are issued on a basis junior and subordinate to the Senior Bonds as to the pledge of revenues of the System. No bonds or obligations payable out of the revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if the lien and pledge is junior and subordinate to that of the Bonds. Parity Bonds may be issued only under the following circumstances:

(a) Additional Parity Bonds may be issued for the purpose of completing the Project and for the purpose of financing costs of the Project which are ineligible for payment under the State of Wisconsin Safe Drinking Water Loan Program. However, such additional Parity Bonds shall be in an aggregate amount not to exceed 20% of the face amount of the Bonds; or

(b) Additional Parity Bonds may also be issued if all of the following conditions are met:

(1) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional bonds must have been in an amount at least equal to the maximum annual interest and principal requirements on all bonds outstanding payable from the revenues of the System, and on the bonds then to be issued, times the greater of (i) 1.10 or (ii) the highest debt service coverage ratio to be required with respect to the Additional Parity Bonds to be issued or any other obligations payable from the revenues of the System then outstanding. Should an increase in permanent rates and charges, including those made to the Municipality, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Net Revenues for purposes of such computation shall include such additional revenues as an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

(2) The payments required to be made into the funds enumerated in Section 6 of this Resolution must have been made in full.

(3) The additional bonds must have principal maturing on May 1 of each year and interest falling due on May 1 and November 1 of each year.

(4) The proceeds of the additional bonds must be used only for the purpose of providing extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 12. Sale of Bonds. The sale of the Bonds to the State of Wisconsin Safe Drinking Water Loan Program for the purchase price of up to \$234,605 and at par, is ratified and confirmed; and the officers of the Municipality are authorized and directed to do any and all acts,

including executing the Financial Assistance Agreement and the Bonds as hereinabove provided, necessary to conclude delivery of the Bonds to said purchaser, as soon after adoption of this Resolution as is convenient. The purchase price for the Bonds shall be paid upon requisition therefor as provided in the Financial Assistance Agreement, and the officers of the Municipality are authorized to prepare and submit to the State requisitions and disbursement requests in anticipation of the execution of the Financial Assistance Agreement and the issuance of the Bonds.

Section 13. Application of Bond Proceeds. The proceeds of the sale of the Bonds shall be deposited by the Municipality into a special fund designated as "Water System SDWLP Project Fund." The Water System SDWLP Project Fund shall be used solely for the purpose of paying the costs of the Project as more fully described in the preamble hereof and in the Financial Assistance Agreement. Moneys in the Water System SDWLP Project Fund shall be disbursed within three (3) business days of their receipt from the State of Wisconsin and shall not be invested in any interest-bearing account.

Section 14. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except: (a) the Municipality may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and (b) this Resolution may be amended, in any respect, with a written consent of the owners of not less than two-thirds (2/3) of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the Municipality; provided, however, that no amendment shall permit any change in the pledge of revenues derived from the System or the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 15. Defeasance. When all Bonds have been discharged, all pledges, covenants and other rights granted to the owners thereof by this Resolution shall cease. The Municipality may discharge all Bonds due on any date by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the Municipality's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the Municipality's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for.

Section 16. Rebate Fund. Unless the Bonds are exempt from the rebate requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the Municipality shall establish

and maintain, so long as the Bonds and any Parity Bonds are outstanding, a separate account to be known as the "Rebate Fund." The sole purpose of the Rebate Fund is to provide for the payment of any rebate liability with respect to the Bonds under the relevant provisions of the Code and the Treasury Regulations promulgated thereunder (the "Regulations"). The Rebate Fund shall be maintained by the Municipality until all required rebate payments with respect to the Bonds have been made in accordance with the relevant provisions of the Code and the Regulations.

The Municipality hereby covenants and agrees that it shall pay to the United States from the Rebate Fund, at the times and in the amounts and manner required by the Code and the Regulations, the portion of the "rebate amount" (as defined in Section 1.148-3(b) of the Regulations) that is due as of each "computation date" (within the meaning of Section 1.148-3(e) of the Regulations). As of the date of this Resolution, the provisions of the Regulations specifying the required amounts of rebate installment payments and the time and manner of such payments are contained in Sections 1.148-3(f) and (g) of the Regulations, respectively. Amounts held in the Rebate Fund and the investment income therefrom are not pledged as security for the Bonds or any Parity Bonds and may only be used for the payment of any rebate liability with respect to the Bonds.

The Municipality may engage the services of accountants, attorneys or other consultants necessary to assist it in determining the rebate payments, if any, owed to the United States with respect to the Bonds. The Municipality shall maintain or cause to be maintained records of determinations of rebate liability with respect to the Bonds for each computation date until six (6) years after the retirement of the last of the Bonds. The Municipality shall make such records available to the State of Wisconsin upon reasonable request therefor.

Section 17. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 14, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the Municipality, the Governing Body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the Municipality, its Governing Body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 18. Continuing Disclosure. The officers of the Municipality are hereby authorized and directed, if requested by the State of Wisconsin, to provide to the State of Wisconsin Safe Drinking Water Loan Program and to such other persons or entities as directed by the State of Wisconsin such ongoing disclosure regarding the Municipality's financial condition and other matters, at such times and in such manner as the Safe Drinking Water Loan Program may require, in order that securities issued by the Municipality and the State of Wisconsin satisfy rules and regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended and as it may be amended

from time to time, imposed on brokers and dealers of municipal securities before the brokers and dealers may buy, sell, or recommend the purchase of such securities.

Section 19. Conflicting Resolutions. All ordinances, resolutions (other than the Senior Resolution), or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage. In case of any conflict between this Resolution and the Senior Resolution, the Senior Resolution shall control as long as any Senior Bonds are outstanding.

Passed: November 18, 2019

Approved: November 18, 2019

Christopher W. Lund
Mayor

Attest:

Cynthia R. Hegglund
City Clerk

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED
NO. _____

UNITED STATES OF AMERICA
STATE OF WISCONSIN
ROCK AND DANE COUNTIES
CITY OF EDGERTON

REGISTERED
\$ _____

WATER SYSTEM REVENUE BOND, SERIES 2019

Final
Maturity Date

Date of
Original Issue

May 1, 2039

_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

FOR VALUE RECEIVED the City of Edgerton, Rock and Dane Counties, Wisconsin (the "Municipality") hereby acknowledges itself to owe and promises to pay to the registered owner shown above, or registered assigns, solely from the fund hereinafter specified, the principal sum of an amount not to exceed _____ DOLLARS (\$_____) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2020 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 1.650% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of May and November of each year, with the first interest being payable on May 1, 2020.

The principal amount evidenced by this Bond may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement entered by and between the Municipality and the State of Wisconsin by the Department of Natural Resources and the Department of Administration including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 2020 in an amount equal to an amount which when amortized over the remaining term of this Bond plus current payments of interest (but only on amounts drawn hereunder) at One and 650/1000ths percent (1.650%) per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis in the format shown on the attached Schedule A.

Both principal and interest hereon are hereby made payable to the registered owner in lawful money of the United States of America. On the final maturity date, principal of this Bond shall be payable only upon presentation and surrender of this Bond at the office of the Municipal Treasurer. Principal hereof (except the final maturity) and interest hereon shall be payable by electronic transfer or by check or draft dated on or before the applicable payment date and mailed from the office of the Municipal Treasurer to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month next preceding such interest payment date.

The Bonds shall not be redeemable prior to their maturity, except with the consent of the registered owner.

This Bond is transferable only upon the books of the Municipality kept for that purpose at the office of the Municipal Treasurer, by the registered owner in person or its duly authorized attorney, upon surrender of this Bond, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Municipal Treasurer, duly executed by the registered owner or its duly authorized attorney. Thereupon a replacement Bond shall be issued to the transferee in exchange therefor. The Municipality may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes. This Bond is issuable solely as a negotiable, fully-registered bond, without coupons, and in denominations of \$0.01 or any integral multiple thereof.

This Bond is issued for the purpose of providing for the payment of the cost of constructing improvements to the Water System of the Municipality, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted November 18, 2019, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$234,605 Water System Revenue Bonds, Series 2019, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues of the Water System of the Municipality (the "Utility"). The Bonds are issued on a basis junior and subordinate to the Municipality's Water System Revenue Bonds, dated November 15, 2004, as to the pledge of income and revenues of the Utility. This Bond does not constitute an indebtedness of said Municipality within the meaning of any constitutional or statutory debt limitation or provision.

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 have existed, have happened and have been performed in due time, form and manner as required by law; and that sufficient of the income and revenue to be received by said Municipality from the operation of its Utility has been pledged to and will be set aside into a special fund for the payment of the principal of and interest on this Bond.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by the signatures of its Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF EDGERTON,
WISCONSIN

(SEAL)

By: _____
Christopher W. Lund
Mayor

By: _____
Cynthia R. Heggland
City Clerk

COPY

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite name and address, including zip code, of Assignee)

Please insert Social Security or other identifying number of Assignee

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

Attorney to transfer said Bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature of this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature(s) guaranteed by

SCHEDULE A

\$234,605

CITY OF EDGERTON, WISCONSIN
WATER SYSTEM REVENUE BONDS, SERIES 2019

| <u>Amount of Disbursement</u> | <u>Date of Disbursement</u> | <u>Series of Bonds</u> | <u>Principal Repaid</u> | <u>Principal Balance</u> |
|-------------------------------|-----------------------------|------------------------|-------------------------|--------------------------|
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |

COPY

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

| <u>Date</u> | <u>Principal Amount</u> |
|-------------|-----------------------------|
| May 1, 2020 | \$9,996.66 |
| May 1, 2021 | 10,161.61 |
| May 1, 2022 | 10,329.28 |
| May 1, 2023 | 10,499.71 |
| May 1, 2024 | 10,672.95 |
| May 1, 2025 | 10,849.06 |
| May 1, 2026 | 11,028.07 |
| May 1, 2027 | 11,210.03 |
| May 1, 2028 | 11,395.00 |
| May 1, 2029 | 11,583.01 |
| May 1, 2030 | 11,774.13 |
| May 1, 2031 | 11,968.41 |
| May 1, 2032 | 12,165.89 |
| May 1, 2033 | 12,366.62 |
| May 1, 2034 | 12,570.67 |
| May 1, 2035 | 12,778.09 |
| May 1, 2036 | 12,988.93 |
| May 1, 2037 | 13,203.24 |
| May 1, 2038 | 13,421.10 |
| May 1, 2039 | 13,642.54 |

State of Wisconsin
Department of Natural Resources
Bureau of Community Financial Assistance
101 South Webster Street
PO Box 7921
Madison, Wisconsin 53707-7921

Financial Assistance Agreement
Safe Drinking Water Loan Program
Form 8700-214 rev 04/19

STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF ADMINISTRATION

and

CITY OF EDGERTON

\$234,605

FINANCIAL ASSISTANCE AGREEMENT

Dated as of December 11, 2019

This constitutes a **Financial Assistance Agreement** under the State of Wisconsin's Safe Drinking Water Loan Program. This agreement is awarded pursuant to ss. 281.59 and 281.61, Wis. Stats. The purpose of this agreement is to award financial assistance from the Safe Drinking Water Loan Program. This agreement also discloses the terms and conditions of this award.

This agreement is only effective when signed by authorized officers of the municipality and an authorized officer of the State of Wisconsin Department of Natural Resources and of the State of Wisconsin Department of Administration.

The Department of Natural Resources and the Department of Administration may rescind or terminate this agreement if the municipality fails to comply with the terms and conditions contained within. Any determination or certification made in this agreement by the Department of Natural Resources or the Department of Administration is made solely for the purpose of providing financial assistance under the Safe Drinking Water Loan Program.

Municipal Identification No. 53221
Safe Drinking Water Loan Program Project No. 4800-04

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WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated December 11, 2019, between the STATE OF WISCONSIN Safe Drinking Water Loan Program (the "SDWLP"), by the Department of Natural Resources (the "DNR") and the Department of Administration (the "DOA"), acting under authority of ss. 281.59 and 281.61, Wis. Stats., as amended (the "Statute"), and the City of Edgerton, a municipality within the meaning of the Statute, duly organized and existing under the laws of the State of Wisconsin (the "Municipality"); and

WHEREAS, the United States, pursuant to the Federal Safe Drinking Water Act Amendments of 1996 (the "Act"), requires each state to establish a drinking water revolving loan fund to be administered by an instrumentality of the state before the state may receive capitalization grants for eligible projects from the United States Environmental Protection Agency (the "EPA"), or any successor which may succeed to the administration of the program established by the Act; and

WHEREAS, the State of Wisconsin, pursuant to ss. 281.59 and 281.61, Wis. Stats., established the SDWLP to be used in part for purposes of the Act; and

WHEREAS, the State of Wisconsin, pursuant to s. 25.43, Wis. Stats., established a State of Wisconsin Environmental Improvement Fund which includes the SDWLP; and

WHEREAS, DNR and DOA have the joint responsibility to provide SDWLP financial assistance to municipalities for the construction of eligible drinking water projects, all as set forth in the Statute; and

WHEREAS, the Municipality submitted to DNR an application for financial assistance (the "Application") for a project (the "Project"), and DNR has approved the Application and determined the Application meets DNR criteria for Project eligibility established in applicable state statutes and regulations; and

WHEREAS, DNR determined that the Municipality and the Project are not ineligible for financial assistance under s. 281.61(2g), Wis. Stats.; and

WHEREAS, DOA determined the SDWLP will provide financial assistance to the Municipality by making a loan (the "Loan") pursuant to s. 281.59(9), Wis. Stats., for the purposes of that subsection; and

WHEREAS, the Municipality pledged the security, if any, required by DOA, and the Municipality has demonstrated to the satisfaction of DOA the financial capacity to ensure sufficient revenues to operate and maintain the Project for its useful life and to pay debt service on the obligations it issues for the Project; and

WHEREAS, the Municipality certifies to the SDWLP that it has created a dedicated source of revenue for repayment of the Loan; and

WHEREAS, the Municipality obtained DNR approval of facility plans or engineering reports, and Plans and Specifications for the Project, subject to the provisions of applicable State environmental standards set forth in law, rules, and regulations;

NOW, THEREFORE, in consideration of the promises and of the mutual representations, covenants, and agreements herein set forth, the SDWLP and the Municipality, each binding itself, its successors, and its assigns, do mutually promise, covenant, and agree as follows:

ARTICLE I
DEFINITIONS; RULES OF INTERPRETATION

Section 1.01. Definitions The following capitalized terms as used in this FAA shall have the following meanings:

"Act" means the federal Safe Drinking Water Act, 42 U.S.C. 300f to 300j-26.

"Application" means the written application of the Municipality dated June 27, 2019, for financial assistance under the Statute.

"Bonds" means bonds or notes issued by the State pursuant to the General Resolution, all or a portion of the proceeds of which shall be applied to make the Loan.

"Business Day" means any day on which State offices are open to conduct business.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor provisions.

"DNR" means the State of Wisconsin Department of Natural Resources and any successor entity.

"DOA" means the State of Wisconsin Department of Administration and any successor entity.

"EPA" means the United States Environmental Protection Agency or any successor entity that may succeed to the administration of the program established by the Act.

"FAA" means this Financial Assistance Agreement.

"Final Completion" means the Project construction is complete, DNR or agents thereof have certified that the Project was constructed according to DNR approved Plans and Specifications and that the facilities are operating according to design, and DNR has completed all necessary Project closeout procedures.

"Financial Assistance Agreement" means this Financial Assistance Agreement between the SDWLP by DNR, DOA, and the Municipality, as the same may be amended from time to time in accordance with Section 6.04 hereof.

"General Resolution" means the Clean Water Revenue Bond General Resolution adopted by the State of Wisconsin Building Commission, as such may from time to time be amended or supplemented by Series Resolutions or Supplemental Resolutions in accordance with the terms and provisions of the General Resolution.

"Loan" means the loan or loans made by the SDWLP to the Municipality pursuant to this FAA.

"Loan Disbursement Table" means the table, the form of which is included as Exhibit C hereto, with columns for inserting the following information:

- (a) amount of each disbursement,
- (b) date of each disbursement,
- (c) the series of Bonds from which each disbursement is made,
- (d) principal amounts repaid, and
- (e) outstanding principal balance.

"Municipal Obligation Counsel Opinion" means the opinion of counsel satisfactory to DOA, issued in conjunction with the Municipal Obligations, stating that:

- (a) the FAA and the performance by the Municipality of its obligations thereunder have been duly authorized by all necessary actions by the governing body of the Municipality, and the FAA has been duly executed and delivered by the Municipality;
- (b) the Municipal Obligations have been duly authorized, executed, and delivered by the Municipality and sold to the SDWLP;
- (c) each of the FAA and the Municipal Obligations constitutes a legal, valid, and binding obligation of the Municipality, enforceable against the Municipality in accordance with its respective terms (provided that enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that its enforcement may also be subject to the exercise of judicial discretion in appropriate cases);
- (d) the Municipal Obligations constitute special obligations of the Municipality secured as to payment of principal, interest, and redemption price by the pledged revenues as set forth therein;
- (e) interest on the Municipal Obligations is not included in gross income of the owners thereof for federal income taxation purposes under existing laws, regulations, rulings, and judicial decisions;
- (f) the Municipal Obligations are not "arbitrage bonds" within the meaning of Section 148 of the Code and the arbitrage regulations; and
- (g) the Municipal Obligations are not "private activity bonds" as defined in Section 141(a) of the Code.

"Municipal Obligation Resolution" means that action taken by the governing body of the Municipality authorizing the issuance of the Municipal Obligations.

"Municipal Obligations" means the bonds or notes issued and delivered by the Municipality to the SDWLP, a specimen copy of which is included in the Municipal Obligations transcript.

"Municipality" means City of Edgerton, a "local governmental unit" within the meaning of the Statute, duly organized and existing under the laws of the State, and any successor entity.

"Plans and Specifications" means the Project design plans and specifications assigned No. W-2019-0017, approved by DNR on February 28, 2019, as the same may be amended or modified from time to time in accordance with this FAA.

"Progress payments" means payments for work in place and materials or equipment that have been delivered or are stockpiled in the vicinity of the construction site. This includes payments for undelivered specifically manufactured equipment if: (1) designated in the specifications, (2) could not be readily utilized or diverted to another job, and (3) a fabrication period of more than 6 months is anticipated.

"Project" means the project assigned SDWLP Project No. 4800-04 by DNR, described in the Project Manager Summary Page (Exhibit F), and further described in the DNR approval letter(s) for the Plans and Specifications, or portions thereof, issued under s. 281.41, Wis. Stats.

"Project Costs" means the costs of the Project that are eligible for financial assistance from the SDWLP under the Statute, which are allowable costs under the Regulations, which have been incurred by the Municipality, an estimate of which is set forth in Exhibit A hereto and made a part hereof.

"Regulations" means chs. NR 108, NR 150, NR 151, NR 166, NR 809, NR 810, and NR 811, Wis. Adm. Code, the regulations of DNR, and ch. Adm. 35, Wis. Adm. Code, the regulations of DOA, adopted pursuant to and in furtherance of the Statute, as such may be adopted or amended from time to time.

"SDWLP" means the State of Wisconsin Safe Drinking Water Loan Program, established pursuant to the Statute and managed and administered by DNR and DOA.

"Senior Municipal Obligations" means the Municipality's \$1,960,000 Water System Revenue Bonds, dated November 15, 2004.

"Series Resolution" or "Supplemental Resolution" shall have the meaning set forth in the General Resolution.

"State" means the State of Wisconsin.

"Statute" means ss. 281.59 and 281.61, Wis. Stats., as amended.

"Substantial Completion" means the date on which construction of the Project is sufficiently complete in accordance with the contract documents so that the owner can occupy and utilize the Project for its intended use.

"Trustee" means the trustee appointed by the State pursuant to the General Resolution and any successor trustee.

"Use of American Iron and Steel" means the requirements for using American iron and steel as mandated under EPA's Drinking Water State Revolving Fund program.

"User Fees" means fees charged or to be charged to users of the Project or the Water System of which the Project is a part pursuant to the Water Rates or otherwise.

"Water Diversion Permit" means a DNR permit issued to the Municipality under s. 30.18(2), Wis. Stats., to divert water from a stream or lake in Wisconsin.

"Water Rates" means a charge or system of charges levied on users of a water system for the user's proportional share of the revenue requirement of a water system which consists of operation and maintenance expenses, depreciation, taxes, and return on investment.

"Water System" means all structures, conduits, and appurtenances by means of which water is delivered to consumers, except piping and fixtures inside buildings served and service pipes from buildings to street mains.

Section 1.02. Rules of Interpretation Unless the context clearly indicates to the contrary, the following rules shall apply to the context of this FAA:

- (a) Words importing the singular number shall include the plural number and vice versa, and one gender shall include all genders.
- (b) All references herein to particular articles or sections are references to articles or sections of this FAA.
- (c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this FAA, nor shall they affect its meaning, construction, or effect.

(d) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms as used in this FAA refer to the FAA in its entirety and not the particular article or section of this FAA in which they appear. The term "hereafter" means after and the term "heretofore" means before the date of delivery of this FAA.

(e) All accounting terms not otherwise defined in this FAA have the meanings assigned to them in accordance with generally accepted accounting principles, and all computations provided for herein shall be made in accordance with generally accepted accounting principles.

ARTICLE II
REPRESENTATIONS

Section 2.01. Representations of the SDWLP The SDWLP represents and warrants as follows:

- (a) The State is authorized to issue the Bonds in accordance with the Statute and the General Resolution and to use the proceeds thereof to provide funds for the making of the Loan to the Municipality to undertake and complete the Project.
- (b) The SDWLP has complied with the provisions of the Statute and has full power and authority to execute and deliver this FAA, consummate the transactions contemplated hereby, and perform its obligations hereunder.
- (c) The SDWLP is not in violation of any of the provisions of the Constitution or laws of the State which would affect its powers referred to in the preceding paragraph (b).
- (d) Pursuant to the Statute, the SDWLP is authorized to execute and deliver the FAA, and to take actions and make determinations that are required of the SDWLP under the terms and conditions of the FAA.
- (e) The execution and delivery by the SDWLP of this FAA and the consummation of the transactions contemplated by this FAA shall not violate any indenture, mortgage, deed of trust, note, agreement, or other contract or instrument to which the State is a party, or by which it is bound, or, to the best of the SDWLP's knowledge, any judgment, decree, order, statute, rule, or regulation applicable to the SDWLP; all consents, approvals, authorizations, and orders of governmental or regulatory authorities that are required for the consummation of the transactions contemplated thereby have been obtained.
- (f) To the knowledge of the SDWLP, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court, public board, or body, threatened against, pending, or affecting the SDWLP, or, to the knowledge of the SDWLP, any basis therefor, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or which, in any way, could adversely affect the validity of this FAA or any agreement or instrument to which the State is a party and which is used or contemplated for use in consummation of the transactions contemplated by each of the foregoing.
- (g) The Project is on the DNR funding list for the 2020 state fiscal year.

Section 2.02. Representations of the Municipality The Municipality represents, covenants, and warrants as follows:

- (a) The Municipality possesses the legal municipal form of a city under ch. 62, Wis. Stats. The Municipality is located within the State and is a "municipality" within the meaning of the Statute, duly organized and existing under the laws of the State, and has full legal right, power, and authority to:
 - (1) conduct its business and own its properties,
 - (2) enter into this FAA,
 - (3) adopt the Municipal Obligation Resolution,
 - (4) issue and deliver the Municipal Obligations to the SDWLP as provided herein, and
 - (5) carry out and consummate all transactions contemplated by each of the aforesaid documents.
- (b) The Municipality is in compliance with its Water Diversion Permit (if any).

(c) With respect to the issuance of the Municipal Obligations, the Municipality has complied with the Municipal Obligation Resolution and with all applicable laws of the State.

(d) The governing body of the Municipality has duly approved the execution and delivery of this FAA and the issuance and delivery of the Municipal Obligations in the aggregate principal amount of \$234,605 and authorized the taking of any and all action as may be required on the part of the Municipality and its authorized officers to carry out, give effect to, and consummate the transactions contemplated by each of the foregoing.

(e) This FAA and the Municipal Obligations have each been duly authorized, executed, and delivered, and constitute legal, valid, and binding obligations of the Municipality, enforceable in accordance with their respective terms.

(f) To the knowledge of the Municipality, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, threatened against, pending, or affecting the Municipality, or, to the knowledge of the Municipality any basis therefor:

(1) affecting the creation, organization, or existence of the Municipality or the title of its officers to their respective offices;

(2) seeking to prohibit, restrain, or enjoin the execution of this FAA or the issuance or delivery of the Municipal Obligations;

(3) in any way contesting or affecting the validity or enforceability of the Municipal Obligation Resolution, the Municipal Obligations, this FAA, or any agreement or instrument relating to any of the foregoing or used or contemplated for use in the consummation of the transactions contemplated by this FAA; or

(4) wherein an unfavorable decision, ruling, or finding could adversely affect the transactions contemplated hereby or by the Municipal Obligation Resolution or the Municipal Obligations.

(g) The Municipality is not in any material respect in breach of or in default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree, or any agreement or other instrument to which the Municipality is a party, or by which it or any of its properties is bound, and no event has occurred that, with the passage of time, the giving of notice, or both, could constitute such a breach or default. The execution and delivery of this FAA, the issuance and delivery of the Municipal Obligations, the adoption of the Municipal Obligation Resolution, and compliance with the respective provisions thereof shall not conflict with, or constitute a breach of or default under, any applicable law or administrative regulation of the State or of the United States, any applicable judgment or decree, or any agreement or other instrument to which the Municipality is a party, or by which it or any of its property is bound.

(h) The Municipal Obligations constitute validly-issued, legally-binding special obligations of the Municipality secured as set forth therein.

(i) The resolutions of the Municipality accepting the Loan and the Municipal Obligation Resolution have been duly adopted by the Municipality and remain in full force and effect as of the date hereof.

(j) The Municipality has full legal right and authority, and all necessary permits, licenses, and approvals (other than such permits, licenses, easements, or approvals that are not by their nature obtainable prior to Substantial Completion of the Project) required as of the date hereof to own

the Project, carry on its activities relating thereto, undertake and complete the Project, and carry out and consummate all transactions contemplated by this FAA.

(k) The Municipality represents that it has not made any commitment or taken any action that shall result in a valid claim for any finders' or similar fees or commitments in respect to the issuance and sale of the Municipal Obligations and the making of the Loan under this FAA.

(l) The Project is eligible under s. 281.61(2), Wis. Stats., for financing from the SDWLP, and the Project Costs are equal to or in excess of the principal amount of the Municipal Obligations. The Project has satisfied the requirements of the State Environmental Review Procedures contained in the Regulations. Portions of the Project that are ineligible for financing from the SDWLP are listed within the Project Manager Summary Page attached hereto as Exhibit F. The Municipality intends the Project to be eligible under the Statute throughout the term of this FAA.

(m) All amounts shown in Exhibit A of this FAA are costs of a Project eligible for financial assistance from the SDWLP under the Statute. All proceeds of any borrowing of the Municipality that have been spent and which are being refinanced with the proceeds of the Loan made hereunder have been spent on eligible Project Costs. All Project Costs are reasonable, necessary, and allocable by the Municipality to the Project under generally accepted accounting principles. None of the proceeds of the Bonds shall be used directly or indirectly by the Municipality as working capital or to finance inventory, as opposed to capital improvements.

(n) The Project is in compliance with all applicable federal, state, and local laws and ordinances (including rules and regulations) relating to zoning, building, safety, and environmental quality. The Municipality has complied with and completed all requirements of DNR necessary to commence construction of the Project prior to the date hereof. The Municipality intends to proceed with due diligence to complete the Project pursuant to Section 4.04 hereof.

(o) The Municipality does not intend to lease the Project or enter into a long-term contract for operation of the Project except as set forth in Exhibit D.

(p) The Municipality shall not take or omit to take any action which action or omission shall in any way cause the proceeds of the Bonds to be applied in a manner contrary to that provided in the General Resolution.

(q) The Municipality has not taken and shall not take any action, and presently knows of no action that any other person, firm, or corporation has taken or intends to take, that would cause interest on the Municipal Obligations to be includable in the gross income of the owners of the Municipal Obligations for federal income tax purposes. The representations, certifications, and statements of reasonable expectation made by the Municipality as referenced in the Municipal Obligation Counsel Opinion and No Arbitrage Certificate are hereby incorporated by this reference as though fully set forth herein.

(r) Other than (1) "preliminary expenditures" as defined in Treas. Regs. 26 CFR 1.150-2 in an amount not exceeding 20% of the principal amount of the Municipal Obligations, or (2) a "de minimis" amount as defined in Treas. Regs. 26 CFR 1.150-2 in an amount not exceeding the lesser of \$100,000 or 5% of the principal amount of the Municipal Obligations, all of the proceeds of the Bonds loaned to the Municipality (other than refunding proceeds, if any) shall be used for Project Costs paid by the Municipality subsequent to a date which is 60 days prior to the date on which the Municipality adopted a reimbursement resolution pursuant to Treas. Regs. 26 CFR 1.150-2 stating its intent to reimburse other funds of the Municipality used to finance the Project, or subsequent to the issuance date of the Municipal Obligations.

- (s) The Municipality represents that it has satisfied all the applicable requirements in ss. 281.61(3), (4), (5), and (8m), Wis. Stats., and ch. NR 166, Wis. Adm. Code.
- (t) The Municipality has adopted a rate, charge, or assessment schedule that will generate annually sufficient revenue to pay the principal of and interest on the Municipal Obligations.
- (u) The Municipality is in substantial compliance with all conditions, requirements, and terms of financial assistance previously awarded through any federal construction grants program or the SDWLP.
- (v) The Municipality has met all terms and conditions contained within and received DNR approval for the Municipality's Plans and Specifications for the Project described in the definitions hereof.
- (w) The Municipality represents that it submitted to DNR a bid tabulation for the Project with a recommendation to DNR for review and concurrence. The actual Substantial Completion date of the Project was October 16, 2019.
- (x) The Municipality acknowledges that s. 281.59(11)(b), Wis. Stats., and the General Resolution provide that if the Municipality fails to repay the Loan when due, the State shall recover amounts due the SDWLP by deducting those amounts from any State payments due the Municipality.

This means that the following State payments would have been subject to this deduction:

| | Transportation | State-Shared | Total |
|------|----------------|--------------|----------------|
| 2017 | \$249,273.89 | \$750,921.36 | \$1,000,195.25 |
| 2018 | \$277,777.84 | \$751,521.85 | \$1,029,299.69 |

The amount of State payments anticipated for this year, among others, and as changed or modified from time to time, that are subject to this deduction are:

| | | | |
|------|--------------|--------------|----------------|
| 2019 | \$281,055.59 | \$750,887.32 | \$1,031,942.91 |
|------|--------------|--------------|----------------|

These are not the entire amounts of State aid distributed to the Municipality. Other State aid is subject to intercept on failure of the Municipality to make full Loan payments due the SDWLP.

The Municipality acknowledges that ss. 281.59(11)(b) and 70.60, Wis. Stats., and the General Resolution provide that, if the Municipality fails to repay the Loan when due, the State shall recover amounts due the SDWLP by adding a special charge to the amount of taxes apportioned to and levied upon the county in which the Municipality is located.

Further, in the event that the Municipality would become eligible to receive State payments, s. 281.59(11)(b), Wis. Stats., and the General Resolution provide that, if the Municipality fails to repay the Loan when due, the State shall recover amounts due the SDWLP by deducting those amounts from any State payments due the Municipality.

(y) The Municipality acknowledges that the State reserves the right upon default by the Municipality hereunder to have a receiver appointed to collect User Fees from the operation of the Municipality's Water System or, in the case of a joint utility system, to bill the users of the Municipality's Water System directly.

(z) The representations of the Municipality in the Application are true and correct as of the date of this FAA and are incorporated herein by reference as if fully set forth in this place.

(aa) There has been no material adverse change in the financial condition or operation of the Municipality or the Project since the submission date of the Application.

(bb) The Municipality submitted a water rate application to the Public Service Commission. This water rate application is for Water Rates that shall generate sufficient revenues, together with other funds available to the Municipality, to pay all costs of operating and maintaining the facilities of the Municipality's entire Water System, in accordance with this FAA. The Municipality implemented the Water Rates upon the Wisconsin Public Service Commission's approval of the rate order.

ARTICLE III
LOAN PROVISIONS

Section 3.01. Loan Clauses

(a) Subject to the conditions and in accordance with the terms of this FAA, the SDWLP hereby agrees to make the Loan and the Municipality agrees to accept the Loan. As evidence of the Loan made to the Municipality, the Municipality hereby agrees to sell to the SDWLP Municipal Obligations in the aggregate principal amount of \$234,605. The SDWLP shall pay for the Municipal Obligations in lawful money of the United States, which shall be disbursed as provided in this FAA.

(b) Prior to disbursement, Loan proceeds shall be held by the SDWLP or by the Trustee for the account of the SDWLP. Earnings on undisbursed Loan proceeds shall be for the account of the SDWLP. Loan proceeds shall be disbursed only upon submission by the Municipality of disbursement requests and approval thereof as set forth in Section 3.05 hereof.

(c) The Loan shall bear interest at the rate of one and 650/1000ths percent (1.650%) per annum, and interest shall accrue and be payable only on Loan proceeds actually disbursed from the date of disbursement until the date such amounts are repaid.

(d) The Municipal Obligation shall include the Loan Disbursement Table (Exhibit C). The actual dates of disbursements shall be reflected as part of the Municipal Obligations. DOA shall make entries as each disbursement is made and as each principal amount is repaid; the SDWLP and the Municipality agree that such entries shall be mutually binding.

(e) Upon Final Completion of the Project, DOA may request that the Municipality issue substitute Municipal Obligations in the aggregate principal amount equal to the outstanding principal balance of the Loan.

(f) The Municipality shall deliver, or cause to be delivered, a Municipal Obligation Counsel Opinion to the SDWLP concurrently with the delivery of the Municipal Obligations.

Section 3.02. Loan Amortization Principal and interest payments on the Loan (and on the Municipal Obligations evidencing the Loan) shall be due on the dates set forth in Exhibit B of this FAA. The payment amounts shown on Exhibit B are for informational purposes only and assume the full amount of the Loan is disbursed to the Municipality on December 11, 2019. It is understood that the actual amount of the Municipality's Loan payments shall be based on the actual date and amount of Loan disbursements for the Project. Notwithstanding the foregoing or anything in the Municipal Obligations, the Loan shall be for no longer than twenty (20) years from the date of this FAA and shall mature and be fully amortized not later than twenty (20) years after the original issue date of the Municipal Obligations. Repayment of principal on the Loan shall begin no later than twelve (12) months after the expected or actual Substantial Completion date of the Project.

Section 3.03. Type of Municipal Obligation and Security The Municipality's obligation to meet annual debt service requirements shall be a revenue obligation evidenced by issuance of revenue bonds pursuant to s. 66.0621, Wis. Stats. The security for the Municipality's obligation shall be a pledge of revenues to be derived from the Municipality's Water System, and the Municipality shall agree that, if revenues from the Water System are insufficient to meet annual debt service requirements, the Municipality shall purchase water services in amounts sufficient to meet annual debt service requirements as provided in and set forth in Section 9 of the Municipal Obligation Resolution. The annual revenues net of all current expenses shall be equal to not less than the annual principal and interest requirements on the Municipal Obligations, the Senior Municipal Obligations, any parity obligations, and any other debt obligations payable from the revenues of the Water System then outstanding, times the greater of (i) 110

percent or (ii) the highest debt service coverage ratio required with respect to the Senior Municipal Obligations, any parity obligations, or any other debt obligations payable from the revenues of the Water System then outstanding. As of the date of this FAA, the required debt service coverage ratio is 125 percent; however, this percentage is subject to change as outlined in the prior sentence. The Loan is also secured as provided in Section 3.07 hereof.

Section 3.04. Sale and Redemption of Municipal Obligations

(a) Municipal Obligations may not be prepaid without the prior written consent of the SDWLP. The SDWLP has sole discretion to withhold such consent.

(b) The Municipality shall pay all costs and expenses of the SDWLP in effecting the redemption of the Bonds to be redeemed with the proceeds of the prepayment of the Municipal Obligations. Such costs and expenses may include any prepayment premium applicable to the SDWLP and any investment losses incurred or sustained by the SDWLP resulting directly or indirectly from any such prepayment.

(c) Subject to subsection (a), the Municipality may prepay the Loan with any settlements received from any third party relating to the design or construction of the Project.

(d) Prepayments of the Municipal Obligations shall be applied pro rata to all maturities of the Municipal Obligations.

Section 3.05. Disbursement of Loan Proceeds

(a) Each disbursement request shall be delivered to DNR. Each request must contain invoices or other evidence acceptable to DNR and DOA that Project Costs for which disbursement is requested have been incurred by the Municipality.

(b) The SDWLP, through its agents or Trustee, plans to make disbursements of Loan proceeds on a semimonthly basis upon approval of each disbursement request by DNR and DOA. Such approval by DNR and DOA may require adjustment and corrections to the disbursement request submitted by the Municipality. The Municipality shall be notified whenever such an adjustment or correction is made by DNR or DOA.

(c) Disbursements made to the Municipality are subject to pre- and post-payment adjustments by DNR or DOA.

(1) If the Loan proceeds are not yet fully disbursed, and SDWLP funds were previously disbursed for costs not eligible for SDWLP funding or not eligible under this FAA, the SDWLP shall make necessary adjustments to future disbursements.

(2) If the Loan proceeds are fully disbursed, including disbursements for any costs not eligible for SDWLP funding or not eligible under this FAA, the Municipality agrees to repay to the SDWLP an amount equal to the non-eligible costs within 60 days of notification by DNR or DOA. The SDWLP shall then apply the amount it receives as a Loan prepayment.

(d) The SDWLP or its agent shall disburse Loan proceeds only to the Municipality's account by electronic transfer of funds. The Municipality hereby covenants that it shall take actions and provide information necessary to facilitate these transfers.

(e) Disbursement beyond ninety-five percent (95%) of the principal amount of the Loan, unless otherwise agreed to by DNR and DOA pursuant to a written request from the Municipality, may be withheld until:

- (1) DNR is satisfied that the Project has been completed in accordance with the Plans and Specifications, and DNR has approved all change orders relating to the Project;
- (2) the Municipality certifies to DNR its acceptance of the Project from its contractors;
- (3) the Municipality certifies in writing to DNR its compliance with applicable Federal requirements (certification must be as prescribed on Exhibit G); and
- (4) DNR certifies in writing to DOA the Municipality's compliance with all applicable requirements of this FAA.

(f) IRS Regulation 1.148-6(d)(1)(iii) applies to project expenditures; it states, in part, "An issuer must account for the allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the project, if any, that is financed by the issue is placed in service".

Section 3.06. Remedies

(a) If the Municipality:

- (1) or any authorized representative is not complying with federal or state laws, regulations, or requirements relating to the Project, and following due notice by DNR the Project is not brought into compliance within a reasonable period of time; or
- (2) is not complying with or is in violation of any provision set forth in this FAA; or
- (3) is not in compliance with the Statute or the Regulations;

then DNR may, until the Project is brought into compliance or the FAA non-compliance is cured to the satisfaction of DNR or DOA, impose one (1) or more of the following sanctions:

- (i) Progress payments or disbursements otherwise due the Municipality of up to 20% may be withheld.
- (ii) Project work may be suspended.
- (iii) DNR may request a court of appropriate jurisdiction to enter an injunction or afford other equitable or judicial relief as the court finds appropriate.
- (iv) Other administrative remedies may be pursued.

(b) If the Municipality fails to make any payment when due on the Municipal Obligations or fails to observe or perform any other covenant, condition, or agreement on its part under this FAA for a period of thirty (30) days after written notice is given to the Municipality by DNR, specifying the default and requesting that it be remedied, the SDWLP is provided remedies by law and this FAA. These remedies include, but are not limited to, the following rights:

- (1) Pursuant to s. 281.59(11)(b), Wis. Stats., DOA shall place on file a certified statement of all amounts due the SDWLP under this FAA. DOA may collect all amounts due the SDWLP by deducting those amounts from any State payments due the Municipality, or

add a special charge to the amount of taxes apportioned to and levied upon the county in which the Municipality is located under s. 70.60, Wis. Stats.

(2) The SDWLP may, without giving bond to the Municipality or anyone claiming under it, have a receiver appointed for the SDWLP's benefit of the Project and the Municipality's Water System and of the earnings, income, rents, issues, and profits thereof, with such powers as the court making such appointment shall confer. The Municipality hereby irrevocably consents to such appointment.

(3) In the case of a joint utility system, the SDWLP may bill the users of the Municipality's system directly.

(4) The SDWLP may declare the principal amount of the Municipal Obligations immediately due and payable.

(5) The SDWLP may enforce any right or obligation under this FAA, including the right to seek specific performance or mandamus, whether such action is at law or in equity.

(6) The SDWLP may increase the interest rate set forth in Section 3.01 hereof to the market interest rate as defined in the Statute and Regulations.

Section 3.07. Security for the Loan In accordance with the terms of the Municipal Obligation Resolution:

(a) as security for the Loan hereunder, the Municipality hereby pledges the revenue to be derived from the Municipality's Water Rates (which is a dedicated source of revenue); and

(b) other than as already pledged to the outstanding Senior Municipal Obligations, the Municipality shall not pledge the revenues, except as provided in Section 11 of the Municipal Obligation Resolution, to be derived from the Municipality's Water Rates or other revenues pledged under Section 3.07(a) above, to any person other than the SDWLP, unless the revenues pledged to such other person meet the highest debt coverage ratio then applicable to the Municipality.

Section 3.08. Effective Date and Term This FAA shall become effective upon its execution and delivery by the parties hereto, shall remain in full force and effect from such date, and shall expire on such date as the Municipal Obligations shall be discharged and satisfied in accordance with the provisions thereof.

ARTICLE IV
CONSTRUCTION OF THE PROJECT

Section 4.01. Insurance The Municipality agrees to maintain property and liability insurance for the Water System and Project that is reasonable in amount and coverage and that is consistent with prudent municipal insurance practices for the term of the Loan. The Municipality agrees to provide written evidence of insurance coverage to the SDWLP upon request at any time during the term of the Loan.

In the event the Water System or Project is damaged or destroyed, the Municipality agrees to use the proceeds from its insurance coverage either to repay the Loan or to repair or replace the Water System.

Section 4.02. Construction of the Project The Municipality shall construct the Project, or cause it to be constructed, to Final Completion in accordance with the Application and the Plans and Specifications. The Municipality shall proceed with the acquisition and construction of the Project in conformity with law and with all applicable requirements of governmental authorities having jurisdiction with respect thereto, subject to such modifications of Plans and Specifications that alter the cost of the Project, use of space, scope, or functional layout, as may be previously approved by DNR.

Section 4.03. Performance Bonds The Municipality shall provide, or cause to be provided, performance bonds assuring the performance of the work to be performed under all construction contracts entered into with respect to the Project. All performance bonds required hereunder shall be issued by independent surety companies authorized to transact business in the State.

Section 4.04. Completion of the Project

(a) The Municipality agrees that it shall undertake and complete the Project for the purposes and in the manner set forth in this FAA and in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto. The Municipality shall, with all practical dispatch and in a sound and economical manner, complete or cause to be completed, the acquisition and construction of the Project, and do all other acts necessary and possible to entitle it to receive User Fees with respect to the Project at the earliest practicable time. The Municipality shall obtain all necessary approvals from any and all governmental agencies prior to construction which are requisite to the Final Completion of the Project.

(b) The Municipality shall notify DNR of the Substantial Completion of the Project. The Municipality shall cause to be prepared as-built plans for the Project at or prior to completion thereof.

(c) The Municipality shall take and institute such proceedings as shall be necessary to cause and require all contractors and material suppliers to complete their contracts diligently and in accordance with the terms of the contracts including, without limitation, the correcting of defective work.

(d) Upon Final Completion of the Project in accordance with the Plans and Specifications, the Municipality shall:

(1) certify to DNR its acceptance of the Project from its contractors, subject to claims against contractors and third parties;

(2) complete and deliver to DNR the completed Contract Utilization of Disadvantaged Business Enterprises (DBE) form attached hereto as Exhibit E of this FAA;

(3) prepare and deliver to DNR the completed Federal Requirements Compliance Certification attached hereto as Exhibit G of this FAA; and

- (4) obtain all required permits and authorizations from appropriate authorities for operation and use of the Project.

Section 4.05. Payment of Additional Project Costs

(a) In the event of revised eligibility determinations, cost overruns, and amendments exceeding the Loan amount, the SDWLP may allocate additional financial assistance to the Project. The allocation of additional financial assistance may be in the form of a loan at less than the market interest rate, which is established pursuant to the Statute and Regulations. The allocation of additional financial assistance shall depend upon availability of funds, pursuant to the Statute and the Regulations.

(b) In the event that Loan proceeds are not sufficient to pay the costs of the Project in full, the Municipality shall nonetheless complete the Project and pay that portion of the Project Costs as may be in excess of available Loan proceeds, and shall not be entitled to any reimbursement therefor from the SDWLP, or the owners of any bonds, except from the proceeds of additional financing which may be provided by the SDWLP pursuant to an amended FAA or through a separate FAA.

Section 4.06. No Warranty Regarding Condition, Suitability, or Cost of Project Neither the SDWLP, DOA, DNR, nor the Trustee makes any warranty, either express or implied, as to the Project or its condition, or that it shall be suitable for the Municipality's purposes or needs, or that the proceeds of the Loan shall be sufficient to pay the costs of the Project. Review or approval of engineering reports, facilities plans, Plans and Specifications, or other documents, or the inspection of Project construction by DNR, does not relieve the Municipality of its responsibility to properly plan, design, build, and effectively operate and maintain the Project as required by laws, regulations, permits, and good management practices. DNR or its representatives are not responsible for increased costs resulting from defects in the Plans and Specifications or other Project documents. Nothing in this section prohibits a Municipality from requiring more assurances, guarantees, or indemnity or other contractual requirements from any party performing Project work.

ARTICLE V
COVENANTS

Section 5.01. Application of Loan Proceeds The Municipality shall apply the proceeds of the Loan solely to Project Costs.

Section 5.02. Operation and Maintenance After completion of the Project, the Municipality shall:

- (a) at all times operate the Project or otherwise cause the Project to be operated properly and in a sound and economical manner, including proper training of personnel;
- (b) maintain, preserve, and keep the Project or cause the Project to be maintained, preserved, and kept in good repair, working order, and condition; and
- (c) periodically make, or cause to be made, all necessary and proper repairs, replacements, and renewals so that at all times the operation of the Project may be properly conducted in a manner that is consistent with the Project performance standards contained in the Application and the requirements of the Water Diversion Permit (if any). The Municipality shall not, without the approval of DNR, discontinue operation of, or sell or otherwise dispose of the Water System, except for portions of the Water System sold or otherwise disposed of in the course of ordinary repair and replacement of parts so long as the Loan is outstanding.

Section 5.03. Compliance with Law At all times during construction of the Project and operation of the Water System, the Municipality shall comply with all applicable federal, state, and local laws, ordinances, rules, regulations, permits, and approvals, and with this FAA, including, without limitation, the Statute, the Regulations, and the Water Diversion Permit (if any).

Section 5.04. Public Ownership The Municipality shall at all times retain ownership of the Project and the Water System of which it is a part.

Section 5.05. Establishment of Project Accounts; Audits

- (a) The Municipality shall maintain Project accounts in accordance with generally accepted accounting principles (GAAP), including standards relating to the reporting of infrastructure assets and directions issued by the SDWLP. Without any request the Municipality shall furnish to DOA as soon as available, and in any event within one hundred eighty (180) days after the close of each fiscal year, a copy of the audit report for such year and accompanying GAAP-based financial statements for such period, as examined and reported by such independent certified public accountants of recognized standing selected by the Municipality and reasonably satisfactory to DOA, whose reports shall indicate that the accompanying financial statements have been prepared in conformity with GAAP and include standards relating to the reporting of infrastructure assets.
- (b) The Municipality shall maintain a separate account that reflects the receipt and expenditure of all SDWLP funds for the Project. All Loan proceeds shall be credited promptly upon receipt thereof and shall be reimbursement for or expended only for Project Costs. The Municipality shall: permit any authorized representative of DNR or DOA, or agents thereof, the right to review or audit all records relating to the Project or the Loan; produce, or cause to be produced, all records relating to any work performed under the terms of this FAA for examination at such times as may be designated by any of them or their authorized representatives; permit extracts and copies of the Project records to be made by them or their authorized representatives; and fulfill information requests by them or their authorized representatives.

Section 5.06. Records The Municipality shall retain all files, books, documents, and records relating to construction of the Project for at least three years following the date of Final Completion of the Project, or for

longer periods if necessary due to any appeal, dispute, or litigation. All other files and records relating to the Project shall be retained so long as this FAA remains in effect. As-built plans for the Project shall be retained for the useful life of the Project.

Section 5.07. Project Areas The Municipality shall permit representatives of DNR access to the Project and related records at all reasonable times, include provisions in all contracts permitting such access during construction and operation of the Water System, and allow extracts and copies of Project records to be made by DNR representatives.

Section 5.08. Engineering Inspection The Municipality shall provide competent and adequate inspection of all Project construction under the direction of a professional engineer licensed in the State. The Municipality shall direct such engineer to inspect work necessary for the construction of the Project and to determine whether such work has been performed in accordance with the Plans and Specifications. Any such work not in accordance with the Plans and Specifications shall be remedied, unless such noncompliance is waived by DNR.

Section 5.09. Tax Covenants

(a) The Municipality covenants and agrees that it shall not take any action, or omit to take any action, which action or omission would result in the loss of the exclusion of the interest on any Municipal Obligations now or hereafter issued from gross income for purposes of federal income taxation as that status is governed by Section 103(a) of the Code or any successor provision.

(b) The Municipality shall not take any action, or omit to take any action, which action or omission would cause its Municipal Obligations to be "private activity bonds" within the meaning of Section 141(a) of the Code or any successor provision.

(c) The Municipality shall not directly or indirectly use, or permit the use of, any proceeds of the Bonds (or amounts replaced with such proceeds) or any other funds, or take any action, or omit to take any action, which use or action or omission would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code or any successor provision. The Municipality hereby further covenants to ensure that all amounts actually received by such Municipality from the SDWLP are advanced within three Business Days to the entity submitting the invoice (or to reimburse the Municipality) to which each amount relates, and that all amounts actually received by such Municipality from the SDWLP shall not be invested in any interest-bearing account.

(d) The Municipality shall not use (directly or indirectly) the proceeds of the Bonds in any manner that would constitute an "advance refunding" within the meaning of Section 149(d)(5) of the Code or any successor provision.

Section 5.10. User Fee Covenant

(a) The Municipality hereby certifies that it has adopted and shall charge User Fees with respect to the Project in accordance with applicable laws and the Statute and in amounts such that revenues of the Municipality with respect to the Project shall be sufficient, together with other funds available to the Municipality for such purposes, to pay all costs of operating and maintaining the Project in accordance with this FAA and to pay all amounts due under this FAA and the Municipal Obligations.

(b) The Municipality covenants that it shall adopt and shall adequately maintain for the design life of the Project a system of User Fees with respect to the Project. The Municipality covenants that it shall, from time to time, revise and charge User Fees with respect to the Project such that the

revenues and funds described in paragraph (a) shall be sufficient to pay the costs described in paragraph (a).

Section 5.11. Notice of Impaired System The Municipality shall promptly notify DNR and DOA in the case of: any material damage to or destruction of the Project or any part thereof; any actual or threatened proceedings for the purpose of taking or otherwise affecting by condemnation, eminent domain, or otherwise, all or a part of the Water System; or any action, suit, or proceeding at law or in equity, or by or before any governmental instrumentality or agency, or any other event which may impair the ability of the Municipality to construct the Project, operate the Water System, or set and collect User Fees as set forth in Section 5.10.

Section 5.12. Hold Harmless The Municipality shall save, keep harmless, and defend DNR and DOA, and all their officers, employees, and agents, against any and all liability, claims, and costs of whatever kind and nature for injury to or death of any person or persons and for loss or damage to any property occurring in connection with or in any way incident to or arising out of the construction, occupancy, use, service, operation, or performance of work in connection with the Project, or acts or omissions of the Municipality's employees, agents, or representatives.

Section 5.13. Nondiscrimination Covenant

(a) In connection with the Project, the Municipality agrees to comply with fair employment practices pursuant to subchapter II of ch. 111, Wis. Stats. This provision shall include, but is not limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Municipality agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provision of the nondiscrimination clause.

(b) The Municipality shall incorporate the following provision into all Project contracts which have yet to be executed: "In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant because of age, race, religion, color, handicap, sex, physical condition, developmental disability, or national origin. The contractor further agrees to comply with fair employment practices pursuant to subchapter II of ch. 111, Wis. Stats. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor further agrees to take affirmative action to ensure equal employment opportunities for persons with disabilities. The contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause."

Section 5.14. Employees The Municipality or its employees or agents are not employees or agents of the DNR or DOA for any purpose including worker's compensation.

Section 5.15. Adequate Funds The Municipality shall have sufficient funds available to repay the Loan. The Municipality shall have sufficient funds available when construction of the Project is completed to ensure effective operation and maintenance of the Project for purposes constructed.

Section 5.16. Management The Municipality shall provide and maintain competent and adequate management, supervision, and inspection at the construction site to ensure that the completed work conforms with the Plans and Specifications. The Municipality shall furnish progress reports and such other information as DNR may require.

Section 5.17. Reimbursement Any payment made under the Loan to the Municipality in excess of the amount determined by final audit to be due the Municipality shall be reimbursed to DOA within 60 days after DNR or DOA provides a notice of overpayment.

Section 5.18. Unpaid User Fees The Municipality shall, to the fullest extent permitted by law, take all actions necessary to certify any unpaid User Fees to the county treasurer in order that such unpaid User Fees shall be added as a special charge to the property tax bill of the user.

Section 5.19. Rebates The Municipality agrees to pay to the SDWLP any refunds, rebates, credits, or other amounts received for Project Costs that have already been funded by the SDWLP. The SDWLP shall then apply the amount it receives as a Loan prepayment.

Section 5.20. Maintenance of Legal Existence

(a) Except as provided in par. (b), the Municipality shall maintain its legal existence and shall not dissolve or otherwise dispose of all or substantially all of its assets and shall not consolidate with or merge into another legal entity.

(b) A Municipality may consolidate with or merge into any other legal entity, dissolve or otherwise dispose of all of its assets or substantially all of its assets, transfer all or substantially all its assets to another legal entity (and thereafter be released of all further obligation under this FAA and the Municipal Obligations) if:

(1) the resulting, surviving, or transferee legal entity is a legal entity established and duly existing under the laws of Wisconsin;

(2) such resulting, surviving, or transferee legal entity is eligible to receive financial assistance under the Statute;

(3) such resulting, surviving, or transferee legal entity expressly assumes in writing all of the obligations of the Municipality contained in this FAA and the Municipal Obligations and any other documents the SDWLP deems reasonably necessary to protect its environmental and credit interests; and

(4) the SDWLP consents in writing to such transaction, which consent may be withheld in the absolute discretion of the SDWLP.

Section 5.21. Wage Rate Requirements The Municipality represents that it shall comply with Section 1450(e) of the Act (41 USC 300j-9(e)), which requires that all laborers and mechanics employed by contractors and subcontractors funded directly by, or assisted in whole or in part with, funding under this Loan shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 31 of title 40, United States Code.

Section 5.22. Use of American Iron and Steel The Municipality agrees to comply with requirements for Use of American Iron and Steel contained in Public Law 115-141 for products used in the Project that are made primarily of iron and/or steel.

ARTICLE VI
MISCELLANEOUS

Section 6.01. Notices All notices, certificates, or other communications hereunder shall be sufficiently given, and shall be deemed given, when hand delivered or mailed by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth below:

- (a) DEPARTMENT OF ADMINISTRATION
OFFICE OF CAPITAL FINANCE
SAFE DRINKING WATER LOAN PROGRAM
101 EAST WILSON STREET 10TH FLOOR
MADISON WI 53702-0004
OR
PO BOX 7864
MADISON WI 53707-7864
- (b) DEPARTMENT OF NATURAL RESOURCES
BUREAU OF COMMUNITY FINANCIAL ASSISTANCE
101 SOUTH WEBSTER STREET
MADISON WI 53702-0005
OR
PO BOX 7921
MADISON WI 53707-7921
- (c) US BANK CORP TRUST
MATTHEW HAMILTON EP-MN-WS3T
60 LIVINGSTON AVENUE
ST PAUL MN 55101-2292
- (d) CITY OF EDGERTON
12 ALBION STREET
EDGERTON WI 53534-1866

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent, by notice in writing given to the others. Any notice herein shall be delivered simultaneously to DNR and DOA.

Section 6.02. Binding Effect This FAA shall be for the benefit of, and shall be binding upon, the SDWLP and the Municipality and their respective successors and assigns.

Section 6.03. Severability In the event any provision of this FAA shall be held illegal, invalid, or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable, or otherwise affect any other provision hereof.

Section 6.04. Amendments, Supplements, and Modifications This FAA may be amended, supplemented, or modified to provide for additional loans for the Project by the SDWLP to the Municipality or for other purposes. All amendments, supplements, and modifications shall be in writing between the SDWLP (by DNR and DOA acting under authority of the Statute) and the Municipality.

Section 6.05. Execution in Counterparts This FAA may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 6.06. Applicable Law This FAA shall be governed by and construed in accordance with the laws of the State, including the Statute.

Section 6.07. Benefit of Financial Assistance Agreement This FAA is executed, among other reasons, to induce the purchase of the Municipal Obligations. Accordingly, all duties, covenants, obligations, and agreements of the Municipality herein contained are hereby declared to be for the benefit of, and are enforceable by, the SDWLP, its Trustee, or its authorized agent.

Section 6.08. Further Assurances The Municipality shall, at the request of DNR and DOA, authorize, execute, acknowledge, and deliver such further resolutions, conveyances, transfers, assurances, financing statements, and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning, and confirming the rights, security interests, and agreements granted or intended to be granted by this FAA and the Municipal Obligations.

Section 6.09. Assignment of Municipal Obligations The Municipality hereby agrees that the Municipal Obligations may be sold, transferred, pledged, or hypothecated to any third party without the consent of the Municipality.

Section 6.10. Covenant by Municipality as to Compliance with General Resolution The Municipality covenants and agrees that it shall comply with the provisions of the General Resolution with respect to the Municipality and that the Trustee and the owners of the Bonds shall have the power and authority provided in the General Resolution. The Municipality further agrees to aid in the furnishing to DNR, DOA, or the Trustee of opinions that may be required under the General Resolution.

Section 6.11. Termination This FAA may be terminated in whole or in part pursuant to one or more of the following:

- (a) The SDWLP and the Municipality may enter into an agreement to terminate this FAA at any time. The termination agreement shall establish the effective date of termination of this FAA, the basis for settlement of termination costs, and the amount and date of payment of any sums due either party.
- (b) If the Municipality wishes to unilaterally terminate all or any part of the Project work for which financial assistance has been awarded, the Municipality shall promptly give written notice to DNR. If the SDWLP determines that there is a reasonable basis for the requested termination, the SDWLP may enter into a termination agreement, including provisions for FAA termination costs, effective with the date of cessation of the Project work by the Municipality. If the SDWLP determines that the Municipality has ceased work on the Project without reasonable basis, the SDWLP may unilaterally terminate financial assistance or rescind this FAA.

Section 6.12. Rescission The SDWLP may rescind this FAA prior to the first disbursement of any funds hereunder if it determines that:

- (a) there has been substantial non-performance of the Project work by the recipient without justification under the circumstances;
- (b) there is substantial evidence this FAA was obtained by fraud;
- (c) there is substantial evidence of gross abuse or corrupt practices in the administration of the Project;
- (d) the Municipality has failed to comply with the covenants contained in this FAA; or
- (e) any of the representations of the Municipality contained in this FAA were false in any material respect.

IN WITNESS WHEREOF, the SDWLP and the Municipality have caused this FAA to be executed and delivered, as of the date and year first written above.

CITY OF EDGERTON

By: _____
Christopher W. Lund
Mayor

Attest: _____
Cinthia R. Heggland
Clerk

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

By: _____
Authorized Officer

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Officer

EXHIBIT A
PROJECT BUDGET SHEET

CITY OF EDGERTON
SDWLP Project No. 4800-04

| | Total Project Costs | Ineligible SDWLP Costs | Net SDWLP Loan Amount |
|--------------------------------|---------------------|------------------------|-----------------------|
| Force Account | \$0 | \$0 | \$0 |
| Interim Financing | 0 | 0 | 0 |
| Preliminary Engineering | 6,300 | 0 | 6,300 |
| Land or Easement Acquisition | 0 | 0 | 0 |
| Engineering/Construction Mgmt. | 31,980 | 0 | 31,980 |
| Construction/Equipment | 182,500 | 0 | 182,500 |
| Contingency | 0 | 0 | 0 |
| Miscellaneous Costs | 6,825 | 0 | 6,825 |
| SDWLP Closing Costs | 7,000 | 0 | 7,000 |
| TOTAL | \$234,605 | \$0 | \$234,605 |

City of Edgerton, Wisconsin
Project # 4800-04 Safe Drinking Water Loan Program
Loan Closing Date:

Exhibit B

December 11, 2019

| <u>Payment Date</u> | <u>Principal Payment</u> | <u>Interest Rate</u> | <u>Interest Payment</u> | <u>Principal & Interest</u> | <u>Bond Year Debt Service</u> | <u>Calendar Year Debt Service</u> |
|---------------------|--------------------------|----------------------|-------------------------|---------------------------------|-------------------------------|-----------------------------------|
| 1-May-20 | 9,996.66 | 1.650% | 1,505.38 | 11,502.04 | 11,502.04 | 0.00 |
| 1-Nov-20 | 0.00 | 1.650% | 1,853.02 | 1,853.02 | 0.00 | 13,355.06 |
| 1-May-21 | 10,161.61 | 1.650% | 1,853.02 | 12,014.63 | 13,867.65 | 0.00 |
| 1-Nov-21 | 0.00 | 1.650% | 1,769.19 | 1,769.19 | 0.00 | 13,783.82 |
| 1-May-22 | 10,329.28 | 1.650% | 1,769.19 | 12,098.47 | 13,867.66 | 0.00 |
| 1-Nov-22 | 0.00 | 1.650% | 1,683.97 | 1,683.97 | 0.00 | 13,782.44 |
| 1-May-23 | 10,499.71 | 1.650% | 1,683.97 | 12,183.68 | 13,867.65 | 0.00 |
| 1-Nov-23 | 0.00 | 1.650% | 1,597.35 | 1,597.35 | 0.00 | 13,781.03 |
| 1-May-24 | 10,672.95 | 1.650% | 1,597.35 | 12,270.30 | 13,867.65 | 0.00 |
| 1-Nov-24 | 0.00 | 1.650% | 1,509.29 | 1,509.29 | 0.00 | 13,779.59 |
| 1-May-25 | 10,849.06 | 1.650% | 1,509.29 | 12,358.35 | 13,867.64 | 0.00 |
| 1-Nov-25 | 0.00 | 1.650% | 1,419.79 | 1,419.79 | 0.00 | 13,778.14 |
| 1-May-26 | 11,028.07 | 1.650% | 1,419.79 | 12,447.86 | 13,867.65 | 0.00 |
| 1-Nov-26 | 0.00 | 1.650% | 1,328.81 | 1,328.81 | 0.00 | 13,776.67 |
| 1-May-27 | 11,210.03 | 1.650% | 1,328.81 | 12,538.84 | 13,867.65 | 0.00 |
| 1-Nov-27 | 0.00 | 1.650% | 1,236.33 | 1,236.33 | 0.00 | 13,775.17 |
| 1-May-28 | 11,395.00 | 1.650% | 1,236.33 | 12,631.33 | 13,867.66 | 0.00 |
| 1-Nov-28 | 0.00 | 1.650% | 1,142.32 | 1,142.32 | 0.00 | 13,773.65 |
| 1-May-29 | 11,583.01 | 1.650% | 1,142.32 | 12,725.33 | 13,867.65 | 0.00 |
| 1-Nov-29 | 0.00 | 1.650% | 1,046.76 | 1,046.76 | 0.00 | 13,772.09 |
| 1-May-30 | 11,774.13 | 1.650% | 1,046.76 | 12,820.89 | 13,867.65 | 0.00 |
| 1-Nov-30 | 0.00 | 1.650% | 949.62 | 949.62 | 0.00 | 13,770.51 |
| 1-May-31 | 11,968.41 | 1.650% | 949.62 | 12,918.03 | 13,867.65 | 0.00 |
| 1-Nov-31 | 0.00 | 1.650% | 850.88 | 850.88 | 0.00 | 13,768.91 |
| 1-May-32 | 12,165.89 | 1.650% | 850.88 | 13,016.77 | 13,867.65 | 0.00 |
| 1-Nov-32 | 0.00 | 1.650% | 750.51 | 750.51 | 0.00 | 13,767.28 |
| 1-May-33 | 12,366.62 | 1.650% | 750.51 | 13,117.13 | 13,867.64 | 0.00 |
| 1-Nov-33 | 0.00 | 1.650% | 648.49 | 648.49 | 0.00 | 13,765.62 |
| 1-May-34 | 12,570.67 | 1.650% | 648.49 | 13,219.16 | 13,867.65 | 0.00 |
| 1-Nov-34 | 0.00 | 1.650% | 544.78 | 544.78 | 0.00 | 13,763.94 |
| 1-May-35 | 12,778.09 | 1.650% | 544.78 | 13,322.87 | 13,867.65 | 0.00 |
| 1-Nov-35 | 0.00 | 1.650% | 439.36 | 439.36 | 0.00 | 13,762.23 |
| 1-May-36 | 12,988.93 | 1.650% | 439.36 | 13,428.29 | 13,867.65 | 0.00 |
| 1-Nov-36 | 0.00 | 1.650% | 332.20 | 332.20 | 0.00 | 13,760.49 |
| 1-May-37 | 13,203.24 | 1.650% | 332.20 | 13,535.44 | 13,867.64 | 0.00 |
| 1-Nov-37 | 0.00 | 1.650% | 223.28 | 223.28 | 0.00 | 13,758.72 |
| 1-May-38 | 13,421.10 | 1.650% | 223.28 | 13,644.38 | 13,867.66 | 0.00 |
| 1-Nov-38 | 0.00 | 1.650% | 112.55 | 112.55 | 0.00 | 13,756.93 |
| 1-May-39 | 13,642.54 | 1.650% | 112.55 | 13,755.09 | 13,867.64 | 13,755.09 |
| 1-Nov-39 | 0.00 | 1.650% | - | - | 0.00 | |
| Totals | 234,605.00 | | 40,382.38 | 274,987.38 | 274,987.38 | 274,987.38 |

Net Interest Rate 1.6500%
 Bond Years 2,447.4147
 Average Life 10.4321

The above schedule assumes full disbursement of the loan on the loan closing date.
 30-Oct-19 Wisconsin Department of Administration

Loan Payment Schedule Comments

The following Loan Repayment Schedule is a hypothetical payment schedule that assumes all of the loan proceeds are drawn on the loan closing date. Since the Environmental Improvement Fund (“EIF”) loans are generally construction loans, the actual total amount of the loan disbursements, as well as the timing of the loan disbursements, will typically not be known until the construction project is complete. At the time that the last draw on your loan is made, the actual loan repayment schedule can be determined for the remainder of the loan term. Your municipality is only charged interest on the amount of the loan that is disbursed and the calculation is based on the number of days that the municipality has use of the money.

Please look over the following loan payment schedule so that you are aware of the dates when the interest payments start and when the principal payments will start. These payment dates are set in the bond/note that is the collateral for your EIF loan. A final loan payment schedule will be provided to you when DNR notifies DOA that the project is complete and the project is ready to be “closed-out”. A Loan Payment Schedule based on year-to-date disbursements may be obtained by your municipality or your auditor for planning or reporting purposes. To obtain a Loan Payment Schedule based on year-to-date loan disbursements, please go to:

<http://www.eif.doa.wi.gov>

and select the report titled “Loan Payment Schedule”.

If you have any questions on the following hypothetical loan payment schedule, please call Katherine Miller at 608-266-2305.

Other loan accounts reports are also available at the above website. Updated information is available on the website the day following a loan disbursement, a loan payment or other financial transaction that changes the loan balance.

Your EIF Loan Information is Available On-line!

The Environmental Improvement Fund has your loan/grant account information available on-line titled “EIF WebReports” at:

<http://www.eif.doa.wi.gov>

The following EIF WebReports are available:

Auditor Verification Report – This report will provide the information typically requested by Audit Firms at the end of each calendar year as part of their regular verification process for annual Financial Audits. This report is available for completed calendar years.

Loan Account History – This report will show loan disbursements, principal repayments and the loan balance as of the date that you select for the report.

Loan Payment Schedule – This report will show the scheduled principal and interest payments as of the date that you select for the report.

Payment History – This report will show the principal and interest payments that have already been made on the loan as of the date that you select for the report.

Disbursement History – This report will show both loan **and grant** disbursements that have been made for the selected project as of the date that you select for the report.

Only one WebReport can be run at a time. However, if your municipality has multiple EIF projects, one WebReport can be run for all the municipality’s projects at one time. This can be done by choosing “All” where asked to select a project.

If you need to run multiple reports for a project, just close the window after running the first report, then you will be back at the page where you can select a second WebReport without having to again select the project number or re-enter the “as of” date.

At the top of the WebReports page, there is a link to “Notes about Running EIF WebReports”. Information about a number of fine points related to the WebReports is contained in this section.

The WebReports will be available 24 hours a day unless the DOA server is down for maintenance or repairs. The WebReports are set-up so that you can either view the information on your computer screen, print-out a copy of the WebReport, or export the file in Excel format.

EXHIBIT C

FORM OF LOAN DISBURSEMENT TABLE

| <u>Amount of Disbursement</u> | <u>Date of Disbursement</u> | <u>Series of Bonds</u> | <u>Principal Repaid</u> | <u>Principal Balance</u> |
|-------------------------------|-----------------------------|------------------------|-------------------------|--------------------------|
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |

EXHIBIT D

OPERATING CONTRACTS

As of the date of this FAA, the Municipality does not have any contracts with private entities or other governmental units to operate its Water System.

EXHIBIT E

ENVIRONMENTAL IMPROVEMENT FUND
 CONTRACT UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES (DBE)

MANDATORY PROJECT CLOSEOUT DOCUMENT

Note: This form is authorized by s. NR 166.16(4)(b)4, Wis. Adm. Code. Receipt of this completed form by the Department is mandatory prior to receiving a final disbursement. The information printed on this form is taken from the completed Good Faith Certification Form 8700-294 and MBE/WBE Contacts Worksheet Form 8700-294A. Any changes or additions made to the list of prime contractors and DBE subcontractors during the construction must be reflected on this form at closeout. Personal information collected on this form will be used for program administration and must be made available to requesters as required by Wisconsin Open Records Law (ss. 19.31 – 19.39, Wis. Stats).

| | | |
|--|-------------------------|------------------------------|
| Municipality Name: City of Edgerton | Project Number: 4800-04 | Loan/Grant Amount: \$234,605 |
| Project Description: Rehab Water Tower | | |
| Did the municipality satisfy the MBE/WBE requirements? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (If no, refer to Exhibit F-Project Manager Summary Page). | | |

| Construction/Equipment/Supplies Contracts | DBE Type | Type of Product or Service * | Contract Estimate \$ | Actual Amount Paid to MBE/WBE Firm |
|---|--|------------------------------|----------------------|---|
| Prime: Neumann Co. Contractors, Inc. | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A | Painting | \$182,500 | Municipality Completes at Project Closeout \$182,500 |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Prime: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
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| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Prime: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| | | | | Total MBE \$ _____ |
| | | | | Total WBE \$ _____ |

| Professional/Technical Services Contracts | DBE Type | Type of Product or Service | Contract Estimate \$ | Actual Amount Paid to MBE/WBE Firm |
|---|--|----------------------------|----------------------|--|
| | | | | Municipality Completes at Project Closeout |
| Prime: Cedar Corporation | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A | Engineering | \$38,280 | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Prime: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Prime: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other | | | |
| | | | | Total MBE \$ _____ |
| | | | | Total WBE \$ _____ |

*Type of Product or Service examples: landscaping, trucking, supplies, equipment, paving, concrete, plumbing, electrical, excavating, testing, design, etc.

| | | |
|-------------------------------------|---------------|--------------|
| Name of Person Completing This Form | Email Address | Phone Number |
|-------------------------------------|---------------|--------------|

| Certification | | |
|--|-----------|-------------|
| I certify that, to the best of my knowledge and belief, the information provided on this form is complete and correct. | | |
| Name/Title of Municipal Official | Signature | Date Signed |

EXHIBIT F

PROJECT MANAGER SUMMARY PAGE

CITY OF EDGETON
SDWLP Project No. 4800-04

1. Project Description

The Project consists of painting a 400,000-gallon legged elevated storage tank with a pressure vacuum roof vent covered with a vertical screen, including additional repairs. The details and conditions of the Project are included in the Plans and Specifications approval letter of February 28, 2019, with approval number W-2019-0017.

2. Ineligible Costs

No ineligible costs were identified in the review of this Project. If the Department identifies any ineligible costs as the Project progresses, the Department will notify the Municipality.

3. Other Funding Sources

None.

4. Miscellaneous Costs

As shown in the Project Budget Sheet (Exhibit A), SDWLP funding in the amount of \$6,825 is included in the Miscellaneous for covering costs incurred by G. Fox and Sons, Inc., to install the outfall pipe.

5. Contingency Allowance

None allocated.

6. DBE Good Faith Effort

This Project has complied with good faith efforts for soliciting/utilizing Disadvantaged Business Enterprises.

7. Use of American Iron and Steel

This Project is subject to the Use of American Iron and Steel (UAIS) requirements mandated under EPA's Drinking Water State Revolving Fund Program.

8. Green Project Reserve

None.



EXHIBIT G

FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION

The undersigned officials of the City of Edgerton (the "Municipality") hereby certify that, for all expenditures made for construction of DNR Project No. 4800-04 (the "Project"), the Municipality has met the prevailing wage rate requirements of the Davis-Bacon Act.

The Municipality further certifies that, after taking into account any national or project-specific waivers approved by the U.S. Environmental Protection Agency, DNR Project No. 4800-04 has met the requirements for the Use of American Iron and Steel mandated under EPA's Drinking Water State Revolving Fund program.

The above certification is determined, after due and diligent investigation, to be true and accurate to the best of my knowledge.

By: _____
Christopher W. Lund
Mayor

Dated as of: _____

Attest: _____
Cinthia R. Hegglund
City Clerk

Dated as of: _____

**CITY OF EDGERTON
ORDINANCE No. 19-09**

**AN ORDINANCE TO AMEND SECTION 18.105 “PROHIBITING THE USE OF
TOBACCO PRODUCTS” OF THE EDGERTON CODE OF GENERAL ORDINANCES,**

CITY OF EDGERTON ROCK AND DANE COUNTIES, WISCONSIN

Aldersperson _____ introduced the following Ordinance and moved its adoption:

THE COMMON COUNCIL OF THE CITY OF EDGERTON, ROCK AND DANE COUNTIES,
WISCONSIN, DO ORDAIN AS FOLLOWS:

**18.105 PROHIBITING THE USE OF TOBACCO PRODUCTS IN THE CITY OF
EDGERTON** shall be amended as follows:

- (1) STATE STATUTES ADOPTED.** The provisions of Chapter 101.123 of the Wisconsin Statutes as amended by 2009 Wisconsin Act 12 relating to the prohibition of smoking in various enclosed places are hereby adopted and made part of this Code by reference.
- (2) DEFINITIONS.**
 - (a)** “Tobacco Products” has the meaning given in Section 139.75(12), Wisconsin Statutes and includes the following: cigarettes; cigars; snuff; chewing tobaccos; electronic smoking devices; and other kinds of tobacco suitable for chewing and/or smoking in a pipe or otherwise.
 - (b)** “Use of Tobacco Products” means smoking, carrying or possessing a lighted tobacco product; chewing tobacco, or otherwise using a tobacco product for its intended purpose.
 - (c)** “Electronic Delivery Device” means any product containing or delivering nicotine, or any other substance, whether natural or synthetic, intended for human consumption through the inhalation of aerosol or vapor from the product. The term electronic smoking device includes, but is not limited to, devices manufactured, marketed, or sold as e-cigarettes, e-cigars, e-pipes, vape pens, mods, tank systems, or under any other product name or descriptor. The term electronic smoking device includes any component part of a product, whether or not marketed or sold separately.
 - (d)** “Smoking” means inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, pipe, hookah, or any other lighted or heated tobacco or plant product intended for inhalation, including marijuana, whether natural or synthetic, in any manner or in any form. “Smoking” includes the use of an electronic smoking device which creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking in this Ordinance.
 - (e)** “Person in Charge” means any owner, manager, operator, employee, and/or agent of an establishment or facility regulated by this Ordinance.
- (3) USE OF TOBACCO PRODUCTS PROHIBITED IN CITY VEHICLES AND ON DESIGNATED GROUNDS.**

- (a) In addition to the smoking prohibition above, it shall be unlawful and a violation of this section for any person, whether employed by the City of Edgerton or a member of the public, to use tobacco products:
 1. in any City vehicle whether the vehicle is owned or leased by the City of Edgerton;
 2. in any City-owned or occupied building;
 3. within 25 feet of any City-owned building;
 4. within 25 feet of the pool at Central Park;
 5. within 25 feet of the baseball fields located at Racetrack Park;
 6. within 25 feet of any entrance to a school; or
 7. on the City grounds surrounding the Veteran's Memorial Building.

(4) RESPONSIBILITY OF PERSON(S) IN CHARGE.

- (a) No person in charge may allow any person to smoke in violation of this Ordinance at a location that is under the control or direction of the person in charge.
- (b) A person in charge may not provide matches, ashtrays, or other equipment for smoking at the location where smoking is prohibited.
- (c) A person in charge shall make reasonable efforts to prohibit persons from smoking at a location where smoking is prohibited by doing all of the following:
 1. Posting signs setting forth the prohibition and providing other appropriate notification and information concerning the prohibition.
 2. Refusing to serve a person, if the person is smoking in a restaurant, tavern, or private club.
 3. Asking a person who is smoking to refrain from smoking and, if the person refuses to do so, asking the person to leave the location.
- (d) If a person refuses to leave a location after being requested to do so as provided in subsec. (c)3. the person in charge shall immediately notify an appropriate law enforcement agency of the violation.
- (e) A person in charge may take measures in addition to those listed in subsec. (b) and (c) to prevent persons from being exposed to others who are smoking or to further ensure compliance with this section.

(5) EXCEPTIONS. The prohibition against tobacco products does not apply to the following:

- (a) a private residence;
- (b) a retail tobacco store;
- (c) a tobacco bar; or
- (d) a retail electronic delivery device store.

(6) PENALTY. Penalties for violations shall be as provided in section 1.06. As prescribed by state statutes, a warning notice shall be issued to the person in charge for the first violation. A violation of this provision relating to the prohibition of smoking shall be not less than \$100 nor more than \$250 for each violation except that the forfeiture for a person in charge cannot exceed \$100 per day.

This Ordinance shall be in full force and effect after its passage and publication.

Seconded by Alderperson:

**CITY OF EDGERTON
ORDINANCE No. 19-10**

**AN ORDINANCE TO CREATE SECTION 16.47 “BULLYING” OF THE EDGERTON
CODE OF GENERAL ORDINANCES,**

CITY OF EDGERTON ROCK AND DANE COUNTIES, WISCONSIN

Aldersperson _____ introduced the following Ordinance and moved its adoption:

THE COMMON COUNCIL OF THE CITY OF EDGERTON, ROCK AND DANE COUNTIES,
WISCONSIN, DO ORDAIN AS FOLLOWS:

16.47 BULLYING shall be created as follows:

16.47 BULLYING

(1) DEFINITIONS. In this sections:

- a. **Bullying.** An intentional course of conduct which is reasonably likely to intimidate, emotionally abuse, slander or threaten another person and which serves no legitimate purpose.
- b. **Course of Conduct.** A pattern of conduct composed of a series of acts over a period of time however short, evidencing a continuity of purpose.
- c. **Harassment.** Any conduct, whether verbal, physical, written, or by means of any mode of communication, which is prohibited by Wis. Stats., 947.01, 947.012, 947.0125, or is any intentional course of conduct which is likely to create an intimidating, hostile or offensive environment, and which serves no legitimate purpose.

(2) PROHIBITED. It shall be unlawful for any person to engage in any bullying or harassment of a person or induce another person to engage in such bullying or harassment.

(3) RETALIATION PROHIBITED. No person shall retaliate against any person who reports any conduct which is prohibited by this Section.

(4) CONSTITUTIONALLY PROTECTED ACTIVITY. This Section shall not be construed to apply to any constitutionally protected activity or speech.

(5) PARENTAL RESPONSIBILITY. It shall be unlawful for any custodian parent or guardian of any un-emancipated person under eighteen (18) years of age to allow or permit such person to violate the provisions of subsection (2). The fact that prior to the present offense a parent, guardian or custodian was informed in writing by a law enforcement officer of a separate violation of Subsection (2) by the same minor occurring within ninety (90) days prior to the present offense shall constitute a rebuttable presumption that such parent, guardian or custodian allowed or permitted the present violation.

(6) PENALTY. Penalties for violations shall be as provided in section 1.06. As prescribed by state statutes, a warning notice shall be issued to the person in charge for the first violation. A violation of this provision relating to the prohibition of bullying shall be not less than \$100

