



AGENDA
COMMITTEE OF THE WHOLE
Tuesday, June 20, 2017 at 6:30 p.m.
Common Council Chambers - 224 East Jefferson Street

Mayor Jeannie Hefty
Susan Kott, Alderman, 1st District
Edward Johnson, Alderman, 1st District
Bob Grandi, Alderman, 2nd District
Ruth Dawidziak, Alderman, 2nd District
Tom Vos, Alderman, 3rd District
Jon Schultz, Council President, Alderman, 3rd District
Thomas Preusker, Alderman, 4th District
Todd Bauman, Alderman, 4th District

1. Call to Order – Roll Call
2. Citizen comments
3. Approval of minutes for June 6, 2017 (*B. Grandi*)pg. 2
4. **Topic: Discussion** – to provide an update of the 2016-2018 Strategic Plan Initiativespg. 6
5. **Topic: Resolution 4856(14)** – to consider authorizing the issuance and sale of up to \$896,473 Taxable Waterworks System Revenue Bonds, Series 2017c, and providing for other details and covenants with respect thereto, and approval of related \$1,054,675 Financial Assistance Agreement. Due to the timeliness of this item, it is scheduled for final consideration at tonight’s Common Council meeting.pg. 12
6. **Topic: Motion 17-877** - to approve Julie Verhagen as the Pool Manager for the Burlington Community Pool. Due to timing this item is scheduled for final consideration at tonight’s Common Council meeting.pg. 69
7. **Adjourn** (*R. Dawidziak*)



COMMITTEE OF THE WHOLE

ITEM NUMBER: 3

DATE: June 20, 2017

SUBJECT: June 6, 2017 Committee of the Whole Minutes

SUBMITTED BY: Diahnn Halbach, City Clerk

BACKGROUND/HISTORY:

The attached minutes are from the June 6, 2017 Committee of the Whole meeting.

BUDGET/FISCAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends approval of the attached minutes from the June 6, 2017 Committee of the Whole meeting.

TIMING/IMPLEMENTATION:

This item is scheduled for final consideration at the June 20, 2017 Common Council meeting.

ATTACHMENTS:

Committee of the Whole Minutes



CITY OF BURLINGTON
Committee of the Whole Minutes
Jeannie Hefty, Mayor
Diahnn Halbach, City Clerk
Tuesday, June 6, 2017

1. Call to Order/Roll Call

Council President Jon Schultz called the meeting to order at 6:30 p.m. starting with roll call. Aldermen present: Susan Kott, Ed Johnson, Bob Grandi, Ruth Dawidziak, Jon Schultz, Tom Preusker and Todd Bauman. Excused: Tom Vos, Mayor Hefty

Also present: City Administrator Carina Walters, City Attorney John Bjelajac, Finance Director Steve DeQuaker, Director of Administrative Services Megan Watkins, Police Chief Mark Anderson, Fire Chief Alan Babe, DPW Director Jim Bergles, Library Director Joe Davies and Building Inspector Gregory Guidry.

Council President Schultz announced that he would retain his right to vote during tonight's meeting.

2. Citizens Comments and Questions

There were none.

3. Approval of Minutes from May 16, 2017

A motion was made by Alderman Dawidziak with a second by Alderman Johnson to approve the minutes from May 16, 2017. With all in favor, the motion carried to approve the minutes.

4. Topic: Presentation regarding the Chamber of Commerce Annual Report.

Jan Ludtke, Executive Director for the Chamber of Commerce, presented the 2016 room tax report and marketing efforts put forth with tourism dollars. Ludtke stated that the Chamber worked with Discover Wisconsin to film two segments for the television program which is to air in 2017, and Burlington has also garnered attention through radio interviews and a variety of web media as well as printed media throughout the year. Ludkte further stated that the Chamber completed a comprehensive Tourism Assessment with Wisconsin State Regional Specialist, David Spiegelberg, which has resulted in a refined Marketing Plan to increase its effectiveness.

5. Topic: Presentation regarding Real Racine's Annual Report.

Dave Blank, President of Real Racine, gave a brief overview of Real Racine's activities and marketing efforts. Blank distributed copies of the Real Racine Activity Guide, of which 75,000 have been printed and distributed at over 350 locations in the Chicago area, 150 locations in the Milwaukee area, and 200 locations in the Racine County area. Blank also spoke of the

marketing and promotional efforts focused on Burlington, which includes the bike trails, Chocolate Fest, Pond Hockey, and live music.

- 6. Topic: Resolution 4854(12)** – to consider approving Change Order Number One from the 2017 Street and Sidewalk Improvement Program to benefit the Burlington Community Pool Project to Reesman’s Excavating & Grading, Inc. in the not-to-exceed amount of \$137,386.39

Council President Schultz gave the first reading of Resolution 4854(12). Walters provided the background history and explained that due to the delay of this project by the Wisconsin State Historical Society (WSHS), it would actually benefit the Pool Project as the fill from the Kendall Street Project was needed and could be taken the Burlington Community Pool location, which will save the City approximately \$200,000.

Alderman Johnson asked if there would be enough fill. Walters responded that there should be more than enough and they can start hauling as soon as the Change Order is approved.

President Schultz asked if this would affect the Annual Community Block Party. Alderman Dawidziak responded that they have decided to postpone the Community Block Party due to the construction and safety concerns.

Bergles recommended a fence line between the fill and the pool to prevent excessive dust from getting into the pool. Walters believed they would be putting up an orange construction fence, but would look further into it.

- 7. Topic: Resolution 4855(13)** to consider approval of the 2016 Compliance Maintenance Annual Report (CMAR) for the Burlington Wastewater Treatment Plant.

Council President Schultz gave the first reading of Resolution 4855(13). Bergles explained that the CMAR is a report required by the Department of Natural Resources (DNR) to ensure the Wastewater Treatment Plant is in compliance with the permit issued by the DNR. Bergles stated that the purpose of the CMAR is to evaluate the wastewater treatment system for problems or deficiencies. Bergles further stated that the 2016 CMAR grade point average for the Burlington Waste Water Treatment Plant (WWTP) was a 4.0, based on a 4.0 grading system and that the WWTP and collection system are in full compliance with our WPDES permit, and the City of Burlington should be proud of its efforts of efficient wastewater treatment.

- 8. Topic: Motion 17-875** – to consider approving a Certificate of Appropriateness for 564 N. Pine Street in the City of Burlington.

Council President Schultz presented Motion 17-875. Gregory Guidry explained that Steve Madey, owner of Steven’s Garage, has petitioned the City for repairing the rear stairs and installing a fence around trash receptacles for this property.

- 9. Topic: Motion 17-876** – to approve an Airport Hangar Lease with BBS Investments, LLC for 707 Airport Road, at the Burlington Municipal Airport.

Council President Schultz presented Motion 17-876. Walters stated this is a standard Airport Hangar Lease and recommended approval.

10. Adjourn

A motion was made by Alderman Dawidziak with a second by Alderman Johnson to adjourn the meeting. With all in favor, the meeting adjourned at 7:10 p.m.

Minutes respectfully submitted by:



Diahnn C. Halbach
City Clerk
City of Burlington



DATE: June 20, 2017

SUBJECT: DISCUSSION to provide an update of the 2016-2018 Strategic Plan Initiatives

SUBMITTED BY: Carina Walters, City Administrator

BACKGROUND/HISTORY:

The City of Burlington engaged in a strategic planning process over three meetings during October and November 2015. The sessions yielded a Strategic Plan for the three-year period 2016-2019. The Strategic Plan consists of five strategic priorities, which are the highest priority issues for the next three years; a series of desired outcomes, which provide a vision of success, key outcome indicators, which will be monitored to determine success; and a set of performance targets, which define the successful outcome. The five strategic priorities with their strategic initiatives are as follows:

Financial Sustainability

- a) Monthly reporting system – COMPLETED
- b) Long-term, comprehensive financial plan-all funds – COMPLETED
- c) Develop financial policies - COMPLETED

Economic Development

- a) Focused business development program – IN PROGRESS
- b) Develop business retention program – IN PROGRESS
- c) Create a business incentive policy - SCHEDULED

Infrastructure Maintenance and Expansion

- a) Develop vehicle, equipment, facilities replacement schedule & funding strategy – IN PROGRESS
- b) Create plan for moving General Transportation Aid for intended purpose - SCHEDULED
- c) Create stormwater utility – IN PROGRESS
- d) Comply with water & wastewater treatment limits – IN PROGRESS
- e) Complete schedules and strategy for major facilities – IN PROGRESS

A Competitive Workforce

- a) Total compensation study – COMPLETED
- b) Succession plan for organization - SCHEDULED
- c) Employee survey – SCHEDULED
- d) Exit interviews - COMPLETED

Citizen Engagement

- a) Develop community engagement & education program – IN PROGRESS
- b) Citizen Survey - SCHEDULED
- c) Recruitment & application process - SCHEDULED

Attached for your convenience is a detailed breakdown for staff to follow indicating the goal date to complete the various steps involved in fulfilling the initiatives. Staff is on track with the goal dates at this time and many initiatives are in progress.

BUDGET/FISCAL IMPACT:

None

RECOMMENDATION

For update only

TIMING/IMPLEMENTATION:

This item is scheduled for discussion at the June 20, 2017 Committee of the Whole meeting.

ATTACHMENTS:

Strategic Plan Initiatives reference timeline

2016-2018 Strategic Plan Initiatives Calendar

Winter 2016	Business Development Program	Meet with downtown business owners to update strategic plan	Administration	✓
Winter 2016	Exit Interviews for All Positions	Identify perimeters for exit questionnaire	Administration	✓
Winter 2016	Exit Interviews for All Positions	Prepare standard questionnaire to conduct interviews	Administration	✓
Winter 2016	Community Pool Study	Release RFP	Administration	✓
Winter 2016	Employee Compensation Study	Create and issue RFP for study	Administration	✓
Winter 2016	Major Facilities Study	Meet with BASD and Racine Co. for possible joint facility	Administration	✓
Winter 2016	Employee Compensation Study	Collect job descriptions and current comp package	Dept Heads	✓
Winter 2016	Financial Reporting System	Upgrade accounting software	Finance	✓
Winter 2016	5-Year Financial Plan	Meet with Ehlers to discuss 5-yr Financial Plan	Finance	✓
Winter 2016	5-Year Financial Plan	Budget expenditure for plan	Finance	✓
Spring 2016	Community Pool Study	Interview vendors	Admin & DPW	✓
Spring 2016	Business Development Program	Create a Gap Analysis and Retail Leakage report	Admin & RCEDC	✓
Spring 2016	Employee Compensation Study	RFPs for compensation study due	Administration	✓
Spring 2016	Major Facilities Study	Conduct Feasibility Study	Administration	✓
Spring 2016	Major Facilities Study	Catalog all City facilities, build date and condition	Administration	✓
Spring 2016	Employee Compensation Study	Comp study consultant contract to Council	Administration	✓
Spring 2016	Business Retention Program	Update Downtown Strategic Plan with RCEDC	Administration	✓
Spring 2016	Employee Satisfaction Survey	Develop questions for survey	Dept Heads	✓
Spring 2016	Succession Plan for Organization	Compile list of job descriptions and qualifications	Dept Heads	✓
Spring 2016	Financial Reporting System	Develop budget to actual spreadsheets with links to data	Finance	✓
Spring 2016	Financial Reporting System	Update Dept Head computers with software	Finance	✓
Spring 2016	Develop Financial Policies	Review current financial policy	Finance	✓
Spring 2016	Financial Reporting System	Test excel spreadsheets & modify if needed	Finance	✓
Spring 2016	5-Year Financial Plan	Coordinate draft of plan	Finance	✓
Spring 2016	Financial Reporting System	Final edits to excel sheets	Finance	✓
Spring 2016	Financial Reporting System	Clarity training for Dept. Heads with "Inquiry Access"	Finance	✓
Spring 2016	5-Year Financial Plan	Res of 5-yr Plan to go to Council	Finance	✓
Spring 2016	Develop Financial Policies	Review of changes/edits	Finance & Admin	✓
Spring 2016	Financial Reporting System	Dept Heads utilizing data	Finance & Dpt Hds	✓

Spring 2016	5-Year Financial Plan	Coordinate data for plan	Finance & Dpt Hds	✓
Summer 2016	Community Pool Study	Consultant to complete Phase 1 site assessment	Admin & DPW	✓
Summer 2016	Community Pool Study	Consultant to complete Phase 2 preliminary design	Admin & DPW	✓
Summer 2016	Employee Compensation Study	Conduct comp study	Administration	✓
Summer 2016	Develop Financial Policies	Policies recommended by Ehlers to COW/Council	Finance	✓
Summer 2016	Capital Improvement Plan	Identify capital improvement & Equipment Replacement schedule	Dept Heads	✓
Summer 2016	Limit water/ww treatment limits	Compile list of all treatment limits per user permit	DPW	✓
Summer 2016	Limit water/ww treatment limits	Determine efficiency and problems with current limits	DPW	✓
Summer 2016	Create plan for Gov Transportation Aid	Move GTA funds to street budget	DPW & Finance	✓
Autumn 2016	Business Retention Program	Create property maintenance education program	Admin & B. Inspect	✓
Autumn 2016	Community Pool Study	Consultant to complete Phase 3 management plan	Admin & DPW	✓
Autumn 2016	Community Pool Study	Consultant to complete Phase 4 referendum & educ. assistance	Admin & DPW	✓
Autumn 2016	Employee Compensation Study	Present comp study results to Council	Administration	✓
Autumn 2016	Employee Compensation Study	Implement comp study findings	Dept Heads	✓
Autumn 2016	Develop Financial Policies	Incorporate Financial Policies into 2017 Budget	Finance	✓
Autumn 2016	Capital Improvement Plan	Implement program to track CIP and ERF needs	Dept Heads	✓
Winter 2017	Limit water/ww treatment limits	Compile list of future mandates for processes	DPW	✓
Winter 2017	Create Stormwater Utility	Begin mapping of existing stormwater system	DPW	✓
Spring 2017	Succession Plan for Organization	Establish career development plan for all employees	Dept Heads	
Spring 2017	Develop Community Engagement Program	Review existing public information tools	Administration	✓
Spring 2017	Create Stormwater Utility	Submit data to DNR for future MS4 permit	DPW	✓
Summer 2017	Major Facilities Study	Develop facilities replacement schedule and funding strategy	Administration	
Summer 2017	Develop Community Engagement Program	Research other community practice	Administration	
Summer 2017	Develop Community Engagement Program	Provide City Administrator report of engagement findings	Administration	
Summer 2017	Develop Community Engagement Program	Create community engagement program	Administration	
Summer 2017	Capital Improvement Plan	Update Council of needs	Dept Heads	
Summer 2017	Employee Satisfaction Survey	Distribute survey to employees	Dept Heads	
Summer 2017	Employee Satisfaction Survey	Receive employee surveys	Dept Heads	
Summer 2017	Employee Satisfaction Survey	Review results with employees	Administration	
Summer 2017	Employee Satisfaction Survey	Review results with Council	Administration	

Summer 2017	Business Retention Program	Quarterly update of vacant downtown storefront doc	Administration
Summer 2017	Citizen Survey	Develop and RFP fro conducting an citizen survey	Administration
Summer 2017	Citizen Survey	Hire consultant to conduct study	Administration
Autumn 2017	Develop Community Engagement Program	Create recruitment application	Administration
Autumn 2017	Develop Community Engagement Program	Review community engagement program with Council	Administration
Autumn 2017	Citizen Survey	Market survey with community	Administration
Autumn 2017	Citizen Survey	Residents to complete survey	Administration
Autumn 2017	Citizen Survey	Results of survey presented to Council with recommendations	Administration
Autumn 2017	Citizen Survey	Rusults of survey presented to community	Administration
Autumn 2017	Business Retention Program	Resolution of Business Attraction & Retention Plan to Council	Administration
Autumn 2017	Succession Plan for Organization	Implement training program and succession plan	Dept Heads
Winter 2017	Business Incentive Program	Present incentive program to Council	Administration
Winter 2017	Community Pool Study	Consultant to complete Phase 6 construct management & inspection	Admin & DPW
Winter 2017	Major Facilities Study	Possible design and build of combined facility	Administration
Winter 2017	Create Stormwater Utility	Create Stormwater Utility	DPW
Winter 2017	Create Stormwater Utility	Create stormwater division with DPW	DPW
Ongoing	Business Retention Program	Strengthen and enhance relationship with Chamber	Administration
Ongoing	Business Development Program	Identify Action Plan for Downtown and City Revitalization	Administration
Ongoing	Business Development Program	Interview larger businesses in city	Admin & RCEDC
Ongoing	Employee Satisfaction Survey	Implement action plans based on employee feedback	Administration
Ongoing	Employee Satisfaction Survey	Redistribute survey to employees annually	Administration
Ongoing	Exit Interviews for all positions	Conduct exit interview with all that terminates employment	Administration
Ongoing	Exit Interviews for all positions	Review results of interview annually and create action plans	Administration
Ongoing	Develop Community Engagement Program	Implement community engagement program	Administration
Ongoing	Develop Community Engagement Program	Communicate & update citizens of events, programs and legislature	Administration
Ongoing	Succession Plan for Organization	Discuss training expectations with employees	Dept Heads
Ongoing	Succession Plan for Organization	Evaluate and monitor process of succession plan	Dept Heads
Ongoing	Capital Improvement Plan	Schedule CIP and ERF needs in annual budget	Dept Heads
Ongoing	Limit water/ww treatment limits	Seek groups who legally oppose mandates of limits	DPW
Ongoing	Limit water/ww treatment limits	Meet current mandate limits for water and wastewater	DPW

Ongoing	Create Plan for GTA	Complete GTA study annually	DPW
Ongoing	Create Plan for GTA	Develop revolving 5-year right-of-way plan	DPW



COMMITTEE OF THE WHOLE

ITEM NUMBER: 5

DATE: June 20, 2017

SUBJECT: RESOLUTION 4856(14) - to consider authorizing the issuance and sale of up to \$896,473 Taxable Waterworks System Revenue Bonds, Series 2017c, and providing for other details and covenants with respect thereto, and approval of related \$1,054,675 Financial Assistance Agreement.

SUBMITTED BY: Steve DeQuaker, Finance Director Treasurer

BACKGROUND/HISTORY:

As discussed during the 2017 budget process and Financial Management Plan adopted by Council, a Safe Drinking Water Fund Loan was presented as the option to fund the Well 11 Radium Removal project as mandated by the DNR, with a following approval by the PSC. This has been delayed due to the PSC needing to make a thorough review of the project to determine need. The approvals have been received from the PSC to proceed with this budgeted project.

BUDGET/FISCAL IMPACT:

This is a DNR Safe Drinking Water Loan (SDWL) funded through Waterworks System Revenue Bonds. These bonds are taxable bonds with debt service to be paid by Water Utility Revenue. The \$896,473 value of the bonds is net of Principal Forgiveness, or 15% of the total per the DNR. This forgiveness amount is \$158,202. Principal and Interest payments are budgeted in 2017. Term of the loan is 20 years at a net rate of 1.87%.

RECOMMENDATION:

Staff recommends approving this resolution in order to complete the required Radium Removal at Well 11.

TIMING/IMPLEMENTATION:

This item is for discussion at the June 20, 2017 Committee of the Whole Meeting. Due to the timeliness and loan close date of June 28, 2017, this item is scheduled for final consideration at the same night Common Council meeting.

ATTACHMENTS:

- Resolution
- DNR Information on the SDWF Loan
- Financial Assistance Agreement

RESOLUTION NO. 4856(14)

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$896,473
TAXABLE WATERWORKS SYSTEM REVENUE BONDS, SERIES 2017C, AND
PROVIDING FOR OTHER DETAILS AND COVENANTS WITH RESPECT THERETO

WHEREAS, the City of Burlington, Racine and Walworth Counties, Wisconsin (the "Municipality") owns and operates a waterworks system (the "System") which is operated for a public purpose as a public utility by the Municipality; and

WHEREAS, pursuant to Resolution No. 4505(30) adopted by the Common Council on October 18, 2011 (the "2011 Resolution"), the Municipality has heretofore issued its Waterworks System Revenue Refunding Bonds, Series 2011A, dated November 15, 2011 (the "2011 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. 4526 (51) adopted by the Common Council on February 14, 2012 and ratified by the Common Council on February 21, 2012 (the "2012 Resolution"), the Municipality has heretofore issued its Waterworks System Revenue Bonds, Series 2012, dated February 22, 2012 (the "2012 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, the 2011 Bonds and the 2012 Bonds shall collectively be referred to as the "Prior Bonds"; and

WHEREAS, the 2011 Resolution and the 2012 Resolution shall collectively be referred to as the "Prior Resolutions"; 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. 5475-03 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-2016-0532 and dated January 9, 2017 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 waterworks 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, the Prior Resolutions permit the issuance of additional bonds on a parity with the Prior Bonds upon certain conditions, and those conditions have been met; and

WHEREAS, due to certain provisions of the Internal Revenue Code of 1986, as amended, it is necessary to issue such bonds on a taxable basis, and the State of Wisconsin Safe Drinking Water Loan Program has granted the Municipality a variance to allow such bonds to be issued on a taxable basis; and

WHEREAS, other than the Prior 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 \$896,473 Taxable Waterworks System Revenue Bonds, Series 2017C, 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 Waterworks System Revenue Bond and Interest 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 waterworks 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 Burlington, Racine and Walworth 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) "Prior Bonds" means the 2011 Bonds and the 2012 Bonds, collectively;

(p) "Prior Resolutions" means the 2011 Resolution and the 2012 Resolution, collectively;

(q) "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;

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

(s) "System" means the entire waterworks 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, transmission, distribution, metering and discharge of industrial and potable public 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 waterworks system and including all appurtenances, contracts, leases, franchises, and other intangibles;

(t) "2011 Bonds" means the Municipality's Waterworks System Revenue Refunding Bonds, Series 2011A, dated November 15, 2011;

(u) "2011 Resolution" means Resolution No. 4505(30) adopted by the Governing Body on October 18, 2011, authorizing the issuance of the 2011 Bonds;

(v) "2012 Bonds" means the Municipality's Waterworks System Revenue Bonds, Series 2012, dated February 22, 2012; and

(w) "2012 Resolution" means Resolution No. 4526(51) adopted by the Governing Body on February 14, 2012 and ratified on February 21, 2012, authorizing the issuance of the 2012 Bonds.

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 \$896,473; 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 "Taxable Waterworks System Revenue Bonds, Series 2017C" (the "Bonds"); shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 1.870% 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 November 1, 2017 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, on a parity with the pledge granted to the holders of the Prior 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 Prior 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 Prior Bonds, the Bonds and Parity Bonds, certain funds of the System which were created and established by an ordinance adopted on March 17, 1964 are hereby continued and shall be used solely for the following respective purposes:

- (a) Waterworks System Operation and Maintenance Fund (the "Operation and Maintenance Fund"), which shall be used for the payment of Current Expenses.
- (b) Waterworks System Revenue Bond and Interest Special Redemption Fund (the "Debt Service Fund"), which shall be used for the payment of the principal of, premium, if any, and interest on the Prior Bonds, the Bonds and Parity Bonds as the same becomes due. The Reserve Account continued by the 2011 Resolution within the Debt Service Fund is not pledged to the payment of principal of or interest on the Bonds and moneys in the Reserve Account shall under no circumstances be used to pay principal of or interest on the Bonds.
- (c) Waterworks System Depreciation Fund (the "Depreciation Fund"), which shall be used to provide a proper and adequate depreciation account for the System.
- (d) Waterworks System Surplus Fund (the "Surplus Fund"), which shall first be used whenever necessary to meet requirements of the Operation and Maintenance Fund including the one month reserve, the Debt Service Fund, including the Reserve Account, and the Depreciation Fund. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wis. Stats. Money thereafter remaining in the Surplus Fund may be transferred to any of the funds or accounts provided in this section.

Section 7. Application of Revenues. After the delivery of the Bonds, the Gross Earnings of the System shall be deposited 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, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Prior 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 Prior Bonds, the Bonds and any Parity Bonds coming due during such Bond Year (after giving effect to available amounts in

said Fund from accrued interest, any premium or any other source) and any amounts required by the 2011 Resolution to fund the Reserve Account;

- (c) to the Depreciation Fund, an amount determined by the Governing Body to be sufficient to provide a proper and adequate depreciation account for the System; and
- (d) to the Surplus Fund, any amount remaining after the monthly transfers required above have been completed.

Transfers to the Operation and Maintenance Fund, the Debt Service Fund, the Depreciation 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 as of the last day of the month preceding. Any other transfers and deposits to any fund required or permitted by subsection (a) through (d) 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 deposited in the Debt Service Fund shall be sufficient in any event to pay the interest on the Prior Bonds, the Bonds and any Parity Bonds as the same accrues and the principal thereof as the same matures, and to meet reserve requirements.

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 the Prior Bonds, 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 Waterworks 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 Prior 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 parity with the Prior 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 \$896,473 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 "Waterworks System SDWLP Project Fund." The Waterworks 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 Waterworks 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 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. 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 17. 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 18. Conflicting Resolutions. All ordinances, resolutions (other than the Prior Resolutions), 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 Prior Resolutions, the Prior Resolutions shall control as long as any of the respective Prior Bonds are outstanding.

Passed: June 20, 2017

Approved: June 20, 2017

Jeannie Hefty
Mayor

Attest:

Diahm C. Halbach
City Clerk

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED
NO. _____

UNITED STATES OF AMERICA
STATE OF WISCONSIN
RACINE AND WALWORTH COUNTIES
CITY OF BURLINGTON

REGISTERED
\$ _____

TAXABLE WATERWORKS SYSTEM REVENUE BOND, SERIES 2017C

Final
Maturity Date

Date of
Original Issue

May 1, 2037

_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

FOR VALUE RECEIVED the City of Burlington, Racine and Walworth 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, 2018 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 1.870% 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 November 1, 2017.

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, 2018 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 870/1000ths percent (1.870%) 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 Waterworks System of the Municipality, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted June 20, 2017, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$896,473 Taxable Waterworks System Revenue Bonds, Series 2017C, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues derived from the operation of the Waterworks System of the Municipality (the "Utility"). The Bonds are issued on a parity with the Municipality's Waterworks System Revenue Refunding Bonds, Series 2011A, dated November 15, 2011 and Waterworks System Revenue Bonds, Series 2012, dated February 22, 2012, 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 BURLINGTON,
WISCONSIN

(SEAL)

By: _____
Jeannie Hefty
Mayor

By: _____
Diahnn C. Halbach
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

\$896,473

CITY OF BURLINGTON, WISCONSIN
TAXABLE WATERWORKS SYSTEM REVENUE BONDS, SERIES 2017C

<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, 2018	\$37,375.91
May 1, 2019	38,074.84
May 1, 2020	38,786.84
May 1, 2021	39,512.15
May 1, 2022	40,251.03
May 1, 2023	41,003.72
May 1, 2024	41,770.49
May 1, 2025	42,551.60
May 1, 2026	43,347.31
May 1, 2027	44,157.91
May 1, 2028	44,983.66
May 1, 2029	45,824.86
May 1, 2030	46,681.78
May 1, 2031	47,554.73
May 1, 2032	48,444.01
May 1, 2033	49,349.91
May 1, 2034	50,272.75
May 1, 2035	51,212.85
May 1, 2036	52,170.53
May 1, 2037	53,146.12

COPIED

State of Wisconsin
Department of Natural Resources
Bureau of Community Financial Assistance
101 South Webster Street
PO Box 7921
Madison, Wisconsin 53707-7921
(608) 266-7555

Financial Assistance Agreement
Safe Drinking Water Loan Program
Form 8700-214 rev 02/16

STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM
FINANCIAL ASSISTANCE AGREEMENT WITH PRINCIPAL FORGIVENESS

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF ADMINISTRATION

and

CITY OF BURLINGTON

\$1,054,675 With \$158,202 PRINCIPAL FORGIVENESS

FINANCIAL ASSISTANCE AGREEMENT

Dated as of June 28, 2017

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 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. 51206
Safe Drinking Water Loan Program Project No. 5475-03

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WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated June 28, 2017, 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 "Act"), and the City of Burlington, a municipality within the meaning of the Act, 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 "Safe Drinking Water 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 Safe Drinking Water Act; and

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

WHEREAS, the State of Wisconsin has, 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 Act; and

WHEREAS, the Municipality has submitted to DNR an application for financial assistance (the "Application") for a project (the "Project"), 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 has determined that the Municipality and the Project are not ineligible for financial assistance under s. 281.61(2g), Wis. Stats.; and

WHEREAS, DOA has 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 providing Principal Forgiveness; and

WHEREAS, the Municipality has 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 Municipal Obligations; and

WHEREAS, approval of facility plans or engineering reports and Plans and Specifications for the Project has been obtained by the Municipality from DNR 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 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 ss. 281.59 and 281.61, Wis. Stats., as amended.

"Application" means the written application of the Municipality dated June 30, 2016, for financial assistance under the Act.

"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 Safe Drinking Water 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" means any proceeds provided under this Financial Assistance Agreement in the form of a Loan of which part of the Loan principal will be forgiven.

"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 of which a portion of the principal will be forgiven 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 for the portion of the Loan which is to be repaid with interest:

- (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; and
- (e) interest on the Municipal Obligations is included in gross income of the owners thereof for federal income taxation purposes under existing laws, regulations, rulings and judicial decisions;

"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 in exchange for the portion of the Loan which is not subject to Principal Forgiveness.

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

"Parity Obligations" means the Municipality's \$2,050,000 Waterworks System Revenue Refunding Bonds, Series 2011A, dated November 15, 2011, its \$2,044,276 Waterworks System Revenue Bonds, Series 2012, dated February 22, 2012, and any other obligations issued on a parity with the Municipal Obligations pursuant to the restrictive provisions of Section 11 of the Municipal Resolution.

"Plans and Specifications" means the Project design plans and specifications assigned No. W-2016-0532, approved by DNR on January 9, 2017, as the same may be amended or modified from time to time in accordance with this FAA.

"Principal Forgiveness" means Financial Assistance received in the form of forgiveness of Loan principal amount pursuant to the Act, Regulations, and this FAA of which no repayment thereof shall be required except as may be required per the Act, Regulations, or this FAA. The amount of principal forgiveness available for this Project as of the date of this FAA is \$158,202. The applicable percentage of principal forgiveness for this project, as shown on the Final Funding List, is 15%.

"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. 5475-03 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 Act, 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 166, NR 809 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 Act, as such may be adopted or amended from time to time.

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

"SDWLP" means State of Wisconsin Safe Drinking Water Loan Program, established pursuant to ss. 281.59 and 281.61, Wis. Stats., and managed and administered by DNR and DOA.

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

"State" means the State of Wisconsin.

"Substantial Completion" means the point in time when the Project is operational or capable of being operated.

"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 contained in section 2113 of Public Law 114-322, the Water Infrastructure Improvements for the Nation Act of 2016.

"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.

(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, and 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 Act and the General Resolution and to use the proceeds thereof to provide funds for the Financial Assistance provided to the Municipality to undertake and complete the Project.
- (b) The SDWLP has complied with the provisions of the Act and has full power and authority to execute and deliver this FAA and to 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 ss. 281.59 and 281.61, Wis. Stats., 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, and 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) There is no action, suit, proceeding, or investigation at law or in equity before or by any court, public board or body pending or, to the knowledge of the SDWLP, threatened against or affecting the SDWLP, or to the knowledge of the SDWLP, any basis therefore, 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 2017 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 Act, 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 \$896,473 and has 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) There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, pending or, to the knowledge of the Municipality, threatened against or affecting the Municipality, or to the knowledge of the Municipality any basis therefore:

(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 or 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 or 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 Financial Assistance 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 which are not, by their nature, obtainable prior to Substantial Completion of the Project) required as of the date hereof

to own the Project, to carry on its activities relating thereto, to undertake and complete the Project, and to 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) Each of the facilities constituting a part of the Project is eligible for financing from the SDWLP and the estimated cost of the Project is 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. The Project is an eligible project under s. 281.61(2), Wis. Stats. 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 and continue to be an eligible Project under the Act during 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 Act. All proceeds of any borrowing of the Municipality that have been spent and which are being refinanced with the proceeds of the Financial Assistance 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 Financial Assistance 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 shall comply with and complete all requirements of DNR necessary to commence construction of the Project. 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, as the same is in force from time to time.

(q) Reserved – Section omitted for taxable bonds.

(r) Reserved – Section omitted for taxable bonds.

(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 and the SDWLP.

(v) The Municipality has met all terms and conditions contained within, and has received DNR approval for the Municipality's Plans and Specifications for the Project described in the definitions hereof.

(w) The Municipality represents that it has submitted to DNR a bid tabulation for the Project, with a recommendation to DNR for review and concurrence. The expected or actual Substantial Completion date of the Project is February 25, 2018.

(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
2015	\$590,648.47	\$450,667.78	\$1,041,316.25
2016	\$605,441.00	\$451,740.67	\$1,057,181.67

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:

2017	\$590,877.87	\$453,996.55	\$1,044,874.42
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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.

(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.

(cc) The Municipality acknowledges that it is eligible to receive Financial Assistance in the form of a Loan of \$1,054,675 with Principal Forgiveness of \$158,202 for payment of Project Costs.

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 portion of the Loan made to the Municipality remaining subsequent to the Principal Forgiveness, the Municipality hereby agrees to sell to the SDWLP Municipal Obligations in the aggregate principal amount of \$896,473. 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 870/1000ths percent (1.870%) per annum, and interest shall accrue and be payable only on Loan principal amounts actually disbursed on the Municipal Obligations, from the date of disbursement until the date such amounts are repaid or forgiven.
- (d) Disbursements of Financial Assistance shall generally first be made in the form of a Loan disbursement on the Municipal Obligations which must be at least 5% of the Municipal Obligation amount or \$50,000, whichever is less, second in the form of Loan disbursements which include the applicable percentage of Principal Forgiveness up to \$158,202 and third, if the Principal Forgiveness cap has been reached, in the form of Loan disbursements on the Municipal Obligations. Principal Forgiveness will be applied at the time of Loan disbursement.
- (e) 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.
- (f) 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 Municipal Obligations.
- (g) 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. Municipal Obligations Amortization Principal and interest payments on the Municipal Obligations 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 Municipal Obligations is disbursed and that the full amount of Principal Forgiveness available is applied to the Loan on June 28, 2017. It is understood that the actual amount of the Municipality's Municipal Obligations payments shall be based on the actual date and amount of disbursements on the Municipal Obligations. Notwithstanding the foregoing or anything in the Municipal Obligations, the Municipal Obligations 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 Municipal Obligations shall begin not 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 on the Municipal Obligations 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, 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 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 Municipal Obligations are 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 Municipal Obligations 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 Financial Assistance

- (a) Under this FAA, Financial Assistance shall be drawn in the order specified in Section 3.01(d) of this document.
- (b) 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.
- (c) The SDWLP, through its agents or Trustee, plans to make disbursements of Financial Assistance 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.
- (d) Disbursements made to the Municipality are subject to pre- and post-payment adjustments by DNR or DOA.
 - (1) If the Financial Assistance is not yet fully disbursed, and SDWLP funds were previously disbursed for non-eligible SDWLP funded Project Costs, the SDWLP shall make necessary adjustments to future disbursements.
 - (2) If the Financial Assistance is fully disbursed, including disbursements for any non-eligible SDWLP funded Project Costs, the Municipality agrees to repay to the SDWLP

an amount equal to the non-eligible SDWLP funded Project Costs within 60 days of notification by DNR or DOA. The SDWLP shall then apply the amount it receives as a Loan prepayment or as a recovery of a Loan disbursement with Principal Forgiveness (if there is no outstanding Loan principal balance available to apply the recovery to).

(e) The SDWLP or its agent shall disburse Financial Assistance 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.

(f) Disbursement beyond ninety-five percent (95%) of the Financial Assistance, 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;

(4) The Municipality shall furnish reports, provide data and such other information as SDWLP may require prior to Project closeout; and

(5) DNR certifies in writing to DOA the Municipality's compliance with all applicable requirements of this FAA.

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 Act 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 Act and Regulations.

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

- (a) as security for the Municipal Obligations, 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 Parity 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 this FAA. The Municipality agrees to provide written evidence of insurance coverage to the SDWLP upon request at any time during the term of this FAA.

In the event that the Water System or Project is damaged or destroyed, the Municipality agrees to use the proceeds from its insurance coverage either to repay the Financial Assistance 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, if required, 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 Financial Assistance amount, the SDWLP may allocate additional financial assistance to a 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 Act and Regulations. The allocation of additional financial assistance shall depend upon availability of funds and present value subsidy, pursuant to the Act and the Regulations.

(b) In the event that this Financial Assistance is 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 Financial Assistance, and shall not be entitled to any reimbursement therefore 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 Financial Assistance 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 Financial Assistance The Municipality shall apply the proceeds of the Financial Assistance solely for 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 and 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 this FAA 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, approvals, and this FAA, including without limitation, the Act, 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 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 Financial Assistance 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 Financial Assistance, and shall 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, and shall permit extracts and copies of the Project records to be made by them or their authorized representatives, and shall 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. Reserved – Section omitted for taxable bonds.

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 Act 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, or 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, 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 or 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, 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 into all Project contracts which have yet to be executed the following provision: "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 Municipal Obligations. 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 to the Plans and Specifications. The Municipality shall furnish progress reports and such other information as DNR may require.

Section 5.17. Reimbursement Any payment of Financial Assistance 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 or as a recovery of a Loan disbursement with Principal Forgiveness (if there is no outstanding principal balance for the Project).

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 Act;

(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 shall have consented 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 Safe Drinking Water 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 the requirements for Use of American Iron and Steel contained in Public Law 114-322 for products used in the Project which are made primarily of iron and 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) U.S. Bank Corp Trust
Matthew Hamilton EP-MN-WS3T
60 Livingston Avenue
St. Paul, MN 55101-2292

- (d) City of Burlington
300 North Pine Street
Burlington, WI 53105-8918

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 Financial Assistance 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 Act, 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 Act.

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, providing Principal Forgiveness, assigning, and confirming the rights, security interests, and agreements concerning Principal Forgiveness or intended to be Principal Forgiveness provided by this FAA and relating to 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 terminate all or any part of the Project work unilaterally 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 above written.

CITY OF BURLINGTON

By: _____
Jeannie Hefty
Mayor

Attest: _____
Diahnn C. Halbach
City Clerk

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

By: _____
Authorized Officer

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Officer

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

CITY OF BURLINGTON

By: _____
Jeanne Hefty
Mayor

Attest: _____
Carina G. Walters
City Administrator

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

By: _____
Authorized Officer

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Officer

EXHIBIT A

PROJECT BUDGET SHEET SUMMARY

CITY OF BURLINGTON
SDWLP Project No. 5475-03

	Total Project Costs	SDWLP Eligible Costs	Principal Forgiveness Amount 15% (A)	Net SDWLP Loan Amount
Force Account				
Interim Financing Costs				
Engineering Report Preparation	26,300	26,300		26,300
Plans/Specifications Preparation	78,000	78,000		78,000
Land or Easement Acquisition				
Engineering/Construction Mgmt.	43,000	43,000		43,000
Construction/Equipment	847,500	847,500	158,202	689,298
Contingency	42,375	42,375		42,375
Miscellaneous Costs				
SDWLP Closing Costs	17,500	17,500		17,500
TOTAL	\$1,054,675	\$1,054,675	\$158,202	\$896,473

A = Maximum Principal Forgiveness available for this project is 15% of \$1,054,675 which is \$158,202.

City of Burlington, Wisconsin
Project # 5475-03 Safe Drinking Water Loan Program
Loan Closing Date: June 28, 2017

Exhibit B-1

<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-Nov-17		1.870%	5,727.72	5,727.72		5,727.72
1-May-18	37,375.91	1.870%	8,382.02	45,757.93	51,485.65	
1-Nov-18		1.870%	8,032.56	8,032.56		53,790.49
1-May-19	38,074.84	1.870%	8,032.56	46,107.40	54,139.96	
1-Nov-19		1.870%	7,676.56	7,676.56		53,783.96
1-May-20	38,786.84	1.870%	7,676.56	46,463.40	54,139.96	
1-Nov-20		1.870%	7,313.90	7,313.90		53,777.30
1-May-21	39,512.15	1.870%	7,313.90	46,826.05	54,139.95	
1-Nov-21		1.870%	6,944.46	6,944.46		53,770.51
1-May-22	40,251.03	1.870%	6,944.46	47,195.49	54,139.95	
1-Nov-22		1.870%	6,568.12	6,568.12		53,763.61
1-May-23	41,003.72	1.870%	6,568.12	47,571.84	54,139.96	
1-Nov-23		1.870%	6,184.73	6,184.73		53,756.57
1-May-24	41,770.49	1.870%	6,184.73	47,955.22	54,139.95	
1-Nov-24		1.870%	5,794.18	5,794.18		53,749.40
1-May-25	42,551.60	1.870%	5,794.18	48,345.78	54,139.96	
1-Nov-25		1.870%	5,396.32	5,396.32		53,742.10
1-May-26	43,347.31	1.870%	5,396.32	48,743.63	54,139.95	
1-Nov-26		1.870%	4,991.02	4,991.02		53,734.65
1-May-27	44,157.91	1.870%	4,991.02	49,148.93	54,139.95	
1-Nov-27		1.870%	4,578.15	4,578.15		53,727.08
1-May-28	44,983.66	1.870%	4,578.15	49,561.81	54,139.96	
1-Nov-28		1.870%	4,157.55	4,157.55		53,719.36
1-May-29	45,824.86	1.870%	4,157.55	49,982.41	54,139.96	
1-Nov-29		1.870%	3,729.09	3,729.09		53,711.50
1-May-30	46,681.78	1.870%	3,729.09	50,410.87	54,139.96	
1-Nov-30		1.870%	3,292.61	3,292.61		53,703.48
1-May-31	47,554.73	1.870%	3,292.61	50,847.34	54,139.95	
1-Nov-31		1.870%	2,847.97	2,847.97		53,695.31
1-May-32	48,444.01	1.870%	2,847.97	51,291.98	54,139.95	
1-Nov-32		1.870%	2,395.02	2,395.02		53,687.00
1-May-33	49,349.91	1.870%	2,395.02	51,744.93	54,139.95	
1-Nov-33		1.870%	1,933.60	1,933.60		53,678.53
1-May-34	50,272.75	1.870%	1,933.60	52,206.35	54,139.95	
1-Nov-34		1.870%	1,463.55	1,463.55		53,669.90
1-May-35	51,212.85	1.870%	1,463.55	52,676.40	54,139.95	
1-Nov-35		1.870%	984.71	984.71		53,661.11
1-May-36	52,170.53	1.870%	984.71	53,155.24	54,139.95	
1-Nov-36		1.870%	496.92	496.92		53,652.16
1-May-37	53,146.12	1.870%	496.92	53,643.04	54,139.96	53,643.04
Totals	896,473.00		183,671.78	1,080,144.78	1,080,144.78	1,080,144.78

Net Interest Rate 1.8700%
 Bond Years 9,822.0192
 Average Life 10.9563

The above schedule assumes full disbursement of the loan on the loan closing date.
 19-May-17 Wisconsin Department of Administration

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 162.14(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 DBE Subcontractor Utilization Form (EPA Form 6100-4). 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 (s. 19.31 - 19.39, Wis. Stats.).

Municipality Name: City of Burlington Project Number: 5475-03 Loan/Grant Amount: \$1,054,675
 Project Description: Install ion exchange system to remove radium @ Wellhouse 11
 Did the municipality satisfy the DBE requirements? X Yes No (if no, refer to Project Manager Summary Page of the FAA.)

Construction/Equipment/Supplies Contracts	Indicate DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to DBE Firm
Prime: Butters-Fetting Co., Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Construction	\$847,500	Municipality Completes at Project Closeout
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			
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			
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 MBE \$ _____
Total WBE \$ _____				Total WBE \$ _____
Total Other \$ _____				Total Other \$ _____

Professional/Technical Services Contracts	Indicate DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to DBE Firm
Prime: Baxter & Woodman, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Engineering	\$147,300	Municipality Completes at Project Closeout.
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 \$ _____				
Total Other \$ _____				

*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	Date Signed
Signature	

EXHIBIT F

PROJECT MANAGER SUMMARY PAGE

CITY OF BURLINGTON
SDWLP Project No. 5475-03

1. Project Description: The Safe Drinking Water Loan Program is providing funding for the installation of cation exchange radium and strontium treatment equipment, chemical addition of phosphate, and the installation of associated piping, electrical and safety equipment at well house No. 11. The city requested and received a variance from the Secretary of DOA allowing it to issue taxable bonds for this project. This project was awarded 15% Principal Forgiveness of eligible costs of \$1,054,675, which is \$158,202.
2. Ineligible Costs: There were no ineligible costs identified in the review of this project. If the Department identifies ineligible Project Costs as the Project progresses, the Department will notify the Municipality.
3. Other Funding Sources: None
4. Miscellaneous Costs: None
5. Contingency Allowance: The Contingency allowance of \$42,375 is five percent of the amount of uncompleted construction work. Change orders must be approved by the regional CME prior to requesting reimbursement.
6. DBE Good Faith Effort: The City of Burlington and the prime contractor, Butters-Fetting Co., Inc. met the good faith effort requirement.
7. Green Project Reserve: None
8. Use of American Iron and Steel: Based on the plans and specifications approval date of January 9, 2017, this project is subject to the Use of American Iron and Steel (UAIS) requirements of H.R. 2029, the Consolidated Appropriations Act of 2016. The municipality shall submit documentation to DNR regarding the items covered by the nationwide de minimis waiver for incidental components and their costs as required by the waiver at project closeout.
9. Non-core costs: None

EXHIBIT G

FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION

[To Be Prepared on Municipal Letterhead at Project Completion and Closeout]

The undersigned officials of the City of Burlington (the "Municipality") hereby certify that, for all expenditures made for construction of DNR Project No. 5475-03 (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. 5475-03 has met the requirements for the Use of American Iron and Steel contained in Public Law 114-322, the Water Infrastructure Improvements for the Nation Act of 2016.

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

By: _____
[Name of Highest Elected Official or
Authorized Representative]
[Title]

Dated as of: _____

Attest: _____
[Name of Clerk or Secretary]
[Title]

Dated as of: _____

\$896,473
City of Burlington, Wisconsin
Taxable Waterworks System Revenue Bonds, Series 2017C

ADDITIONAL BONDS CERTIFICATE

The undersigned City Clerk of the City of Burlington, Racine and Walworth Counties, Wisconsin (the "City") hereby certifies, in connection with the issuance of the City's Taxable Waterworks System Revenue Bonds, Series 2017C, dated June 28, 2017 (the "Bonds"), that:

1. Pursuant to Resolution No. 4505(30) adopted October 18, 2011 (the "2011 Resolution"), the City issued its Waterworks System Revenue Refunding Bonds, Series 2011A, dated November 15, 2011 (the "2011 Bonds"), and set certain restrictions on the issuance of additional bonds (Section 7). Pursuant to Resolution No. 4526 (51) adopted on February 14, 2012 and ratified on February 21, 2012 (the "2012 Resolution"), the City issued its Waterworks System Revenue Bonds, Series 2012, dated February 22, 2012 (the "2012 Bonds") and set certain conditions on the issuance of additional bonds on a parity with the 2012 Bonds (Section 11).

2. Such conditions are met in connection with the issuance of the Bonds, as follows:

(a) The Net Revenues (as defined in the 2011 Resolution and 2012 Resolution) of the City's Waterworks System for Fiscal Year 2016 were in an amount at least equal to the maximum annual interest and principal requirements on the 2011 Bonds, the 2012 Bonds and the Bonds (\$410,602.15) times 1.25 (\$513,252.69), as follows:

Gross Earnings:	\$2,365,978
Less Current Expenses:	<u>1,095,707</u>
Net Revenues:	\$1,270,271

1.25 is the highest debt service coverage ratio to be required with respect to the 2011 Bonds, the 2012 Bonds and the Bonds (which are the only obligations payable from the revenues of the Waterworks System currently outstanding).

Such Net Revenues also exceed the average combined annual principal and interest requirements on the 2011 Bonds, the 2012 Bonds and the Bonds (\$192,282.88) times 1.25 (\$240,353.60).

(b) The payments required to be made into the funds and accounts enumerated in Section 4 of the 2011 Resolution (including the Reserve Account, but not the Surplus Fund) and in Section 6 of the 2012 Resolution have been made in full.

(c) The Resolution authorizing the Bonds provides that the Bonds shall mature on May 1 of each year and that interest thereon is payable semiannually on May 1 and November 1 of each year.

(d) The Bonds will not be secured by the Reserve Account provided in the 2011 Resolution, and therefore the required funding of the Reserve Account will not change as a result of the issuance of the Bonds.

(e) The proceeds of the Bonds will be used only for the purpose of providing extensions and improvements to the Waterworks System.

Dated June 28, 2017.

CITY OF BURLINGTON, WISCONSIN

Diahnn C. Halbach
City Clerk

\$896,473
City of Burlington, Wisconsin
Taxable Waterworks System Revenue Bonds, Series 2017C

CLOSING CERTIFICATE

Jeannie Hefty, the Mayor, and Diahnn C. Halbach, the City Clerk of the City of Burlington, Racine and Walworth Counties, Wisconsin (the "Municipality"), hereby certify as follows:

1. We are the duly qualified and acting Mayor and City Clerk of the Municipality and have been such at all times pertinent to the authorization and delivery of the "Taxable Waterworks System Revenue Bonds, Series 2017C" of the Municipality (the "Bonds").
2. We have executed and sealed the negotiable, fully-registered Bonds. The Bonds are in the aggregate principal amount of \$896,473, are dated June 28, 2017, and are numbered from 1 upward. The Bonds mature in installments of principal due on May 1 of each of the years 2018 through 2037, and bear interest at a rate of 1.870% per annum. We were duly authorized to execute the same.
3. Attached in the Closing Transcript is a true and complete copy of a resolution entitled: "Resolution Authorizing the Issuance and Sale of Up to \$896,473 Taxable Waterworks System Revenue Bonds, Series 2017C, and Providing for Other Details and Covenants With Respect Thereto" (the "Bond Resolution"). The Bond Resolution was duly adopted by the Common Council of the Municipality (the "Governing Body") on June 20, 2017. The Bond Resolution has not been repealed, amended or modified in any respect and remains in full force and effect today.
4. Attached in the Closing Transcript is a true and complete copy of the Certificate of Compliance with Open Meeting Law Public Notice Requirements with respect to the June 20, 2017 meeting of the Governing Body of the Municipality, evidencing compliance with Subchapter V of Chapter 19, Wisconsin Statutes.
5. Attached in the Closing Transcript is a true and complete copy of the part of the minutes of the June 20, 2017 meeting of the Governing Body wherein the Governing Body adopted the Bond Resolution.
6. Attached in the Closing Transcript is a true and complete copy of a sworn affidavit from an authorized representative of the official newspaper of the Municipality, in which a notice has been published pursuant to Section 893.77, Wisconsin Statutes, regarding the adoption of the Bond Resolution.
7. Attached in the Closing Transcript is a Specimen Bond. The signatures of Jeannie Hefty, the Mayor, and Diahnn C. Halbach, the City Clerk of the Municipality, are their respective true signatures, and the seal of the Municipality appearing on the Bonds is an accurate impression or facsimile of the seal of the Municipality.

8. Attached in the Closing Transcript is a true and complete copy of the Financial Assistance Agreement relating to the Bonds; said Financial Assistance Agreement has not been amended or modified in any respect and remains in full force and effect today.

9. The Municipality is a duly organized and existing municipal corporation of the State of Wisconsin.

10. There are no rules or resolutions in effect which require any officer or official of the Municipality, other than the Mayor and the City Clerk of the Municipality, to execute bonds of the Municipality.

11. Each meeting of the Governing Body or any committee of the Municipality at which the Bond Resolution was taken up was held at the place and time and called and notified in the manner routinely established by the Governing Body or such committee and proceeded in accordance with a written agenda; was notified to the public and news media and conducted in full compliance with the "open meeting" laws of the State of Wisconsin, and particularly Subchapter V, Chapter 19, Wisconsin Statutes; was held in a public, accessible place in the Municipality, with doors open at all times to the public; and no secret ballot was taken thereat; and no such meeting was commenced, subsequently convened in closed session and thereafter reconvened in open session, unless public notice of such subsequent open session was given at the same time and in the same manner as the public notice of the meeting convened prior to the closed session. All such meetings were fully lawful and in all respects in accordance with the rules of the Municipality. Each such meeting was a regular meeting or duly-called special meeting, held at the place in the Municipality, on the date and at the time and notified in the manner routinely established by rule of the Governing Body.

12. The meeting of the Governing Body was held on June 20, 2017, at which a quorum was present in person throughout. The Governing Body consists of eight Alderpersons. At such meeting, the Bond Resolution was introduced by one of the Governing Body members in accordance with routinely established procedures of the Governing Body (all Governing Body members having full copies thereof in advance and adequate time to read and examine prior to adoption, and no member objecting); and, on motion duly made and seconded, duly adopted by the unanimous affirmative vote of the members present, upon an aye or no vote duly recorded in the Governing Body minutes.

13. The City Clerk of the Municipality has recorded a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in a separate record book as required by law. This record has been available for public inspection during normal business hours at the City Clerk's office in the Municipality and no person was denied the right to inspect or duplicate it.

14. We have reviewed the Additional Bonds Certificate and the Bond Resolution, all appearing in the Closing Transcript, and to the best of our information and belief, all of the statements made in each respective document are true and correct.

15. No litigation is pending or, to our knowledge, threatened (i) to restrain or enjoin the issuance or delivery of any of the Bonds, or (ii) in any way contesting or affecting the validity of the Bonds or the Bond Resolution.

16. There is no litigation pending or, to our knowledge, threatened against the Municipality or involving any of the property or assets under the control of the Municipality that involves the possibility of any judgment or uninsured liability which may result in any material adverse change in the business, properties, assets or in the condition, financial or otherwise, of the Municipality or the Waterworks System.

17. Neither the corporate existence nor boundaries of the Municipality nor the title of its present or former officers to their respective offices is being contested, and no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded. No petition has been filed requesting that the Bonds not be issued.

18. Based on our inquiry, information and belief, no part of the funds of the Municipality or the Waterworks System derived from the issuance and sale of the Bonds shall inure to the benefit of or be distributable to any official of the Waterworks System or of the Municipality, except for the lawful payment or compensation for services rendered and its lawful reimbursement of expenses incurred, and no loans shall be made, and no property or services shall be purchased or sold, leased or otherwise disposed of, to any such official as a result of the use of such funds by the Municipality or by the Waterworks System.

19. Based on our inquiry, information and belief, no official of the Waterworks System or of the Municipality has any private interest, direct or indirect, in any of the proceedings relating to the authorization, issuance and sale of the Bonds.

20. The Municipality is able to pay all of its current operating expenses in the usual course as they come due without need for special or exceptional tax levies.

21. The Bonds are payable only from and secured by a pledge of the income and revenues to be derived from the operation of the Waterworks System of the Municipality; and do not constitute an indebtedness of the Municipality within any constitutional or statutory limitation.

22. There are no obligations outstanding payable from a pledge of the income and revenues of the Waterworks System of the Municipality, other than the Municipality's Waterworks System Revenue Refunding Bonds, Series 2011A, dated November 15, 2011, Waterworks System Revenue Bonds, Series 2012, dated February 22, 2012, and the Bonds.

23. The Municipality is not in default on any borrowed money obligation.

24. The Municipality has received a disbursement of Bond proceeds from the State on the date of this Certificate, representing the purchase price of the Bonds as provided in the Bond Resolution.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official seal of the Municipality as of June 28, 2017.

CITY OF BURLINGTON, WISCONSIN

(SEAL)

By: _____
Jeannie Hefty
Mayor

By: _____
Diahnn C. Halbach
City Clerk



COMMITTEE OF THE WHOLE

ITEM NUMBER: 6

DATE: June 20, 2017

SUBJECT: MOTION 17-877 to approve Julie Verhagen as the Pool Manager for the Burlington Community Pool.

SUBMITTED BY: Carina Walter, City Administrator

BACKGROUND/HISTORY:

The Pool Board met on March 22, 2017 and has approved Julie Verhagen as the Pool Manager for the Burlington Community Pool.

According to the Agreement between the City and the Pool Board, the Common Council must also approve the Pool Manager

BUDGET/FISCAL IMPACT:

N/A

RECOMMENDATION

Staff recommends approval of hiring Julie Verhagen as Pool Manager for the Burlington Community Pool.

TIMING/IMPLEMENTATION:

This item is for discussion at the June 20, 2017 Committee of the Whole meeting and placed on the July 5, 2017 Common Council agenda for final consideration.

ATTACHMENTS:

Cover letter and resume

2/28/2017

To the Burlington Pool Board:

My name is Julie Verhagen and I am extremely interested in becoming the new Burlington Outdoor Community Swimming Pool Manager during the summer seasons. Currently, I teach English and Journalism at the Burlington High School in Burlington, and I have been teaching and living here for the past 17 years. Not only does my professional teaching experience help me with the communication, organizational, and managerial skills necessary to manage the pool, I have also had several years of supervising experience at swimming pool facilities. Additionally, I am extremely passionate about being a part of providing the opportunities that this new recreational facility will do for youths and adults, now and in the future within the Burlington area.

I love teaching, but since I do have the summers off, I am always looking for places to express and challenge myself. Life long learning is one of my passions, and this passion really started at the Burlington Pool when I was 16 years old. I was an avid swimmer throughout my youth, as I joined a swim team when I was only five years old. This love of water, and of swimming, translated easily to me working as a lifeguard, swim team coach, and Water Safety Instructor as a teenager. I started working at the Burlington Pool as a lifeguard in 1986, and then after I got my WSI in 1987, I taught and co-directed the swim lessons program at the Burlington Pool from the summer I turned 17 until I was 20 years old. While in college in 1990, I obtained my Lifeguard Instructor Certification at U.W. Madison, and taught people how to be lifeguards for a few years. I maintained my WSI, CPR, and lifeguarding for several years even when I was not at the Burlington Pool, through working at the Madison YMCA and the Monona Community Pool. I also started and directed a swim lessons program at the Princeton Club in Madison, WI.

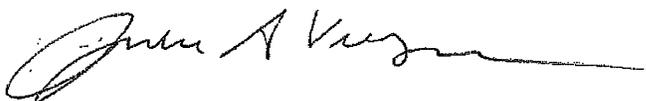
When I returned to Burlington to teach at BHS, after getting my teaching license in 1999, I also started teaching swim lessons as a WSI again at the Burlington Pool the summer of 2000. Then, for the next 6 summers, I directed the swim lessons program at Burlington Community Pool (from 2001 to 2006). I was also the assistant swim team coach for the Burlington High School program for girls from 1999-2002, and for the boys in 2010.

Although unfortunately I am no longer currently Red Cross Certified in these areas, I am willing and able to renew and/or obtain all licenses and certifications needed to properly manage the pool. I am enthusiastic and I love working with other people and brainstorming new ideas. My prior experience would be beneficial in transitioning from the old to the new pool facilities. I would be an excellent manager, in hiring, scheduling, and setting clear, high expectations, as well as providing leadership and training for all workers, along with communicating and working with the pool board to explore lots of exciting opportunities and quality programs at the Burlington Outdoor Swimming Pool.

Sincerely,

Julie Verhagen

Email: julieverhagen@att.net cell phone: 262-716-1434



Professional Profile Resume 1999-2017: Julie Ann (Deans) Verhagen

Teaching Experience

English Teacher at Burlington High School from September, 1999-Present

Taught summer school at BHS for 6 years from summer of 2010 to 2016.

Also taught summer school in 1999, and was a substitute teacher from 1997-1999 at Madison Metropolitan School District.

Courses Currently Teaching in BHS English Department: Journalism I & II, Writing Skills, English 11, and World Literature.

Courses Have Taught in Past at BHS: TV Radio News, American Literature, Advanced American Literature, African-American Literature, Women Writers, Creative Writing, Advanced Creative Writing, Speech and Mass Communication, and CCA English 10

College Degrees:

Broadcast Journalism B.A. from University of Wisconsin- Madison, graduated 1992

English Degree and English Teaching License- Edgewood College in Madison, 1999

Masters Degree in Master Teacher from Cardinal College, Milwaukee, WI, 2003

Additional Credits/Coursework for continuing credit:

Assessment and Student Learning course 435-765 (2 credits) Concordia-2016

Gender Matters online course 738- (3 credits) Augustana College- 2014

Grammar and Punctuation-Path Towards Clarity (3 ceu's) online-UW Madison Extension

KEEP Energy online course 733- (1 credit) UW Stevens Point- 2012

KEEP Energy online course 735- (1 credit) UW Stevens Point-2012

KEEP Energy online course 731 (1 credit) UW Stevens Point- 2010

Learners Education Course 693, Fully Wired (3 credits) St. Thomas University- 2008

Learners Education Course 523, Literacy The Write Way (3 credits)- 2008

TEDU 375 Film Literacy UW Parkside (3 credits) summer of 2007

TEDU 480 Supervision of Student Teachers/Interns UW Parkside (1 credit) 2006

TEDU 375 The Reflective Teacher UW Parkside (3 credits) 2006

TEDU 375 Educators Workshop UW Parkside (1 credit) fall of 2003-04

TEDU 375 Educators Workshop UW Parkside (1 credit) summer of 99-00

Day classes of Adobe Photoshop and Illustrator from UW Madison Extension, 2002

Advisors Workshops (for BHS Crier) at Fall KEMPA Journalism Conferences at UW

Whitewater, falls of 2002 to 2014.

Advisor Workshop for WIAD, Academic Decathlon in Madison, September of 2011.

Professional Distinctions & Leadership Positions:

Wisconsin Council of Teachers of English District 2 Director- 2015 to 2016

Advisor of BHS Crier from 2002 to present

Advisor of BHS Academic Decathlon and Academic Bowl, 2011 to present.

Wrote a grant for BHS Gardens in 2012

Former Co-Advisor for BHS Pep Club/Homecoming for 9 years, from 2001-2010

Career Construction Academy Committee for 2 years, 2009-2011

Assistant Swim Coach for Girls Swim Team 2000, 2001, 2002

Assistant for Boys Swim Team 2010

Assistant WBSD Advisor for 1999-00, 2000-01, 2001-02
Mentor for new teachers 2003, 2004, 2005
Burlington Coaches Association Secretary from 2009 to 2014
Forensics Judge from 2001 to present (Adjudication License)
Curriculum for BYOC for African-American Literature, Journalism, and TV Radio
Communications committee (WBSD-Channel 20) for school district, 2003-2005
Worked on various learning committees for BHS relating to staff and student issues

Community Positions:

Served on Burlington Jaycees as Publicity Chairperson in 2006 and 2007, and as President in 2008. General member of Jaycees 2003-2000, helping with programs like Pitch, Hit, Run; Punt, Pass, Kick; Safety Town; Boat Brat Days; Chocolate City Festival Volunteer, Adopt-A-Family over the years as a Jaycee member.
Helped Organize Town of Burlington Fire Department Charity Motorcycle Run, 2010
Directed Burlington Community Pool Swim Lessons summers of 2001-2006, assistant swim coach of summer program 1999-2001, and WSI swim instructor 1999-2001.
Worked for WIN TV part-time doing community news program/commercials 1999-2003
Have had several newspaper articles published in local papers over the years as publicity for school and community events