



**CITY OF ELKHORN
SPECIAL COMMON COUNCIL MEETING AGENDA**

January 18, 2024 - 9:30 a.m.

Council Chambers, City Administration Offices, 311 Seymour Ct., Elkhorn, Wisconsin

- 1) **Call to Order**
- 2) **Pledge of Allegiance**
- 3) **Roll Call**
- 4) **New Business**
 - a) Discussion and possible decision regarding Resolution No. 24-05: A Resolution Ratifying Resolutions Authorizing the Issuance and Sale of up to \$1,991,290 Waterworks and Electric System Revenue Bonds, Series 2024, and Providing for other Details and Covenants with respect thereto and Authorizing the Issuance and Sale of up to \$460,183 Sewer System Revenue Bonds, Series 2024, and Providing for other Details and Covenants with respect thereto
- 5) **Adjourn**

DATED at Elkhorn, Wisconsin, this 17th day of January 2024

Lacey L. Reynolds, City Clerk

Should you have any questions or comments regarding any items on this agenda, please contact the City Clerk's office at (262) 723-2219. Upon reasonable notice to the City Clerk, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services.

COMMON COUNCIL
OF THE
CITY OF ELKHORN

RESOLUTION NO. 24-05

RESOLUTION RATIFYING RESOLUTIONS AUTHORIZING THE ISSUANCE AND
SALE OF UP TO \$1,991,290 WATERWORKS AND ELECTRIC SYSTEM REVENUE
BONDS, SERIES 2024, AND PROVIDING FOR OTHER DETAILS AND
COVENANTS WITH RESPECT THERETO
AND AUTHORIZING THE ISSUANCE AND
SALE OF UP TO \$460,183 SEWER SYSTEM REVENUE BONDS, SERIES 2024,
AND PROVIDING FOR OTHER DETAILS AND
COVENANTS WITH RESPECT THERETO

WHEREAS, the Common Council of the City of Elkhorn, Walworth County, Wisconsin (the "City") previously held a meeting on January 15, 2024;

WHEREAS, at said meeting the Common Council adopted resolutions entitled: "Resolution Authorizing the Issuance and Sale of Up to \$1,991,290 Waterworks and Electric System Revenue Bonds, Series 2024, and Providing for Other Details and Covenants With Respect Thereto" and "Resolution Authorizing the Issuance and Sale of Up to \$460,183 Sewer System Revenue Bonds, Series 2024, and Providing for Other Details and Covenants With Respect Thereto" (collectively, the "Resolutions");

WHEREAS, the Financial Assistance Agreements referenced in and approved by the Resolutions had not been provided to the City at the time of adoption of the Resolutions, but have now been provided to the City and are attached hereto as Exhibit A; and

WHEREAS, the Common Council finds it necessary, desirable and in the best interests of the City to ratify the adoption of the Resolutions and approval of the Financial Assistance Agreements;

NOW THEREFORE, BE IT RESOLVED by the Common Council of the City that the Resolutions are hereby adopted, approved, ratified and confirmed in all respects.

Adopted and recorded this 18th day of January, 2024.

Bruce Lechner
Mayor

Attest:

Lacey L. Reynolds
City Clerk

EXHIBIT A
FINANCIAL ASSISTANCE AGREEMENTS

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

Financial Assistance Agreement
Safe Drinking Water Loan Program
Form 8700-214 rev 07/23

STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF ADMINISTRATION

and

CITY OF ELKHORN

—————
\$1,991,290

FINANCIAL ASSISTANCE AGREEMENT

—————
Dated as of January 24, 2024
—————

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, the State of Wisconsin Department of Natural Resources, and the State of Wisconsin Department of Administration.

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

Municipal Identification No. 64221
Safe Drinking Water Loan Program Project No. 5525-06

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EXHIBIT F	PROJECT MANAGER SUMMARY PAGE

WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated January 24, 2024, between the STATE OF WISCONSIN Safe Drinking Water Loan Program (the "SDWLP"), by the Department of Natural Resources (the "DNR") and the Department of Administration (the "DOA"), acting under authority of ss. 281.59 and 281.61, Wis. Stats., as amended (the "Statute"), and the City of Elkhorn, a municipality within the meaning of the Statute, duly organized and existing under the laws of the State of Wisconsin (the "Municipality"); and

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

WHEREAS, the State of Wisconsin, pursuant to the Statute, established the SDWLP to be used in part for purposes of the Act; and

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

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

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

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

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

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

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

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

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

ARTICLE I
DEFINITIONS; RULES OF INTERPRETATION

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

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

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

"Application" means the written application of the Municipality dated June 29, 2023, for financial assistance under the Statute.

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

"Build America, Buy America" means Title IX of the Infrastructure Investment and Jobs Act, Publ. L. No. 117-58, §§ 70901-52.

"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.

"CWFP" means the State of Wisconsin Clean Water Fund Program, established pursuant to ss. 281.58 and 281.59, Wis. Stats., and managed and administered by DNR and DOA.

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

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

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

"FAA" means this Financial Assistance Agreement.

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

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

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

"Loan Disbursement Table" means the table with columns for inserting the following information:

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

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

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

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

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

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

"Parity Obligations" means the Municipality's \$6,380,000 Waterworks and Electric System Revenue Refunding Bonds, Series 2016A, dated May 17, 2016; its \$8,099,853 Taxable Waterworks and Electric System Revenue Bonds, Series 2016B, dated June 8, 2016; its \$849,261 Waterworks and Electric System Revenue Bonds, Series 2017, dated June 14, 2017; its \$1,715,000 Waterworks and Electric System Revenue Bonds, Series 2020B, dated July 9, 2020, and any other obligations issued on a parity with the Municipal Obligations pursuant to the restrictive provisions of Section 11 of the Municipal Obligation Resolution.

"Plans and Specifications" means the Project design plans and specifications assigned No. W-2023-0311, approved April 7, 2023; W-2023-0114, approved February 21, 2023; and S-2023-0341, approved June 21, 2023; as the same may be amended or modified from time to time in accordance with this FAA.

"Program Resolution" means the Amended and Restated Program Resolution for State of Wisconsin Environmental Improvement Fund Revenue Obligations adopted by the State of Wisconsin Building Commission, as such may from time to time be further amended or supplemented by Supplemental Resolutions in accordance with the terms and provisions of the Program Resolution.

"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. 5525-06 and SDWLP Project No. 5525-08 by DNR, described in the Project Manager Summary Page (Exhibit F), and further described in the DNR approval letter(s) for the Plans and Specifications, or portions thereof, issued under s. 281.41, Wis. Stats.

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

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

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

"State" means the State of Wisconsin.

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

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

"Supplemental Resolution" shall have the meaning set forth in the Program Resolution.

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

"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, and the electric system of the municipality, 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 and also includes user charges from the electric system for the user's proportional share of the revenue requirement of a water system and electric system which consists of operation and maintenance expenses, depreciation, taxes, and return on investment.

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

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

- (a) Words importing the singular number shall include the plural number and vice versa, and one gender shall include all genders.

(b) All references herein to particular articles or sections are references to articles or sections of this FAA.

(c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this FAA, nor shall they affect its meaning, construction, or effect.

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

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

ARTICLE II
REPRESENTATIONS

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

- (a) The State is authorized to issue the Bonds in accordance with the Statute and the Program Resolution and to use the proceeds thereof to provide funds for the making of the Loan to the Municipality to undertake and complete the Project.
- (b) The SDWLP has complied with the provisions of the Statute and has full power and authority to execute and deliver this FAA, consummate the transactions contemplated hereby, and perform its obligations hereunder.
- (c) The SDWLP is not in violation of any of the provisions of the Constitution or laws of the State which would affect its powers referred to in the preceding paragraph (b).
- (d) Pursuant to the Statute, the SDWLP is authorized to execute and deliver this FAA, and to take actions and make determinations that are required of the SDWLP under the terms and conditions of this FAA.
- (e) The execution and delivery by the SDWLP of this FAA and the consummation of the transactions contemplated by this FAA shall not violate any indenture, mortgage, deed of trust, note, agreement, or other contract or instrument to which the State is a party, or by which it is bound, or, to the best of the SDWLP's knowledge, any judgment, decree, order, statute, rule, or regulation applicable to the SDWLP; all consents, approvals, authorizations, and orders of governmental or regulatory authorities that are required for the consummation of the transactions contemplated thereby have been obtained.
- (f) To the knowledge of the SDWLP, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court, public board, or body, threatened against, pending, or affecting the SDWLP, or, to the knowledge of the SDWLP, any basis therefor, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or which, in any way, could adversely affect the validity of this FAA or any agreement or instrument to which the State is a party and which is used or contemplated for use in consummation of the transactions contemplated by each of the foregoing.
- (g) The Project is on the DNR funding list for the 2024 state fiscal year.

Section 2.02. Representations of the Municipality The Municipality represents and warrants as of the date of this FAA, and with respect to paragraphs (n), (s), and (u), covenants throughout the term of this FAA, as follows:

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

(b) The Municipality is in compliance with its Water Diversion Permit (if any).

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

(d) The governing body of the Municipality has duly approved the execution and delivery of this FAA and the issuance and delivery of the Municipal Obligations in the aggregate principal amount of \$1,991,290 and authorized the taking of any and all action as may be required on the part of the Municipality and its authorized officers to carry out, give effect to, and consummate the transactions contemplated by each of the foregoing.

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

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

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

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

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

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

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

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

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

(j) The Municipality has full legal right and authority, and all necessary permits, licenses, easements, and approvals (other than such permits, licenses, easements, or approvals that are

not by their nature obtainable prior to Substantial Completion of the Project) required as of the date hereof to own the Project, carry on its activities relating thereto, undertake and complete the Project, and carry out and consummate all transactions contemplated by this FAA.

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

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

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

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

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

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

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

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

(s) The Municipality represents that it has satisfied and shall continue to satisfy 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 and shall remain in substantial compliance with all applicable conditions, requirements, and terms of financial assistance previously awarded through any federal construction grants program, the SDWLP or the CWFP.

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

(w) The Municipality represents that it submitted to DNR a bid tabulation for the Project with a recommendation to DNR for review and concurrence. The actual Substantial Completion date of the Project was October 7, 2023.

(x) The Municipality acknowledges that s. 281.59(11)(b), Wis. Stats., and the Program 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. State aids information is available on: the Wisconsin Department of Revenue's website at <https://www.revenue.wi.gov/Pages/Report/Shared-Revenue-Estimates.aspx>, and the Wisconsin Department of Transportation's website <https://wisconsindot.gov/Pages/doing-bus/local-gov/astnce-pgms/highway/gta.aspx>.

The Municipality acknowledges that ss. 281.59(11)(b) and 70.60, Wis. Stats., and the Program 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.

ARTICLE III
LOAN PROVISIONS

Section 3.01. Loan Clauses

- (a) Subject to the conditions and in accordance with the terms of this FAA, the SDWLP hereby agrees to make the Loan and the Municipality agrees to accept the Loan. As evidence of the Loan made to the Municipality, the Municipality hereby agrees to sell to the SDWLP Municipal Obligations in the aggregate principal amount of \$1,991,290. 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 two and 255/1000ths percent (2.255%) per annum, and interest shall accrue and be payable only on Loan proceeds actually disbursed from the date of disbursement until the date such amounts are repaid.
- (d) The Municipal Obligation shall include the Loan Disbursement Table. The actual dates of disbursements shall be reflected as part of the Municipal Obligations. DOA shall make entries as each disbursement is made and as each principal amount is repaid; the SDWLP and the Municipality agree that such entries shall be mutually binding.
- (e) Upon Final Completion of the Project, DOA may request that the Municipality issue substitute Municipal Obligations in the aggregate principal amount equal to the outstanding principal balance of the Loan.
- (f) The Municipality shall deliver, or cause to be delivered, a Municipal Obligation Counsel Opinion to the SDWLP concurrently with the delivery of the Municipal Obligations.

Section 3.02. Loan Amortization Principal and interest payments on the Loan (and on the Municipal Obligations evidencing the Loan) shall be due on the dates set forth in Exhibit B of this FAA. The payment amounts shown on Exhibit B are for informational purposes only and assume the full amount of the Loan is disbursed to the Municipality on January 24, 2024. It is understood that the actual amount of the Municipality's Loan payments shall be based on the actual dates and amounts of Loan disbursements for the Project. Notwithstanding the foregoing or anything in the Municipal Obligations, the Loan shall be for no longer than thirty (30) years from the date of this FAA and shall mature and be fully amortized not later than thirty (30) years after the original issue date of the Municipal Obligations. Repayment of principal on the Loan 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 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 electric system, and the Municipality shall agree that, if revenues from the Water System and electric system are insufficient to meet annual debt service requirements, the Municipality shall purchase water or electric 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 and electric system then

outstanding, times the greater of (i) 110 percent or (ii) the highest debt service coverage ratio required with respect to any Parity Obligations, or any other debt obligations payable from the revenues of the Water System and electric system then outstanding. As of the date of this FAA, the required debt service coverage ratio is 125 percent; however, this percentage is subject to change as outlined in the prior sentence. The Loan is also secured as provided in Section 3.07 hereof.

Section 3.04. Sale and Redemption of Municipal Obligations

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

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

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

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

Section 3.05. Disbursement of Loan Proceeds

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

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

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

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

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

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

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

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

(f) Treas. Regs. 26 CFR § 1.148-6(d)(1)(iii) applies to project expenditures; it states, in part, "An issuer must account for the allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the project, if any, that is financed by the issue is placed in service".

Section 3.06. Remedies

(a) If the Municipality:

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

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

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

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

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

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

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

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

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

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

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

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

(a) as security for the Loan hereunder, the Municipality hereby pledges the revenue to be derived from the Municipality's Water Rates, and electric system revenues (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 electric system, Water System and Project that is reasonable in amount and coverage and that is consistent with prudent municipal insurance practices for the term of the Loan. The Municipality agrees to provide written evidence of insurance coverage to the SDWLP upon request at any time during the term of the Loan.

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

Section 4.02. Construction of the Project

(a) 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, Project scope, or functional layout, as may be previously approved by DNR.

(b) During construction of the Project, if the Municipality replaces a lead service line in the Water System that results in creation of a partial lead service line due to the private portion of the service line also containing lead, or containing galvanized iron or galvanized steel, the SDWLP shall not provide funding for any Project work on the city block on which the partial lead service line was created.

(c) If a lead service line, including both the public portion and the private portion of the line, cannot be replaced in its entirety all at one time, the Municipality shall supply water filters to any affected homes to minimize any harmful effects. The Municipality shall attempt to replace a service line in its entirety within 45 days of the start of construction on the lead service line. In no case shall the full replacement period exceed 180 days.

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 C of this FAA;
- (4) certify compliance with Section 4.02 of this FAA; and
- (5) 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 Loan amount, the SDWLP may allocate additional financial assistance to the Project. The allocation of additional financial assistance may be in the form of a loan at less than the market interest rate, which is established pursuant to the Statute and Regulations. The allocation of additional financial assistance shall depend upon availability of funds, pursuant to the Statute and the Regulations.

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

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

ARTICLE V
COVENANTS

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

Section 5.02. Operation and Maintenance

(a) After completion of the Project, the Municipality shall:

(1) 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;

(2) maintain, preserve, and keep the Project or cause the Project to be maintained, preserved, and kept in good repair, working order, and condition; and

(3) periodically make, or cause to be made, all necessary and proper repairs, replacements, and renewals so that at all times the operation of the Project may be properly conducted in a manner that is consistent with the Project performance standards contained in the Application and the requirements of the Water Diversion Permit (if any).

(b) So long as the Loan is outstanding, the Municipality shall not, without the approval of DNR, discontinue operation of, sell, or otherwise dispose of the Water System, electric system, or Project, except for portions of the Water System or electric system sold or otherwise disposed of in the course of ordinary repair and replacement of parts.

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

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

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 independent certified public accountants of recognized standing selected by the Municipality and reasonably satisfactory to DOA, whose reports shall indicate that the accompanying financial statements have been prepared in conformity with GAAP and include standards relating to the reporting of infrastructure assets.

(b) The Municipality shall maintain a separate account that reflects the receipt and expenditure of all SDWLP funds for the Project. All Loan proceeds shall be credited promptly upon receipt thereof and shall be reimbursement for or expended only for Project Costs. The Municipality shall: permit any authorized representative of DNR or DOA, or agents thereof, the right to review or audit all records relating to the Project or the Loan; produce, or cause to be produced, all records relating to any work performed under the terms of this FAA for examination at such times as may be

designated by any of them; permit extracts and copies of the Project records to be made by any of them; and fulfill information requests by any of them.

Section 5.06. Records The Municipality shall retain all files, books, documents, and records relating to construction of the Project for at least three years following the date of Final Completion of the Project, or for longer periods if necessary due to any appeal, dispute, or litigation. All other files and records relating to the Project shall be retained so long as this FAA remains in effect. As-built plans for the Project shall be retained for the useful life of the Project.

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

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

Section 5.09. Tax Covenants

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

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

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

(d) The Municipality shall not use (directly or indirectly) the proceeds of the Bonds in any manner that would constitute an "advance refunding" within the meaning of Section 149(d)(2) of the Code or any successor provision. Without limiting the foregoing, any proceeds of the Bonds used to repay interim or other prior financing of Project Costs shall be applied within three (3) Business Days of receipt of the proceeds to the payment of principal of such financing.

Section 5.10. User Fee Covenant

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

maintaining the Project in accordance with this FAA and to pay all amounts due under this FAA and the Municipal Obligations.

(b) The Municipality covenants that it shall adopt and shall adequately maintain for the design life of the Project a system of User Fees with respect to the Project. The Municipality covenants that it shall, from time to time, revise and charge User Fees with respect to the Project such that the revenues and funds described in paragraph (a) shall be sufficient to pay the costs described in paragraph (a).

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

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

Section 5.13. Nondiscrimination Covenant

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

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

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

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

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

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

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 for which disbursement of funds has already been made by the SDWLP. The SDWLP shall then apply the amount it receives as a Loan prepayment.

Section 5.20. Maintenance of Legal Existence

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

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

- (1) the resulting, surviving, or transferee legal entity is a legal entity established and duly existing under the laws of Wisconsin;
- (2) such resulting, surviving, or transferee legal entity is eligible to receive financial assistance under the Statute;
- (3) such resulting, surviving, or transferee legal entity expressly assumes in writing all of the obligations of the Municipality contained in this FAA and the Municipal Obligations and any other documents the SDWLP deems reasonably necessary to protect its environmental and credit interests; and
- (4) the SDWLP consents in writing to such transaction, which consent may be withheld in the absolute discretion of the SDWLP.

Section 5.21. Wage Rate Requirements The Municipality represents that it shall comply with Section 1450(e) of the Act (42 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 the 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. American Iron and Steel and Build America, Buy America The Municipality agrees to comply with all federal requirements applicable to the Project, including those imposed by the Infrastructure Investment and Jobs Act, which the Municipality understands requires that all iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States (Build America, Buy America requirements) unless the Municipality requested and obtained a waiver from the

cognizant agency pertaining to the Project or the Project is otherwise covered by a general applicability waiver.

If the Municipality is exempt from Build America, Buy America requirements due to a waiver, the Municipality shall comply with the requirements for use of American Iron and Steel contained in Public Law 115-114 for products used in the Project that are made primarily of iron and/or steel. If the Municipality is not exempt from Build America, Buy America requirements, EPA views the American Iron and Steel requirements as meeting the iron and steel product requirements of Build America, Buy America Section 70914.

The Municipality agrees to comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the funding authority (such as EPA and/or the SDWLP), such as records regarding performance indicators of program deliverables, information on costs, and Project progress reports. The Municipality understands that: (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities, and (ii) failure to comply with the applicable legal requirements and this FAA may result in a default hereunder that results in: a repayment of the assistance agreement in advance of the maturity of the Bonds; termination and/or repayment of grants, cooperative agreements, or direct assistance; or other remedial actions.

Section 5.23. Federal Single Audit At the time of signing of this FAA, the funds awarded to the Municipality for this Project are not considered to be subject to federal single audit requirements, but such consideration may change subsequent to this FAA if any changes are made to federal single audit requirements applicable to municipalities.

Section 5.24. Bipartisan Infrastructure Law Signage The Municipality agrees to comply with all signage requirements as described in the Implementing the BIL Signage Requirement Packet (available at <https://dnr.wisconsin.gov/sites/default/files/topic/Aid/loans/BILsignageReqPacket.pdf>).

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 CF/2
MADISON WI 53702-0005
OR
PO BOX 7921
MADISON WI 53707-7921
- (c) US BANK CORP TRUST
MATTHEW HAMILTON EP-MN-WS3T
60 LIVINGSTON AVENUE
ST PAUL MN 55101-2292
- (d) CITY OF ELKHORN
311 SEYMOUR COURT
P.O. BOX 920
ELKHORN WI 53121-0920

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) any of the representations of the Municipality contained in this FAA were false in any material respect.

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

CITY OF ELKHORN

By: _____
Bruce Lechner
Mayor

Attest: _____
Lacey Reynolds
City Clerk

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

By: _____
Authorized Officer

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Officer

EXHIBIT A
PROJECT BUDGET SHEET

CITY OF ELKHORN
SDWLP Project No. 5525-06

	Total Project Costs	Ineligible CWF 4552-03 Costs	Ineligible Street & Storm Internal Costs	Ineligible SDW LSL 5525-05 Costs	Net SDWLP Loan Amount
Force Account	0	0	0	0	0
Interim Financing	0	0	0	0	0
Preliminary Engineering	361,405	45,461	214,046	11,667	90,231
Land or Easement Acquisition	0	0	0	0	0
Engineering/Construction Mgmt.	378,244	46,508	168,604	15,436	147,696
Construction/Equipment	5,380,543	344,595	3,329,978	40,741	1,665,229
Contingency	134,813	10,819	52,413	678	70,903
Miscellaneous Costs	1,641	300	0	110	1,231
Closing Costs	38,500	12,500	0	10,000	16,000
TOTAL	\$6,295,146	\$460,183	\$3,765,041	\$78,632	\$1,991,290

Elkhorn, Wisconsin

Exhibit B

Project # 5525-06 Safe Drinking Water Loan Program

Loan Closing Date: **January 24, 2024**

Payment Date	Principal Payment	Interest Rate	Interest Payment	Principal & Interest	Bond Year Debt Service	Calendar Year Debt Service
1-May-24	47,154.99	2.255%	12,099.02	59,254.01	59,254.01	0.00
1-Nov-24	0.00	2.255%	21,920.12	21,920.12	0.00	81,174.13
1-May-25	48,218.34	2.255%	21,920.12	70,138.46	92,058.58	0.00
1-Nov-25	0.00	2.255%	21,376.46	21,376.46	0.00	91,514.92
1-May-26	49,305.66	2.255%	21,376.46	70,682.12	92,058.58	0.00
1-Nov-26	0.00	2.255%	20,820.54	20,820.54	0.00	91,502.66
1-May-27	50,417.51	2.255%	20,820.54	71,238.05	92,058.59	0.00
1-Nov-27	0.00	2.255%	20,252.08	20,252.08	0.00	91,490.13
1-May-28	51,554.42	2.255%	20,252.08	71,806.50	92,058.58	0.00
1-Nov-28	0.00	2.255%	19,670.81	19,670.81	0.00	91,477.31
1-May-29	52,716.97	2.255%	19,670.81	72,387.78	92,058.59	0.00
1-Nov-29	0.00	2.255%	19,076.42	19,076.42	0.00	91,464.20
1-May-30	53,905.74	2.255%	19,076.42	72,982.16	92,058.58	0.00
1-Nov-30	0.00	2.255%	18,468.63	18,468.63	0.00	91,450.79
1-May-31	55,121.32	2.255%	18,468.63	73,589.95	92,058.58	0.00
1-Nov-31	0.00	2.255%	17,847.14	17,847.14	0.00	91,437.09
1-May-32	56,364.30	2.255%	17,847.14	74,211.44	92,058.58	0.00
1-Nov-32	0.00	2.255%	17,211.63	17,211.63	0.00	91,423.07
1-May-33	57,635.32	2.255%	17,211.63	74,846.95	92,058.58	0.00
1-Nov-33	0.00	2.255%	16,561.80	16,561.80	0.00	91,408.75
1-May-34	58,934.99	2.255%	16,561.80	75,496.79	92,058.59	0.00
1-Nov-34	0.00	2.255%	15,897.30	15,897.30	0.00	91,394.09
1-May-35	60,263.98	2.255%	15,897.30	76,161.28	92,058.58	0.00
1-Nov-35	0.00	2.255%	15,217.83	15,217.83	0.00	91,379.11
1-May-36	61,622.93	2.255%	15,217.83	76,840.76	92,058.59	0.00
1-Nov-36	0.00	2.255%	14,523.03	14,523.03	0.00	91,363.79
1-May-37	63,012.53	2.255%	14,523.03	77,535.56	92,058.59	0.00
1-Nov-37	0.00	2.255%	13,812.56	13,812.56	0.00	91,348.12
1-May-38	64,433.46	2.255%	13,812.56	78,246.02	92,058.58	0.00
1-Nov-38	0.00	2.255%	13,086.08	13,086.08	0.00	91,332.10
1-May-39	65,886.43	2.255%	13,086.08	78,972.51	92,058.59	0.00
1-Nov-39	0.00	2.255%	12,343.21	12,343.21	0.00	91,315.72
1-May-40	67,372.17	2.255%	12,343.21	79,715.38	92,058.59	0.00
1-Nov-40	0.00	2.255%	11,583.58	11,583.58	0.00	91,298.96
1-May-41	68,891.41	2.255%	11,583.58	80,474.99	92,058.57	0.00
1-Nov-41	0.00	2.255%	10,806.83	10,806.83	0.00	91,281.82
1-May-42	70,444.92	2.255%	10,806.83	81,251.75	92,058.58	0.00
1-Nov-42	0.00	2.255%	10,012.57	10,012.57	0.00	91,264.32
1-May-43	72,033.45	2.255%	10,012.57	82,046.02	92,058.59	0.00
1-Nov-43	0.00	2.255%	9,200.39	9,200.39	0.00	91,246.41
1-May-44	73,657.80	2.255%	9,200.39	82,858.19	92,058.58	0.00
1-Nov-44	0.00	2.255%	8,369.90	8,369.90	0.00	91,228.09
1-May-45	75,318.79	2.255%	8,369.90	83,688.69	92,058.59	0.00
1-Nov-45	0.00	2.255%	7,520.68	7,520.68	0.00	91,209.37
1-May-46	77,017.22	2.255%	7,520.68	84,537.90	92,058.58	0.00
1-Nov-46	0.00	2.255%	6,652.31	6,652.31	0.00	91,190.21
1-May-47	78,753.96	2.255%	6,652.31	85,406.27	92,058.58	0.00
1-Nov-47	0.00	2.255%	5,764.36	5,764.36	0.00	91,170.63
1-May-48	80,529.87	2.255%	5,764.36	86,294.23	92,058.59	0.00
1-Nov-48	0.00	2.255%	4,856.39	4,856.39	0.00	91,150.62
1-May-49	82,345.81	2.255%	4,856.39	87,202.20	92,058.59	0.00
1-Nov-49	0.00	2.255%	3,927.94	3,927.94	0.00	91,130.14
1-May-50	84,202.71	2.255%	3,927.94	88,130.65	92,058.59	0.00
1-Nov-50	0.00	2.255%	2,978.55	2,978.55	0.00	91,109.20
1-May-51	86,101.48	2.255%	2,978.55	89,080.03	92,058.58	0.00
1-Nov-51	0.00	2.255%	2,007.76	2,007.76	0.00	91,087.79
1-May-52	88,043.07	2.255%	2,007.76	90,050.83	92,058.59	0.00
1-Nov-52	0.00	2.255%	1,015.07	1,015.07	0.00	91,065.90
1-May-53	90,028.45	2.255%	1,015.07	91,043.52	92,058.59	91,043.52
Totals	1,991,290.00		737,662.96	2,728,952.96	2,728,952.96	2,728,952.96

Net Interest Rate 2.2550%
 Bond Years 32,712.3253
 Average Life 16.4277

The above schedule assumes full disbursement of the loan on the loan closing date.
 05-Jan-24 Wisconsin Department of Administration

Loan Payment Schedule Comments

Please review the preceding loan payment schedule. It shows the dates of your first interest and principal payments. The preceding loan payment schedule assumes you draw all the loan funds on the loan closing date. Borrowers often draw loan funds over time. Interest only accrues on the funds disbursed and only after the date of each disbursement.

You can view your payment schedule based on disbursements to date at <http://eif.doa.wi.gov/>. Select Loan Payment Schedule on the lower half of the page. You can also request loan payment information from doaeif@wisconsin.gov.

You can generate additional reports at <http://eif.doa.wi.gov/>.

<u>Available Report</u>	<u>Information Provided</u>
Auditor Verification Report	Information commonly requested by municipal auditors. Available for completed calendar years.
Loan Account History	Loan disbursements, principal payments, and loan balance.
Loan Payment Schedule	Future principal and interest payments for disbursements.
Payment History	Past principal and interest payments.
Disbursement History	Past loan and grant disbursements.

Use the Output to Excel button at the bottom of the page to create your report in Microsoft Excel. Find details on generating reports at <http://eif.doa.wi.gov/siteDescr.htm>.

The Environmental Improvement Fund sends invoices semi-annually. You will receive an invoice approximately 45 days prior to the due date. If you have multiple loans, we will send a single invoice showing the payment amount for each loan.

- May 1: principal and interest payments due
- November 1: interest payments due

For more information about your payment schedule, please email doaeif@wisconsin.gov. The first available staff will respond to your inquiry.

EXHIBIT C

FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION

[Prepare on Municipal Letterhead at Project Completion and Closeout]

The undersigned officials of the City of Elkhorn (the "Municipality") hereby certify that, for all expenditures made for construction of DNR Project No. 5525-06 (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. 5525-06 has met the requirements for Build America, Buy America of the Infrastructure Investment and Jobs Act, Public Law No. 117-58, §§ 70901-52, and the use of American Iron and Steel mandated under EPA's Drinking Water State Revolving Fund program.

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

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

Dated as of: _____

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

Dated as of: _____

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 or electric system.

EXHIBIT E

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

MANDATORY PROJECT CLOSEOUT DOCUMENT

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

Municipality Name: City of Elkhorn	Project Number: 5525-06	Loan/Grant Amount: \$1,991,290
Project Description: Replace Water Main Wright Street & Centralia Street Phase 1		
Did the municipality satisfy the MBE/WBE requirements? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (If no, refer to Exhibit F-Project Manager Summary Page).		

Construction/Equipment/Supplies Contracts	DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to MBE/WBE Firm
				Municipality Completes at Project Closeout
Prime: Rock Road Companies, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Construction	4,584,432.72	
Sub: Con-Cor Company, Inc.	<input type="checkbox"/> MBE <input checked="" type="checkbox"/> WBE <input type="checkbox"/> Other	Sawcutting & Core	9,429.35	
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: The Wanasek Corporation	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Construction	796,110	
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			

				Total MBE \$ _____
				Total WBE \$ _____
Professional/Technical Services Contracts	DBE Type	Type of Product or Service	Contract Estimate \$	Actual Amount Paid to MBE/WBE Firm
				Municipality Completes at Project Closeout
Prime: Kapur & Associates, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A	Engineering	471,449	
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: Foth Infrastructure & Environment, LLC.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A	Engineering	268,200	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
				Total MBE \$ _____
				Total WBE \$ _____

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

Name of Person Completing This Form	Email Address	Phone Number

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

EXHIBIT F

PROJECT MANAGER SUMMARY PAGE

CITY OF ELKHORN
SDWLP Project No. 5525-06

1. Project Description: The Project consists of water main replacements on Wright Street and Centralia Street which include approximately 4,520 feet of 12-inch diameter, 20 feet of 10-inch diameter, 805 feet of 8-inch diameter, and 70 feet of 6-inch diameter PVC pipe.

The Project was combined with State Fiscal Year (SFY) 2024 SDW project 5525-08 (Wright Street). A concurrent project to replace private-side LSLs, SFY 2024 SDW project 5525-05 was completed alongside the Project. Storm sewer and street reconstruction occurred simultaneously and was funded by the Municipality's internal funds. Sanitary Sewer lines were also replaced on the above listed streets as part of SFY 2024 CWF project 4452-03.

2. Ineligible Costs: The Project included storm sewer costs, lead service line replacements, roadway reconstruction costs, and sanitary sewer costs.

Contractor	Amount	Description
Foth Infrastructure & Environment, LLC	\$66,259	Preliminary Engineering
Foth Infrastructure & Environment, LLC	\$55,477	Construction Management
Kapur & Associates, Inc.	\$204,915	Preliminary Engineering
Kapur & Associates, Inc.	\$175,071	Construction Management
Rock Road Companies, Inc.	\$3,265,555	Construction
The Wanasek Corporation	\$449,759	Construction
Construction Contingency	\$63,910	Construction Contingency
Miscellaneous Costs	\$410	BIL Signage/Water Valve Repair
Closing Costs	\$22,500	Bond

3. Other Funding Sources:

Source	Amount	Work Covered
CWFP	\$460,183	Ineligible Sanitary Sewer
SWDLP LSL	\$78,632	Ineligible lead service line replacements
Internal Municipal Funds	\$3,765,041	Ineligible storm and street reconstruction

4. Miscellaneous Costs: As shown in the Project Budget Sheet (Exhibit A), SDWLP funding in the amount of \$1,231 is included in the Miscellaneous category for:

- ◆ BIL Signage - \$590
- ◆ Zien Inc, Water Valve Repair - \$641

5. Contingency Allowance: The contingency allowance of \$70,903 is five percent of the amount of uncompleted construction work adjusted for CME reviewed change orders. The Municipality must obtain CME approval of change orders prior to requesting reimbursement.

Base contingency (Uncompleted construction work x 5%)			\$0
--	--	--	-----

Rock Road Companies, Inc.	Centralia	CO #1	\$6,272
Rock Road Companies, Inc.	Centralia	CO #2	\$42,683
Rock Road Companies, Inc.	Centralia	CO #3	\$5,593
Rock Road Companies, Inc.	Centralia	CO #4	\$12,679
The Wanasek Corporation	Wright Street	CO #1	\$0
The Wanasek Corporation	Wright Street	CO #2	\$3,676
Total Contingency Allowance			\$70,903

6. DBE Good Faith Effort: The Municipality, Rock Road Companies, Inc., and The Wanasek Corporation made good faith efforts to meet DBE solicitation requirements during advertising and bidding. The contractors made good faith efforts by reaching out to several DBEs. Con-Cor is a WBE employed to perform saw-cutting & core work, for an estimated \$9,429.35, under Rock Road Companies, Inc. for the Centralia Street contract. Contractors are required to solicit for DBEs if they do any subcontracting.
7. Green Project Reserve: No GPR elements were identified during the review of this Project.
8. American Iron and Steel: This Project is subject to the Build America, Buy America requirements of Title IX of the Infrastructure Investment and Jobs Act, Public Law No. 117-58, §§ 70901-52. If this Project is exempt from Build America, Buy America requirements under a project specific or general applicability waiver, the Project is still subject to use of American Iron and Steel (UAIS) requirements mandated under EPA's Drinking Water State Revolving Fund program.
9. Environmental Review: Based on the information submitted to the SDWLP regarding activities associated with the Project, the SDWLP determined that the Project is categorically excluded from construction requirements under 40 CFR §6.204 (a)(1). Erosion control and Invasive species guidance was included. No archeological or historical elements were found.

State of Wisconsin
Department of Natural Resources
Bureau of Community Financial Assistance
101 South Webster Street, 2nd Floor
PO Box 7921
Madison, Wisconsin 53707-7921

Financial Assistance Agreement
Clean Water Fund Program
Form 8700-214 rev 07/23

STATE OF WISCONSIN CLEAN WATER FUND PROGRAM

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF ADMINISTRATION

and

CITY OF ELKHORN

—————
\$460,183

FINANCIAL ASSISTANCE AGREEMENT

—————
Dated as of January 24, 2024
—————

This constitutes a **Financial Assistance Agreement** under the State of Wisconsin's Clean Water Fund Program. This agreement is awarded pursuant to ss. 281.58 and 281.59, Wis. Stats. The purpose of this agreement is to award financial assistance from the Clean Water Fund 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, the State of Wisconsin Department of Natural Resources, and the State of Wisconsin Department of Administration.

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

Municipal Identification No. 64221
Clean Water Fund Program Project No. 4552-03

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WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated January 24, 2024, between the STATE OF WISCONSIN Clean Water Fund Program (the "CWFP"), by the Department of Natural Resources (the "DNR") and the Department of Administration (the "DOA"), acting under authority of ss. 281.58 and 281.59, Wis. Stats., as amended (the "Statute"), and the City of Elkhorn, a municipality within the meaning of the Statute, duly organized and existing under the laws of the State of Wisconsin (the "Municipality"); and

WHEREAS, the United States, pursuant to the Federal Water Quality Act of 1987 (the "Water Quality Act"), requires each state to establish a water pollution control revolving 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 Title VI of the Water Quality Act; and

WHEREAS, the State of Wisconsin, pursuant to the Statute, established the CWFP to be used in part for purposes of the Water Quality Act; and

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

WHEREAS, DNR and DOA have the joint responsibility to provide CWFP financial assistance to municipalities for the construction of eligible wastewater pollution abatement projects, all as set forth in the Statute; and

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

WHEREAS, DNR determined that the Municipality and the Project are eligible for financial assistance pursuant to s. 281.58(7)(b), Wis. Stats.; and

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

WHEREAS, the Municipality pledged the security, if any, required by DOA, and the Municipality 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 CWFP that it has created a dedicated source of revenue, which may constitute taxes levied by the Municipality for repayment of the Loan; and

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

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

ARTICLE I
DEFINITIONS; RULES OF INTERPRETATION

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

"Act" means the Federal Water Pollution Control Act, 33 U.S. Code §§1250 et seq., as amended.

"American Iron and Steel" means the requirements contained in section 608 of the Act.

"Application" means the written application of the Municipality dated September 30, 2023, for financial assistance under the Statute.

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

"Build America, Buy America" means Title IX of the Infrastructure Investment and Jobs Act, Publ. L. No. 117-58, §§ 70901-52.

"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.

"CWFP" means the State of Wisconsin Clean Water Fund Program, established pursuant to the Statute, and managed and administered by DNR and DOA.

"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 Title VI of the Water Quality Act.

"FAA" means this Financial Assistance Agreement.

"Fees and Charges" means the costs and expenses of DNR and DOA in administering the CWFP.

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

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

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

"Loan Disbursement Table" means the table with columns for inserting the following information:

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

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

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

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

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

"Municipality" means the City of Elkhorn, a "municipality" within the meaning of the Statute, duly organized and existing under the laws of the State, and any successor entity.

"Parallel Cost Percentage" means the proportion of Project Costs eligible for below-market-rate financing relative to the total Project Costs eligible for CWFP financing.

"Parity Obligations" means the Municipality's \$1,735,000 Sewer System Revenue Bonds, Series 2020C, dated July 9, 2020, and any other obligations issued on a parity with the Municipal Obligations pursuant to the restrictive provisions of Section 11 of the Municipal Obligation Resolution.

"Plans and Specifications" means the Project design plans and specifications assigned No. S-2023-0341, approved June 21, 2023; and W-2023-0114, approved February 21, 2023; as the same may be amended or modified from time to time in accordance with this FAA.

"Program Resolution" means the Amended and Restated Program Resolution for State of Wisconsin Environmental Improvement Fund Revenue Obligations adopted by the State of Wisconsin Building Commission, as such may from time to time be further amended or supplemented by Supplemental Resolutions in accordance with the terms and provisions of the Program Resolution.

"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 CFWP Project No. 4552-03 and CFWP Project No. 4552-06 by DNR, described in the Project Manager Summary Page (Exhibit F), and further described in the DNR approval letter 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 CFWP under the Statute, which are allowable costs under the Regulations, which have been incurred by the Municipality, an estimate of which is set forth in Exhibit A hereto and made a part hereof.

"Regulations" means the Act; chs. NR 108, NR 110, NR 150, NR 151, NR 162, and NR 216, 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.

"SDWLP" means the State of Wisconsin Safe Drinking Water Loan Program, established pursuant to ss. 281.59 and 281.61, Wis. Stats.

"Servicing Fee" means any servicing fee that may be imposed by DNR and DOA pursuant to s. 281.58(9)(d), Wis. Stats., which shall cover the estimated costs of reviewing and acting upon the Application and servicing this FAA, and which the Municipality is obligated to pay as set forth in Section 3.04 hereof.

"Sewer Use Ordinance" means the ordinance (or other legislative enactments) meeting the requirements of the Regulations and enacted and enforced in each jurisdiction served by the Project.

"Sewerage System" means the entire sewer 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 collection, transmission, treatment, and disposal of domestic and industrial sewerage and waste.

"State" means the State of Wisconsin.

"Statute" means ss. 281.58 and 281.59, Wis. Stats., as amended.

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

"Supplemental Resolution" shall have the meaning set forth in the Program Resolution.

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

"User Charge System" means a system of charges meeting the requirements of s. NR 162.08, Wis. Adm. Code.

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

"Water Quality Act" means the federal Water Quality Act of 1987, as amended.

"WPDES Permit" means a Wisconsin Pollutant Discharge Elimination System permit issued under ch. 283, Wis. Stats.

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

- (a) Words importing the singular number shall include the plural number and vice versa, and one gender shall include all genders.
- (b) All references herein to particular articles or sections are references to articles or sections of this FAA.
- (c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this FAA, nor shall they affect its meaning, construction, or effect.
- (d) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms as used in this FAA refer to this FAA in its entirety and not the particular article or section of this FAA in which they appear. The term "hereafter" means after and the term "heretofore" means before the date of delivery of this FAA.
- (e) All accounting terms not otherwise defined in this FAA have the meanings assigned to them in accordance with generally accepted accounting principles, and all computations provided for herein shall be made in accordance with generally accepted accounting principles.

ARTICLE II
REPRESENTATIONS

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

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

Section 2.02. Representations of the Municipality The Municipality represents, and warrants as of the date of this FAA, and with respect to paragraphs (n), (s), and (u), covenants throughout the term of this FAA, as follows:

- (a) The Municipality possesses the legal municipal form of a city under ch. 62, Wis. Stats. The Municipality is located within the State and is a "municipality" within the meaning of the Statute, duly organized and existing under the laws of the State, and has full legal right, power, and authority to:
 - (1) conduct its business and own its properties,
 - (2) enter into this FAA,
 - (3) adopt the Municipal Obligation Resolution,
 - (4) issue and deliver the Municipal Obligations to the CWFP as provided herein, and
 - (5) carry out and consummate all transactions contemplated by each of the aforesaid documents.
- (b) The Municipality's Project is a project that is necessary to prevent the applicant from significantly exceeding an effluent limitation contained in its WPDES Permit (compliance maintenance).

(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 \$460,183 and authorized the taking of any and all action as may be required on the part of the Municipality and its authorized officers to carry out, give effect to, and consummate the transactions contemplated by each of the foregoing.

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

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

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

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

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

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

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

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

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

(j) The Municipality has full legal right and authority and all necessary permits, licenses, easements, and approvals (other than such permits, licenses, easements, or approvals that are not by their nature obtainable prior to Substantial Completion of the Project) required as of the date hereof to own the Project, carry on its activities relating thereto, undertake and complete the Project, and carry out and consummate all transactions contemplated by this FAA.

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

(l) The Project is eligible under s. 281.58(7), Wis. Stats., for financing from the CWFP, and the Project Costs are equal to or in excess of the principal amount of the Municipal Obligations. Portions of the Project that are ineligible for financing from the CWFP are listed within the Project Manager Summary Page attached hereto as Exhibit F. The Municipality intends the Project to be eligible under the Statute throughout the term of this FAA.

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

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

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

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

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

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

(s) The Municipality represents that it has satisfied and shall continue to satisfy all the applicable requirements in s. 281.58, Wis. Stats., and ch. NR 162, 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 and shall remain in substantial compliance with all applicable conditions, requirements, and terms of any financial assistance previously awarded

through the federal construction grants program, the Wisconsin Fund construction grants program, the CWFP, or the SDWLP.

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

(w) The Municipality represents that it submitted to DNR a bid tabulation for the Project with a recommendation to DNR for review and concurrence. The actual Substantial Completion date of the Project was October 7, 2023.

(x) The Municipality acknowledges that s. 281.59(11)(b), Wis. Stats., and the Program Resolution provide that, if the Municipality fails to repay the Loan when due, the State shall recover amounts due the CWFP by deducting those amounts from any State payments due the Municipality. State aids information is available on: the Wisconsin Department of Revenue's website at <https://www.revenue.wi.gov/Pages/Report/Shared-Revenue-Estimates.aspx>, and the Wisconsin Department of Transportation's website at <https://wisconsindot.gov/Pages/doing-bus/local-gov/astnce-pgms/highway/gta.aspx>.

The Municipality acknowledges that s. 70.60, Wis. Stats., and the Program Resolution provide that, if the Municipality fails to repay the Loan when due, the State shall recover amounts due the CWFP 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 Sewerage System or, in the case of a joint utility system, to bill the users of the Municipality's Sewerage 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.

ARTICLE III
LOAN PROVISIONS

Section 3.01. Loan Clauses

- (a) Subject to the conditions and in accordance with the terms of this FAA, the CWFP hereby agrees to make the Loan and the Municipality agrees to accept the Loan. As evidence of the Loan made to the Municipality, the Municipality hereby agrees to sell to the CWFP Municipal Obligations in the aggregate principal amount of \$460,183. The CWFP 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 CWFP or by the Trustee for the account of the CWFP. Earnings on undisbursed Loan proceeds shall be for the account of the CWFP. Loan proceeds shall be disbursed only upon submission by the Municipality of disbursement requests and approval thereof as set forth in Section 3.06 hereof.
- (c) The Loan shall bear interest at the rate of two and 255/1000ths percent (2.255%) per annum, and interest shall accrue and be payable only on Loan proceeds actually disbursed from the date of disbursement until the date such amounts are repaid.
- (d) The Municipal Obligation shall include the Loan Disbursement Table. 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 CWFP and the Municipality agree that such entries shall be mutually binding.
- (e) Upon Final Completion of the Project, DOA may request that the Municipality issue substitute Municipal Obligations in the aggregate principal amount equal to the outstanding principal balance of the Loan.
- (f) The Municipality shall deliver, or cause to be delivered, a Municipal Obligation Counsel Opinion to the CWFP concurrently with the delivery of the Municipal Obligations.

Section 3.02. Loan Amortization Principal and interest payments on the Loan (and on the Municipal Obligations evidencing the Loan) shall be due on the dates set forth in Exhibit B of this FAA. The payment amounts shown on Exhibit B are for informational purposes only and assume the full amount of the Loan is disbursed to the Municipality on January 24, 2024. It is understood that the actual amounts of the Municipality's Loan payments shall be based on the actual dates and amounts of Loan disbursements for the Project. Notwithstanding the foregoing or anything in the Municipal Obligations, the Loan shall be for no longer than thirty (30) years from the date of this FAA and shall mature and be fully amortized not later than thirty (30) years after the original issue date of the Municipal Obligations. Repayment of principal on the Loan 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 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 Sewerage System, and the Municipality shall agree that, if revenues from the Sewerage System are insufficient to meet annual debt service requirements, the Municipality shall purchase sewerage 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 Sewerage System then outstanding, times the greater of (i) 110 percent or (ii) the highest debt service coverage ratio required with respect to any Parity Obligations, or any other debt obligations payable from the revenues of the Sewerage System then outstanding. As of the date of this FAA, the required debt service coverage ratio is

125 percent; however, this percentage is subject to change as outlined in the prior sentence. The Loan is also secured as provided in Section 3.08 hereof.

Section 3.04. Other Amounts Payable The Municipality hereby expressly agrees to pay to the CWFP:

- (a) such Servicing Fee as the CWFP may impose pursuant to s. 281.58(9)(d), Wis. Stats., which shall be payable in semiannual installments on each interest payment date; such a Servicing Fee shall be imposed upon the Municipality after approval of a future Biennial Finance Plan by the State of Wisconsin Building Commission which contains a Servicing Fee requirement, schedule, and amount; and
- (b) the Municipality's allocable share of the Fees and Charges as such costs are incurred. Allocable share shall mean the proportionate share of the Fees and Charges based on the outstanding principal of the Loan.

Amounts paid by the Municipality pursuant to this Section 3.04 shall be deposited in the Equity Fund established pursuant to the Program Resolution.

Section 3.05. Sale and Redemption of Municipal Obligations

- (a) Municipal Obligations may not be prepaid without the prior written consent of the CWFP. The CWFP has sole discretion to withhold such consent.
- (b) The Municipality shall pay all costs and expenses of the CWFP 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 CWFP and any investment losses incurred or sustained by the CWFP resulting directly or indirectly from any such prepayment.
- (c) Subject to subsection (a), the Municipality may prepay the Loan with any settlements received from any third party relating to the design or construction of the Project.
- (d) Prepayments of the Municipal Obligations shall be applied pro rata to all maturities of the Municipal Obligations.

Section 3.06. 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 of Financial Assistance is requested have been incurred by the Municipality.
- (c) The CWFP, 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 CWFP funds were previously disbursed for costs not eligible for CWFP funding or not eligible under this FAA, the CWFP shall make necessary adjustments to future disbursements.

(2) If the Financial Assistance is fully disbursed, including disbursements for any costs not eligible for CWFP funding or not eligible under this FAA, the Municipality agrees to repay to the CWFP an amount equal to the non-eligible costs within 60 days of notification by DNR or DOA. The CWFP 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 which the recovery may be applied).

(e) The CWFP 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, DNR has approved all change orders relating to the Project, and DNR has determined that the Project is in compliance with the Municipality's WPDES Permit;

(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 C); and

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

(g) Treas. Regs. 26 CFR § 1.148-6(d)(1)(iii) applies to project expenditures. It states, in part, "An issuer must account for the allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the project, if any, that is financed by the issue is placed in service".

Section 3.07. Remedies

(a) If the Municipality:

(1) or any authorized representative is not complying with federal or state laws, regulations, or requirements relating to the Project, and following due notice by DNR the Project is not brought into compliance within a reasonable period of time; or

(2) is not complying with or is in violation of any provision set forth in this FAA; or

(3) is not in compliance with the Statute or the Regulations;

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

(i) Progress payments or disbursements otherwise due the Municipality of up to 20% may be withheld.

(ii) Project work may be suspended.

(iii) DNR may request a court of appropriate jurisdiction to enter an injunction or afford other equitable or judicial relief as the court finds appropriate.

(iv) Other administrative remedies may be pursued.

(b) If the Municipality fails to make any payment when due on the Municipal Obligations or fails to observe or perform any other covenant, condition, or agreement on its part under this FAA for a period of thirty (30) days after written notice is given to the Municipality by DNR, specifying the default and requesting that it be remedied, the CWFP 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 CWFP under this FAA. DOA may collect all amounts due the CWFP by deducting those amounts from any State payments due the Municipality or adding 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) Pursuant to s. NR 162.18(1), Wis. Adm. Code, if the Loan has not been fully disbursed, DNR may: declare the unpaid Loan balance due and immediately payable; increase the interest rate on the unpaid balance of the Loan to the market interest rate in effect on the date this FAA was executed; or immediately terminate this FAA and disburse no additional funds.

(3) The CWFP may, without giving bond to the Municipality or anyone claiming under it, have a receiver appointed for the CWFP's benefit of the Project and the Municipality's Sewerage 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.

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

(5) The CWFP 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.

Section 3.08. Security for the Loan In accordance with the terms of the Municipal Obligation Resolution:

(a) as security for the Loan hereunder, the Municipality hereby pledges the revenue to be derived from the Municipality's Sewerage System (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 User Charge System or other revenues pledged under Section 3.08(a) above, to any person other than the CWFP, unless the revenues pledged to such other person meet the highest debt coverage ratio then applicable to the Municipality.

Section 3.09. 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 Sewerage System and Project that is reasonable in amount and coverage and that is consistent with prudent municipal insurance practices for the term of the Loan. The Municipality agrees to provide written evidence of insurance coverage to the CWFP upon request at any time during the term of the Loan.

In the event the Sewerage System or Project is damaged or destroyed, the Municipality agrees to use the proceeds from its insurance coverage either to repay the Loan or to repair or replace the Sewerage 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, Project 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 C of this FAA;

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

(5) submit to DNR a completed Operation and Maintenance Manual Certification Checklist form to be provided by DNR or obtained from DNR's website.

Section 4.05. Payment of Additional Project Costs

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

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

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

ARTICLE V
COVENANTS

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

Section 5.02. Operation and Maintenance; Equipment Replacement Fund

(a) After completion of the Project, the Municipality shall:

(1) 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;

(2) maintain, preserve, and keep the Project or cause the Project to be maintained, preserved, and kept in good repair, working order, and condition; and

(3) periodically make, or cause to be made, all necessary and proper repairs, replacements, and renewals so that at all times the operation of the Project may be properly conducted in a manner that is consistent with the requirements of the WPDES Permit.

(b) So long as the Loan is outstanding, the Municipality shall not, without the approval of DNR, discontinue operation of, sell, or otherwise dispose of the Sewerage System or Project, except for portions of the Sewerage System sold or otherwise disposed of in the course of ordinary repair and replacement of parts.

(c) The Municipality shall establish an equipment replacement fund according to s. NR 162.08, Wis. Adm. Code, and maintain the equipment replacement fund as a separate fund of the Municipality. All User Fees or other revenues specifically collected for the equipment replacement fund shall be deposited into the equipment replacement fund and used for replacement and major repair of equipment necessary for the operation of the Sewerage System, or for unexpected, unbudgeted costs incurred for continuing effective operations of the Sewerage System. Annual deposits shall be made to the equipment replacement fund in amounts sufficient to meet the equipment replacement itemized schedule developed by the Municipality or the percentage schedule option. The Project Manager Summary Page (Exhibit F) shall specify the required annual deposit or required minimum balance/percentage.

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

Section 5.04. Public Ownership The Municipality shall at all times retain ownership of the Project and the Sewerage 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 CWFP. 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 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 CWFP funds for the Project. All Loan proceeds shall be credited promptly upon receipt thereof and shall be reimbursement for or expended only for Project Costs. The Municipality shall: permit any authorized representative of DNR or DOA, or agents thereof, the right to review or audit all records relating to the Project or the Loan; produce, or cause to be produced, all records relating to any work performed under the terms of this FAA for examination at such times as may be designated by any of them; permit extracts and copies of the Project records to be made by any of them; and fulfill information requests by any of them.

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 Sewerage 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 by the State. The Municipality shall direct such engineer to inspect work necessary for the construction of the Project and to determine whether such work has been performed in accordance with the Plans and Specifications. Any such work not in accordance with the Plans and Specifications shall be remedied unless such noncompliance is waived by DNR.

Section 5.09. Tax Covenants

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

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

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

(d) The Municipality shall not use (directly or indirectly) the proceeds of the Bonds in any manner that would constitute an "advance refunding" within the meaning of Section 149(d)(2) of the Code or any successor provision. Without limiting the foregoing, any proceeds of the Bonds used to repay interim or other prior financing of Project Costs shall be applied within three (3) Business Days of receipt of the proceeds to the payment of principal of such financing.

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, the Statute, and the Regulations 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 in accordance with s. NR 162.08, Wis. Adm. Code. The Municipality covenants that it shall review the User Charge System at least every two years and shall revise and charge User Fees with respect to the Project such that the revenues and funds described in paragraph (a) shall be sufficient to pay the costs described in paragraph (a).

Section 5.11. Notice of Impaired System The Municipality shall promptly notify DNR and DOA in the case of: any material damage to or destruction of the Project or any part thereof; any actual or threatened proceedings for the purpose of taking or otherwise affecting by condemnation, eminent domain, or otherwise, all or a part of the Sewerage System; or any action, suit, or proceeding at law or in equity, or by or before any governmental instrumentality or agency, or any other event which may impair the ability of the Municipality to construct the Project, operate the Sewerage 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, 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, the Sewerage System, or acts or omissions of the Municipality's employees, agents, or representatives.

Section 5.13. Nondiscrimination Covenant

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

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

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

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

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

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

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 will be added as a special charge to the property tax bill of the user.

Section 5.19. Sewer Use Ordinance The Municipality shall comply with the provisions of the Sewer Use Ordinance, as certified in the Application. The Municipality covenants that it shall comply with and enforce all provisions of the Sewer Use Ordinance, as established pursuant to the Statute and Regulations.

Section 5.20. Rebates The Municipality agrees to pay to the CWFP any refunds, rebates, credits, or other amounts received for Project Costs for which disbursement of funds has already been made by the CWFP. The CWFP shall then apply the amount it receives as a Loan prepayment.

Section 5.21. 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, or transfer all or substantially all of its assets to another legal entity (and thereafter be released of all further obligation under this FAA and the Municipal Obligations) if:

- (1) the resulting, surviving, or transferee legal entity is a legal entity established and duly existing under the laws of Wisconsin;
- (2) such resulting, surviving, or transferee legal entity is eligible to receive financial assistance under the Statute;
- (3) such resulting, surviving, or transferee legal entity expressly assumes in writing all of the obligations of the Municipality contained in this FAA and the Municipal Obligations and any other documents the CWFP deems reasonably necessary to protect its environmental and credit interests; and
- (4) the CWFP shall have consented in writing to such transaction, which consent may be withheld in the absolute discretion of the CWFP.

Section 5.22. Wage Rate Requirements The Municipality represents that it shall comply with Section 513 of the Federal Water Pollution Control Act (33 USC 1372), 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 the 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 5.23. American Iron and Steel and Build America, Buy America The Municipality agrees to comply with all federal requirements applicable to the Project, including those imposed by the Infrastructure Investment and Jobs Act, which the Municipality understands requires that all iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States (Build America, Buy America requirements) unless the Municipality requested and obtained a waiver from the cognizant agency pertaining to the Project or the Project is otherwise covered by a general applicability waiver.

If the Municipality is exempt from Build America, Buy America requirements due to a waiver, the Municipality shall comply with the requirements for use of American Iron and Steel contained in section 608 of the Act for products used in the Project which are made primarily of iron and/or steel. If the Municipality is not exempt from Build America, Buy America requirements, EPA views the American Iron and Steel requirements as meeting the iron and steel product requirements of Build America, Buy America Section 70914.

The Municipality agrees to comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the funding authority (such as EPA and/or the CWFPP), such as records regarding performance indicators of program deliverables, information on costs, and Project progress reports. The Municipality understands that: (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities, and (ii) failure to comply with the applicable legal requirements and this FAA may result in a default hereunder that results in: a repayment of the assistance agreement in advance of the maturity of the Bonds; termination and/or repayment of grants, cooperative agreements, or direct assistance; or other remedial actions.

Section 5.24. Federal Single Audit At the time of signing of this FAA, the funds awarded to the Municipality for this Project are not considered to be subject to federal single audit requirements, but such consideration may change subsequent to this FAA if any changes are made to federal single audit requirements applicable to municipalities.

Section 5.25. Bipartisan Infrastructure Law Signage The Municipality agrees to comply with all signage requirements as described in the Implementing the BIL Signage Requirement Packet (available at <https://dnr.wisconsin.gov/sites/default/files/topic/Aid/loans/BILsignageReqPacket.pdf>).

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
CLEAN WATER FUND 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 CF/2
MADISON WI 53702-0005
OR
PO BOX 7921
MADISON WI 53707-7921

- (c) US BANK CORP TRUST
MATTHEW HAMILTON EP-MN-WS3T
60 LIVINGSTON AVENUE
ST PAUL MN 55101-229

- (d) CITY OF ELKHORN
311 SEYMOUR COURT
P.O. BOX 920
ELKHORN WI 53121-0920

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 CWFP and the Municipality and their respective successors and assigns.

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

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

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

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

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

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

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

Section 6.10. Covenant by Municipality as to Compliance with Program Resolution The Municipality covenants and agrees that it shall comply with the provisions of the Program 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 Program Resolution. The Municipality further agrees to aid in the furnishing to DNR, DOA, or the Trustee of opinions that may be required under the Program 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 CWFP and the Municipality may enter into an agreement to terminate this FAA at any time. The termination agreement shall establish the effective date of termination of this FAA, the basis for settlement of termination costs, and the amount and date of payment of any sums due either party.
- (b) If the Municipality wishes to unilaterally terminate all or any part of the Project work for which Financial Assistance has been awarded, the Municipality shall promptly give written notice to DNR. If the CWFP determines that there is a reasonable basis for the requested termination, the CWFP 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 CWFP determines that the Municipality has ceased work on the Project without reasonable basis, the CWFP may unilaterally terminate financial assistance or rescind this FAA.

Section 6.12. Rescission The CWFP 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 CWFP and the Municipality have caused this FAA to be executed and delivered, as of the date and year first written above.

CITY OF ELKHORN

By: _____
Bruce Lechner
Mayor

Attest: _____
Lacey Reynolds
City Clerk

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

By: _____
Authorized Officer

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Officer

EXHIBIT A

PROJECT BUDGET SHEET

CITY OF ELKHORN
CWFP Project No. 4552-03

	Total Project Costs	Ineligible Street & Storm Internal Costs	Ineligible SDW LSL 5525-05 Costs	Ineligible SDWLP Loan 5525-06 Costs	Net CWFP Loan Amount
Force Account	0	0	0	0	0
Interim Financing Costs	0	0	0	0	0
Preliminary Engineering	361,405	214,046	11,667	90,231	45,461
Land or Easement Acquisition	0	0	0	0	0
Engineering/Construction Mgmt	378,244	168,604	15,436	147,696	46,508
Construction/Equipment	5,380,543	3,329,978	40,741	1,665,229	344,595
Contingency	134,813	52,413	678	70,903	10,819
Miscellaneous Costs	1,641	0	110	1,231	300
Closing Costs	38,500	0	10,000	16,000	12,500
Total	\$6,295,146	\$3,765,041	\$78,632	\$1,991,290	\$460,183

Elkhorn, Wisconsin

Exhibit B

Project 4552-03 Clean Water Fund Program

Loan Closing Date:

January 24, 2024

Payment Date	Principal Payment	Interest Rate	Interest Payment	Principal & Interest	Bond Year Debt Service	Calendar Year Debt Service
1-May-24	10,897.42	2.255%	2,796.06	13,693.48	13,693.48	0.00
1-Nov-24	0.00	2.255%	5,065.69	5,065.69	0.00	18,759.17
1-May-25	11,143.16	2.255%	5,065.69	16,208.85	21,274.54	0.00
1-Nov-25	0.00	2.255%	4,940.06	4,940.06	0.00	21,148.91
1-May-26	11,394.44	2.255%	4,940.06	16,334.50	21,274.56	0.00
1-Nov-26	0.00	2.255%	4,811.58	4,811.58	0.00	21,146.08
1-May-27	11,651.38	2.255%	4,811.58	16,462.96	21,274.54	0.00
1-Nov-27	0.00	2.255%	4,680.21	4,680.21	0.00	21,143.17
1-May-28	11,914.12	2.255%	4,680.21	16,594.33	21,274.54	0.00
1-Nov-28	0.00	2.255%	4,545.88	4,545.88	0.00	21,140.21
1-May-29	12,182.78	2.255%	4,545.88	16,728.66	21,274.54	0.00
1-Nov-29	0.00	2.255%	4,408.52	4,408.52	0.00	21,137.18
1-May-30	12,457.51	2.255%	4,408.52	16,866.03	21,274.55	0.00
1-Nov-30	0.00	2.255%	4,268.06	4,268.06	0.00	21,134.09
1-May-31	12,738.42	2.255%	4,268.06	17,006.48	21,274.54	0.00
1-Nov-31	0.00	2.255%	4,124.44	4,124.44	0.00	21,130.92
1-May-32	13,025.67	2.255%	4,124.44	17,150.11	21,274.55	0.00
1-Nov-32	0.00	2.255%	3,977.57	3,977.57	0.00	21,127.68
1-May-33	13,319.40	2.255%	3,977.57	17,296.97	21,274.54	0.00
1-Nov-33	0.00	2.255%	3,827.40	3,827.40	0.00	21,124.37
1-May-34	13,619.75	2.255%	3,827.40	17,447.15	21,274.55	0.00
1-Nov-34	0.00	2.255%	3,673.83	3,673.83	0.00	21,120.98
1-May-35	13,926.88	2.255%	3,673.83	17,600.71	21,274.54	0.00
1-Nov-35	0.00	2.255%	3,516.81	3,516.81	0.00	21,117.52
1-May-36	14,240.93	2.255%	3,516.81	17,757.74	21,274.55	0.00
1-Nov-36	0.00	2.255%	3,356.24	3,356.24	0.00	21,113.98
1-May-37	14,562.06	2.255%	3,356.24	17,918.30	21,274.54	0.00
1-Nov-37	0.00	2.255%	3,192.05	3,192.05	0.00	21,110.35
1-May-38	14,890.44	2.255%	3,192.05	18,082.49	21,274.54	0.00
1-Nov-38	0.00	2.255%	3,024.17	3,024.17	0.00	21,106.66
1-May-39	15,226.22	2.255%	3,024.17	18,250.39	21,274.56	0.00
1-Nov-39	0.00	2.255%	2,852.49	2,852.49	0.00	21,102.88
1-May-40	15,569.57	2.255%	2,852.49	18,422.06	21,274.55	0.00
1-Nov-40	0.00	2.255%	2,676.94	2,676.94	0.00	21,099.00
1-May-41	15,920.66	2.255%	2,676.94	18,597.60	21,274.54	0.00
1-Nov-41	0.00	2.255%	2,497.44	2,497.44	0.00	21,095.04
1-May-42	16,279.68	2.255%	2,497.44	18,777.12	21,274.56	0.00
1-Nov-42	0.00	2.255%	2,313.88	2,313.88	0.00	21,091.00
1-May-43	16,646.78	2.255%	2,313.88	18,960.66	21,274.54	0.00
1-Nov-43	0.00	2.255%	2,126.19	2,126.19	0.00	21,086.85
1-May-44	17,022.17	2.255%	2,126.19	19,148.36	21,274.55	0.00
1-Nov-44	0.00	2.255%	1,934.27	1,934.27	0.00	21,082.63
1-May-45	17,406.02	2.255%	1,934.27	19,340.29	21,274.56	0.00
1-Nov-45	0.00	2.255%	1,738.01	1,738.01	0.00	21,078.30
1-May-46	17,798.52	2.255%	1,738.01	19,536.53	21,274.54	0.00
1-Nov-46	0.00	2.255%	1,537.34	1,537.34	0.00	21,073.87
1-May-47	18,199.88	2.255%	1,537.34	19,737.22	21,274.56	0.00
1-Nov-47	0.00	2.255%	1,332.13	1,332.13	0.00	21,069.35
1-May-48	18,610.29	2.255%	1,332.13	19,942.42	21,274.55	0.00
1-Nov-48	0.00	2.255%	1,122.30	1,122.30	0.00	21,064.72
1-May-49	19,029.95	2.255%	1,122.30	20,152.25	21,274.55	0.00
1-Nov-49	0.00	2.255%	907.74	907.74	0.00	21,059.99
1-May-50	19,459.07	2.255%	907.74	20,366.81	21,274.55	0.00
1-Nov-50	0.00	2.255%	688.34	688.34	0.00	21,055.15
1-May-51	19,897.87	2.255%	688.34	20,586.21	21,274.55	0.00
1-Nov-51	0.00	2.255%	463.99	463.99	0.00	21,050.20
1-May-52	20,346.57	2.255%	463.99	20,810.56	21,274.55	0.00
1-Nov-52	0.00	2.255%	234.58	234.58	0.00	21,045.14
1-May-53	20,805.39	2.255%	234.58	21,039.97	21,274.55	21,039.97
Totals	460,183.00		170,472.36	630,655.36	630,655.36	630,655.36

Net Interest Rate 2.2550%
 Bond Years 7,559.7508
 Average Life 16.4277

The above schedule assumes full disbursement of the loan on the loan closing date.
 05-Jan-24 Wisconsin Department of Administration

Loan Payment Schedule Comments

Please review the preceding loan payment schedule. It shows the dates of your first interest and principal payments. The preceding loan payment schedule assumes you draw all the loan funds on the loan closing date. Borrowers often draw loan funds over time. Interest only accrues on the funds disbursed and only after the date of each disbursement.

You can view your payment schedule based on disbursements to date at <http://eif.doa.wi.gov/>. Select Loan Payment Schedule on the lower half of the page. You can also request loan payment information from doaeif@wisconsin.gov.

You can generate additional reports at <http://eif.doa.wi.gov/>.

<u>Available Report</u>	<u>Information Provided</u>
Auditor Verification Report	Information commonly requested by municipal auditors. Available for completed calendar years.
Loan Account History	Loan disbursements, principal payments, and loan balance.
Loan Payment Schedule	Future principal and interest payments for disbursements.
Payment History	Past principal and interest payments.
Disbursement History	Past loan and grant disbursements.

Use the Output to Excel button at the bottom of the page to create your report in Microsoft Excel. Find details on generating reports at <http://eif.doa.wi.gov/siteDescr.htm>.

The Environmental Improvement Fund sends invoices semi-annually. You will receive an invoice approximately 45 days prior to the due date. If you have multiple loans, we will send a single invoice showing the payment amount for each loan.

- May 1: principal and interest payments due
- November 1: interest payments due

For more information about your payment schedule, please email doaeif@wisconsin.gov. The first available staff will respond to your inquiry.

EXHIBIT C

FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION

[Prepare on Municipal Letterhead at Project Completion and Closeout]

The undersigned officials of the City of Elkhorn (the "Municipality") hereby certify that, for all expenditures made for construction of DNR Project No. 4552-03 (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. 4552-03 has met the requirements for Build America, Buy America of the Infrastructure Investment and Jobs Act, Public Law No. 117-58, §§ 70901-52, and the use of American Iron and Steel contained in section 608 of the Federal Water Pollution Control Act, as amended.

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

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

Dated as of: _____

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

Dated as of: _____

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 Sewerage 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 Good Faith Certification Form 8700-294 and MBE/WBE Contacts Worksheet Form 8700-294A. Any changes or additions made to the list of prime contractors and DBE subcontractors during the construction must be reflected on this form at closeout. Personal information collected on this form will be used for program administration and must be made available to requesters as required by Wisconsin Open Records Law (s. 19.31 – 19.39, Wis. Stats.).

Municipality Name: City of Elkhorn	Project Number: 4552-03	Loan/Grant Amount: \$460,183
Project Description: Replace Sanitary Sewer - Wright Street & Centralia Street (Phase 1)		
Did the municipality satisfy the MBE/WBE requirements? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (If no, refer to Exhibit F-Project Manager Summary Page.)		

Construction/Equipment/Supplies Contracts	DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to MBE/WBE Firm
				Municipality Completes at Project Closeout
Prime: Rock Road Companies, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input checked="" type="checkbox"/> Other X N/A	Construction	4,584,432.72	
Sub: Con-Cor Company, Inc.	<input type="checkbox"/> MBE <input checked="" type="checkbox"/> WBE <input type="checkbox"/> Other	Sawcutting & Core	9,429.35	
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: The Wanasek Corporation	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input checked="" type="checkbox"/> Other X N/A	Construction	796,110	
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			
				Total MBE \$ _____
				Total WBE \$ _____

Professional/Technical Services Contracts	DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to MBE/WBE Firm
				Municipality Completes at Project Closeout
Prime: Kapur & Associates, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A	Engineering	471,449	
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: Foth Infrastructure & Environment, LLC.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A	Engineering	268,200	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
				Total MBE \$ _____
				Total WBE \$ _____

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

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

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

EXHIBIT F

PROJECT MANAGER SUMMARY PAGE

CITY OF ELKHORN
CWFP Project No. 4552-03

1. Project Description: The Project consists of one man-hole cover and sanitary sewer line replacements on Wright Street and Centralia Street.

The Project was combined with State Fiscal Year (SFY) 2024 CWF project 4552-06 (Wright Street). A concurrent project to replace private-side LSLs, SFY 2024 SDW project 5525-05 was completed alongside the Project. Storm sewer and street reconstruction occurred simultaneously and was funded by the Municipality's internal funds. Water main lines were also replaced on the above listed streets as part of SFY 2024 SDW project 5525-06.

2. Ineligible Costs: The Project included storm sewer costs, lead service line replacements, roadway reconstruction costs, and water main replacement costs.

Contractor	Amount	Description
Foth Infrastructure & Environment, LLC	\$100,964	Preliminary Engineering
Foth Infrastructure & Environment, LLC	\$102,174	Construction Management
Kapur & Associates, Inc.	\$214,980	Preliminary Engineering
Kapur & Associates, Inc.	\$229,562	Construction Management
Rock Road Companies, Inc.	\$4,342,128	Construction
The Wanasek Corporation	\$693,820	Construction
Construction Contingency	\$123,994	Construction Contingency
Miscellaneous Costs	\$1,341	BIL Signage/Water Valve Repair
Closing Costs	\$26,000	Bond Counsel

3. Other Funding Sources:

Source	Amount	Work Covered
SDWLP	\$1,991,290	Ineligible water main replacements
SWDLP LSL	\$78,632	Ineligible lead service line replacements
Internal Municipal Funds	\$3,765,041	Ineligible storm and street reconstruction

4. Miscellaneous Costs: As shown in the Project Budget Sheet (Exhibit A), CWFP funding in the amount of \$300 is included in the Miscellaneous category for BIL Signage.
5. Contingency Allowance: The contingency allowance of \$10,819 is five percent of the amount of uncompleted construction work adjusted for CME reviewed change orders. The Municipality must obtain CME approval of change orders prior to requesting reimbursement.

Base contingency (Uncompleted construction work x 5%) \$0

Rock Road Companies, Inc.	Centralia	CO #1	\$0
Rock Road Companies, Inc.	Centralia	CO #2	\$0
Rock Road Companies, Inc.	Centralia	CO #3	\$10,818.50
Rock Road Companies, Inc.	Centralia	CO #4	\$0
The Wanasek Corporation	Wright Street	CO #1	\$0
The Wanasek Corporation	Wright Street	CO #2	\$0

Total Contingency Allowance \$10,818.50

6. Equipment Replacement Fund: The Municipality shall establish an equipment replacement fund according to s. NR 162.08, Wis. Adm. Code, and maintain the equipment replacement fund as a separate fund of the Municipality. The required minimum percentage shall be 50% resulting in a minimum balance of \$230,000. The Municipality has a maximum of three years from the first principal payment on the Loan to achieve the required minimum balance/percentage.
6. DBE Good Faith Effort: The Municipality, Rock Road Companies, Inc., and The Wanasek Corporation made good faith efforts to meet DBE solicitation requirements during advertising and bidding. The contractors made good faith efforts by reaching out to several DBEs. Con-Cor is a WBE employed to perform saw-cutting & core work, for an estimated \$9,429.35, under Rock Road Companies, Inc. for the Centralia Street contract. Contractors are required to solicit for DBEs if they do any subcontracting.
8. Green Project Reserve: No GPR elements were identified during the review of this Project.
9. Build America, Buy America: This Project is subject to the Build America, Buy America requirements of Title IX of the Infrastructure Investment and Jobs Act, Public Law No. 117-58, §§ 70901-52. If this Project is exempt from Build America, Buy America requirements under a project specific or general applicability waiver, the Project is still subject to American Iron and Steel requirements of Section 608 of the Act.



January 15, 2024

ADAM SWANN, CITY ADMINISTRATOR
CITY OF ELKHORN
311 SEYMOUR COURT
P.O. BOX 920
ELKHORN WI 53121-0920

SUBJECT: Safe Drinking Water Loan Program, Project No. 5525-06
Replace Water Main Wright Street & Centralia Street Phase 1
Financial Assistance Agreement – January 24, 2024

Dear Administrator Swann:

Your project manager prepared the following loan closing documents for your Safe Drinking Water Loan Program (SDWLP) project:

1. SDWLP Loan Closing Schedule - Attachment 1
2. Financial Assistance Agreement Summary/Distribution Sheet - Attachment 2
3. Financial Assistance Agreement (FAA)

To close the loan on January 24, 2024, we need to follow the Loan Closing Schedule (Attachment 1).

The City of Elkhorn has three (3) working days upon receipt of wired SDWLP funds to do one or more of the following:

1. Pay the project invoices identified in the SDWLP disbursement request.
2. Reimburse an internal municipal account from which eligible project costs were paid. This reimbursement must adhere to current U.S. Treasury Regulations.
3. Disburse payments to the bank or financial institution for projects that are being refinanced.

Execution of the FAA creates a binding obligation in all respects. Any negotiation of terms and conditions or determinations must occur prior to adoption of the Municipal Obligation Resolution and execution of the enclosed FAA document.

The Project Manager Summary Page (Exhibit F of the FAA) further explains certain assumptions and decisions affecting preparation of your FAA.

Please contact your project manager, Erika Mills, at 608-212-1246, for assistance with execution of the FAA, Request for Disbursement (Form 8700-215), or other SDWLP documents.

Thank you for your interest in the Safe Drinking Water Loan Program.

Sincerely,

Matthew Marcum, Section Manager
Environmental Loans Section
Bureau of Community Financial Assistance

Attachments

Electronic Copies: Jim Witthuhn - DG/5
Rebecca Speckhard, Quarles & Brady LLP - Milwaukee
Brian Roemer, Ehlers - Waukesha
Stacey Tushaus, P.E., Foth Infrastructure & Environment, LLC, Franklin
Capital Finance Office - DOA/10
Brent Binder - DNR SER/Milwaukee

Safe Drinking Water Loan Program Project No. 5525-06
City of Elkhorn
Replace Water Main Wright Street & Centralia Street Phase 1
Financial Assistance Agreement – Closing Schedule

By December 27:

- Department of Natural Resources (DNR) project manager distributes Financial Assistance Agreement (FAA) to Department of Administration (DOA) for review.

By January 11:

- Quarles & Brady LLP distributes draft Municipal Obligation Resolution and other bond documents to the City of Elkhorn and DOA for review. Project manager mails FAA to municipality.

On January 15:

- Municipality holds properly noticed meeting at which time:
 1. Municipal Obligation Resolution is adopted.
 2. Bond related documents are signed by municipal officials.
 3. DNR FAA (printed single sided) is signed by municipal officials.

*NOTE: Most documents must be signed by Highest Elected Official & Clerk/Secretary and some documents must have municipal seal applied. **Do not sign any Exhibits.***

By January 16 VIA OVERNIGHT DELIVERY:

- 1. Municipality scans FAA signature page and sends via e-mail to Quarles & Brady LLP and Erika Mills.
 2. Municipality returns signed paper FAA via overnight delivery to Quarles & Brady LLP.
 3. Municipality delivers signed & sealed Resolution & other bond documents via overnight delivery to Quarles & Brady LLP.

By January 22:

- Quarles & Brady LLP sends final signed and sealed bond documents and legal opinion to DOA.

January 24:

- Loan Closing Day. Quarles & Brady LLP contacts municipality and DOA to confirm that closing may proceed, and DOA wire transfers the first disbursement to municipal bank account.

Safe Drinking Water Loan Program Project No. 5525-06
City of Elkhorn
Replace Water Main Wright Street & Centralia Street Phase 1
Financial Assistance Agreement Summary
Distribution Sheet

LOAN INFO

Total Project Amount: \$6,295,146

SDWLP Funding Amount: \$1,991,290 Internal Funding: \$3,765,041 CWFP Loan Funding: \$460,183

SDWLP LSL Loan Funding: \$78,632

Pledge: Water & Electric Revenue Lien Priority: Senior Parity

Composite Interest Rate: 2.255% Loan Term: 30 Years

DOCUMENT INFO

Date of Municipal Obligation Resolution – January 15, 2024

CLOSING INFO

Refinancing: None Date of Refinancing: N/A

Estimated First Disbursement: \$1,482,798.02

DISTRIBUTION

Department of Natural Resources

Erika Mills
Bureau of Community Financial Assistance
101 South Webster Street, 2nd Floor
PO Box 7921
Madison WI 53707-7921
608-266-0228
erika.mills@wisconsin.gov

Department of Administration

Jessica Fandrich
State of Wisconsin DOA Capital Finance Office
101 East Wilson Street, 10th Floor
PO Box 7864
Madison WI 53707-7864
608-267-2734
jessica.fandrich1@wisconsin.gov

Municipality

Adam Swann
City of Elkhorn
311 Seymour Court
Elkhorn WI 53121-0920
262-723-2219
aswann@cityofelkhorn.org

Engineering Firm

Stacey Tushaus, P.E.
Foth Infrastructure & Environment, LLC
7044 South Ballpark Drive, Suite 200
Franklin WI 53132
414-336-7900
stacey.tushaus@foth.com

Municipal Bond Counsel

Rebecca Speckhard
Quarles & Brady LLP
411 East Wisconsin Avenue Suite 2400
Milwaukee WI 53202-4426
414-277-5000
rebecca.speckhard@quarles.com

Financial Advisor

Brian Roemer
Ehlers
N19W24400 Riverwood Drive
Waukesha WI 53188
262-785-1520
broemer@ehlers-inc.com

Safe Drinking Water Loan Program DRAFT Certification Worksheet

Date of Analysis	1/5/2024
Municipality Name	Elkhorn

Financial Review Notes as of 01/05/2024

1. Net revenue appears sufficient for this debt service on this project.
2. The City of Elkhorn provided a reimbursement resolution for this project.
3. The City of Elkhorn has four outstanding Waterworks and Electric System Revenue bonds. The pledge for the new bonds will be waterworks and electric system revenues. New bonds will be Senior Parity.

4. In FAA definitions, "Parity Obligations" means the Municipality's \$6,380,000 Waterworks and Electric Revenue Refunding Bonds, Series 2016A, dated May 17, 2016; its \$8,099,853 Taxable Waterworks and Electric System Revenue Bonds, Series 2016B, dated June 8, 2016; its \$849,261 Waterworks and Electric System Revenue Bonds, Series 2017, dated June 14, 2017, its \$1,715,000 Waterworks and Electric Revenue Refunding Bonds, Series 2020B, dated July 9, 2020, and any other obligations issued on a parity with the Municipal Obligations pursuant to the restrictive provisions of Section 11 of the Municipal Obligation Resolution.

6. The City of Elkhorn states that no customer generates more than five percent of system revenues.

Project Manager	Mills
DOA Contact	Fandrich
Primary Project Number	5525-06
Additional Project	5525-08
Additional Project	n/a
Municipal Meeting Date	1/15/2024
Substantial Completion Date	10/7/2023
Project was on funding list for State Fiscal Year	2024

Proposed SDW Loan Amount	\$1,991,290
Principal Forgiveness	-
Disadvantaged Status	Not disadvantaged
Assumed Interest Rate	2.255%
Number of SDW Loan Principal Payments	30

Only Complete Equalized Value GO Table if the New Loan Is a GO		
2023 Equalized Value	\$	-
2021 General Obligation Debt Outstanding w/o New Loan	\$	-
Share of New Loan that Is General Obligation		0%
General Obligation Debt Outstanding w/ New Loan	\$	-

DOA Capital Finance Office

This analysis is only as of the date indicated. This worksheet will be updated and may change as DOA reviews finances, ability to pay, etc.

Elkhorn - DEBT COVERAGE CALCULATION

Waterworks & Electric Revenue

1/5/2024

DRAFT

<u>Water System Revenues</u>	CLA <u>2020</u>	CLA <u>2021</u>	CLA <u>2022</u>	Draft <u>2023</u>
Sales of water	\$ 3,868,254	\$ 4,043,638	\$ 3,893,431	\$ 3,774,127
Sales of electric	11,581,684	12,550,484	14,952,107	14,101,281
Other water operating revenue	8,196	20,487	24,736	1,216,136
Other electric operating revenue	98,463	196,639	150,562	376,746
Interest and dividend income water	21,282	3,476	64,248	-
Interest and dividend income Electric reserved	19,910	4,766	74,340	-
reserved	-	-	-	-
reserved	-	-	-	-
Total Gross Earnings	15,597,789	16,819,490	19,159,424	19,468,290

<u>Water System Expenses</u>	CLA <u>2020</u>	CLA <u>2021</u>	CLA <u>2022</u>	Draft <u>2023</u>
Operation & maintenance water	1,468,819	1,819,713	3,356,139	7,827,491
Operation & maintenance electric	10,269,574	11,504,291	13,789,659	15,087,771
Taxes water	34,900	39,486	45,980	-
Taxes electric	86,804	90,756	95,135	-
Capitalized expenses water	-	-	-	(2,332,093)
Debt Service water	-	-	-	(1,187,535)
Depreciation water	-	-	-	(758,755)
Capitalized expenses electric	-	-	-	(93,800)
Debt Service electric	-	-	-	(40,000)
Depreciation electric	-	-	-	(636,347)
Transfer out water	-	-	-	(500,000)
Transfer out electric	-	-	-	(836,794)
Total Current Expenses	11,860,097	13,454,246	17,286,913	16,529,938

Net Revenues	\$ 3,737,692	\$ 3,365,244	\$ 1,872,511	\$ 2,938,352
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<u>Water Revenue Debt Issues</u>	<u>2025 Max Debt Serv Prin & Int</u>	<u>Debt Cover</u>
\$6,380,000, Water & Elec. Revenue Refunding Bonds , Series 201	743,525	125%
\$8,099,853, SDW 5525-02 Taxable, Series 2016B	474,419	125%
\$849,261, SDW 5525-03, Series 2017	45,914	125%
\$1,715,000, Water & Elec. Revenue Bonds , Series 2020B	102,950	125%
\$1,991,290, SDW 5525-06, Series 2024	91,515	125%
Max Annual Debt Service	1,458,323	

Net Revenues / Max Annual Debt Service = \$ 0 / \$ 1,458,323 = 0% debt coverage ratio
 Net Revenues must be at least \$1,822,903 (1,458,323 x 125%) to meet Debt Coverage Test

Net Revenues Excess or (Shortfall)	1,115,449
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ANNUAL DEBT SERVICE SCHEDULE

Maximum Debt Service is Shaded

1/5/2024

DRAFT

		Water & Elec. Revenue Refunding Bonds	SDW 5525-02 Taxable	SDW 5525-03	Water & Elec. Revenue Bonds	SDW 5525-06		
		Water & Elec. Revenue \$6,380,000	Water & Elec. Revenue \$8,099,853	Water & Elec. Revenue \$849,261	Water & Elec. Revenue \$1,715,000	Water & Elec. Revenue \$1,991,290		
		N/A	Fully disbursed	Fully disbursed	N/A	Footnote 1	Annual	
		Series 2016A	Series 2016B	Series 2017	Series 2020B	Series 2024	Debt Service	
Year		Dated 5/17/2016	Dated 6/8/2016	Dated 6/14/2017	Dated 7/9/2020	Dated 1/24/2024	Total	
1	2024	749,750	474,472	45,920	104,450	81,174	1,455,766	
2	2025	743,525	474,419	45,914	102,950	91,515	1,458,323 MAX Annual	
3	2026	512,800	474,366	45,908	106,400	91,503	1,230,976	
4	2027	195,900	474,311	45,901	104,800	91,490	912,402	
5	2028	202,000	474,256	45,894	103,200	91,477	916,828	
6	2029	-	474,200	45,888	106,550	91,464	718,102	
7	2030	-	474,143	45,881	104,850	91,451	716,325	
8	2031	-	474,085	45,874	103,150	91,437	714,546	
9	2032	-	474,026	45,867	106,400	91,423	717,716	
10	2033	-	473,966	45,860	104,600	91,409	715,834	
11	2034	-	473,905	45,852	102,800	91,394	713,951	
12	2035	-	473,843	45,845	105,950	91,379	717,017	
13	2036	-	473,780	45,837	104,050	91,364	715,031	
14	2037	-	-	45,829	107,100	91,348	244,277	
15	2038	-	-	-	105,100	91,332	196,432	
16	2039	-	-	-	103,100	91,316	194,416	
17	2040	-	-	-	106,050	91,299	197,349	
18	2041	-	-	-	-	91,282	91,282	
19	2042	-	-	-	-	91,264	91,264	
20	2043	-	-	-	-	91,246	91,246	
21	2044	-	-	-	-	91,228	91,228	
22	2045	-	-	-	-	91,209	91,209	
23	2046	-	-	-	-	91,190	91,190	
24	2047	-	-	-	-	91,171	91,171	
25	2048	-	-	-	-	91,151	91,151	
26	2049	-	-	-	-	91,130	91,130	
27	2050	-	-	-	-	91,109	91,109	
28	2051	-	-	-	-	91,088	91,088	
29	2052	-	-	-	-	91,066	91,066	
30	2053	-	-	-	-	91,044	91,044	
31	2054	-	-	-	-	-	-	
32	2055	-	-	-	-	-	-	
33	2056	-	-	-	-	-	-	
34	2057	-	-	-	-	-	-	
35	2058	-	-	-	-	-	-	
36	2059	-	-	-	-	-	-	
37	2060	-	-	-	-	-	-	
38	2061	-	-	-	-	-	-	
39	2062	-	-	-	-	-	-	
40	2063	-	-	-	-	-	-	
41	2064	-	-	-	-	-	-	
Total		2,403,975	6,163,771	642,269	1,781,500	2,728,953	13,720,468	

TRUE Check with Amort

¹ New Loan at 2.255%, 30 principal payments, closing 1/24/2024, 1st principal 5/1/2024.

Elkhorn, Wisconsin

Exhibit B

Project # 5525-06 Safe Drinking Water Loan Program

Loan Closing Date: **January 24, 2024**

Payment Date	Principal Payment	Interest Rate	Interest Payment	Principal & Interest	Bond Year Debt Service	Calendar Year Debt Service
1-May-24	47,154.99	2.255%	12,099.02	59,254.01	59,254.01	0.00
1-Nov-24	0.00	2.255%	21,920.12	21,920.12	0.00	81,174.13
1-May-25	48,218.34	2.255%	21,920.12	70,138.46	92,058.58	0.00
1-Nov-25	0.00	2.255%	21,376.46	21,376.46	0.00	91,514.92
1-May-26	49,305.66	2.255%	21,376.46	70,682.12	92,058.58	0.00
1-Nov-26	0.00	2.255%	20,820.54	20,820.54	0.00	91,502.66
1-May-27	50,417.51	2.255%	20,820.54	71,238.05	92,058.59	0.00
1-Nov-27	0.00	2.255%	20,252.08	20,252.08	0.00	91,490.13
1-May-28	51,554.42	2.255%	20,252.08	71,806.50	92,058.58	0.00
1-Nov-28	0.00	2.255%	19,670.81	19,670.81	0.00	91,477.31
1-May-29	52,716.97	2.255%	19,670.81	72,387.78	92,058.59	0.00
1-Nov-29	0.00	2.255%	19,076.42	19,076.42	0.00	91,464.20
1-May-30	53,905.74	2.255%	19,076.42	72,982.16	92,058.58	0.00
1-Nov-30	0.00	2.255%	18,468.63	18,468.63	0.00	91,450.79
1-May-31	55,121.32	2.255%	18,468.63	73,589.95	92,058.58	0.00
1-Nov-31	0.00	2.255%	17,847.14	17,847.14	0.00	91,437.09
1-May-32	56,364.30	2.255%	17,847.14	74,211.44	92,058.58	0.00
1-Nov-32	0.00	2.255%	17,211.63	17,211.63	0.00	91,423.07
1-May-33	57,635.32	2.255%	17,211.63	74,846.95	92,058.58	0.00
1-Nov-33	0.00	2.255%	16,561.80	16,561.80	0.00	91,408.75
1-May-34	58,934.99	2.255%	16,561.80	75,496.79	92,058.59	0.00
1-Nov-34	0.00	2.255%	15,897.30	15,897.30	0.00	91,394.09
1-May-35	60,263.98	2.255%	15,897.30	76,161.28	92,058.58	0.00
1-Nov-35	0.00	2.255%	15,217.83	15,217.83	0.00	91,379.11
1-May-36	61,622.93	2.255%	15,217.83	76,840.76	92,058.59	0.00
1-Nov-36	0.00	2.255%	14,523.03	14,523.03	0.00	91,363.79
1-May-37	63,012.53	2.255%	14,523.03	77,535.56	92,058.59	0.00
1-Nov-37	0.00	2.255%	13,812.56	13,812.56	0.00	91,348.12
1-May-38	64,433.46	2.255%	13,812.56	78,246.02	92,058.58	0.00
1-Nov-38	0.00	2.255%	13,086.08	13,086.08	0.00	91,332.10
1-May-39	65,886.43	2.255%	13,086.08	78,972.51	92,058.59	0.00
1-Nov-39	0.00	2.255%	12,343.21	12,343.21	0.00	91,315.72
1-May-40	67,372.17	2.255%	12,343.21	79,715.38	92,058.59	0.00
1-Nov-40	0.00	2.255%	11,583.58	11,583.58	0.00	91,298.96
1-May-41	68,891.41	2.255%	11,583.58	80,474.99	92,058.57	0.00
1-Nov-41	0.00	2.255%	10,806.83	10,806.83	0.00	91,281.82
1-May-42	70,444.92	2.255%	10,806.83	81,251.75	92,058.58	0.00
1-Nov-42	0.00	2.255%	10,012.57	10,012.57	0.00	91,264.32
1-May-43	72,033.45	2.255%	10,012.57	82,046.02	92,058.59	0.00
1-Nov-43	0.00	2.255%	9,200.39	9,200.39	0.00	91,246.41
1-May-44	73,657.80	2.255%	9,200.39	82,858.19	92,058.58	0.00
1-Nov-44	0.00	2.255%	8,369.90	8,369.90	0.00	91,228.09
1-May-45	75,318.79	2.255%	8,369.90	83,688.69	92,058.59	0.00
1-Nov-45	0.00	2.255%	7,520.68	7,520.68	0.00	91,209.37
1-May-46	77,017.22	2.255%	7,520.68	84,537.90	92,058.58	0.00
1-Nov-46	0.00	2.255%	6,652.31	6,652.31	0.00	91,190.21
1-May-47	78,753.96	2.255%	6,652.31	85,406.27	92,058.58	0.00
1-Nov-47	0.00	2.255%	5,764.36	5,764.36	0.00	91,170.63
1-May-48	80,529.87	2.255%	5,764.36	86,294.23	92,058.59	0.00
1-Nov-48	0.00	2.255%	4,856.39	4,856.39	0.00	91,150.62
1-May-49	82,345.81	2.255%	4,856.39	87,202.20	92,058.59	0.00
1-Nov-49	0.00	2.255%	3,927.94	3,927.94	0.00	91,130.14
1-May-50	84,202.71	2.255%	3,927.94	88,130.65	92,058.59	0.00
1-Nov-50	0.00	2.255%	2,978.55	2,978.55	0.00	91,109.20
1-May-51	86,101.48	2.255%	2,978.55	89,080.03	92,058.58	0.00
1-Nov-51	0.00	2.255%	2,007.76	2,007.76	0.00	91,087.79
1-May-52	88,043.07	2.255%	2,007.76	90,050.83	92,058.59	0.00
1-Nov-52	0.00	2.255%	1,015.07	1,015.07	0.00	91,065.90
1-May-53	90,028.45	2.255%	1,015.07	91,043.52	92,058.59	91,043.52
Totals	1,991,290.00		737,662.96	2,728,952.96	2,728,952.96	2,728,952.96

Net Interest Rate 2.2550%
 Bond Years 32,712.3253
 Average Life 16.4277

The above schedule assumes full disbursement of the loan on the loan closing date.
 05-Jan-24 Wisconsin Department of Administration

Loan Payment Schedule Comments

Please review the preceding loan payment schedule. It shows the dates of your first interest and principal payments. The preceding loan payment schedule assumes you draw all the loan funds on the loan closing date. Borrowers often draw loan funds over time. Interest only accrues on the funds disbursed and only after the date of each disbursement.

You can view your payment schedule based on disbursements to date at <http://eif.doa.wi.gov/>. Select Loan Payment Schedule on the lower half of the page. You can also request loan payment information from doaeif@wisconsin.gov.

You can generate additional reports at <http://eif.doa.wi.gov/>.

<u>Available Report</u>	<u>Information Provided</u>
Auditor Verification Report	Information commonly requested by municipal auditors. Available for completed calendar years.
Loan Account History	Loan disbursements, principal payments, and loan balance.
Loan Payment Schedule	Future principal and interest payments for disbursements.
Payment History	Past principal and interest payments.
Disbursement History	Past loan and grant disbursements.

Use the Output to Excel button at the bottom of the page to create your report in Microsoft Excel. Find details on generating reports at <http://eif.doa.wi.gov/siteDescr.htm>.

The Environmental Improvement Fund sends invoices semi-annually. You will receive an invoice approximately 45 days prior to the due date. If you have multiple loans, we will send a single invoice showing the payment amount for each loan.

- May 1: principal and interest payments due
- November 1: interest payments due

For more information about your payment schedule, please email doaeif@wisconsin.gov. The first available staff will respond to your inquiry.

FINANCIAL ASSISTANCE AGREEMENT (FAA) EXCERPTS

Safe Drinking Water Loan Program
Project No. 5525-06

Municipality: City of Elkhorn

Municipal ID: 64221

Plans and Specifications: W-2023-0311, approved April 7, 2023; W-2023-0114, approved February 21, 2023; S-2023-0341, approved June 21, 2023

Municipal Meeting Date: January 15, 2024

Loan Closing Date: January 24, 2024

Substantial Completion Date: October 7, 2023

Pledge: Water & Electric Revenue bond with a par amount of \$1,991,290

Priority: Senior Parity

Interest Rate: 2.255%

Refunding: NA

Estimated First Disbursement: \$1,482,798.02

Loan Term: 30 Years



January 15, 2024

ADAM SWANN, CITY ADMINISTRATOR
CITY OF ELKHORN
311 SEYMOUR COURT
P.O. BOX 920
ELKHORN WI 53121-0920

SUBJECT: Clean Water Fund Program, Project No. 4552-03
Replace Sanitary Sewer - Wright St & Centralia St (Phase 1)
Financial Assistance Agreement – January 24, 2024

Dear Administrator Swann:

Your project manager prepared the following documents for your Clean Water Fund Program (CWFP) loan closing:

1. CWFP Loan Closing Schedule - Attachment 1
2. Financial Assistance Agreement Summary/Distribution Sheet - Attachment 2
3. Financial Assistance Agreement (FAA)

To close the loan on January 24, 2024, we need to follow the Loan Closing Schedule (Attachment 1).

The City of Elkhorn has three (3) working days upon receipt of wired CWFP funds to do one or more of the following:

1. Pay the project invoices identified in the CWFP disbursement request.
2. Reimburse an internal municipal account from which eligible project costs were paid. This reimbursement must adhere to current U.S. Treasury Regulations.
3. Disburse payments to the bank or financial institution for projects that are being refinanced.

Execution of the FAA creates a binding obligation in all respects. Any negotiation of terms and conditions or determinations must occur prior to adoption of the Municipal Obligation Resolution and execution of the enclosed FAA document.

The Project Manager Summary Page (Exhibit F of the FAA) further explains certain assumptions and decisions affecting preparation of your FAA.

Please contact your project manager, Erika Mills, at 608-212-1246, for assistance with execution of the FAA, Request for Disbursement ([Form 8700-215](#)), or other CWFP documents.

Thank you for your interest in the Clean Water Fund Program.

Sincerely,

Matthew Marcum, Section Manager
Environmental Loans Section
Bureau of Community Financial Assistance

Electronic Copies: Bridgette Keating, Quarles & Brady LLP - Milwaukee
Stacey Tushaus, P.E., Foth Infrastructure & Environment, LLC, Franklin
Brent Binder - DNR SE/Milwaukee
Capital Finance Office - DOA/10

Clean Water Fund Program Project No. 4552-03
City of Elkhorn
Replace Sanitary Sewer - Wright Street & Centralia Street (Phase 1)
Financial Assistance Agreement – Closing Schedule

By December 27:

- Department of Natural Resources (DNR) project manager distributes Financial Assistance Agreement (FAA) to Department of Administration (DOA) for review.

By January 11:

- Quarles & Brady LLP distributes draft Municipal Obligation Resolution and other bond documents to the City of Elkhorn and DOA for review. Project manager mails FAA to municipality.

On January 15:

- Municipality holds properly noticed meeting at which time:
 1. Municipal Obligation Resolution is adopted.
 2. Bond related documents are signed by municipal officials.
 3. DNR FAA (printed single sided) is signed by municipal officials.

*NOTE: Most documents must be signed by Highest Elected Official & Clerk/Secretary and some documents must have municipal seal applied. **Do not sign any Exhibits.***

By January 16 VIA OVERNIGHT DELIVERY:

- 1. Municipality scans FAA signature page and sends via e-mail to Quarles & Brady LLP and Erika Mills.
 2. Municipality returns signed paper FAA via overnight delivery to Quarles & Brady LLP.
 3. Municipality delivers signed & sealed Resolution & other bond documents via overnight delivery to Quarles & Brady LLP.

By January 22:

- Quarles & Brady LLP sends final signed and sealed bond documents and legal opinion to DOA.

January 24:

- Loan Closing Day. Quarles & Brady LLP contacts municipality and DOA to confirm that closing may proceed, and DOA wire transfers the first disbursement to municipal bank account.

Clean Water Fund Program Project No. 4552-03
City of Elkhorn
Replace Sanitary Sewer - Wright Street & Centralia Street (Phase 1)
Financial Assistance Agreement Summary
Distribution Sheet

LOAN INFO

Total Project Amount: \$6,295,146

CWFP Funding Amount: \$460,183 Internal Funding: \$3,765,041 SDWLP LSL Funding: \$78,632

SDWLP Loan Funding: \$1,991,290

Pledge: Sewer System Revenue Lien Priority: Senior-Parity

Federal Equivalency Project Yes No

Composite Interest Rate: 2.255% Loan Term: 30 Years

DOCUMENT INFO

Date of Municipal Obligation Resolution – January 15, 2024

CLOSING INFO

Refinancing: None Date of Refinancing: N/A

Estimated Disbursement: \$386,638.27

DISTRIBUTION

Department of Natural Resources

Erika Mills
Bureau of Community Financial Assistance
101 South Webster Street, 2nd Floor
PO Box 7921
Madison WI 53707-7921
608-266-0228
erika.mills@wisconsin.gov

Department of Administration

Jessica Fandrich
State of Wisconsin DOA Capital Finance Office
101 East Wilson Street, 10th Floor
PO Box 7864
Madison WI 53707-7864
608-267-2734
jessica.fandrich1@wisconsin.gov

Municipality

Adam Swann
City of Elkhorn
311 Seymour Court
Elkhorn WI 53121-0920
262-723-2219
aswann@cityofelkhorn.org

Engineering Firm

Stacey Tushaus, P.E.
Foth Infrastructure & Environment, LLC
7044 South Ballpark Drive, Suite 200
Franklin WI 53132
414-336-7900
stacey.tushaus@foth.com

Municipal Bond Counsel

Rebecca Speckhard
Quarles & Brady LLP
411 East Wisconsin Avenue Suite 2400
Milwaukee WI 53202-4426
414-277-5000
rebecca.speckhard@quarles.com

Clean Water Fund Program DRAFT Certification Worksheet

Date of Analysis	1/5/2024
Municipality Name	Elkhorn

Financial Review Notes as of 01/05/2024

1. Net revenue appears sufficient for this debt service on this project.
2. The City of Elkhorn provided a reimbursement resolution for this project.
3. The City of Elkhorn has one outstanding Sewer System Revenue bonds. The pledge for the new bonds will be sewer system revenues. New bonds will be senior-parity.
4. In FAA definitions, Parity Obligations means the Municipality's \$1,735,000 Sewer System Revenue bonds, Series 2020C, dated July 9, 2020, and any other obligations issued on a parity with the Municipal Obligations pursuant to the restrictive provisions of Section 11 of the Municipal Obligation Resolution.
5. The City of Elkhorn states that no customer generates more than five percent of the system revenues.

Project Manager	Mills
DOA Contact	Fandrich
Primary Project Number	4552-03
Additional Project	4552-06
Additional Project	n/a
Substantial Completion Date	10/7/2023
Municipal Meeting Date	1/15/2024
Project was on funding list for State Fiscal Year	2024

Proposed Loan Amount	\$460,183
Principal Forgiveness	-
Disadvantaged Status	Not disadvantaged
Assumed Interest Rate	2.255%
Number of Loan Principal Payments	30

Only Complete Equalized Value GO Table if the New Loan Is a GO

2021 Equalized Value	\$ -
2021 General Obligation Debt Outstanding w/o New Loan	\$ -
Share of New Loan that Is General Obligation	0%
General Obligation Debt Outstanding w/ New Loan	\$ -
General Obligation Debt Divided by Equalized Value	0.0%

DOA Capital Finance Office

This analysis is only as of the date indicated. This worksheet will be updated and may change as DOA reviews finances, ability to pay, etc.

Elkhorn - DEBT COVERAGE CALCULATION

Sewer Revenue

1/5/2024

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	CLA	CLA	CLA	Draft Internal Financial Statements
<u>Sewer System Revenues</u>	2020	2021	2022	2023
Sales of sewer	\$ 3,079,257	\$ 3,242,889	\$ 3,208,213	\$ 3,256,244
Other operating revenue	19,528	24,367	17,965	202,192
Interest and dividend income	7,940	2,578	65,390	
reserved	-	-	-	
reserved	-	-	-	
reserved	-	-	-	
reserved	-	-	-	
reserved	-	-	-	
Total Gross Earnings	3,106,725	3,269,834	3,291,568	3,458,436
<u>Sewer System Expenses</u>				
Operation & maintenance	2,374,286	2,100,064	2,035,630	4,494,740
Capitalized expenses	-	-	-	(1,041,171)
Debt Service	-	-	-	(342,259)
Depreciation	-	-	-	(328,724)
reserved	-	-	-	-
reserved	-	-	-	-
reserved	-	-	-	-
Total Current Expenses	2,374,286	2,100,064	2,035,630	2,782,586
Net Revenues	\$ 732,439	\$ 1,169,770	\$ 1,255,938	\$ 675,850

	2025 Max Debt Servi Prin & Int	Required Debt Cover
<u>Sewer Revenue Debt Issues</u>		
\$1,735,000, Commercial Market Sewer System Revenue, 2020	109,225	125%
\$460,183, Sewer Revenue, Series 2024	21,149	125%
Reserved	0	
Max Annual Debt Service	130,374	

Net Revenues / Max Annual Debt Service = \$ 1,255,938 / \$ 130,374 = 963% debt coverage ratio
 Net Revenues must be at least \$162,967 (130,374 x 125%) to meet Debt Coverage Test

Net Revenues Excess or (Shortfall) 512,883

ANNUAL DEBT SERVICE SCHEDULE

Maximum Debt Service is Shaded

1/5/2024

DRAFT

		Commercial Market Sewer System Revenue	CWF 4552-03	
		\$1,735,000 N/A 2020C Dated 7/9/2020	Sewer Revenue \$460,183 Footnote 1 Series 2024 Dated 1/24/2024	Annual Debt Service
Year		Dated 7/9/2020	Dated 1/24/2024	Total
1	2024	105,775	18,759	124,534
2	2025	109,225	21,149	130,374
3	2026	107,625	21,146	128,771
4	2027	106,025	21,143	127,168
5	2028	104,425	21,140	125,565
6	2029	107,775	21,137	128,912
7	2030	106,075	21,134	127,209
8	2031	104,375	21,131	125,506
9	2032	107,625	21,128	128,753
10	2033	105,825	21,124	126,949
11	2034	108,975	21,121	130,096
12	2035	107,075	21,118	128,193
13	2036	105,175	21,114	126,289
14	2037	108,100	21,110	129,210
15	2038	105,850	21,107	126,957
16	2039	108,544	21,103	129,647
17	2040	106,181	21,099	127,280
18	2041	-	21,095	21,095
19	2042	-	21,091	21,091
20	2043	-	21,087	21,087
21	2044	-	21,083	21,083
22	2045	-	21,078	21,078
23	2046	-	21,074	21,074
24	2047	-	21,069	21,069
25	2048	-	21,065	21,065
26	2049	-	21,060	21,060
27	2050	-	21,055	21,055
28	2051	-	21,050	21,050
29	2052	-	21,045	21,045
30	2053	-	21,040	21,040
31	2054	-	-	-
32	2055	-	-	-
33	2056	-	-	-
34	2057	-	-	-
35	2058	-	-	-
36	2059	-	-	-
37	2060	-	-	-
38	2061	-	-	-
39	2062	-	-	-
40	2063	-	-	-
41	2064	-	-	-
Total		1,814,650	630,655	2,445,305
				TRUE
				Check with Amort

¹ New Loan at 2.255%, 30 principal payments, closing 1/24/2024, 1st principal 5/1/2024.

Elkhorn, Wisconsin

Exhibit B

Project 4552-03 Clean Water Fund Program

Loan Closing Date:

January 24, 2024

Payment Date	Principal Payment	Interest Rate	Interest Payment	Principal & Interest	Bond Year Debt Service	Calendar Year Debt Service
1-May-24	10,897.42	2.255%	2,796.06	13,693.48	13,693.48	0.00
1-Nov-24	0.00	2.255%	5,065.69	5,065.69	0.00	18,759.17
1-May-25	11,143.16	2.255%	5,065.69	16,208.85	21,274.54	0.00
1-Nov-25	0.00	2.255%	4,940.06	4,940.06	0.00	21,148.91
1-May-26	11,394.44	2.255%	4,940.06	16,334.50	21,274.56	0.00
1-Nov-26	0.00	2.255%	4,811.58	4,811.58	0.00	21,146.08
1-May-27	11,651.38	2.255%	4,811.58	16,462.96	21,274.54	0.00
1-Nov-27	0.00	2.255%	4,680.21	4,680.21	0.00	21,143.17
1-May-28	11,914.12	2.255%	4,680.21	16,594.33	21,274.54	0.00
1-Nov-28	0.00	2.255%	4,545.88	4,545.88	0.00	21,140.21
1-May-29	12,182.78	2.255%	4,545.88	16,728.66	21,274.54	0.00
1-Nov-29	0.00	2.255%	4,408.52	4,408.52	0.00	21,137.18
1-May-30	12,457.51	2.255%	4,408.52	16,866.03	21,274.55	0.00
1-Nov-30	0.00	2.255%	4,268.06	4,268.06	0.00	21,134.09
1-May-31	12,738.42	2.255%	4,268.06	17,006.48	21,274.54	0.00
1-Nov-31	0.00	2.255%	4,124.44	4,124.44	0.00	21,130.92
1-May-32	13,025.67	2.255%	4,124.44	17,150.11	21,274.55	0.00
1-Nov-32	0.00	2.255%	3,977.57	3,977.57	0.00	21,127.68
1-May-33	13,319.40	2.255%	3,977.57	17,296.97	21,274.54	0.00
1-Nov-33	0.00	2.255%	3,827.40	3,827.40	0.00	21,124.37
1-May-34	13,619.75	2.255%	3,827.40	17,447.15	21,274.55	0.00
1-Nov-34	0.00	2.255%	3,673.83	3,673.83	0.00	21,120.98
1-May-35	13,926.88	2.255%	3,673.83	17,600.71	21,274.54	0.00
1-Nov-35	0.00	2.255%	3,516.81	3,516.81	0.00	21,117.52
1-May-36	14,240.93	2.255%	3,516.81	17,757.74	21,274.55	0.00
1-Nov-36	0.00	2.255%	3,356.24	3,356.24	0.00	21,113.98
1-May-37	14,562.06	2.255%	3,356.24	17,918.30	21,274.54	0.00
1-Nov-37	0.00	2.255%	3,192.05	3,192.05	0.00	21,110.35
1-May-38	14,890.44	2.255%	3,192.05	18,082.49	21,274.54	0.00
1-Nov-38	0.00	2.255%	3,024.17	3,024.17	0.00	21,106.66
1-May-39	15,226.22	2.255%	3,024.17	18,250.39	21,274.56	0.00
1-Nov-39	0.00	2.255%	2,852.49	2,852.49	0.00	21,102.88
1-May-40	15,569.57	2.255%	2,852.49	18,422.06	21,274.55	0.00
1-Nov-40	0.00	2.255%	2,676.94	2,676.94	0.00	21,099.00
1-May-41	15,920.66	2.255%	2,676.94	18,597.60	21,274.54	0.00
1-Nov-41	0.00	2.255%	2,497.44	2,497.44	0.00	21,095.04
1-May-42	16,279.68	2.255%	2,497.44	18,777.12	21,274.56	0.00
1-Nov-42	0.00	2.255%	2,313.88	2,313.88	0.00	21,091.00
1-May-43	16,646.78	2.255%	2,313.88	18,960.66	21,274.54	0.00
1-Nov-43	0.00	2.255%	2,126.19	2,126.19	0.00	21,086.85
1-May-44	17,022.17	2.255%	2,126.19	19,148.36	21,274.55	0.00
1-Nov-44	0.00	2.255%	1,934.27	1,934.27	0.00	21,082.63
1-May-45	17,406.02	2.255%	1,934.27	19,340.29	21,274.56	0.00
1-Nov-45	0.00	2.255%	1,738.01	1,738.01	0.00	21,078.30
1-May-46	17,798.52	2.255%	1,738.01	19,536.53	21,274.54	0.00
1-Nov-46	0.00	2.255%	1,537.34	1,537.34	0.00	21,073.87
1-May-47	18,199.88	2.255%	1,537.34	19,737.22	21,274.56	0.00
1-Nov-47	0.00	2.255%	1,332.13	1,332.13	0.00	21,069.35
1-May-48	18,610.29	2.255%	1,332.13	19,942.42	21,274.55	0.00
1-Nov-48	0.00	2.255%	1,122.30	1,122.30	0.00	21,064.72
1-May-49	19,029.95	2.255%	1,122.30	20,152.25	21,274.55	0.00
1-Nov-49	0.00	2.255%	907.74	907.74	0.00	21,059.99
1-May-50	19,459.07	2.255%	907.74	20,366.81	21,274.55	0.00
1-Nov-50	0.00	2.255%	688.34	688.34	0.00	21,055.15
1-May-51	19,897.87	2.255%	688.34	20,586.21	21,274.55	0.00
1-Nov-51	0.00	2.255%	463.99	463.99	0.00	21,050.20
1-May-52	20,346.57	2.255%	463.99	20,810.56	21,274.55	0.00
1-Nov-52	0.00	2.255%	234.58	234.58	0.00	21,045.14
1-May-53	20,805.39	2.255%	234.58	21,039.97	21,274.55	21,039.97
Totals	460,183.00		170,472.36	630,655.36	630,655.36	630,655.36

Net Interest Rate 2.2550%
 Bond Years 7,559.7508
 Average Life 16.4277

The above schedule assumes full disbursement of the loan on the loan closing date.
 05-Jan-24 Wisconsin Department of Administration

Loan Payment Schedule Comments

Please review the preceding loan payment schedule. It shows the dates of your first interest and principal payments. The preceding loan payment schedule assumes you draw all the loan funds on the loan closing date. Borrowers often draw loan funds over time. Interest only accrues on the funds disbursed and only after the date of each disbursement.

You can view your payment schedule based on disbursements to date at <http://eif.doa.wi.gov/>. Select Loan Payment Schedule on the lower half of the page. You can also request loan payment information from doaeif@wisconsin.gov.

You can generate additional reports at <http://eif.doa.wi.gov/>.

<u>Available Report</u>	<u>Information Provided</u>
Auditor Verification Report	Information commonly requested by municipal auditors. Available for completed calendar years.
Loan Account History	Loan disbursements, principal payments, and loan balance.
Loan Payment Schedule	Future principal and interest payments for disbursements.
Payment History	Past principal and interest payments.
Disbursement History	Past loan and grant disbursements.

Use the Output to Excel button at the bottom of the page to create your report in Microsoft Excel. Find details on generating reports at <http://eif.doa.wi.gov/siteDescr.htm>.

The Environmental Improvement Fund sends invoices semi-annually. You will receive an invoice approximately 45 days prior to the due date. If you have multiple loans, we will send a single invoice showing the payment amount for each loan.

- May 1: principal and interest payments due
- November 1: interest payments due

For more information about your payment schedule, please email doaeif@wisconsin.gov. The first available staff will respond to your inquiry.

FINANCIAL ASSISTANCE AGREEMENT (FAA) EXCERPTS

Clean Water Fund Program
Project No. 4552-03

Municipality: City of Elkhorn

Municipal ID: 64221

Plans and Specifications: S-2023-0341, approved June 21, 2023; W-2023-0114, approved February 21, 2023

Municipal Meeting Date: January 15, 2024

Loan Closing Date: January 24, 2024

Substantial Completion Date: October 7, 2023

Pledge: Sewer System Revenue bond with a par amount of \$460,183

Priority: Senior-Parity

Interest Rate: 2.255%

Refunding: None

Estimated First Disbursement: \$386,638.27

Loan Term: 30 Years