



COMMON COUNCIL MEETING AGENDA

TUESDAY, SEPTEMBER 02, 2025 AT 7:00 PM

MUNICIPAL BUILDING COUNCIL CHAMBERS – 106 JONES STREET, WATERTOWN, WI 53094

Virtual Meeting Info: <https://us06web.zoom.us/join> Meeting ID: 965 279 3780 Passcode: 53094 One tap mobile

+16469313860 <https://us06web.zoom.us/j/9652793780?pwd=0glWdtrdiJJHznZXyVgAb9U8pNOstl.1>

All public participants' phones will be muted during the meeting except during the public comment period. This meeting will be streamed live on YouTube at: <https://www.youtube.com/c/WatertownTV>

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. MINUTES OF COUNCIL MEETING HELD

A. Meeting minutes from August 19, 2025

5. COMMENTS AND SUGGESTIONS FROM CITIZENS PRESENT

Members of the public who wish to address the Council must register their request in writing before the meeting begins. Each individual who requests to address the Council will be permitted up to three minutes for their comments.

6. REPORTS

A. Transit Commission minutes from June 23, 2025

B. Town Square Programming Commission minutes from July 16, 2025

C. Site Plan Review minutes from August 11, 2025

D. Plan Commission minutes from August 11, 2025

E. Finance Committee minutes from August 11, 2025

F. Public Works minutes from August 26, 2025

7. NEW BUSINESS

A. Review and take action: Committee Appointments

8. MISCELLANEOUS BUSINESS

A. Payroll Summary - August 6 through August 19, 2025

9. LICENSES

A. Review and take action: Application from Steeltank Brewery for a Producer Off-site Full-Service Retail Sales on September 7, 2025 at 202 Air Park Drive during the hours of 10am-3pm

10. ORDINANCES

A. Ord. 25-22 - Ordinance to Create Section 428-1 Riverfest of the City of Watertown General Ordinances (Sponsor: Ald. Davis From: Public Safety and Welfare Committee, Second Reading)

11. RESOLUTIONS

- A. Exh. 9780 - Resolution authorizing the issuance and sale of up to \$2,863,161 taxable water systems revenue bonds, Series 2025, and providing for other details and covenants with respect thereto (Sponsor: Ald. Arnett From: Public Works Commission)
- B. Exh. 9781 - Resolution authorizing the issuance and sale of up to \$276,918 taxable general obligation promissory notes, series 2025A, and providing for other details and covenants with respect thereto (Sponsor: Ald. Arnett From: Public Works Commission)
- C. Exh. 9782 - Resolution authorizing the issuance and sale of up to \$964,017 taxable general obligation promissory notes, series 2025B, and provide for other details and covenants with respect thereto (Sponsor: Ald. Arnett From: Public Works Commission)
- D. Exh. 9783 - Resolution Authorizing Execution of Wisconsin Department of Natural Resources Principal Forgiven Financial Assistance Agreement for Lead Service Line removal project 5439-09 (Sponsor: Ald. Arnett From: Public Works Commission)
- E. Exh. 9784 - Resolution to award Ultra-Violet Disinfection System replacement base bid to Rhode Brothers, Inc. for a total of \$228,000 (Sponsor: Ald. Arnett From: Public Works Commission)
- F. Exh. 9785 - Resolution to approve change order No. 1 to Contract #6-25 Bituminous Surfacing with Wolf Paving (Sponsor: Ald. Arnett From: Public Works Commission)
- G. Exh. 9786 - Resolution to adopt City of Watertown Aquatic Vegetation Management Standard Operating Procedure (Sponsor: Ald. Arnett From: Public Works Commission)

12. COMMENTS AND SUGGESTIONS FROM CITIZENS PRESENT

Each individual who requests to address the Council will be permitted up to three minutes for their comments and must fill out the sign in sheet provided.

13. ADJOURNMENT

Persons requiring other reasonable accommodations for any of the above meetings, may contact the office of the City Clerk at cityclerk@watertownwi.gov phone 920-262-4000

Any invocation that may be offered before the official start of the Council meeting shall be the voluntary offering of a private citizen, to and for the benefit of the Council. The views or beliefs expressed by the invocation speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the religious beliefs or views of this, or any other speaker.

**Common Council Minutes
August 19, 2025**

Section 4, Item A.

CALL TO ORDER

Mayor Stocks called the regular meeting of the City of Watertown Common Council to order at 7:11 p.m. on Tuesday, August 19, 2025. This meeting was open for attendance in the council chambers as well as virtually.

ROLL CALL

Roll call indicated the following Alderpersons present: Ald. Davis, Lampe, Berg, Bartz, Blanke, Smith, Arnett, Wetzel and Moldenhauer. City staff present were Fire Chief Tanya Reynen, Police Chief David Brower, Finance Director Mark Stevens, Streets Superintendent Stacy Winkelman, Public Works Director Andrew Beyer, Park and Rec Director Kristine Butteris, Health Director Carol Quest, and Library Director Peg Checki

PLEDGE OF ALLEGIANCE

The Council recited the Pledge of Allegiance to the American Flag.

MINUTES OF PRECEDING MEETING

Mayor Stocks inquired if there were additions or corrections to minutes of the Common Council meeting held Tuesday, August 5, 2025. There being none, Ald. Berg moved to approve, seconded by Ald. Blanke and carried by unanimous voice vote.

COMMENTS & SUGGESTIONS FROM CITIZENS PRESENT

Katie Van Der Linden of N8071 High Rd, Francine Gies of 609 W. Main St., Sarah Zarling of 113 College St., Ben Adams of County Rd X, Chris Ross of 432 W. Clover St. Cottage Grove, Rev. Monica Burkert-Brist of St. Paul's Episcopal Church, Gene Schmidt of 303 E. Arden Dr., Leslie Autry 201 S. Water St. Apt 200, Elizabeth Fritz of 112 N. Maple St., Georgia Irree of 402 Wildflower Ln., Jude Christensen of 132 Harding St., Marguerita Haase 706 Crestview Dr. spoke on warming shelters.

**Ald. Lampe moved to rearrange agenda items Exh. 9774, 9777 and 9775 to be discussed at this time, seconded by Ald. Berg and carried by unanimous voice vote.*

REPORTS

(Complete minutes are open for public inspection in the Finance/Clerk Department.)

The following reports were received and filed: Finance Committee minutes from July 7, 2025, Public Works minutes from July 8, 2025, Licensing Board minutes from July 9, 2025, Board of Health minutes from July 15, 2025, Finance Committee minutes from July 21, 2025, Park, Recreation, and Forestry minutes from July 21, 2025, Public Works minutes from July 22, 2025, Plan Commission Minutes from July 28, 2025.

COMMUNICATIONS & RECOMMENDATIONS

Mayor Stocks gave recognition to Jacob Higgins with the Police Department for five years and Mindy Busshardt with the Police Department for ten years. The Fire Department Monthly Report for June was presented.

MISCELLANEOUS BUSINESS

The Payroll Summary - July 23 through August 5, 2025, Paid Invoices Report - July 2025, and Cash and Investments - July 31, 2025, were presented.

LICENSES:

Ald. Lampe made a motion to approve the application for a "Class B" Malt and Liquor License from ADM207 LLC dba Silver Eagle Saloon (Amanda Kostroski, Agent) located at 207 S. Second St. for licensing year July 1, 2025 – June 30, 2026, conditioned on health and fire inspections being complete, seconded by Ald. Bartz and carried by unanimous voice vote.

Ald. Bartz made a motion to approve the agent change application for Silver Creek Investo dba Watertown Country Club at 1340 N Water St. from Daniel Rahfeldt to Brent Regis, seconded by Ald. Moldenhauer and carried by unanimous voice vote.

Ald. Blanke made a motion to deny the application for an operator's license from Jericka D Hinojosa based on Cat. I of the Watertown Licensing Guidelines, seconded by Ald. Lampe and carried by unanimous voice vote.

ORDINANCES

Ord. 25-19 - Amend Chapter 550: Official Zoning Map of the City of Watertown, through the rezoning of 213 S. First Street Parcel Number 291-0815-0421-161 from Multi-Family Residential (MR-8) Zoning District to Central Business (CB) Zoning District classifications (Sponsor: Mayor Stocks From: Plan Commission, Second Reading). Ald. Blanke moved for adoption of ordinance 25-19 on its second reading, seconded by Ald. Berg and carried by roll call vote: Yes-9; No-0; Abstain-0.

Ord. 25-20 - Amend Chapter 550: Official Zoning Map of the City of Watertown, through the rezoning of Parcel Number 291-0815-0832-005 from a Planned Office & Institutional (PO) Zoning District to Planned Industrial (PI) Zoning District classification (Sponsor: Mayor Stocks From: Plan Commission, Second Reading). Ald. Wetzel moved for adoption of ordinance 25-20 on its second reading, seconded by Ald. Blanke and carried by roll call vote: Yes-9; No-0; Abstain-0.

Ord. 25-21 - Amend Section 428-11 of the City of Watertown General Ordinances (Sponsor: Ald. Davis From: Public Safety and Welfare Committee, Second Reading). Ald. Davis moved for adoption of ordinance 25-21 on its second reading, seconded by Ald. Moldenhauer and carried by roll call vote: Yes-9; No-0; Abstain-0.

Ord. 25-22 - Ordinance to Create Section 428-1 Riverfest of the City of Watertown General Ordinances (Sponsor: Ald. Davis From: Public Safety and Welfare Committee, First Reading). Ald. Moldenhauer moved for adoption of ordinance 25-22 on its first reading, seconded by Ald. Berg and carried by roll call vote: Yes-8; No-0; Abstain-0 (Ald. Lampe recused himself from discussion and voting).

RESOLUTIONS

Resolutions below are listed in order of the agenda but may not be the order by which they were taken up at the Council meeting.

Exh. 9774 - Resolution to Approve Development Agreement Between City of Watertown, Wisconsin and Gremer, LLC (Sponsor: Mayor Stocks From: Finance Committee). Ald. Davis moved to adopt resolution 9774, seconded by Ald. Lampe and carried by roll call vote: Yes-9; No-0; Abstain-0.

Exh. 9775 - Resolution to approve RDA Citywide Sign Grant Program and Designate Source of Funding (Sponsor: Mayor Stocks From: Finance Committee). Ald. Smith moved to adopt resolution 9775, seconded by Ald. Bartz and carried by roll call vote: Yes-9; No-0; Abstain-0.

Exh. 9776 - Resolution to not conform to expenditure restraint standards for the 2026 Budget (Sponsor: Mayor Stocks). Ald. Blanke moved to adopt resolution 9776, seconded by Ald. Lampe. Ald. Smith made a motion to refer resolution 9776 to Finance Committee, seconded by Ald. Berg and carried by roll call vote: Yes-9; No-0; Abstain-0.

Exh. 9777 - Resolution to approve the warming and cooling center and shelter policy (Sponsor: Ald. Davis From: Public Safety and Welfare Committee). Ald. Davis moved to adopt resolution 9777, seconded by Ald. Smith. Ald. Lampe made a motion to amend section S.2 from city leadership to City Council for the annual review motion, seconded by Ald. Berg and failed by roll call vote: Yes-3 (Lampe, Berg, Bartz); No-6 (Davis, Blanke, Smith, Arnett, Wetzel, Moldenhauer); Abstain-0. Ald. Lampe made a motion to amend the Policy to require an annual report on procedure developed under chapter 6.4 to come back to City Council, seconded by Ald. Berg and carried by roll call vote: Yes-9; No-0; Abstain-0. Ald. Lampe made a motion to amend the policy in chapter 6.2 to provide notice of change within 24 hours, seconded by Ald. Berg and failed by roll call vote: Yes-4 (Lampe, Berg, Bartz, Blanke); No-5 (Davis, Smith, Arnett, Wetzel, Moldenhauer); Abstain-0. Ald. Lampe made a motion to amend for the triggers, as defined in the procedure for opening the shelter, to be added into the policy, seconded by Ald. Berg and failed by roll call vote: Yes-2 (Lampe, Berg); No-7 (Bartz, Blanke, Smith, Arnett, Wetzel, Moldenhauer);

Abstain-0. Ald. Blanke called the question, seconded by Ald. Wetzel and carried by roll call vote: Yes-6 (Blanke, Arnett, Wetzel, Moldenhauer, Davis; No-3 (Smith, Lampe, Berg); Abstain-0. Motion to approve with passed amendment carried by roll call vote: Yes-8; No-1(Berg); Abstain-0.

Exh. 9778 - Resolution to adopt the City of Watertown 2025-2030 Parks and Open Spaces Plan (Sponsor: Ald. Lampe From: Park and Rec Commission). Ald. Lampe moved to adopt resolution 9778, seconded by Ald. Berg and carried by roll call vote: Yes-8; No-1(Arnett); Abstain-0

Exh. 9779 - Resolution to appoint Alexandra Panagopoulos as City Attorney (Sponsor: Mayor Stocks From: Finance Committee). Ald. Berg moved to adopt resolution 9779, seconded by Ald. Wetzel and carried by roll call vote: Yes-9; No-0; Abstain-0

NEW BUSINESS

Ald. Bartz made a motion to convene into closed session per §19.85(1)(g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved (Claim from Advanced Piping), seconded by Ald. Blanke and carried by roll call vote: Yes-9; No-0; Abstain-0.

Ald. Lampe made a motion to reconvene to open session, seconded by Ald. Bartz and carried by unanimous voice vote.

Ald. Smith made a motion to deny the Claim from Advanced Piping, seconded by Ald. Moldenhauer and carried by unanimous voice vote.

COMMENTS AND SUGGESTIONS FROM CITIZENS PRESENT

Chris Ross of 432 W. Clover St. Cottage Grove spoke on warming shelters.

ADJOURNMENT

There being no further business to come before the Council at this time, Ald. Davis moved to adjourn, seconded by Ald. Smith, and carried by unanimous voice vote at 9:51 p.m.

Respectfully Submitted,

Megan Dunneisen, City Clerk

DISCLAIMER: These minutes are uncorrected; any corrections will be noted in the proceedings at which these minutes are approved. Complete minutes are open for public inspection in the Clerk's Office. Video recording available at Watertown TV's YouTube page: <https://www.youtube.com/c/WatertownTV>



TRANSIT COMMISSION MEETING MINUTES

MONDAY, JUNE 23, 2025 AT 5:00 PM

WATERTOWN MUNICIPAL BUILDING, 106 JONES STREET, ROOM 0041

The Transit Commission met on the above date and time in person and virtually with the following members present: Tom Hahn, Michelle Bainbridge, David Applegarth, Laurie Grosenick, and Ald. Smith. Also in attendance was City Clerk Megan Dunneisen.

1. **CALL TO ORDER** - Chair Hahn called the meeting to order at 5:00 pm
2. **REVIEW & APPROVE MINUTES**
 - A. Ald. Smith made a motion to approve the Transit minutes from April 30, 2025, second by Applegarth and carried by unanimous voice vote.
3. **COMMENTS AND SUGGESTIONS FROM CITIZENS PRESENT** - None
4. **REVIEW RIDERSHIP / FINANCIAL STATISTICS**
 - A. 2025 Trip Logs were presented to the Commission.
5. **BUSINESS**
 - A. Updates from Watertown Transit/Passenger Transit Inc – No office personnel representing Watertown Transit or Passenger Transit was present.
 - B. Review and discuss: Upcoming Request for Proposals (RFP) for Shared Ride Taxi Services
 1. Estimated Timeline – Dunneisen gave an estimated timeline – likely end of August the RFP will be done and ready to be put out. Final bids are estimated to be in by early October.
 2. Evaluation Committee – Made up of 4 or more people – possibly the Transit Commission.
 3. Estimate of Cost – Dunneisen explained that the estimate hourly rate could increase from around 32 to likely 38ish based on similar municipality rates.
6. **REVIEW CITIZEN COMMUNICATIONS AND REPORTS**
 - A. John Will, Watertown Transit Mechanic gave an update/overview on the current fleet stating that vehicles 60 and 59 are both in for service. The Quarterly Vehicle Maintenance Report was presented. (Ald. Smith left the meeting at 5:28pm).
 - B. The commission discussed the Complaint Log.
7. **SET NEXT MEETING DATE** Tentative dates for July 28, 2025, at 5pm and August 25 at 5pm.
8. **ADJOURNMENT** - Grosenick made a motion to adjourn, second by Bainbridge and carried by unanimous voice vote at 5:45 pm.

Respectfully Submitted,

Megan Dunneisen, City Clerk

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Town Square Programming Commission Minutes

Section 6, Item B.

Wednesday, July 16, 2025

12:00pm

The Town Square Programming Commission met at the above date and time. The following members were present: Peacy, Kauffman, Bartz, Zimmerman, Broere, Kneser, Schneekloth. Also present: Juhl, Butteris.

1. **Call to order.** Zimmerman called the meeting to order at 12:04 p.m.
2. **Review & approve minutes dated June 18, 2025.** Broere moved to approve the minutes as presented, seconded by Peacy, and carried by unanimous voice vote.
3. **Review & approve financial report dated month ending May 31, 2025.** Bartz moved to approve the minutes as presented, seconded by Kauffman, and carried by unanimous voice vote.
4. Citizens to be heard John Kattish present
5. **Review and take possible action: sunseting the Town Square Programming Commission.** The decision to sunset the commission effective August 1, 2025, pending approval from city council came about from a discussion brought by city officials and leaders to start the process of enveloping the town square into the Parks, Recreation and Forestry Commission as all other parks in the community are currently. The discussion was to make the current commission more of a collaboration type team, still including Tourism, Chamber, Main Street Program and community, city committees and city council representations. The meetings would take place 3 times per year to discuss in more of an informal setting, discussing program ideas and collaboration opportunities from the community and other organizations. This would benefit the group by having brainstorming collaboration letting topics "free flow".

A couple of options were discussed:

Discussion to keep the commission until it expires in May 2026 was discouraged by Zimmerman since the group currently feels the meetings would have the most beneficial use of time in the new format discussed above. He stated why wait if we can make these meetings more beneficial now.

Discussion to make the commission more of an advisory committee was brought to the table. Again, the conversation went to the fact that a more structured meeting format is not necessarily what the current commission wants for productivity of the members. The advisory committee would be in the same format as the current commission with less frequency.

Question from Kattish, as an attending citizen was will the sponsorships and donations to the town square still be held separately in a fund and not combined with the general fund.

Bartz stated the current ordinance does not reference sunseting or the transition into the Parks Commission after May 2026.

After much discussion the motion to sunset the Town Square Programming Commission effective August 1, 2025, was brought by Zimmerman, seconded by Broere, and carried by a unanimous voice vote

6. Event Coordinators Report for July 2025

Still looking for a beverage sponsor for the Packer game and a couple more T-shirt sponsors for the Glo-Motion Family Fun Run. Summary of past events since the last meeting. Updates on new grants and sponsorships, new events, and maintenance updates since last meeting.

7. **Adjournment.** Broere moved to adjourn at 12:49 p.m., seconded by Kauffman and carried by a unanimous voice vote.

Respectfully submitted,

Stephanie Juhl, Programming Event Coordinator

Note: These minutes are uncorrected, and any corrections made thereto will be noted in the proceedings at which these minutes are approved.

SITE PLAN REVIEW COMMITTEE
August 11, 2025

The Site Plan Review Committee met on the above date at 1:30 P.M. in the Council Chambers on the second floor of City Hall. The following members were present: Mayor Robert Stocks, Mike Jacek – Building Safety & Zoning, Laura Bohlman – Police Department, Stacy Winkelman – Streets and Solid Waste, Andrew Beyer – Engineering, Nathan Williams – Engineering, Kristine Butteris – Park & Rec, Maureen McBroom – Stormwater.

Also in attendance were Nikki Zimmerman of Building Safety & Zoning, Manager of Economic Development and Strategic Initiatives Mason Becker, Bill Richter of Richter Heating & Air Conditioning, and Allen Genz of AG Contractors.

1. Call to Order

The meeting was called to order by Acting Chairperson Andrew Beyer.

2. Approval of Minutes

A. Review and take action: Site Plan Review Minutes Dated June 23, 2025

Motion was made by Mike Jacek and seconded by Nathan Williams to approve the minutes as submitted. Unanimously approved.

3. Business

A. Review and take action: 421 Water Tower Court office remodel and warehouse addition

Allen Genz of AG Contractors was present to explain the project. This is for a proposed 5,200 sf addition on the east side of the building as well as a small interior remodel. A proposed gravel area will be removed with cement/concrete being put in place instead.

The following was presented by staff:

Fire:	Don Dishno forwarded an email stating there are no notes or concerns for this project.
Building:	Plans are currently being reviewed by the state. Once approved, the building permit can be submitted along with the state-approved plans.
Police:	No comments.
Mayor:	No comments.
Stormwater:	An Erosion Control permit and plan will be required since this project will be greater than 3,000 sf of disturbance.
Engineering:	No comments.
Zoning:	Not present but notes were forwarded stating that a landscaping and lighting/photometric plan still needs to be submitted. This will be discussed with Brian Zirbes.
Parks & Rec:	No comments.
Water/Wastewater:	Not present.
Streets/Solid Waste:	No comments.

Motion made by Kristine Butteris, seconded by Maureen McBroom, to approve this item contingent upon submittal and approval of the Erosion Control permit and plan; landscaping plan, and lighting/photometric plan. Unanimously approved.

4. Adjournment

Motion was made by Kristine Butteris and seconded by Laura Bohlman to adjourn. Unanimously approved.

Respectfully submitted,
Nikki Zimmerman
Recording Secretary

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PLAN COMMISSION

MINUTES

August 11, 2025

The Plan Commission met at 4:30p.m. on the above date in the council chambers.

The following members were present: Mayor Stocks, Alderman Blanke, Beyer, Kneser, Lampe

Also in attendance: Tom Stocco of North Town Partners LLC, Mason Becker, Ben Rohn of Vandewalle & Associates, Allen Genz of AG Contractors, Bill Richter of Richter Heating & Air Conditioning, and Ruth Mack of Loeb & Company

1. Call to order (4:36pm)

2. Approval of Minutes

A. Plan Commission minutes July 28, 2025

Motion to approve Plan Commission minutes was made by Lampe and seconded by Kneser, passed on unanimous voice vote.

3. Business

A. Public Hearing: Proposed TID #8 Amendment No. 1

Tom Stocco spoke in favor of the TID Amendment and made himself available for questions upon request.

B. Review and take action: Proposed TID #8 Amendment No. 1

One positive comment from public hearing.

Ben Rohn was present to present the proposed TID #8 Amendment to the commission. The amendment is needed to accommodate the Oxbow project and the map correction needed on the public library property.

Motion to send to the common council with a positive recommendation was made by Blanke, seconded by Kneser and passed on a unanimous voice vote.

C. Review and take action: 421 Water Tower Court office remodel and warehouse addition

Bill Richter was present to request the plan to remodel and expand the current facility at 421 Water Tower Court.

Motion to approve with the conditions that the requestor obtain any required erosion control and stormwater permits, submit a landscaping plan that meets ordinance requirements, and submit an exterior lighting plan that meets ordinance requirements was made by Lampe, seconded by Blanke and passed on a unanimous voice vote.

D. Review and take action: Certified Survey Map (CSM) for part of 315 Mary Street

Andrew Beyer presented the request for a CSM for 315 Mary Street. This CSM is required to facilitate the transfer of the property from the city to Loeb & Company.

Motion to approve with no conditions made by Kneser, seconded by Lampe and passed on a unanimous voice vote.

All materials discussed at this meeting can be found at:

<https://mccmeetings.blob.core.usgovcloudapi.net/watertwnwi-pubu/MEET-Packet-ff3618bf3da349df9ed06a65f63691b7.pdf>

4. Adjournment

Motion to adjourn was made by Lampe and seconded by Beyer and passed on a unanimous voice vote. (4:50pm)

Respectfully Submitted,

Alderman Brad Blanke



FINANCE COMMITTEE MEETING MINUTES

MONDAY, AUGUST 11, 2025, AT 5:30 PM

MUNICIPAL BUILDING COUNCIL CHAMBERS – 106 JONES STREET, WATERTOWN, WI 53094

Finance Committee members present: Mayor Stocks, Alderpersons Berg, Davis, Lampe (video), and Smith (video)

Others present: Finance Director Stevens, Fire Chief Reynen, Mason Becker, Ald. Bartz, Parks/Rec Director Butteris, Jeff Doyle, Andrea Peters, Police Chief Brower, Public Works Director Beyer, Main St. Program staff

1. Mayor Stocks called the meeting to order at 5:34 pm. After a video conference interruption, Mayor Stocks restarted the meeting at 6:07 p.m.
2. Ald. Berg made a motion, seconded by Ald. Davis, to approve the minutes of the Finance Committee meeting of July 21. Approved unanimously.
3. **Watertown Main Street Program** president Ron Counsell provided comments on the funding **request of an increase in support to \$50,000** for the next five years. One of the primary focuses is to ramp up help to businesses in advance of the 2028-29 reconstruction project. Discussion ensued with comments to pursue liquidated damages from the delayed bridge construction project, a request for additional information in the agreement, an alternate to the increase if a 4% annual adjustment had been made. Ald. Davis motioned to postpone a decision on this proposal until November, but this motion was not supported. Ald. Smith made a motion, seconded by Ald. Lampe, to encourage a meaningful increase for the Main St. community in the Mayor's budget. Unanimously approved.
4. A request from the **Fire Department to write off uncollectible EMS billing** was moved by Ald. Davis, seconded by Ald. Smith, and unanimously approved.
5. Ms. Winkelman presented a request to purchase a New Way 31 cubic yard **side load refuse truck** from Envirotech Equipment for \$378,877, the lower of the two bids received. Ald. Berg made the motion, seconded by Ald. Davis, to approve the purchase. Unanimously approved.
6. Parks/Rec Director Butteris requested a **reallocation of capital improvement funds from the purchase of a dump truck to a 2.5-ton lift gate truck**. Motion made by Ald. Davis, supported by Ald. Lampe, and approved by all.
7. A **development agreement with Greinar, LLC** (Loos Homes) was presented for the Edge Field residential development project. A motion was made by Mayor Stocks, seconded by Ald. Lampe to recommend approval to the Council. After some discussion, Ald. Smith offered a motion to amend the development agreement to remove the allowance for special assessment for the installation of sidewalks (pgs 2 & 11). Amendment passed unanimously. Motion to approve recommendation of development agreement passed unanimously.
8. Mr. Becker updated the committee on the **RDA citywide sign grant program**. The RDA board approved moving forward with the program at its July 16 meeting. Ald. Davis motioned, supported by Ald. Berg, to recommend an allocation of \$25,000 for this program to be funded when TID #4 funds are available for distribution. Unanimously approved.

9. A motion was made by Ald. Lampe, supported by Ald. Berg, to convene into **closed session** per § 19.85(1)(g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved (**Claim from Advanced Piping**). Unanimously approved on roll call vote.
10. After returning to open session, Ald. Davis, supported by Ald. Berg, moved to **recommend denial of the Advance Piping claim**. Unanimously approved.
11. A motion was made by Ald. Davis, supported by Ald. Berg, to convene into **closed session** per § 19.85(1)(g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved (**Indoor Pool**). Unanimously approved on roll call vote.
12. The committee returned to open session. Note: Ald. Berg left meeting at 7:42 pm.
13. A motion was made by Ald. Davis, supported by Ald. Lampe, to convene into **closed session** per § 19.85(1)(g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved (**Walmart tax appeal**). Unanimously approved on roll call vote.
14. The committee returned to open session.
15. Finance Committee adjournment. Ald. Davis moved, seconded by Ald. Lampe, to adjourn the Finance Committee at 7:47 p.m., and was carried by unanimous voice vote.

Respectfully submitted,

Mark Stevens, Finance Director

Note: These minutes are uncorrected, and any corrections made thereto will be noted in the proceedings at which these minutes are approved.

PUBLIC WORKS COMMISSION

Tuesday, August 26, 2025

5:30 p.m.

The Public Works Commission met at the above date and time. The following members were present: Alderpersons Brad Blanke, Dan Bartz, Myron Moldenhauer, and Tony Arnett (attending remotely); Citizen member Pete Thompson. Also present: City Staff Andrew Beyer, Pete Hartz, Richie Piltz, Maureen McBroom.

1. **Call to order.** Chairperson Arnett called the meeting to order at 5:35 p.m.
2. **Comments and Suggestions from Citizens Present.** MaryAnn Weiland addressed the Commission requesting support for the proposal from the neighbors of Lake Victoria to share the cost of weed and algae treatment for the lake and shoreline.
3. **Review and take possible action. Minutes of PWC meeting of July 22.** Mr. Bartz moved to approve the minutes as presented, seconded by Mr. Thompson. Motion carried by unanimous voice vote.
4. **Review and take possible action: Aquatic Plant Management Policy for City-owned Properties.** Andrew Beyer presented the draft Aquatic Plant Management Policy for City-owned Properties. He also presented a staff memo with an overview the Lake Victoria request, how it falls outside the policy as it is State-owned, topics to consider if the City wanted to address the request, along with a 4-part recommendation on how to move forward. Commission members discussed the 2019 Ruekert-Mielke study of Heiden Pond and Lake Victoria, and while there was interest in looking at the dredging project outlined in the study, the multi-million dollar cost was an obstacle. As both bodies of water are State-owned, there was interest in seeing if the State would partner with the City on the proposed dredging project. Mr. Blanke moved to add the dredging project for Heiden Pond and Lake Victoria to the Stormwater Utility long-term capital plan, and to direct staff to engage with the State to see what involvement the State might take in it. Mr. Moldenhauer seconded the motion. Motion carried by unanimous voice vote. After further discussion, Mr. Blanke moved to recommend the policy to Council and approve the 4 recommendations in the staff memo: to further explore options, legal considerations, funding mechanisms, and permitting requirements. Mr. Moldenhauer seconded the motion. Motion carried by unanimous voice vote.
5. **Review and take possible action: Award Ultra-Violet Disinfection System Replacement base bid to Rhode Brothers for a total of \$228,000.** This is the 2nd part of a budgeted 2025 capital project. 3 bids were received. The amount falls well within the budgeted amount for this project. Mr. Moldenhauer moved to recommend this bid to Council, seconded by Mr. Bartz. Motion carried by unanimous voice vote.
6. **Review and discuss: Sanitary Sewer West Side Interceptor Feasibility Analysis.** Pete Hartz presented the Feasibility Analysis, with overview of the multiple potential paths for the Interceptor. There was discussion of which path would be more expensive, even considering potential temporary loss of wetlands credits. No action was required at this time.
7. **Review and take possible action: Sidewalk repair order for 706 Western Avenue.** Mr. Bartz asked if this location had a tree impacting the sidewalk. Staff confirmed that is the case and the tree would be examined. Mr. Bartz moved to approve the order, seconded by Mr. Thompson. Motion carried by unanimous voice vote.
8. **Review and take possible action: East Haven Estates Stormwater Pond ownership and maintenance request.** Wilbur Miller, the property owner who contacted the City about this, briefly spoke to give an overview and express his concern about bearing the cost of pond ownership and maintenance. Staff

provided additional information about the history of the development and how the pond ended up being in private ownership due to laws in place at the time. There is a small number of other stormwater ponds that have the same ownership issue due to similar circumstances. Commission members inquired about the feasibility of the special assessment process, as well access to the site to perform maintenance, if the City were take possession. Commission members did not feel they had sufficient information about the special assessment process nor about potential site access. Mr. Blanke moved to table this topic until such a time as staff can provide more information about the funding mechanism needed to take control and maintain the pond, along with more information about site access. Mr. Moldenhauer seconded the motion. Motion carried by unanimous voice vote.

9. **Review and take possible action: Change order no. 1 to Bituminous Surfacing Contract #6-25 with Wolf Paving.** Commission members welcomed the opportunity to expand the streets covered for this year. Mr. Thompson moved to recommend the Change Order to Council, seconded by Mr. Bartz. Motion carried by unanimous voice vote.
10. Review and take possible action: Add College Street to 5-year plan for Watertown Street Repair. This item was brought to the Commission by Mr. Bartz, who had asked the previous Public Works Director about it 5 years ago. There was discussion about the streets around this location and the age of the infrastructure in and around this area. It appears some of the pipes are more than 100 years old. Staff recommended adding this location in the current plan for the year 2029. Mr. Bartz moved to add it to the plan for 2029, seconded by Mr. Moldenhauer. Motion carried by unanimous voice vote.
11. **Adjournment.** Mr. Blanke moved to adjourn at 7:07 p.m., seconded by Mr. Bartz. Motion carried by unanimous voice vote.

Respectfully submitted,

Tony Arnett, Chairperson

Note: These minutes are uncorrected, and any corrections made thereto will be noted in the proceedings at which these

Robert Stocks

TO: MEMBERS OF THE COMMON COUNCIL

I would appreciate your consideration of the following appointments:

Planning Commission

Nick Krueger – serving his first three-year term expiring September 1, 2028, replacing Alyse Talaga.

Thank you for your consideration.

Robert Stocks, Mayor

PAYROLL SUMMARIES

For the Period of: 8/6/2025 8/19/2025

Section 8, Item A.

Department	Employees FT PT		Regular Hours	Overtime Hours	Overtime Costs this Pay Period	Y-T-D Overtime Costs	Overtime Budget	Total Payroll
Police	53	2	4,087.00	465.00	26,667.56	151,595.10	183,000.00	179,790.56
Fire	30	1	3,217.50	362.50	16,351.83	181,131.32	170,000.00	109,669.21
Municipal Court	1	1	100.00	-	-	-	-	3,421.91
Mayor	1	-	80.00	-	-	-	-	3,562.89
Bldg. Inspection	3	4	290.50	-	-	-	-	10,178.49
Attorney	1	1	140.00	-	-	-	-	3,618.60
Finance	6	-	480.00	-	-	1,492.68	1,500.00	15,541.60
Media	2	2	185.50	-	-	-	-	4,989.15
Administration	3	2	282.00	-	-	-	-	9,837.00
Engineering	5	5	678.00	-	-	-	-	12,649.16
Health	9	3	825.00	-	-	-	3,000.00	28,102.67
Library	8	14	1,078.00	-	-	31.07	-	25,505.76
Municipal Building	1	-	80.00	-	-	416.94	1,546.00	1,933.60
Solid Waste	7	-	540.00	-	-	922.92	3,000.00	13,789.03
Street	24	1	1,951.00	2.00	114.12	10,390.35	35,500.00	62,734.89
Park	9	4	866.25	24.50	930.51	3,297.92	11,500.00	21,955.31
Forestry	2	-	160.00	-	-	-	-	6,068.02
Park/Rec Admin	6	1	510.00	-	-	65.58	520.00	15,658.21
Recreation and Pools	-	56	1,493.00	13.75	343.69	3,058.00	3,038.00	20,515.44
Wastewater	11	-	880.00	12.25	584.55	11,069.86	19,000.00	28,265.85
Water Dept.	11	-	880.00	22.25	907.95	4,854.06	47,000.00	30,948.75
Crossing Guards	-	-	-	-	-	-	-	-
Police Reserve	-	9	264.50	-	-	-	-	4,077.95
Alderpersons (2nd PR)		9	9.00	-	-	-	-	4,848.48
TOTALS	193 FT	115 PT	19,077.25	902.25	45,900.21	368,325.80	478,604.00	617,662.53

Save

Print

Clear

Section 9, Item A.

Form

AB-105

Producer Full-Service Retail Sales Application

Date

08/11/2025

Part A: Producer Information

1. Business Legal Name (individual name if sole proprietor)

Steelhead Aleworks LLC

2. Business Name or DBA

Steeltank Brewing Co

3. Agent Name

Jason Radosevich

4. FEIN

46-4109411

5. Wisconsin Seller's Permit Number

309-1029234877-06

6. Wisconsin Producer Permit Number

309-1029234877-06

7. Producer Type

☒ Brewery
 ☐ Winery
 ☐ Liquor Manufacturer/Rectifier

8. Contact Person's First Name

Jason

9. Last Name

Radosevich

10. M.I.

T

11. Contact Person's Phone

262-804-1629

12. Contact Person's Email

jasonradosevich@steeltankbrewing.com

Part B: Production Quantity

Note: Check appropriate quantity for permit held (see instructions). If you hold more than one producer permit, check the total aggregate quantity produced for each type of permit. Enter the highest quantity produced in any of the last three calendar years.

Brewery	Manufacturer/Rectifier	Winery
☐ Less than 250 barrels ☒ 250 - 2,499 barrels ☐ 2,500 - 7,499 barrels ☐ 7,500 or more barrels	☐ Less than 1,500 liters ☐ 1,500 - 4,999 liters ☐ 5,000 - 34,999 liters ☐ 35,000 or more liters	☐ Less than 1,000 gallons ☐ 1,000 - 4,999 gallons ☐ 5,000 - 24,999 gallons ☐ 25,000 or more gallons
Calendar year: 2024	Calendar year:	Calendar year:
Quantity: 513	Quantity:	Quantity:

Complete only ONE of Part C, D or E.

Part C: Request for Full-Service Retail Sales at the Production Premises

1. Start Date	2. Production Premises Address		
3. City	4. State	5. Zip Code	
6. County	7. Governing Municipality ☐ City ☐ Town ☐ Village of: _____		

Part D: Request for Fixed Full-Service Retail Outlet

1. Are you transferring one fixed full-service retail outlet to a new location? ☐ Yes ☐ No If yes, complete boxes 2 through 9.			
2. Current Outlet Name			
3. Current Outlet Premises Address			
4. City	5. State	6. Zip Code	
7. County	8. Governing Municipality ☐ City ☐ Town ☐ Village of: _____		9. Premises Phone Number

Continued →

Part D: Request for Fixed Full-Service Retail Outlet (Cont.)**New Fixed Retail Outlet Information (complete boxes 10 through 23)**

10. Start Date		11. New Outlet Name	
12. New Outlet Premises Address			
13. City		14. State	15. Zip Code
16. County	17. Governing Municipality ☐ City ☐ Town ☐ Village of: _____		18. Premises Phone Number
19. Premises Description - Describe the building or buildings and any outside areas where alcohol beverages are produced, sold, stored, or consumed, and related records are kept. Describe all rooms within the building, including living quarters. Authorized alcohol beverage activities and storage of records may occur only on the premises described in this application. Attach a map or diagram and additional sheets if necessary.			
20. Will you operate a restaurant on the premises? ☐ Yes ☐ No			
21. What alcohol beverages will be offered for sale? (check all that apply) ☐ Beer ☐ Wine ☐ Intoxicating Liquor (other than wine)			
22. What alcohol beverages does the permittee produce? (check all that apply) ☐ Beer ☐ Wine ☐ Intoxicating Liquor (other than wine)			
23. How will customers be served? (check all that apply) . . . ☐ Samples ☐ On-premises consumption ☐ Off-premises consumption			

Part E: Request for Unlimited Transfer Full-Service Retail Outlet

1. Name of Event (if applicable) Hero's Fest		
2. Dates of Operation (attach a schedule, if necessary) September 7th, 2025		3. Hours of Operation 10am-3pm
4. Premises Address 202 Air Park Drive, Watertown, WI 53094		
5. City Watertown		6. State WI
		7. Zip Code 53094
8. County Jefferson		9. Governing Municipality ☒ City ☐ Town ☐ Village of: _____
10. Organizer of Event (if not the named applicant) Karen Lanser		11. Email and/or Phone Number for Organizer of Event intel@heroesforheroeswi.org
12. Organizer Website		13. Event Website
14. Premises Description - Describe the building or buildings and any outside areas where alcohol beverages are produced, sold, stored, or consumed, and related records are kept. Describe all rooms within the building, including living quarters. Authorized alcohol beverage activities and storage of records may occur only on the premises described in this application. Attach a map or diagram and additional sheets if necessary. Berres Bakery Cafe is where beer sales will occur.		
15. On-Site Contact (Last Name, First Name) Karen Lanser		16. On-Site Contact Phone 920-988-8294
		17. On-Site Contact Email intel@heroesforheroeswi.org
18. Will you operate a restaurant on the premises? ☐ Yes ☒ No		
19. What alcohol beverages will be offered for sale? (check all that apply) ☒ Beer ☐ Wine ☐ Intoxicating Liquor (other than wine)		
20. What alcohol beverages does the permittee produce? (check all that apply) ☒ Beer ☐ Wine ☐ Intoxicating Liquor (other than wine)		
21. How will customers be served? (check all that apply) . . . ☐ Samples ☒ On-premises consumption ☐ Off-premises consumption		

Part F: Attestation

Who must sign this application?

- sole proprietor
- general partner of a partnership
- corporate officer
- member of an LLC

READ CAREFULLY BEFORE SIGNING:

I understand and agree to the following:

- I will not operate this location outside of the dates and times approved by the municipality and Division of Alcohol Beverages.
- I will operate this location according to municipal ordinance and restrictions imposed as a condition of receiving this authorization.
- I will purchase alcohol beverages I do not produce from an authorized source, such as a Wisconsin-permitted wholesaler.
- I will operate this location according to Wisconsin law and administrative regulation including but not limited to: underage restrictions, closing hours, licensed operators, and record keeping requirements.

Further, under penalty of law, I have answered each of the above questions completely and truthfully. I agree that I am acting solely on behalf of the applicant business and not on behalf of any other individual or entity seeking the authorization. Further, I agree that the rights and responsibilities conferred by the authorization, if granted, will not be assigned to another individual or entity. I understand that lack of access to any portion of a premises during inspection will be deemed a refusal to allow inspection. Such refusal is a misdemeanor and grounds for revocation of this authorization. I understand that any authorization issued contrary to Wis. Stats. Chapter 125 shall be void under penalty of Wisconsin law. I further understand that I may be prosecuted for submitting false statements and affidavits in connection with this application, and that any person who knowingly provides materially false information on this application may be required to forfeit not more than \$1,000 if convicted.

Signature Jason Radosevich		Date 08/11/2025	
Last Name Radosevich		First Name Jason	M.I. T
Title Co-Owner	Email jasonradosevich@steeltankbrewing.com	Phone 2628041629	

Part G: For Municipal Use Only (Complete if Requesting Authorization in Part D or E)

1. Will the municipality limit the scope of alcohol beverages offered for sale? ☐ Yes ☐ No		
2. Will the municipality impose any requirements or restrictions for the full-service retail outlet? ☐ Yes ☐ No		
3. Describe municipal restrictions indicated in questions 1 or 2 above.		
4. Last Name of Municipal Official	5. First Name	6. M.I.
7. Signature of Municipal Official		8. Date
9. Date Application was Filed with Clerk		10. Date Full-Service Retail Outlet Approved by Governing Body

Form AB-105 Instructions

Producer Full-Service Retail Sales Application

Who may apply for full-service retail sales?

Producer permittees may apply for full-service retail sales on or off the production premises. Producer permittees include brewers, rectifiers, manufacturers, and wineries.

Who qualifies for full-service retail sales?

- A brewery that manufactures a minimum of 250 barrels of fermented malt beverages.
- A manufacturer/rectifier that produces a minimum of 1,500 liters of intoxicating liquor.
- A winery that produces a minimum of 1,000 gallons of wine.

What are full-service retail sales?

Permittees that are granted full-service retail sales privileges may:

- Sell fermented malt beverages and intoxicating liquor at retail for on- or off-premises consumption at their production premises and at one or more off-site full-service retail outlets.
- Provide taste samples of fermented malt beverages and intoxicating liquor.

What are full-service retail outlets?

Full-service retail outlets are authorized locations for full-service retail sales at places other than the permittee's production premises.

What is the difference between a fixed and unlimited transfer full-service retail outlet?

Fixed full-service retail outlets may be transferred from one location to another once per year. Unlimited transfer full-service retail outlets may be transferred an unlimited number of times in a year. Only one of a producer's full-service retail outlets may be transferred without limitation on frequency.

How many full-service retail outlets may I have?

The number of full-service retail outlets a producer qualifies for is determined by alcohol beverage production volume. Producers may have a maximum of three full-service outlets, regardless of the number or type of producer permits they hold.

Who approves full-service retail sales?

Full-service retail sales on the production premises need only be approved by the Division of Alcohol Beverages. Municipalities do not issue licenses for full-service retail sales outlets; however, municipalities must approve of the outlets. The applicant must forward the municipal approval to the Division of Alcohol Beverages for final granting of the authority for sales to commence on the premises.

Can a municipality limit authorized sales at a full-service retail outlet?

Yes, a municipality can limit authorized sales at a full-service retail outlet. Municipalities may limit the scope of alcohol beverages offered for sale by the permittee. Municipal approval of a full-service retail outlet must be based on the same standards and criteria, established by ordinance, for the evaluation and approval of retail licenses. A municipality may not impose any requirement or restriction in connection with the approval that the municipality does not impose on retail licensees.

How do I fill out Form AB-105 and begin the application process?

Authorizations requested on Form AB-105 must be applied for only one premises in one municipality at a time. To request multiple authorizations, submit a separate Form AB-105 for each location/premises.

Parts A, B, and F: Applicants must complete Parts A, B, and F.

Parts C, D, and E: Complete only one Part. Form AB-105 must be used to request only one authorization at a time.

Example: A producer applicant requesting full-service retail sales authorization on the production premises should complete Parts A, B, C, and F.

Example: A producer applicant requesting a fixed full-service retail outlet should complete Parts A, B, D, and F.

Example: A producer applicant requesting an unlimited transfer full-service retail outlet should complete Parts A, B, E, and F.

Producer applicants requesting authorization in Part E must complete one Form AB-105 for each premises. Applicants may use the same Form AB-105 to request authorization for multiple dates and times occurring on the same premises.

Municipal approval is required for authorizations requested in Parts D and E. If a producer is applying for authorization in either of these sections, the completed application must first be submitted to the governing municipality.

After the municipality has granted approval by completing Part G, the applicant should submit AB-105 to the Division of Alcohol Beverages for final approval. If the applicant is only requesting authorization in Part C, the application does not require municipal approval and may be submitted directly to the Division of Alcohol Beverages.

Specific Instructions:

Part A: Producer Information

- Box 1: Enter the legal business name.
- Box 2: Enter the trade name or "doing business as" name, if different than the name in box 1.
- Box 3: Enter the name of the approved agent appointed for your producer permit.
- Box 4: Enter Federal Employer Identification Number (FEIN).
- Box 5: Enter Wisconsin seller's permit number.
- Box 6: Enter the 15-digit Wisconsin Tax Account Number of the permit that these authorizations should be associated with.
- Box 7: Check the corresponding producer permit type.
- Box 8-10: Enter contact person's name.
- Box 11: Enter contact person's phone number.
- Box 12: Enter contact person's email address.

Part B: Production Quantity

- Check the highest cumulative total of alcohol beverages produced in any one of the three preceding calendar years for each specific permit type held.
 - Do not include alcohol beverages produced under a contract production agreement.
- Enter the calendar year in which the highest cumulative total of alcohol beverages produced was met.
- Enter the exact quantity of alcohol beverages produced.
- If an applicant holds more than one type of permit or multiple permits of the same type, the aggregate number of full-service retail outlets that may be established is the maximum number authorized under their permit type, but not exceeding three full-service retail outlets.
 - Under these circumstances, each authorized full-service retail outlet shall serve as the full-service retail outlet associated with each applicable permit, regardless of whether permittee would otherwise be entitled to fewer full-service retail outlets when calculated under their other permit(s).

Part C: Request for Full-Service Retail Sales at the Production Premises

- Authorization under this portion does not require municipal approval. If the applicant is not seeking other retail authorizations on this form, it can be submitted directly to the Division of Alcohol Beverages.
- Box 1: Enter the date that you would like to begin full-service retail sales.
- Box 2-5: List the premises address for the permit identified in Part A, boxes 5 and 6.
- Box 6: Name the county where the production premises is located.
- Box 7: Name the governing municipality where the production premises is located.

Part D: Request for Fixed Full-Service Retail Outlet

- Authorization under this section must be approved by the municipality in which the retail outlet is located prior to submitting to the Division of Alcohol Beverages for final approval.
- Box 1: Check yes if you are applying to transfer a fixed full-service outlet from one location to another. Fixed Full-Service Retail Outlets may be transferred from place-to-place once per year with approval of the municipality that governs the new location.
- Boxes 2-9: Complete these boxes if you checked yes in box 1 to describe the current premises you are applying to transfer.

- Box 10: Enter the date that you would like to open the full-service retail outlet for business.
- Boxes 11-18: Complete these boxes to describe the location of your new premises.
- Box 19: Describe the premises in detail. Include outdoor spaces if the municipality allows it. Attach a floor plan if possible.

Example: The premises is located at 1234 Main St., Realtown, WI 12345 and includes only the first-floor bar room, dining room, kitchen, north storage room, and south office of the 5,000-square-foot building.

- Box 20: Producers may operate a restaurant on the premises of a full-service retail outlet with municipal and division approval.
- Box 21: Check all types of alcohol beverages that will be offered for sale at the full-service retail outlet, including beverages made by the producer or producer group.
- Box 22: Check all the alcohol beverages that are made by the producer under all their permits.
- Box 23: Check all types of service that apply to this full-service retail outlet.
 - Samples mean 3 oz. of beer, 3 oz. of wine, or 0.5 oz. of liquor provided free of charge to an individual.
 - On-premises consumption means alcohol beverages served by the glass to be consumed by the customer at the premises identified in Box 18.
 - Off-premises consumption means alcohol beverages sold in original, unopened containers for customers to consume away from the premises identified in Box 18.

Part E: Request for Unlimited Transfer Full-Service Retail Outlet

- Authorizations under Part E must be for dates of operation where the unlimited transfer location will be located at the same premises in the same municipality. You must use a new Form AB-105 to request authorization for each separate premises, regardless of whether the separate premises are in the same municipality.
- Box 1: If you are requesting authorization to initiate or move your unlimited transfer outlet to a specific event like a farmer's market, festival, or other community event, name it here.
- Box 2: List the requested dates of operation. Attach a schedule or calendar of events, if necessary.
- Box 3: List the requested hours of operation. If no hours are listed, the approving municipality and the Division will assume you are seeking authorization to operate during all hours allowed under Chapter 125, Wis. Stats.
- Box 4-9: Identify the premises address.
- Box 10-13: If you are requesting authorization to move your unlimited transfer outlet to a specific event, provide contact information for the event organizer, if not the named applicant.
- Box 14: Describe the premises in detail. Include outdoor spaces if the municipality allows it. Attach a floor plan if possible.

Example: The premises is located at 1234 Main St., Realtown, WI, 12345, and includes only the first-floor bar room, dining room, kitchen, north storage room, and south office of the 5,000 square foot building.

Example: The premises is the 1,000-square-foot tent within the southwest corner of the parking lot located at XYZ Church at 3456 Main St., Realtown, WI, 12345. All sales and storage of alcohol beverages and records will occur within the 1,000-square-foot tent in the southwest corner of the parking lot.

Example: The premises is located at PDQ Park (7890 Main St., Realtown, WI, 12345). A 5,000-square-foot tent will be constructed in the northeast corner of the park bordering the tree line and northern fence. All alcohol beverage sales and consumption will occur at this tent. Premises includes the adjacent north park office and the space between the tent and the office. Alcohol beverages and records will be securely stored in the north park office for the duration of the event.

- Box 15-17: Provide the name and contact information for a person who will be in control of the premises for the duration of the requested time.
- Box 18: Producers may operate a restaurant on the premises of a full-service retail outlet with municipal and Division of Alcohol Beverages approval.
- Box 19: Check all types of alcohol beverages that will be offered for sale at the full-service retail outlet, including beverages made by the producer under all their permits.
- Box 20: Check all the alcohol beverages that are made by the producer under all their permits.
- Box 21: Check all the types of service that apply to this full-service retail outlet.
 - Samples mean 3 oz. of beer, 3 oz. of wine, or 0.5 oz. of liquor provided free of charge to an individual.
 - On-premises consumption means alcohol beverages served by the glass to be consumed by the customer at the premises identified in Box 14.

- Off-premises consumption means alcohol beverages sold in original, unopened containers for customers to consume away from the premises identified in Box 14.

Part F: Attestation

- Read the attestation carefully, then sign and date.

Part G: For Municipal Use Only

- Box 1: Check yes or no to indicate if the municipality will limit the scope of alcohol beverages offered for sale at this full-service retail outlet.
- Box 2: Check yes or no to indicate if the municipality will impose other requirements or restrictions on the full-service retail outlet.
- Box 3: Describe any limitations the municipality has placed on the full-service retail outlet as indicated in questions 1 or 2. Some limitations may be: parking, zoning, or noise ordinance restrictions; not allowing sales of alcohol beverages for off-premises consumption.
- Box 4-10: The municipal official completing this part should fill in the information requested.

Completion and Submission of Form AB-105

- The producer applicant should complete Parts A, B, and F completely, and either Part C, D, or E, depending on the type of authorization requested.
- If requesting only a Part C authorization, the application can be submitted directly to the Division of Alcohol Beverages. No municipal approval is required for Part C authorizations.
- If requesting a Part D or E authorization, provide the application to the municipality where the proposed full-service retail outlet will be located.
 - The municipality should complete Part G and return it to the producer applicant.
 - The producer applicant should provide the completed AB-105 to the Division of Alcohol Beverages for final approval.
- Sales of alcohol beverages at full-service retail outlets may not commence until the Division of Alcohol Beverages has provided final approval by way of issuing a printed authorization to the applicant to be posted at the retail premises identified in this application.

After Form AB-105 is completed by the producer and approved by the municipality in Part G, submit the form to the Division of Alcohol Beverages for final approval in one of two ways:

- Email: DORAlcoholPermits@wisconsin.gov
- Mail the form to the following address:
 Wisconsin Department of Revenue
 Division of Alcohol Beverages
 P.O. Box 8934
 Madison, WI 53708-8934

Assistance

This form is designed by the Department of Revenue. If you require assistance with this form, consider reaching out to the Division of Alcohol Beverages for assistance with submission of this application and associated forms.

If you have questions about alcohol beverage laws and regulations, you may contact the Division of Alcohol Beverages using the contact information below.

Website: [DOR Alcohol Beverage \(wi.gov\)](http://DORAlcoholBeverage.wi.gov)

Write: DORAlcohol@wisconsin.gov

Call: (608) 266-2526

MEMO

Public Safety and Welfare Committee

To: Mayor Stocks
Common Council Members

From: Ald. Dana Davis, Chair

Date: August 19, 2025

Subject: Ordinance to Create Section 428-1 Riverfest

The proposed Ordinance to Create Section 428-1 Riverfest specifies the requirements for Watertown Riverfest, Inc. and the City's contribution towards Riverfest. This Ordinance was drafted in lieu of trying to prepare a temporary agreement with Watertown Riverfest, Inc. The Ordinance provides additional clarification and is a more permanent solution, instead of being subject to the determination of Watertown Riverfest, Inc.

If Watertown Riverfest, Inc. fails to comply with the ordinance in future years, they will still be able to host the event, following the standard special event process. However, they would no longer be eligible for the up to \$30,000 extraordinary services cost share.

Recommendation

It is the recommendation of the Public Safety and Welfare Committee that the Common Council approve Ordinance to Create Section 428-1 Riverfest.

ORDINANCE TO CREATE SECTION 428-1 RIVERFEST OF THE CITY OF WATERTOWN GENERAL ORDINANCES

**SPONSOR: ALDERPERSON DANA DAVIS
FROM: PUBLIC SAFETY AND WELFARE COMMITTEE**

THE COMMON COUNCIL OF THE CITY OF WATERTOWN DOES ORDAIN AS FOLLOWS:

SECTION 1. § 428-1 of the Watertown Code of Ordinances is hereby created to read as follows:

§428-1. Riverfest

A. Findings:

- (1) The Common Council recognizes that Watertown Riverfest is a unique and long-standing public event within the City of Watertown, which has for several decades brought substantial benefits to the community which are difficult to quantify.
- (2) The City wishes to partner with Watertown Riverfest Inc. to ensure that Watertown Riverfest continues in operation.

B. Special Event Application: Watertown Riverfest will comply with the requirements of Watertown Ordinance § 428-7 except as those requirements are modified by this Section.

C. Application Date: Watertown Riverfest Inc. shall apply for a special event permit for each year on or before January 5 of each year. The Special Event Permit may be for up to four (4) days, which will include the second (2nd) full weekend in August for each year.

D. Extraordinary Services:

- (1) Watertown Riverfest Inc. shall reach out to department heads that they anticipate needing Extraordinary Services from or that have previously provided Extraordinary Services for Watertown Riverfest on or before April 30th of each year to discuss the Extraordinary Services needed from that department for the year.
- (2) Provided Watertown Riverfest Inc. complies with the requirements of this Section, the City will contribute fifty percent (50%) of the extraordinary costs assessed to Watertown Riverfest Inc. up to a maximum contribution of thirty thousand dollars (\$30,000) in each year that Watertown Riverfest occurs. Watertown Riverfest Inc. shall be responsible for paying its share of fifty percent (50%) of the extraordinary costs and any extraordinary costs that exceed sixty thousand dollars (\$60,000).

- E. **Illumination:** Illumination of the Riverfest Ground shall be sufficient to light the entire area of the event at the rate of at least five lumens except during fireworks and in areas that are access restricted after dark. Lights will also be able to be restored in public areas during fireworks.
- F. **Noise:** Watertown Riverfest Inc. will seek approval for the following noise standard (to the exclusion of others): Peak sound pressure level shall not consistently and constantly exceed 105 dB ‘A’ weighted at the FOH (front of house) mix position as measured by the venue’s SPL meter. An “Amplified Music Permit” shall be applied for by Watertown Riverfest Inc. Quiet hours shall be 11 pm to 5 am. Notwithstanding any provision, to the contrary, Watertown Riverfest Inc. shall be permitted to operate at full volume from 8am (to support sound checks and the carnival) to 11pm each day of the festival.
- G. **Open Containers:** Watertown Riverfest Inc. shall establish its open container boundaries with prominent signs and Watertown Auxiliary Police or Watertown Police officers at all street and sidewalk entrances. Personnel shall observe and prevent attendees from bringing alcohol on premises and removing open containers from premises. Open containers may only be carried and consumed by people wearing a festival-specific wristband provided by a festival agent who previously performed an age check at the festival using an appropriate ID. Service of open containers will only be permitted within boundaries defined by fences and signs.
- H. **Dispensing Fermented Malt Beverages / Wine:** Watertown Riverfest Inc. (or its duly licensed vendors) shall be allowed to dispense to any person up to four (4) fermented malt beverages and/or wine at a time for removal from the event licensed premises, and no person shall remove at one time more than four (4) such fermented malt beverages and/or wine from the event licensed premises. Fermented malt beverages/wine may only be dispensed to people wearing a festival-specific wristband provided by a festival agent who previously performed an age check at the festival using an appropriate ID.
- I. **Alcoholic Beverage Protocol:** Watertown Riverfest Inc. shall use cups of consistent appearance to serve alcoholic beverages. These may or may not have the logo of the festival, sponsor or vendor on them, but will be markedly dissimilar in appearance from any cup or container used to serve non-alcohol beverages at the festival.
- J. **Riverfest Grounds:** The City will not rent the Riverfest Grounds at Riverside Park to any other organization or individual from the Monday before to the Monday after the second (2nd) full weekend in August. The City shall provide rent-free use of said Riverfest Grounds and structures and fixtures on the grounds to Watertown Riverfest Inc.

SECTION 2. All ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed.

SECTION 3. This ordinance shall take effect and be in force the day after its passage and publication.

DATE:	August 19, 2025		Sept. 2, 2025	
READING:	1ST		2ND	
	YES	NO	YES	NO
DAVIS				
LAMPE				
BERG				
BARTZ				
BLANKE				
SMITH				
ARNETT				
WETZEL				
MOLDENHAUER				
MAYOR STOCKS				
TOTAL				

ADOPTED September 2, 2025

CITY CLERK

APPROVED September 2, 2025

MAYOR

RESOLUTION NO. 9780

RESOLUTION AUTHORIZING THE ISSUANCE AND
SALE OF UP TO \$2,863,161 TAXABLE WATER SYSTEM
REVENUE BONDS, SERIES 2025,
AND PROVIDING FOR OTHER DETAILS AND
COVENANTS WITH RESPECT THERETO

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

WHEREAS, pursuant to a resolution adopted by the Governing Body on April 2, 2012 (the "2012 Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, dated April 23, 2012 (the "2012 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on February 7, 2017 (the "2017 Resolution"), the Municipality has heretofore issued its Water System Revenue Refunding Bonds, dated March 1, 2017 (the "2017 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on April 18, 2017 (the "2017B Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, Series 2017B, dated May 10, 2017 (the "2017B Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, the 2012 Bonds, the 2017 Bonds and the 2017B Bonds shall collectively be referred to as the "Prior Bonds"; and

WHEREAS, the 2012 Resolution, the 2017 Resolution and the 2017B Resolution shall collectively be referred to as the "Prior Resolutions"; and

WHEREAS, certain improvements to the System, including the replacement of public side lead service lines, are necessary to meet the needs of the Municipality and the residents thereof, consisting of the construction of a project (the "Project") assigned Safe Drinking Water Loan Program Project No. 5439-99 by the Department of Natural Resources; and

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

WHEREAS, the Municipality deems it to be necessary, desirable and in its best interest to authorize and sell water system revenue bonds of the Municipality payable solely from the

revenues of the System, pursuant to the provisions of Section 66.0621, Wisconsin Statutes, to pay the cost of the Project; and

WHEREAS, it is desired to issue such bonds on a taxable basis, and the State of Wisconsin Safe Drinking Water Loan Program has determined to allow such bonds to be issued on a taxable basis; and

WHEREAS, the Prior Resolutions permit the issuance of additional bonds on a parity with the Prior Bonds upon certain conditions, and those conditions have been met; and

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

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

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

- (a) "Act" means Section 66.0621, Wisconsin Statutes;
- (b) "Bond Registrar" means the Municipal Treasurer which shall act as Paying Agent for the Bonds;
- (c) "Bonds" means the \$2,863,161 Taxable Water System Revenue Bonds, Series 2025, of the Municipality dated their date of issuance, authorized to be issued by this Resolution;
- (d) "Bond Year" means the twelve-month period ending on each May 1;
- (e) "Current Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but shall exclude depreciation, debt service, tax equivalents and capital expenditures;
- (f) "Debt Service Fund" means the Water System Revenue Bond and Interest Special Redemption Fund of the Municipality, which shall be the "special redemption fund" as such term is defined in the Act;
- (g) "Financial Assistance Agreement" means the Financial Assistance Agreement by and between the State of Wisconsin by the Department of Natural Resources and the Department of Administration and the Municipality pursuant to which the Bonds are to be issued and sold to the State, substantially in the form attached hereto and incorporated herein by this reference;
- (h) "Fiscal Year" means the twelve-month period ending on each December 31;
- (i) "Governing Body" means the Common Council, or such other body as may hereafter be the chief legislative body of the Municipality;

(j) "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from water charges imposed by the Municipality, all payments to the Municipality under any service agreements between the Municipality and any contract users of the System, and any other monies received from any source including all rentals and fees, any tax incremental district revenues or other revenues of the Municipality pursuant to Section 9 appropriated by the Governing Body to the System, and any special assessments levied and collected in connection with the Project;

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

(l) "Municipality" means the City of Watertown, Jefferson and Dodge Counties, Wisconsin;

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

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

(o) "Prior Bonds" means the 2012 Bonds, the 2017 Bonds and the 2017B Bonds, collectively;

(p) "Prior Resolutions" means the 2012 Resolution, the 2017 Resolution and the 2017B Resolution, collectively;

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

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

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

(t) "2012 Bonds" means the Municipality's Water System Revenue Bonds, dated April 23, 2012;

(u) "2012 Resolution" means a resolution adopted by the Governing Body on April 2, 2012 authorizing the issuance of the 2012 Bonds;

(v) "2017 Bonds" means the Municipality's Water System Revenue Refunding Bonds, dated March 1, 2017;

(w) "2017 Resolution" means a resolution adopted by the Governing Body on February 7, 2017 authorizing the issuance of the 2017 Bonds;

(x) "2017B Bonds" means the Municipality's Water System Revenue Bonds, Series 2017B, dated May 10, 2017; and

(y) "2017B Resolution" means a resolution adopted by the Governing Body on April 18, 2017 authorizing the issuance of the 2017B Bonds.

Section 2. Authorization of the Bonds and the Financial Assistance Agreement. For the purpose of paying the cost of the Project (including legal, fiscal, engineering and other expenses), there shall be borrowed on the credit of the income and revenue of the System up to the sum of \$2,863,161; and fully registered revenue bonds of the Municipality are authorized to be issued in evidence thereof and sold to the State of Wisconsin Safe Drinking Water Loan Program in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference and the Mayor and City Clerk of the Municipality are hereby authorized, by and on behalf of the Municipality, to execute the Financial Assistance Agreement.

Section 3. Terms of the Bonds. The Bonds shall be designated "Taxable Water System Revenue Bonds, Series 2025" (the "Bonds"); shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 0.250% per annum; shall be issued in denominations of \$0.01 or any integral multiple thereof; and shall mature on the dates and in the amounts as set forth in Exhibit B of the Financial Assistance Agreement and in the Bond form attached hereto as Exhibit A as it is from time to time adjusted by the State of Wisconsin based upon the actual draws made by the Municipality. Interest on the Bonds shall be payable commencing on May 1, 2026 and semiannually thereafter on May 1 and November 1 of each year. The Bonds shall not be subject to redemption prior to maturity except as provided in the Financial Assistance Agreement.

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

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

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

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

Both the principal of and interest on the Bonds shall be payable in lawful money of the United States of America by the Bond Registrar. Payment of principal of the final maturity on

the Bond will be payable upon presentation and surrender of the Bond to the Bond Registrar. Payment of principal on the Bond and each installment of interest shall be made to the registered owner of each Bond who shall appear on the registration books of the Municipality, maintained by the Bond Registrar, on the Record Date and shall be paid by electronic transfer or by check or draft of the Municipality (as directed by the registered owner) and if by check or draft, mailed to such registered owner at his or its address as it appears on such registration books or at such other address may be furnished in writing by such registered owner to the Bond Registrar.

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

Section 6. Funds and Accounts. In accordance with the Act, for the purpose of the application and proper allocation of the revenues of the System, and to secure the payment of the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds, certain funds of the System which were created and established by Resolution No. 5664 adopted on August 2, 1994, and continued by the Prior Resolutions, are hereby further continued and shall be used solely for the following respective purposes:

- (a) Water System Operation and Maintenance Fund (the "Operation and Maintenance Fund"), which shall be used for the payment of Current Expenses.
- (b) Water System Revenue Bond and Interest Special Redemption Fund (the "Debt Service Fund"), which shall be used for the payment of the principal of, premium, if any, and interest on the Prior Bonds, the Bonds and Parity Bonds as the same becomes due. The Reserve Account provided by the 2012 Resolution and the 2017 Resolution within the Debt Service Fund is not pledged to and shall under no circumstances be used to pay principal of or interest on the 2017B Bonds or the Bonds and moneys in the Reserve Account shall under no circumstances be used to pay principal of or interest on the 2017B Bonds or the Bonds.
- (c) Water System Depreciation Fund (the "Depreciation Fund"), which shall be used to provide a proper and adequate depreciation account for the System.
- (d) Water System Surplus Fund (the "Surplus Fund"), which shall first be used whenever necessary to meet requirements of the Operation and Maintenance Fund including the one month reserve, the Debt Service Fund including the Reserve Account and the Depreciation Fund. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wis. Stats. Money thereafter remaining in the

Surplus Fund may be transferred to any of the funds or accounts provided in this section.

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

- (a) to the Operation and Maintenance Fund, in an amount equal to the estimated Current Expenses for such month and for the following month (after giving effect to available amounts in said Fund from prior deposits);
- (b) to the Debt Service Fund, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Prior Bonds, the Bonds and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Prior Bonds, the Bonds and any Parity Bonds coming due during such Bond Year (after giving effect to available amounts in said Fund from accrued interest, any premium or any other source), and any amount required by the 2012 Resolution, the 2017 Resolution or future resolutions authorizing the issuance of Parity Bonds to fund the Reserve Account;
- (c) to the Depreciation Fund, an amount determined by the Governing Body to be sufficient to provide a proper and adequate depreciation account for the System; and
- (d) to the Surplus Fund, any amount remaining after the monthly transfers required above have been completed.

Transfers to the Operation and Maintenance Fund, the Debt Service Fund, the Depreciation Fund and the Surplus Fund shall be made monthly not later than the tenth day of each month, and such transfer shall be applicable to monies on deposit as of the last day of the month preceding. Any other transfers and deposits to any fund required or permitted by subsection (a) through (d) of this Section, except transfers or deposits which are required to be made immediately or annually, shall be made on or before the tenth day of the month. Any transfer or deposit required to be made at the end of any Fiscal Year shall be made within sixty (60) days after the close of such Fiscal Year. If the tenth day of any month shall fall on a day other than a business day, such transfer or deposit shall be made on the next succeeding business day.

It is the express intent and determination of the Governing Body that the amounts deposited in the Debt Service Fund shall be sufficient in any event to pay the interest on the Prior Bonds, the Bonds and any Parity Bonds as the same accrues and the principal thereof as the same matures, and to fund the Reserve Account for the 2012 Bonds, the 2017 Bonds or any Parity Bonds secured thereby.

Section 8. Deposits and Investments. The Debt Service Fund shall be kept apart from monies in the other funds and accounts of the Municipality and the same shall be used for no purpose other than the prompt payment of principal of and interest on the Prior Bonds, the Bonds and any Parity Bonds as the same becomes due and payable. All monies therein shall be

deposited in special and segregated accounts in a public depository selected under Chapter 34, Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes. The other funds herein created or continued (except the Water System SDWLP Project Fund) may be combined in a single account in a public depository selected in the manner set forth above and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes.

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

Section 10. Operation of System; Municipality Covenants. It is covenanted and agreed by the Municipality with the owner or owners of the Bonds, and each of them, that the Municipality will perform all of the obligations of the Municipality as set forth in the Financial Assistance Agreement.

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

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

- (1) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional bonds must have been in an amount at least equal to the maximum annual interest and principal requirements on all bonds outstanding payable from the revenues of the System, and on the bonds then to be issued, times the greater of (i) 1.10 or (ii) the highest debt service coverage ratio to be required with respect to the Additional Parity Bonds to be issued or any other obligations payable from the revenues of the System then outstanding. Should an increase in permanent rates and charges, including those made to the Municipality, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Net Revenues for purposes of such computation shall include such additional revenues as a registered municipal advisor, an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may calculate would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.
- (2) The payments required to be made into the funds enumerated in Section 6 of this Resolution must have been made in full.
- (3) The additional bonds must have principal maturing on May 1 of each year and interest falling due on May 1 and November 1 of each year.
- (4) The proceeds of the additional bonds must be used only for the purpose of providing extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 12. Sale of Bonds. The sale of the Bonds to the State of Wisconsin Safe Drinking Water Loan Program for the purchase price of up to \$2,863,161 and at par, is ratified and confirmed; and the officers of the Municipality are authorized and directed to do any and all acts, including executing the Financial Assistance Agreement and the Bonds as hereinabove provided, necessary to conclude delivery of the Bonds to said purchaser, as soon after adoption of this Resolution as is convenient. The purchase price for the Bonds shall be paid upon requisition therefor as provided in the Financial Assistance Agreement, and the officers of the Municipality are authorized to prepare and submit to the State requisitions and disbursement requests in anticipation of the execution of the Financial Assistance Agreement and the issuance of the Bonds.

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

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

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

Section 16. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 14, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the Municipality, the Governing Body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the Municipality, its Governing Body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 17. Continuing Disclosure. The officers of the Municipality are hereby authorized and directed, if requested by the State of Wisconsin, to provide to the State of Wisconsin Safe Drinking Water Loan Program and to such other persons or entities as directed by the State of Wisconsin such ongoing disclosure regarding the Municipality's financial condition and other matters, at such times and in such manner as the Safe Drinking Water Loan Program may require, in order that securities issued by the Municipality and the State of

Wisconsin satisfy rules and regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended and as it may be amended from time to time, imposed on brokers and dealers of municipal securities before the brokers and dealers may buy, sell, or recommend the purchase of such securities.

Section 18. Conflicting Resolutions. All ordinances, resolutions (other than the Prior Resolutions), or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage. In case of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control as long as any of the respective Prior Bonds are outstanding.

Passed: September 2, 2025

Approved: September 2, 2025

Robert Stocks
Mayor

Attest:

Megan Dunneisen
City Clerk

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED NO. _____	UNITED STATES OF AMERICA STATE OF WISCONSIN JEFFERSON AND DODGE COUNTIES CITY OF WATERTOWN	REGISTERED \$ _____
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TAXABLE WATER SYSTEM REVENUE BOND, SERIES 2025

Final <u>Maturity Date</u>	Date of <u>Original Issue</u>
May 1, 2045	____, 20__

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

FOR VALUE RECEIVED the City of Watertown, Jefferson and Dodge Counties, Wisconsin (the "Municipality") hereby acknowledges itself to owe and promises to pay to the registered owner shown above, or registered assigns, solely from the fund hereinafter specified, the principal sum of an amount not to exceed _____ DOLLARS (\$_____) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2028 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 0.250% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of May and November of each year, with the first interest being payable on May 1, 2026.

The principal amount evidenced by this Bond may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement entered by and between the Municipality and the State of Wisconsin by the Department of Natural Resources and the Department of Administration (the "Financial Assistance Agreement") including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 2028 in an amount equal to an amount which when amortized over the remaining term of this Bond plus current payments of interest (but only on amounts drawn hereunder) at Zero and 250/1000ths percent (0.250%) per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis in the format shown on the attached Schedule A.

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

This Bond shall not be redeemable prior to its maturity, except as provided in the Financial Assistance Agreement.

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

This Bond is issued for the purpose of providing for the payment of the cost of constructing improvements to the Water System of the Municipality, including the replacement of lead service lines, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted September 2, 2025, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$2,863,161 Taxable Water System Revenue Bonds, Series 2025, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues of the Water System of the Municipality (the "Utility"). The Bonds are issued on a parity with the Municipality's Water System Revenue Bonds, dated April 23, 2012, Water System Revenue Refunding Bonds, dated March 1, 2017 and Water System Revenue Bonds, Series 2017B, dated May 10, 2017, as to the pledge of income and revenues of the Utility. This Bond does not constitute an indebtedness of said Municipality within the meaning of any constitutional or statutory debt limitation or provision.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law; and that sufficient of the income and revenue to be received by said Municipality from the operation of its Utility has been pledged to and will be set aside into a special fund for the payment of the principal of and interest on this Bond.

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

CITY OF WATERTOWN,
WISCONSIN

(SEAL)

By: _____
Robert Stocks
Mayor

By: _____
Megan Dunneisen
City Clerk

COPY

(Form of Assignment)

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

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

Please insert Social Security or other identifying number of Assignee

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

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

Dated:_____

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

Signature(s) guaranteed by

SCHEDULE A

\$2,863,161

CITY OF WATERTOWN, WISCONSIN
TAXABLE WATER SYSTEM REVENUE BONDS, SERIES 2025

Amount of Disburse- ment	Date of Disbursement	Series of Bonds	Principal Repaid	Principal Balance

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Principal Amount</u>
May 1, 2028	\$155,711.10
May 1, 2029	156,100.38
May 1, 2030	156,490.63
May 1, 2031	156,881.86
May 1, 2032	157,274.06
May 1, 2033	157,667.25
May 1, 2034	158,061.42
May 1, 2035	158,456.57
May 1, 2036	158,852.71
May 1, 2037	159,249.85
May 1, 2038	159,647.97
May 1, 2039	160,047.09
May 1, 2040	160,447.21
May 1, 2041	160,848.33
May 1, 2042	161,250.44
May 1, 2043	161,653.57
May 1, 2044	162,057.71
May 1, 2045	162,462.85

\$2,863,161
City of Watertown, Wisconsin
Taxable Water System Revenue Bonds, Series 2025

CLOSING CERTIFICATE

Robert Stocks, the Mayor, and Megan Dunneisen, the City Clerk of the City of Watertown, Jefferson and Dodge Counties, Wisconsin (the "Municipality"), hereby certify as follows:

1. We are the duly qualified and acting Mayor and City Clerk of the Municipality and have been such at all times pertinent to the authorization and delivery of the "Taxable Water System Revenue Bonds, Series 2025" of the Municipality (the "Bonds").

2. We have executed and sealed the negotiable, fully-registered Bonds. The Bonds are in the aggregate principal amount of \$2,863,161, are dated September 24, 2025, and are numbered from 1 upward. The Bonds mature in installments of principal due on May 1 of each of the years 2028 through 2045, and bear interest at a rate of 0.250% per annum. We were duly authorized to execute the same.

3. Attached in the Closing Transcript is a true and complete copy of a resolution entitled: "Resolution Authorizing the Issuance and Sale of Up to \$2,863,161 Taxable Water System Revenue Bonds, Series 2025, and Providing for Other Details and Covenants With Respect Thereto" (the "Bond Resolution"). The Bond Resolution was duly adopted by the Common Council of the Municipality (the "Governing Body") on September 2, 2025. The Bond Resolution has not been repealed, amended or modified in any respect and remains in full force and effect today.

4. Attached in the Closing Transcript is a true and complete copy of the Certificate of Compliance with Open Meeting Law Public Notice Requirements with respect to the September 2, 2025 meeting of the Governing Body of the Municipality, evidencing compliance with Subchapter V of Chapter 19, Wisconsin Statutes.

5. Attached in the Closing Transcript is a true and complete copy of the part of the minutes of the September 2, 2025 meeting of the Governing Body wherein the Governing Body adopted the Bond Resolution.

6. Attached in the Closing Transcript is a true and complete copy of a sworn affidavit from an authorized representative of the official newspaper of the Municipality, in which a notice has been published pursuant to Section 893.77, Wisconsin Statutes, regarding the adoption of the Bond Resolution.

7. Attached in the Closing Transcript is a Specimen Bond. The signatures of Robert Stocks, the Mayor, and Megan Dunneisen, the City Clerk of the Municipality, are their respective true signatures, and the seal of the Municipality appearing on the Bonds is an accurate impression or facsimile of the seal of the Municipality.

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

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

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

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

12. The meeting of the Governing Body was held on September 2, 2025, at which a quorum was present throughout. The Governing Body consists of nine Alderpersons. At such meeting, the Bond Resolution was introduced by one of the Governing Body members in accordance with routinely established procedures of the Governing Body (all Governing Body members having full copies thereof in advance and adequate time to read and examine prior to adoption, and no member objecting); and, on motion duly made and seconded, duly adopted by the affirmative vote of the members present, upon an aye or no vote duly recorded in the Governing Body minutes.

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

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

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

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

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

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

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

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

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

22. There are no obligations outstanding payable from a pledge of the income and revenues of the Water System of the Municipality, other than the Municipality's Water System Revenue Bonds, dated April 23, 2012, Water System Revenue Refunding Bonds, dated March 1, 2017, Water System Revenue Bonds, Series 2017B, dated May 10, 2017, and the Bonds.

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

24. The Municipality has delivered the Bonds to the State on the date of this Certificate.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official seal of the Municipality as of September 24, 2025.

CITY OF WATERTOWN, WISCONSIN

(SEAL)

By: _____
Robert Stocks
Mayor

By: _____
Megan Dunneisen
City Clerk

\$2,863,161
City of Watertown, Wisconsin
Taxable Water System Revenue Bonds, Series 2025

ADDITIONAL BONDS CERTIFICATE

The undersigned City Clerk of the City of Watertown, Jefferson and Dodge Counties, Wisconsin (the "City") hereby certifies, in connection with the issuance of the City's Taxable Water System Revenue Bonds, Series 2025, dated September 24, 2025 (the "Bonds"), that:

1. (a) Pursuant to a resolution adopted on April 2, 2012 (the "2012 Resolution"), the City issued its Water System Revenue Bonds, dated April 23, 2012 (the "2012 Bonds"), and set certain conditions on the issuance of additional bonds on a parity with the 2012 Bonds (Section 7).
- (b) Pursuant to a resolution adopted on February 7, 2017 (the "2017 Resolution"), the City issued its Water System Revenue Refunding Bonds, dated March 1, 2017 (the "2017 Bonds"), and set certain conditions on the issuance of additional bonds on a parity with the 2017 Bonds (Section 7).
- (c) Pursuant to a resolution adopted on April 18, 2017 (the "2017B Resolution"), the City issued its Water System Revenue Bonds, Series 2017B, dated May 10, 2017 (the "2017B Bonds"), and set certain conditions on the issuance of additional bonds on a parity with the 2017B Bonds (Section 11).

The 2012 Bonds, the 2017 Bonds and the 2017B Bonds shall collectively be referred to as the "Prior Bonds". The 2012 Resolution, the 2017 Resolution and the 2017B Resolution shall collectively be referred to as the "Prior Resolutions".

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

(a) The Net Revenues (as defined in the Prior Resolutions) of the City's Water System for Fiscal Year 2024 (which is the most recent Fiscal Year preceding the issuance of the Bonds for which audited financial statements are available) were in an amount at least equal to the maximum annual interest and principal requirements on the Prior Bonds and the Bonds (\$930,234) times 1.25 (\$1,162,793), as follows:

Gross Earnings:	\$5,855,303
Less Current Expenses:	<u>1,781,712</u>
Net Revenues:	\$4,073,591

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

(b) The payments required to be made into the funds enumerated in Section 4 of the 2012 Resolution and the 2017 Resolution (including the Reserve Account but not the Surplus Fund) and Section 6 of the 2017B Resolution have been made in full.

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

(d) The Bonds are not secured by the Reserve Account.

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

Dated September 24, 2025.

CITY OF WATERTOWN, WISCONSIN

Megan Dunneisen

City Clerk

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 WATERTOWN

By: _____
Robert Stocks
Mayor

Attest: _____
Megan Dunneisen
City Clerk

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

By: _____
Authorized Officer

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Officer

REGISTERED NO. 1	UNITED STATES OF AMERICA STATE OF WISCONSIN JEFFERSON AND DODGE COUNTIES CITY OF WATERTOWN	REGISTERED \$2,863,161
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TAXABLE WATER SYSTEM REVENUE BOND, SERIES 2025

<u>Final</u> <u>Maturity Date</u>	<u>Date of</u> <u>Original Issue</u>
May 1, 2045	September 24, 2025

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

FOR VALUE RECEIVED the City of Watertown, Jefferson and Dodge Counties, Wisconsin (the "Municipality") hereby acknowledges itself to owe and promises to pay to the registered owner shown above, or registered assigns, solely from the fund hereinafter specified, the principal sum of an amount not to exceed TWO MILLION EIGHT HUNDRED SIXTY-THREE THOUSAND ONE HUNDRED SIXTY-ONE DOLLARS (\$2,863,161) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2028 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 0.250% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of May and November of each year, with the first interest being payable on May 1, 2026.

The principal amount evidenced by this Bond may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement entered by and between the Municipality and the State of Wisconsin by the Department of Natural Resources and the Department of Administration (the "Financial Assistance Agreement") including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 2028 in an amount equal to an amount which when amortized over the remaining term of this Bond plus current payments of interest (but only on amounts drawn hereunder) at Zero and 250/1000ths percent (0.250%) per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis in the format shown on the attached Schedule A.

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

This Bond shall not be redeemable prior to its maturity, except as provided in the Financial Assistance Agreement.

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

This Bond is issued for the purpose of providing for the payment of the cost of constructing improvements to the Water System of the Municipality, including the replacement of lead service lines, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted September 2, 2025, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$2,863,161 Taxable Water System Revenue Bonds, Series 2025, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues of the Water System of the Municipality (the "Utility"). The Bonds are issued on a parity with the Municipality's Water System Revenue Bonds, dated April 23, 2012, Water System Revenue Refunding Bonds, dated March 1, 2017 and Water System Revenue Bonds, Series 2017B, dated May 10, 2017, as to the pledge of income and revenues of the Utility. This Bond does not constitute an indebtedness of said Municipality within the meaning of any constitutional or statutory debt limitation or provision.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law; and that sufficient of the income and revenue to be received by said Municipality from the operation of its Utility has been pledged to and will be set aside into a special fund for the payment of the principal of and interest on this Bond.

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

CITY OF WATERTOWN,
WISCONSIN

(SEAL)

By: _____
Robert Stocks
Mayor

By: _____
Megan Dunneisen
City Clerk

ASSIGNMENT

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

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

Please insert Social Security or other identifying number of Assignee

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

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

Dated: _____

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

Signature(s) guaranteed by

SCHEDULE A

\$2,863,161

CITY OF WATERTOWN, WISCONSIN
TAXABLE WATER SYSTEM REVENUE BONDS, SERIES 2025

<u>Amount of Disburse- ment</u>	<u>Date of Disbursement</u>	<u>Series of Bonds</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Principal Amount</u>
May 1, 2028	\$155,711.10
May 1, 2029	156,100.38
May 1, 2030	156,490.63
May 1, 2031	156,881.86
May 1, 2032	157,274.06
May 1, 2033	157,667.25
May 1, 2034	158,061.42
May 1, 2035	158,456.57
May 1, 2036	158,852.71
May 1, 2037	159,249.85
May 1, 2038	159,647.97
May 1, 2039	160,047.09
May 1, 2040	160,447.21
May 1, 2041	160,848.33
May 1, 2042	161,250.44
May 1, 2043	161,653.57
May 1, 2044	162,057.71
May 1, 2045	162,462.85

August 26, 2025

PETER HARTZ, WATER SYSTEM MANAGER
CITY OF WATERTOWN
106 JONES STREET
PO BOX 477
WATERTOWN WI 53094

SUBJECT: Safe Drinking Water Loan Program, Project No. 5439-99
BIL SFY25 LSL Program-- System-wide (Public Side)
Financial Assistance Agreement - September 24, 2025

Dear Peter Hartz:

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

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 September 24, 2025, we need to follow the Loan Closing Schedule (Attachment 1).

The City of Watertown 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, Kate Leja-Brennan, at 608-261-7434, for assistance with execution of the FAA, Request for Disbursement (Form 8700-366), or other SDWLP documents.

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

Sincerely,



Becky Scott, Section Manager
Environmental Loans Section
Bureau of Community Financial Assistance

Electronic Copies: Jacob Lichter, Quarles & Brady LLP - Milwaukee
Justin Bilskemper, Strand Associates, Inc., Madison
Capital Finance Office - DOA/10

ATTACHMENT #1

Safe Drinking Water Loan Program Project No. 5439-99 City of Watertown BIL SFY25 LSL Program-- System-wide (Public Side) Financial Assistance Agreement – Closing Schedule

By August 12, 2025:

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

By August 26, 2025:

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

On September 2, 2025:

- 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 September 3, 2025, VIA OVERNIGHT DELIVERY:

- 1. Municipality scans FAA signature page and sends via e-mail to Quarles & Brady LLP and Kate Leja-Brennan.
 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 September 22, 2025:

- Quarles & Brady LLP sends original signed and sealed Bond R-1 and emails a copy of the fully executed bond transcript to DOA.

September 24, 2025:

- 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.

Municipal Bond Counsel

Jacob Lichter
Quarles & Brady LLP
411 East Wisconsin Avenue Suite 2400
Milwaukee WI 53202-4426
414-277-5000
jacob.lichter@quarles.com

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 10/24

STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM
LEAD SERVICE LINE REPLACEMENT
FINANCIAL ASSISTANCE AGREEMENT WITH PRINCIPAL FORGIVENESS

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF ADMINISTRATION

and

CITY OF WATERTOWN

\$3,181,290 With up to \$318,129 PRINCIPAL FORGIVENESS

FINANCIAL ASSISTANCE AGREEMENT

Dated as of September 24, 2025

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. 28291
Safe Drinking Water Loan Program Project No. 5439-99

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WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated September 24, 2025, 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 Watertown, 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, Wis. Stats., established the SDWLP to be used in part for purposes of the Act; and

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

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

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

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

WHEREAS, DOA determined the SDWLP will provide financial assistance to the Municipality by making a loan (the "Loan") pursuant to s. 281.59(9), Wis. Stats., for the purposes of that subsection and providing principal forgiveness; 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 SDWLP that it has created a dedicated source of revenue, for repayment of the Municipal Obligations; and

WHEREAS, the Municipality, when required, 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 30, 2024, 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.

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

"Final Completion" means all Service Lines to be financed under this FAA have been installed and the Municipality has submitted all necessary Project closeout documentation, including the final request for disbursement of Financial Assistance to the Municipality.

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

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

"Lead Service Line" or "LSL" means (i) all or a portion of a water Service Line constructed of lead, and/or (ii) all or a portion of a water Service Line constructed of galvanized material that is or was downstream of lead.

"Lead Service Line Replacement Program" means the subprogram of the SDWLP which provides funding from the Bipartisan Infrastructure Law for replacement of Lead Service Lines and is managed and administered by DNR and DOA.

"Loan" means the loan or loans made by the SDWLP to the Municipality of which a portion of the principal will be forgiven pursuant to this FAA.

"Loan Disbursement Table" means the table, maintained by DOA, with columns for inserting the following information for the portion of the Loan which is to be repaid with interest:

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

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

- (a) 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; and
- (e) interest on the Municipal Obligations is included in gross income of the owners thereof for federal income taxation purposes.

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

"Municipal Obligations" means the bonds or notes issued and delivered by the Municipality to the SDWLP, a specimen copy of which is included in the Municipal Obligations transcript, in exchange for the portion of the Loan which is not subject to Principal Forgiveness.

"Municipality" means the City of Watertown, 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 \$5,880,000 Water System Revenue Bonds, dated April 23, 2012; its \$945,000 Water System Revenue Refunding Bonds, dated March 1, 2017; its \$10,757,910 Water System Revenue Bonds, Series 2017B, dated May 10, 2017; 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.

"Principal Forgiveness" means Financial Assistance received in the form of forgiveness of a portion of the Loan principal pursuant to the Act, Regulations, and this FAA of which no repayment thereof shall be required except as may be required per the Act, Statute, Regulations, or this FAA. The total amount of principal forgiveness available for this Project as of the date of this FAA is \$318,129.

"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 on February 15, 2017, 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. 5439-99 by DNR, described in the Project Manager Summary Page (Exhibit F), and further described in the DNR approval letter(s), if any, 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, or are costs for which DNR granted a variance to a portion of the Regulations to make them allowable, which have been incurred by the Municipality or the applicable private property owner, 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 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, and ch. 145, Wis. Stats, as administered by the Department of Safety and Professional Services, 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.

"Service Line" means the water service piping from the corporation stop of a municipally-owned water main or service line to the meter, isolation valve, or other water utility service terminal on the served property.

"Servicing Fee" means any servicing fee that may be imposed by DNR and DOA pursuant to s. 281.61(5)(b), 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 3.09 hereof.

"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.

"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 pursuant to the Municipality's Water Rates or otherwise.

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

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

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

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

- (a) Words importing the singular number shall include the plural number and vice versa, and one gender shall include all genders.
- (b) All references herein to particular articles or sections are references to articles or sections of this FAA.
- (c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this FAA, nor shall they affect its meaning, construction, or effect.
- (d) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms as used in this FAA refer to 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) Reserved.
- (b) Pursuant to the Statute, the SDWLP 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) Reserved.
- (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 therefore, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or which, in any way, could adversely affect the validity of this FAA or any agreement or instrument to which the State is a party and which is used or contemplated for use in consummation of the transactions contemplated by each of the foregoing.

(g) The Project is on the DNR funding list for the 2025 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), (u), and (ee) 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 \$2,863,161 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 and legally-binding special obligations of the Municipality secured as set forth therein.

(i) The resolutions of the Municipality accepting the Financial Assistance and authorizing the execution and delivery of this FAA and the transactions contemplated hereunder 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 any public portion of the Project, carry on its activities relating thereto, undertake and complete or cause the property owner to 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 Financial Assistance made hereunder have been spent on eligible Project Costs. All Project Costs are reasonable, necessary, and allocable by the Municipality to the Project under generally accepted accounting principles. None of the proceeds of the Financial Assistance shall be used directly or indirectly by the Municipality as working capital or to finance inventory, as opposed to capital improvements.

- (n) The Project is 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) Reserved.
- (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) Reserved.
- (r) Reserved.
- (s) The Municipality represents that it has satisfied and shall continue to satisfy all the applicable requirements in ss. 281.61(4), (5), and (8m), Wis. Stats., ch. NR 166, Wis. Adm. Code, and ch. 145 Wis. Stats.
- (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 Wisconsin Fund construction grants program, the SDWLP, or the CWFP.
- (v) Reserved.
- (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 expected Substantial Completion date of the Project is October 1, 2027.
- (x) If the Municipality fails to make a principal repayment or interest payment after its due date, the department of administration shall place on file a certified statement of all amounts due under this section and s. 281.58 or 281.61 or s. 281.60, 2021 stats. After consulting the department, the department of administration may collect all amounts due by deducting those amounts from any state payments due the municipality or may add a special charge to the amount of taxes apportioned to and levied upon the county under s. 70.60. If the department of administration collects amounts due, it shall remit those amounts to the fund to which they are due and notify the department of that action.
- (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 Water System or, in the case of a joint utility system, to bill the users of the 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. The Municipality also submitted a customer-side Lead Service Line replacement financial assistance program application to the Public Service Commission under s. 196.372, Wis. Stats, and received approval. If this approval was received prior to participation in the Lead Service Line Replacement Program, the Municipality acknowledges that they have contacted the Public Service Commission and made any updates that the Public Service Commission required.

(cc) The Municipality acknowledges that it is eligible to receive Financial Assistance in the form of a Loan of \$3,181,290 with Principal Forgiveness of \$318,129 for payment of Project Costs.

(dd) The Municipality acknowledges that they have final responsibility for assuring compliance with all federal requirements of the Lead Service Line Replacement Program whether the work is completed under a municipally-bid contract or completed utilizing a prequalified list of plumbers and contractors from which property owners contract directly.

(ee) The Municipality has met all terms and conditions contained herein and certifies that the Project funded through this agreement will result in the entire Service Line being lead-free and that no partial replacement will result in a Service Line that is still partially lead.

ARTICLE III
LOAN PROVISIONS

Section 3.01. Loan Clauses

(a) Subject to the conditions and in accordance with the terms of this FAA, the SDWLP hereby agrees to make the Loan, and the Municipality agrees to accept the Loan. As evidence of the portion of the Loan made to the Municipality remaining subsequent to the Principal Forgiveness, the Municipality hereby agrees to sell to the SDWLP Municipal Obligations in the aggregate principal amount of \$2,863,161. 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 zero and 250/1000ths percent (0.250%) per annum, and interest shall accrue and be payable only on Loan principal amounts actually disbursed on the Municipal from the date of disbursement until the date such amounts are repaid or forgiven.

(d) Disbursements of Financial Assistance shall generally be made: first in the form of Loan disbursements that include the applicable percentage of Principal Forgiveness up to \$318,129; and second, if the Principal Forgiveness cap has been reached, in the form of Loan disbursements on the Municipal Obligations. Principal Forgiveness will be applied at the time of Loan disbursement.

(e) The Department of Administration shall maintain a Loan Disbursement Table on its website <http://eif.doa.wi.gov/start>. DOA shall make entries as each disbursement is made and as each

principal amount is repaid; the SDWLP and the Municipality agree that such entries shall be mutually binding.

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

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

Section 3.02. Type of Municipal Obligation and Security The Municipality's obligation to meet annual debt service requirements on the Municipal Obligations shall be a revenue obligation evidenced by issuance of revenue bonds pursuant to s. 66.0621, Wis. Stats. The security for the Municipality's obligation shall be a pledge of revenues to be derived from the Water System, and the Municipality shall agree that, if revenues from the Water System are insufficient to meet annual debt service requirements, the Municipality shall purchase water services in amounts sufficient to meet annual debt service requirements as provided in and set forth in Section 9 of the Municipal Obligation Resolution. The annual revenues net of all current expenses shall be equal to not less than the annual principal and interest requirements on the Municipal Obligations, any Parity Obligations, and any other debt obligations payable from the revenues of the Water System then outstanding, times the greater of (i) 110 percent or (ii) the highest debt service coverage ratio required with respect to any Parity Obligations, or any other debt obligations payable from the revenues of the Water System then outstanding. As of the date of this FAA, the required debt service coverage ratio is 125 percent; however, this percentage is subject to change as outlined in the prior sentence. The Municipal Obligations are also secured as provided in Section 3.07 hereof.

Section 3.03. Municipal Obligations Amortization Principal and interest payments on the Municipal Obligations shall be due on the dates set forth in Exhibit B of this FAA. The payment amounts shown on Exhibit B are for informational purposes only and assume the full amount of the Municipal Obligations is disbursed and that the full amount of Principal Forgiveness available is applied to the Loan on September 24, 2025. It is understood that the actual amounts of the Municipality's Municipal Obligations payments shall be based on the actual dates and amounts of disbursements on the Municipal Obligations. Notwithstanding the foregoing or anything in the Municipal Obligations, the Municipal Obligations shall be for no longer than twenty (20) years from the date of this FAA and shall mature and be fully amortized not later than twenty (20) years after the original issue date of the Municipal Obligations. Repayment of principal on the Municipal Obligations shall begin not later than twelve (12) months after the expected or actual Substantial Completion date of the Project.

Section 3.04. Sale and Redemption of Municipal Obligations

(a) Municipal Obligations may be prepaid with prior written consent of the SDWLP. The SDWLP has sole discretion to withhold such consent. Advance notice of prepayment requests must be submitted to doaeif@wisconsin.gov. Only electronic prepayments will be accepted and payments must occur on the published DNR and DOA disbursement dates.

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

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

(d) Prepayments of the Municipal Obligations shall be applied pro rata to all maturities of the Municipal Obligations unless otherwise agreed to by the State.

Section 3.05. Disbursement of Financial Assistance

(a) Under this FAA, Financial Assistance shall be drawn in the order specified in Section 3.01(d) of this document.

(b) Each disbursement request shall be delivered to DNR. Each request must contain invoices or other evidence acceptable to DNR and DOA that Project Costs for which disbursement of Financial Assistance is requested have been incurred by the Municipality or the applicable private property owner.

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

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

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

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

(f) Disbursement to the Municipality beyond ninety-five percent (95%) of the total 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, 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, if applicable;

(3) the Municipality certifies in writing to DNR its compliance with applicable Federal requirements (certification must be as prescribed on Exhibit C);

(4) the Municipality furnishes reports and provides data and such other information as SDWLP may require prior to Project closeout; and

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

Section 3.06. Remedies

(a) If the Municipality or any agent thereof:

- (1) 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 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 Water 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 Municipal Obligations In addition:

- (a) as security for the Municipal Obligations, the Municipality hereby pledges the revenue to be derived from the Municipality's Water Rates (which is a dedicated source of revenue); and
- (b) other than as already pledged to the outstanding Parity Obligations, the Municipality shall not pledge the revenues, except as provided in Section 11 of the Municipal Obligation Resolution, to be derived from the Municipality's Water Rates or other revenues pledged under Section 3.07(a) above, to any person other than the SDWLP, unless the revenues pledged to such other person meet the highest debt coverage ratio then applicable to the Municipality.

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

Section 3.09. Other Amounts Payable The Municipality hereby expressly agrees to pay to the SDWLP:

- (a) such Servicing Fee as the SDWLP may impose pursuant to s. 281.61(5)(b), 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 3.09 shall be deposited in the Equity Fund established pursuant to the Program Resolution.

ARTICLE IV
CONSTRUCTION OF THE PROJECT

Section 4.01. Insurance When utilizing a municipally-bid contract, the Municipality agrees to maintain property and liability insurance for the Project that is reasonable in amount and coverage and that is consistent with prudent municipal insurance practices for the term of this FAA. The Municipality agrees to provide written evidence of insurance coverage to the SDWLP upon request at any time during the term of this FAA.

In the event the 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 Project.

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. 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.

(b) During construction of the Project, if a Lead Service Line is replaced that results in creation of a partial Lead Service Line due to the remaining portion of the Service Line also containing lead, or containing galvanized iron or galvanized steel that is or has been downstream of lead, the SDWLP shall not provide funding for the Lead Service Line replacement until the remaining side of the Service Line has also been replaced.

(c) Pitcher filters or point-of-use filtration that have been certified to NSF/ANSI 53 for the reduction of lead shall be provided from the start of replacement until at least six months following completion of the replacement. 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 any municipally-bid 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 or the applicable property owner 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. At or prior to completion of the Project, the Municipality shall cause to be prepared for the Project documentation which will include, for each replacement:

- (1) property address,
- (2) property type (residential, school, daycare, commercial, other),
- (3) original Service Line material,
- (4) new Service Line material; and
- (5) Service Line ownership (public, private, both).

(c) As applicable, 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, the Municipality shall:

- (1) complete and deliver to DNR the documentation described in Section 4.04(b) above;
- (2) prepare and deliver to DNR the completed Federal Requirements Compliance Certification attached hereto as Exhibit E of this FAA; and
- (3) if the Project included work performed under a municipally-bid contract, prepare and deliver to DNR the completed Contract Utilization of Disadvantaged Business Enterprises (DBE) form attached hereto as Exhibit E of this FAA.

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

Section 4.05. Payment of Additional Project Costs

- (a) In the event of revised eligibility determinations, cost overruns, and amendments exceeding the Financial Assistance amount, the SDWLP may allocate additional financial assistance to 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, which shall be at the sole discretion of the State, depends on, among other things, the availability of funds pursuant to the Statute and the Regulations.
- (b) In the event this Financial Assistance is not sufficient to pay the costs of the Project in full, the Municipality shall nonetheless complete the Project and pay that portion of the Project Costs as may be in excess of available Financial Assistance, and shall not be entitled to any reimbursement thereof from the SDWLP, or bonds issued to fund Financial Assistance, except from the proceeds of additional financing which may be provided by the SDWLP 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 SDWLP, DOA or DNR makes any warranty, either express or implied, as to the Project or its condition, or that it shall be suitable for the Municipality's purposes or needs, or that the Financial Assistance shall be sufficient to pay the costs of the Project. Review or approval of engineering reports, facilities plans, the 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, and build 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 Project documents. Nothing in this section prohibits a Municipality from requiring more assurances, guarantees, indemnity, or other contractual requirements from any party performing Project work.

ARTICLE V
COVENANTS

Section 5.01. Application of Financial Assistance The Municipality shall apply the proceeds of the Financial Assistance solely to Project Costs.

Section 5.02. Reserved

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

Section 5.04. Reserved

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 Financial Assistance shall be credited promptly upon receipt thereof and shall be reimbursement for or expended only for Project Costs. The Municipality shall: permit any authorized representative of DNR or DOA, or agents thereof, the right to review or audit all records relating to the Project or the Financial Assistance; 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.

Section 5.07. Project Areas The Municipality shall permit representatives of DNR access to the Project records at all reasonable times, include provisions in any municipally-bid contracts permitting access during construction, and allow extracts and copies of Project records to be made by DNR representatives.

Section 5.08. Engineering Inspection When utilizing a municipally-bid contract, 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 applicable building codes.

Section 5.09. Reserved

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 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 Project; 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, or set and collect User Fees as set forth in Section 5.10.

Section 5.12. Hold Harmless The Municipality shall save, keep harmless, and defend DNR and DOA, and all their officers, employees, and agents, against any and all liability, claims, and costs of whatever kind and nature for injury to or death of any person or persons and for loss or damage to any property occurring in

connection with or in any way incident to or arising out of the construction, occupancy, use, service, operation, or performance of work in connection with the Project, or acts or omissions of the Municipality's employees, agents, or representatives.

Section 5.13. Nondiscrimination Covenant

- (a) In connection with the Project, the Municipality agrees to comply with fair employment practices pursuant to subchapter II of ch. 111, Wis. Stats. This provision shall include, but is not limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Municipality agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provision of the nondiscrimination clause.
- (b) The Municipality shall incorporate the following provision into all Project contracts which have yet to be executed: "In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant because of age, race, religion, color, handicap, sex, physical condition, developmental disability, or national origin. The contractor further agrees to comply with fair employment practices pursuant to subchapter II of ch. 111, Wis. Stats. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor further agrees to take affirmative action to ensure equal employment opportunities for persons with disabilities. The contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause."
- (c) The Municipality shall follow all federal statutes and regulations prohibiting discrimination, without limitation, including the following:
- (1) Age Discrimination Act, Pub. L. 94-135
 - (2) Equal Employment Opportunity, Executive Order 11246
 - (3) Section 13 of the Clean Water Act, Pub. L. 92-500
 - (4) Section 504 of the Rehabilitation Act, Pub. L. 93-112 supplemented by Executive Orders 11914 and 11250
 - (5) Title VI of the Civil Rights Act, Pub. L. 88-352
 - (6) Participation by Disadvantaged Business Enterprises in Procurement, s. NR 162.08(4) and s. NR 166.11(4) Wis. Adm. Code.

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

Section 5.15. Adequate Funds The Municipality shall have sufficient funds available to repay the Municipal Obligations.

Section 5.16. Management When utilizing a municipally-bid contract, the Municipality shall provide and maintain competent and adequate management, supervision, and inspection at the construction site to ensure that the completed work conforms to applicable building codes. The Municipality shall furnish progress reports and such other information as DNR may require.

Section 5.17. Reimbursement Any disbursement of Financial Assistance to the Municipality in excess of the amount determined by final audit to be due the Municipality shall be reimbursed to DOA within 60 days after DNR or DOA provides a notice 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 or as a recovery of a Loan disbursement with Principal Forgiveness (if there is no outstanding principal balance for the Project).

Section 5.20. Maintenance of Legal Existence

- (a) Except as provided in par. (b), the Municipality shall maintain its legal existence and shall not dissolve or otherwise dispose of all or substantially all of its assets and shall not consolidate with or merge into another legal entity.
- (b) A Municipality may consolidate with or merge into any other legal entity, dissolve or otherwise dispose of all of its assets or substantially all of its assets, 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 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. To the extent applicable, the Municipality shall comply with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Rewards (Uniform Guidance). For auditor's reference, the SDWLP Project falls under Catalog of Federal Domestic Assistance number 66.468. Without any request the Municipality shall furnish to DOA, at doaeif@wisconsin.gov as soon as available, and in any event within 30 days after completion, the Federal Single Audit. Notification must include acknowledgement of any SRF findings and/or resolution to prior year findings.

Section 5.24. Federal Equivalency Project The Municipality covenants that the Project shall comply with federal requirements applicable to activities supported with federal funds, a list of which is included as Exhibit G of this FAA.

ARTICLE VI
MISCELLANEOUS

Section 6.01. Notices All notices, certificates, or other communications hereunder shall be sufficiently given, and shall be deemed given, when electronically delivered, 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 WATERTOWN
106 JONES STREET
PO BOX 477
WATERTOWN WI 53094

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

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

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

Section 6.04. Amendments, Supplements, and Modifications This FAA may be amended, supplemented, or modified to provide for additional financial assistance for the Project by the SDWLP to the Municipality or for other purposes. All amendments, supplements, and modifications shall be in writing between the SDWLP by DNR and DOA acting under authority of the 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, awarding, assigning, and confirming the rights, security interests, and agreements awarded or intended to be awarded by this FAA and relating to the Municipal Obligations.

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

Section 6.10. Covenant by Municipality as to Compliance with 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 WATERTOWN

By: _____
Robert Stocks
Mayor

Attest: _____
Megan Dunneisen
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 WATERTOWN
SDWLP Project No. 5439-99

	Total Project Costs	Eligible SDWLP Costs Paid by 5439-07	Eligible SDWLP Costs Paid by 5439-08	Eligible SDWLP Costs Paid by 5439-09	SDWLP Total Award Amount for this Project 5439-99
Force Account	0.00	0.00	0.00	0.00	0.00
Interim Financing	0.00	0.00	0.00	0.00	0.00
Preliminary Engineering	0.00	0.00	0.00	0.00	0.00
Land or Easement Acquisition	0.00	0.00	0.00	0.00	0.00
Engineering/Construction Mgmt.	0.00	0.00	0.00	0.00	0.00
Construction/Equipment	7,772,734.00	1,043,928.00	1,812,746.00	1,886,260.00	3,029,800.00
Contingency	388,638.00	52,197.00	90,638.00	94,313.00	151,490.00
Miscellaneous Costs	0.00	0.00	0.00	0.00	0.00
SDWLP Closing Costs	0.00	0.00	0.00	0.00	0.00
TOTAL	\$8,161,372.00	\$1,096,125.00	\$1,903,384.00	\$1,980,573.00	\$3,181,290.00
Principal Forgiveness Amount					\$318,129.00
Net SDW Loan Amount					\$2,863,161.00

Eligible Principal Forgiveness was calculated at 10%

City of Watertown, Wisconsin

Exhibit B

Project 5439-99 Safe Drinking Water Fund Program

Loan Closing Date: September 24, 2025

Payment Date	Principal Payment	Interest Rate	Interest Payment	Principal & Interest	Bond Year Debt Service	Calendar Year Debt Service
1-May-26	0.00	0.250%	4,314.62	4,314.62	4,314.62	0.00
1-Nov-26	0.00	0.250%	3,578.95	3,578.95	0.00	7,893.57
1-May-27	0.00	0.250%	3,578.95	3,578.95	7,157.90	0.00
1-Nov-27	0.00	0.250%	3,578.95	3,578.95	0.00	7,157.90
1-May-28	155,711.10	0.250%	3,578.95	159,290.05	162,869.00	0.00
1-Nov-28	0.00	0.250%	3,384.31	3,384.31	0.00	162,674.36
1-May-29	156,100.38	0.250%	3,384.31	159,484.69	162,869.00	0.00
1-Nov-29	0.00	0.250%	3,189.19	3,189.19	0.00	162,673.88
1-May-30	156,490.63	0.250%	3,189.19	159,679.82	162,869.01	0.00
1-Nov-30	0.00	0.250%	2,993.57	2,993.57	0.00	162,673.39
1-May-31	156,881.86	0.250%	2,993.57	159,875.43	162,869.00	0.00
1-Nov-31	0.00	0.250%	2,797.47	2,797.47	0.00	162,672.90
1-May-32	157,274.06	0.250%	2,797.47	160,071.53	162,869.00	0.00
1-Nov-32	0.00	0.250%	2,600.88	2,600.88	0.00	162,672.41
1-May-33	157,667.25	0.250%	2,600.88	160,268.13	162,869.01	0.00
1-Nov-33	0.00	0.250%	2,403.79	2,403.79	0.00	162,671.92
1-May-34	158,061.42	0.250%	2,403.79	160,465.21	162,869.00	0.00
1-Nov-34	0.00	0.250%	2,206.22	2,206.22	0.00	162,671.43
1-May-35	158,456.57	0.250%	2,206.22	160,662.79	162,869.01	0.00
1-Nov-35	0.00	0.250%	2,008.15	2,008.15	0.00	162,670.94
1-May-36	158,852.71	0.250%	2,008.15	160,860.86	162,869.01	0.00
1-Nov-36	0.00	0.250%	1,809.58	1,809.58	0.00	162,670.44
1-May-37	159,249.85	0.250%	1,809.58	161,059.43	162,869.01	0.00
1-Nov-37	0.00	0.250%	1,610.52	1,610.52	0.00	162,669.95
1-May-38	159,647.97	0.250%	1,610.52	161,258.49	162,869.01	0.00
1-Nov-38	0.00	0.250%	1,410.96	1,410.96	0.00	162,669.45
1-May-39	160,047.09	0.250%	1,410.96	161,458.05	162,869.01	0.00
1-Nov-39	0.00	0.250%	1,210.90	1,210.90	0.00	162,668.95
1-May-40	160,447.21	0.250%	1,210.90	161,658.11	162,869.01	0.00
1-Nov-40	0.00	0.250%	1,010.34	1,010.34	0.00	162,668.45
1-May-41	160,848.33	0.250%	1,010.34	161,858.67	162,869.01	0.00
1-Nov-41	0.00	0.250%	809.28	809.28	0.00	162,667.95
1-May-42	161,250.44	0.250%	809.28	162,059.72	162,869.00	0.00
1-Nov-42	0.00	0.250%	607.72	607.72	0.00	162,667.44
1-May-43	161,653.57	0.250%	607.72	162,261.29	162,869.01	0.00
1-Nov-43	0.00	0.250%	405.65	405.65	0.00	162,666.94
1-May-44	162,057.71	0.250%	405.65	162,463.36	162,869.01	0.00
1-Nov-44	0.00	0.250%	203.08	203.08	0.00	162,666.44
1-May-45	162,462.85	0.250%	203.08	162,665.93	162,869.01	162,665.93
Totals	2,863,161.00		79,953.64	2,943,114.64	2,943,114.64	2,943,114.64
Net Interest Rate				0.2500%		
Bond Years				31,981.4610		
Average Life				11.1700		

The above schedule assumes full disbursement of the loan on the loan closing date.
19-Aug-25 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 Watertown (the “Municipality”) hereby certify that, for all expenditures made for construction of DNR Project No. 5439-99 (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. 5439-99 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.

UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES (DBE)

Notice: This form is authorized by ss. 281.58, 281.59, and 281.61, Wis. Stats. Submittal of a completed form to the DNR is mandatory prior to receiving a final disbursement. Dollar amounts listed on the form should only include amounts paid under the Financial Assistance Agreement. Information collected on this form will be used for administrative purposes and may be provided to requesters to the extent required by Wisconsin's Public Records Law [ss. 19.31–19.39, Wis. Stats.].

Municipality
City of Watertown

Project Number
5439-99

Project Description
BIL SFY25 LSL Program-- System-wide (Public Side)

Are any DBEs expected to be utilized on the project? If yes, list below. Yes ☐ No ☒				Enter at Project Closeout	
DBE Firm	Indicate DBE Type	Construction or Non-construction*	Contract Estimate (\$)	Actual Amount Paid to the DBE (\$)	Certifying Agency or List
<i>SAMPLE: ABC Engineering, LLC.</i>	<i>X MBE ☐ WBE ☐ Other</i>	<i>Non-construction</i>	<i>10,000</i>	<i>9,950</i>	<i>WisDOT</i>
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
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	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				

* Construction costs include but are not limited to paving, excavation, HVAC, plumbing, electrical, carpentry, trucking, and equipment. Non-construction costs include but are not limited to professional services, engineering, land acquisition, and supplies.

I hereby certify that, to the best of my knowledge and belief, the information provided on this form is accurate and correct.

Signature of Municipal Representative		Date Signed
Name of Person Completing This Form	Email Address	Phone Number

EXHIBIT F

PROJECT MANAGER SUMMARY PAGE

CITY OF WATERTOWN
SDWLP Project No. 5439-99

1. Project Description: The Municipality bid a contract to replace private and public Lead Service Lines (LSL) over a total of four financial assistance agreements. Originally, the Municipality applied for public and private side replacements as part of a municipal project under the application for 5439-08. The utility wanted to fund the costs for the public side replacements which resulted in the project being split into 5439-08 covering private side replacements and 5439-99 covering public side replacements. This Project is a municipal-wide project that will replace an estimated 445 public side LSLs.

Eligible replacements under this FAA consist of the replacement of Lead Service Lines from the corporation stop or the curb stop of a municipally-owned water main or Service Line to the meter, or other water utility service terminal on the served property.

All LSL replacements must result in complete removal of all lead components between the watermain and the connection point inside the building. Galvanized Service Lines, on the public or the private side, are considered lead for the purpose of determining whether a Lead Service Line has been completely replaced.

If a Lead Service Line, including both the public portion and the private portion of the line, cannot be replaced in its entirety at one time, resulting in a Service Line that is temporarily composed partially of lead, the water utility is required to provide the customer with filtration during the time between replacements. Filters must be models that have been tested and certified to NSF/ANSI 53 for the reduction of lead. Filters must also be supplied for six months following full LSL replacement. Funding through this FAA shall not be disbursed for those lines until all lead components have been completely replaced, and such replacement is recommended to be completed within 45 days of the initial replacement of a portion of the Lead Service Line but should be replaced within 90 days, unless the public side of the Lead Service Line was replaced prior to participation in the LSL Replacement Program. Please refer to the LSL Replacement Best Practices document attached as Exhibit H.

2. Ineligible Costs: No ineligible costs were identified in the review of this Project. If the DNR identifies ineligible Project Costs as the Project progresses, the DNR will notify the Municipality.

In general, costs that are ineligible for inclusion under this FAA include:

- LSL replacements where either the public side or the private side contains lead and has not been replaced (partial replacements);
 - Watermain replacements, even if the watermain has lead joints;
 - Premise plumbing, which includes anything downstream of the normal connection point inside the home.
3. Other Funding Sources: The construction contract bid by the municipality is being funded through four awards with DNR. The costs under this award are exclusively for construction and contingency for the public side replacements. The costs covered by the other awards are:

Project Number	Eligible PF %	Scope	Costs
5439-07*	75% Private Side Only	Census Tract 9620	\$1,096,125.00
5439-08*	50% Private Side Only	Municipal	\$1,903,384.00
5439-09*	100% Private Side Only	Census Tract 1002	\$1,980,573.00

*In addition to the totals shown above, there is a total of \$57,150 for filters included under the miscellaneous line for the projects shown above

4. Contingency Allowance: The Contingency allowance of \$151,490 is five percent of the amount of uncompleted construction work. The Municipality must obtain DNR approval of change orders prior to requesting reimbursement.
5. DBE Good Faith Effort: The Municipality made a good faith effort to solicit Disadvantaged Business Enterprises (DBE) when publishing the bid advertisement in the Watertown Daily Times on 3/26/2025 and 4/2/2025. Five Star Energy Services made a good faith effort to solicit DBEs when directly soliciting multiple DBEs. There are no DBEs expected to perform work on this Project.
6. Davis-Bacon Wage Rate Requirements: For projects where the work was bid as a municipal contract, all work must comply with Davis-Bacon and Related Acts requirements.
7. 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 use of American Iron and Steel requirements of Section 1452 of the Act.
8. Environmental Review: An Environmental Review was completed for this Project which resulted in categorical exclusion with recommended erosion control. A construction site storm water permit may be required if the contiguous project area exceeds 1 acre.
9. Principal Forgiveness: The Municipality is eligible to receive up to 10% Principal Forgiveness (PF) from the Safe Drinking Water Loan Program. This Project will be disbursed at 10% PF until all \$318,129 has been disbursed.
10. Federal Single Audit: This Project is being financed with federal funds and is subject to the Federal Single Audit requirements referenced in Section 5.23 of this FAA. If the Municipality receives more than \$1,000,000 of money that originates from any federal source in a calendar year, then it must commission a Federal Single Audit as part of its regular financial audit. The Catalog of Federal Domestic Assistance number is 66.468 for drinking water project disbursements funded with federal money.
11. Closeout Documentation: At Project completion the Municipality must submit to DNR the documentation described in section 4.04(b) of this FAA, which will include reporting for each replaced Service Line:
 1. property address,
 2. property type (residential, school, daycare, commercial, other),
 3. original Service Line material,
 4. new Service Line material; and,
 5. Service Line ownership (public, private, both)

EXHIBIT G

LIST OF FEDERAL LAWS AND AUTHORITIES

The Municipality acknowledges that the Project is designated as a Federal Equivalency project, which is subject to additional federal requirements listed below.

- Archaeological and Historic Preservation Act of 1974 (P.L. 93-291, as amended) 16 U.S.C. §469a-1
- Build America, Buy America Act (BABA), P.L. 117-58, §§ 70901-52
- Clean Air Act Conformity (P.L. 95-95, as amended) 42 U.S.C. §7506(c)
- Coastal Barriers Resources Act (P.L. 97-348) 16 U.S.C. §3501 et. seq.
- Coastal Zone Management Act (P.L. 92-583, as amended) 16 U.S.C. §1451 et. seq.
- Debarment and Suspension (Executive Order 12549)
- Demonstration Cities & Metropolitan Development Act (P.L. 89-754, as amended) 42 U.S.C. §3331 et. seq.
- Endangered Species Act (P.L. 93-205, as amended) 16 U.S.C. §1531 et. seq.
- Enhancing Public Awareness of SRF Assistance Agreements (EPA Office of Water Memo dated June 3, 2015)
- Environmental Justice (Executive Order 12898)
- Equal Employment Opportunity (Executive Order 11246)
- Farmland Protection Policy Act (P.L. 97-98) 7 U.S.C. §4201 et. seq.
- Federal Single Audit Act (2 CFR 200 Subpart F)
- Fish and Wildlife Coordination Act (P.L. 85-624, as amended) 16 U.S.C. §661
- Floodplain Management (Executive Order 11988, as amended)
- National Historic Preservation Act of 1966 (P.L. 89-665, as amended) 54 U.S.C. §300101 et. seq.
- NEPA-like Environmental Review (National Environmental Policy Act)
- Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment (2 CFR 200.216)
- Promoting the Use of Small, Minority, & Women-owned Businesses (Executive Orders 11625, 12138, & 12432)
- Protection and Enhancement of the Cultural Environment (Executive Order 11593)
- Protection of Wetlands (Executive Order 11990, as amended)
- Uniform Relocation Assistance and Real Property Acquisition Policies Act (P.L. 91-646, as amended)
- Wild & Scenic Rivers Act (P.L. 90-542, as amended) 16 U.S.C. §1271 et. seq.

EXHIBIT H

BEST PRACTICES FOR LEAD SERVICE LINE REPLACEMENTS

➤ **Participants in the Lead Service Line Replacement Program are expected to follow these steps.**

Lead Service Line Replacement Requirements under the Lead & Copper Rule Revisions (LCRR)

1. **Notice and Public Education.** Provide notice to the owner of the affected service line as well as non-owner resident(s) served by the affected service line within 24 hours of completion of the replacement. The notice must include all the following information, in accordance with §141.85(a) of the LCRR.
 - Explain that consumers may experience a temporary increase of lead levels in their drinking water due to the replacement.
 - Provide information about the health effects of lead.
 - Provide information about actions consumers can take to minimize their exposure to lead in drinking water.
2. **Flushing Information.** Provide information about service line flushing before the replaced service line is returned to service.
3. **Filters.** Provide the consumer(s) with a pitcher filter or point-of-use device certified by an American National Standards Institute accredited certifier to NSF/ANSI 53 for the reduction of lead, six months of replacement cartridges, and instructions for use before the replaced service line is returned to service.
4. **Follow-up Sampling.** Offer to the consumer to take a follow up tap sample between three months and six months after completion of the replacement and provide the results of the sample to the consumer.

RESOLUTION NO. 9781

RESOLUTION AUTHORIZING THE ISSUANCE AND
SALE OF UP TO \$276,918 TAXABLE GENERAL OBLIGATION PROMISSORY NOTES,
SERIES 2025A,
AND PROVIDING FOR OTHER DETAILS AND COVENANTS
WITH RESPECT THERETO

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

WHEREAS, certain improvements, including the replacement of lead service lines, are necessary to meet the needs of the Municipality and the residents thereof, consisting of the construction of a project (the "Project") assigned Safe Drinking Water Loan Program Project No. 5439-07 by the Department of Natural Resources; and

WHEREAS, under the provisions of Section 67.12(12), Wisconsin Statutes, any municipality (as defined in Section 67.01(5), Wisconsin Statutes) may, by action of its governing body, issue promissory notes as evidence of indebtedness for any public purpose (as defined in Section 67.04(1)(b), Wisconsin Statutes) which promissory notes are general obligations of the municipality; and

WHEREAS, the Municipality deems it to be necessary, desirable and in its best interest to authorize and sell general obligation promissory notes of the Municipality, pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, to pay the cost of the Project; and

WHEREAS, such notes are to be issued for purposes of Sections 281.58, 281.59, 281.60 or 281.61, Wisconsin Statutes; and

WHEREAS, due to certain provisions of the Internal Revenue Code of 1986, as amended, it is necessary to issue such notes on a taxable basis, and the State of Wisconsin Safe Drinking Water Loan Program has approved the issuance of such notes on a taxable basis.

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

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

- (a) "Act" means Chapter 67, Wisconsin Statutes;
- (b) "Bond Registrar" means the Municipal Treasurer which shall act as Paying Agent for the Notes;

(c) "Debt Service Fund" means the Debt Service Fund of the Municipality, which shall be the "debt service fund" as such term is defined in the Act;

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

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

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

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

(h) "Municipality" means the City of Watertown, Jefferson and Dodge Counties, Wisconsin;

(i) "Notes" means the \$276,918 Taxable General Obligation Promissory Notes, Series 2025A, of the Municipality dated their date of issuance, authorized to be issued by this Resolution;

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

(k) "Project" means the Project described in the preamble to this Resolution; and

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

Section 2. Authorization of the Notes and the Financial Assistance Agreement. For the purpose of paying the cost of the Project (including legal, fiscal, engineering and other expenses), there shall be borrowed on the full faith and credit of the Municipality up to the sum of \$276,918; and fully registered general obligation promissory notes of the Municipality are authorized to be issued in evidence thereof and sold to the State of Wisconsin Safe Drinking Water Loan Program in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference and the Mayor and City Clerk of the Municipality are hereby authorized, by and on behalf of the Municipality, to execute the Financial Assistance Agreement.

Section 3. Terms of the Notes. The Notes shall be designated "Taxable General Obligation Promissory Notes, Series 2025A" (the "Notes"); shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 0.250% per annum; shall be issued in denominations of \$0.01 or any integral multiple thereof; and shall mature on the dates and in the amounts as set forth in Exhibit B of the Financial Assistance Agreement and in the Note form attached hereto as Exhibit A as it is from time to time adjusted by the State of

Wisconsin based upon the actual draws made by the Municipality. Interest on the Notes shall be payable commencing on May 1, 2026 and semiannually thereafter on May 1 and November 1 of each year. The Notes shall not be subject to redemption prior to maturity except as provided in the Financial Assistance Agreement.

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

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

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

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

Section 5. Application of Note Proceeds; Borrowed Money Fund. The sale proceeds of the Notes (exclusive of accrued interest and any premium received, which shall be deposited in the Debt Service Fund) shall, forthwith upon receipt, be placed in and kept by the Treasurer as a separate fund to be known as the "Taxable General Obligation Promissory Notes, Series 2025A, Borrowed Money Fund" (hereinafter referred to as the "Borrowed Money Fund"). Monies in the Borrowed Money Fund shall be used solely for the purposes for which borrowed or for transfer to the Debt Service Fund as provided by law. Moneys in the Borrowed Money Fund shall be disbursed within three (3) business days of their receipt from the State of Wisconsin and shall not be invested in any interest-bearing account.

Section 6. Tax Levy. (a) For the express purpose of paying interest on the Notes as it falls due and also to pay and discharge the principal thereof at maturity, the full faith, credit and taxing powers of the Municipality are hereby pledged and there is hereby levied upon all of the taxable property in the Municipality, in addition to all other taxes, a direct, annual irrevocable tax in an amount and at the times sufficient for that purpose. This tax shall be levied in the years 2025 through 2034, inclusive, and shall be in such amounts as are necessary to provide for payment of the principal of and interest on the Notes in 2026 through 2035, inclusive, when due.

Assuming the entire principal amount of the Notes is drawn as of the closing date, this tax will be levied for collection in the following years in the following amounts:

<u>Tax Collection</u> <u>Year</u>	<u>Amount</u>
2026	\$ 763.45
2027	692.30
2028	34,962.42
2029	34,962.31
2030	34,962.19
2031	34,962.09
2032	34,961.98
2033	34,961.88
2034	34,961.77
2035	34,961.65

The actual tax carried onto the tax rolls each year shall equal the amount necessary to repay the actual principal amount drawn under the Notes, and any interest thereon, when due.

(b) The Municipality shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Notes, said tax shall be, from year to year, carried into the tax rolls of the Municipality and collected as other taxes are collected, provided that the amount of tax carried into said tax rolls may be reduced in any year by the amount of any surplus money in the Debt Service Fund created in Section 7 hereof.

(c) If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Notes when due, the requisite amounts shall be paid from other funds of the Municipality then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 7. Debt Service Fund. The proceeds of the taxes levied pursuant to Section 6 above, when collected by the Municipal Treasurer, and such further deposits as may be required by Section 67.11, Wisconsin Statutes, shall be placed and kept by the Municipal Treasurer as a separate fund irrevocably pledged for paying the principal of and interest on the Notes so long as any such Notes shall remain outstanding, to be known as the "Taxable General Obligation Promissory Notes, Series 2025A Debt Service Fund" (hereinafter referred to as "Debt Service Fund"). The accrued interest and any premium received at the time of delivery of the Notes shall be paid into the Debt Service Fund. Interest on or principal of the Notes falling due at any time when there shall be on hand in the Debt Service Fund insufficient funds for the payment of such principal and interest shall be paid promptly when due from other funds of the Municipality.

Section 8. Deposits and Investments. The Debt Service Fund shall be kept apart from monies in the other funds and accounts of the Municipality and the same shall be used for no purpose other than the prompt payment of principal of and interest on the Notes as the same becomes due and payable. All monies therein shall be deposited in special and segregated accounts in a public depository selected under Chapter 34 of the Wisconsin Statutes and may be

temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m) and 67.10(3), Wisconsin Statutes. All income derived from such investments shall be regarded as revenues of the Municipality.

Section 9. Operation of Project; Municipality Covenants. It is covenanted and agreed by the Municipality with the owner or owners of the Notes, and each of them, that the Municipality will perform all of the obligations of the Municipality as set forth in the Financial Assistance Agreement.

Section 10. Sale of Notes. The sale of the Notes to the State of Wisconsin Safe Drinking Water Loan Program for the purchase price of up to \$276,918 and at par, is ratified and confirmed; and the officers of the Municipality are authorized and directed to do any and all acts, including executing the Financial Assistance Agreement and the Notes as hereinabove provided, necessary to conclude delivery of the Notes to said purchaser, as soon after adoption of this Resolution as is convenient. The purchase price for the Notes shall be paid upon requisition therefor as provided in the Financial Assistance Agreement, and the officers of the Municipality are authorized to prepare and submit to the State requisitions and disbursement requests in anticipation of the execution of the Financial Assistance Agreement and the issuance of the Notes.

Section 11. Amendment to Resolution. After the issuance of any of the Notes, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Notes have been paid in full as to both principal and interest, or discharged as herein provided, except: (a) the Municipality may, from time to time, amend this Resolution without the consent of any of the owners of the Notes, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and (b) this Resolution may be amended, in any respect, with a written consent of the owners of not less than two-thirds (2/3) of the principal amount of the Notes then outstanding, exclusive of Notes held by the Municipality; provided, however, that no amendment shall permit any change in the pledge of tax revenues of the Municipality or the maturity of any Note issued hereunder, or a reduction in the rate of interest on any Note, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Notes may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Note to which the change is applicable.

Section 12. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owner or owners of the Notes, and after issuance of any of the Notes no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 11, until all of the Notes have been paid in full as to both principal and interest. The owner or owners of any of the Notes shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the Municipality, the Governing Body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the Municipality, its Governing Body and any other authorized body, to take any and all actions necessary to carry out all of the provisions and agreements contained in this Resolution.

Section 13. Requirements of Municipality. The officers of the Municipality, staff of the Municipality, attorneys for the Municipality, financial consultants of the Municipality, or other agents or employees of the Municipality are hereby authorized to do all acts and things required of them by this Resolution for the full, punctual and complete performance of all of the provisions of this Resolution.

Section 14. Illegal or Invalid Provisions. In case any one or more of the provisions of this Resolution or any of the Notes shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Notes.

Section 15. Continuing Disclosure. The officers of the Municipality are hereby authorized and directed, if requested by the State of Wisconsin, to provide to the State of Wisconsin Safe Drinking Water Loan Program and to such other persons or entities as directed by the State of Wisconsin such ongoing disclosure regarding the Municipality's financial condition and other matters, at such times and in such manner as the Safe Drinking Water Loan Program may require, in order that securities issued by the Municipality and the State of Wisconsin satisfy rules and regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended and as it may be amended from time to time, imposed on brokers and dealers of municipal securities before the brokers and dealers may buy, sell, or recommend the purchase of such securities.

Section 16. Conflicting Resolutions. All ordinances, resolutions, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage.

Passed: September 2, 2025

Approved: September 2, 2025

Robert Stocks
Mayor

Attest:

Megan Dunneisen
City Clerk

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED NO. _____	UNITED STATES OF AMERICA STATE OF WISCONSIN JEFFERSON AND DODGE COUNTIES CITY OF WATERTOWN	REGISTERED \$ _____
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TAXABLE GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2025A

Final <u>Maturity Date</u>	Date of <u>Original Issue</u>
May 1, 2035	_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

FOR VALUE RECEIVED the City of Watertown, Jefferson and Dodge Counties, Wisconsin (the "Municipality") hereby acknowledges itself to owe and promises to pay to the registered owner shown above, or registered assigns, the principal sum of an amount not to exceed _____ DOLLARS (\$_____) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2028 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 0.250% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of May and November of each year, with the first interest being payable on May 1, 2026.

The principal amount evidenced by this Note may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement entered by and between the Municipality and the State of Wisconsin by the Department of Natural Resources and the Department of Administration (the "Financial Assistance Agreement") including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 2028 in an amount equal to an amount which when amortized over the remaining term of this Note plus current payments of interest (but only on amounts drawn hereunder) at Zero and 250/1000ths percent (0.250%) per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis in the format shown on the attached Schedule A.

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

This Note shall not be redeemable prior to its maturity, except as provided in the Financial Assistance Agreement.

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

This Note is issued for the purpose of providing for the payment of the cost of the replacement of lead service lines, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 67.12(12), Wisconsin Statutes, and a resolution adopted September 2, 2025, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$276,918 Taxable General Obligation Promissory Notes, Series 2025A, and Providing for Other Details and Covenants With Respect Thereto". The principal of and interest on this Note are payable in lawful money of the United States of America as aforesaid, and for the prompt payment of the principal and interest on this Note, and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the Municipality are hereby irrevocably pledged.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of this Note have existed, have happened and have been performed in due time, form and manner as required by law; that the indebtedness of the Municipality, including this Note and the issue of which it is a part, does not exceed any limitation, general or special, imposed by law; and that a valid, direct, annual irrepealable tax has been levied by the Municipality sufficient to pay the interest on this Note when it falls due and also to pay and discharge the principal hereof at maturity.

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

CITY OF WATERTOWN, WISCONSIN

(SEAL)

By: _____
Robert Stocks
Mayor

By: _____
Megan Dunneisen
City Clerk

COPY

(Form of Assignment)

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

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

Please insert Social Security or other identifying number of Assignee

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

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

Dated: _____

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

Signature(s) guaranteed by

SCHEDULE A

\$276,918

CITY OF WATERTOWN, WISCONSIN
TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025A

<u>Amount of Disburse- ment</u>	<u>Date of Disbursement</u>	<u>Series of Notes</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Amount</u>
May 1, 2028	\$34,313.01
May 1, 2029	34,398.79
May 1, 2030	34,484.78
May 1, 2031	34,571.00
May 1, 2032	34,657.42
May 1, 2033	34,744.07
May 1, 2034	34,830.93
May 1, 2035	34,918.00

\$276,918
City of Watertown, Wisconsin
Taxable General Obligation Promissory Notes, Series 2025A

CLOSING CERTIFICATE

Robert Stocks, the Mayor, and Megan Dunneisen, the City Clerk of the City of Watertown, Jefferson and Dodge Counties, Wisconsin (the "Municipality"), hereby certify as follows:

1. We are the duly qualified and acting Mayor and City Clerk of the Municipality and have been such at all times pertinent to the authorization and delivery of the "Taxable General Obligation Promissory Notes, Series 2025A" of the Municipality (the "Notes").
2. We have executed and sealed the negotiable, fully-registered Notes. The Notes are in the aggregate principal amount of \$276,918, are dated September 24, 2025, and are numbered from 1 upward. The Notes mature in installments of principal due on May 1 of each of the years 2028 through 2035, and bear interest at a rate of 0.250% per annum. We were duly authorized to execute the same.
3. Attached in the Closing Transcript is a true and complete copy of a resolution entitled: "Resolution Authorizing the Issuance and Sale of Up to \$276,918 Taxable General Obligation Promissory Notes, Series 2025A, and Providing for Other Details and Covenants With Respect Thereto" (the "Note Resolution"). The Note Resolution was duly adopted by the Common Council of the Municipality (the "Governing Body") on September 2, 2025. The Note Resolution has not been repealed, amended or modified in any respect and remains in full force and effect today.
4. Attached in the Closing Transcript is a true and complete copy of the Certificate of Compliance with Open Meeting Law Public Notice Requirements with respect to the September 2, 2025 meeting of the Governing Body of the Municipality, evidencing compliance with Subchapter V of Chapter 19, Wisconsin Statutes.
5. Attached in the Closing Transcript is a true and complete copy of the part of the minutes of the September 2, 2025 meeting of the Governing Body wherein the Governing Body adopted the Note Resolution.
6. Attached in the Closing Transcript is a true and complete copy of a sworn affidavit from an authorized representative of the official newspaper of the Municipality, in which a notice has been published pursuant to Section 893.77, Wisconsin Statutes, regarding the adoption of the Note Resolution.
7. Attached in the Closing Transcript is a Specimen Note. The signatures of Robert Stocks, the Mayor, and Megan Dunneisen, the City Clerk of the Municipality, are their respective true signatures, and the seal of the Municipality appearing on the Notes is an accurate impression or facsimile of the seal of the Municipality.

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

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

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

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

12. The meeting of the Governing Body was held on September 2, 2025, at which a quorum was present throughout. The Governing Body consists of nine Alderpersons. At such meeting, the Note Resolution was introduced by one of the Governing Body members in accordance with routinely established procedures of the Governing Body (all Governing Body members having full copies thereof in advance and adequate time to read and examine prior to adoption, and no member objecting); and, on motion duly made and seconded, duly adopted by the affirmative vote of the members present, upon an aye or no vote duly recorded in the Governing Body minutes.

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

14. Attached in the Closing Transcript is a true and complete copy of a "Certificate of Equalized Value," furnished by the state officer authorized by law so to certify, certifying that the aggregate, full, equalized value of all the taxable property in the Municipality, as last determined by the Wisconsin Department of Revenue pursuant to Sections 67.03 and 70.57, Wisconsin Statutes, is \$3,441,450,100, an amount which, to the best of our information and belief, is correct.

15. We have reviewed the Note Resolution appearing in the Closing Transcript, and to the best of our information and belief, all of the statements made therein are true and correct.

16. No petition has been filed with the Municipality protesting against issuance of the Notes, and any period for filing such a petition as permitted by law has expired.

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

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

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

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

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

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

23. Excluding the Notes and the \$964,017 Taxable General Obligation Promissory Notes, Series 2025B, dated the date hereof (the "2025B Notes"), the Municipality currently has outstanding general obligation indebtedness in an aggregate principal amount not exceeding \$40,805,000.

24. The total general obligation indebtedness of the Municipality, including the Notes and the 2025B Notes is not more than \$42,045,935 and does not exceed any general or special constitutional or statutory limitation thereon.

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

26. The Municipality has delivered the Notes to the State on the date of this Certificate.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official seal of the Municipality as of September 24, 2025.

CITY OF WATERTOWN, WISCONSIN

(SEAL)

By: _____
Robert Stocks
Mayor

By: _____
Megan Dunneisen
City Clerk

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 WATERTOWN

By: _____
Robert Stocks
Mayor

Attest: _____
Megan Dunneisen
City Clerk

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

By: _____
Authorized Officer

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Officer

REGISTERED NO. 1	UNITED STATES OF AMERICA STATE OF WISCONSIN JEFFERSON AND DODGE COUNTIES CITY OF WATERTOWN	REGISTERED \$276,918
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TAXABLE GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2025A

Final <u>Maturity Date</u>	Date of <u>Original Issue</u>
May 1, 2035	September 24, 2025

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

FOR VALUE RECEIVED the City of Watertown, Jefferson and Dodge Counties, Wisconsin (the "Municipality") hereby acknowledges itself to owe and promises to pay to the registered owner shown above, or registered assigns, the principal sum of an amount not to exceed TWO HUNDRED SEVENTY-SIX THOUSAND NINE HUNDRED EIGHTEEN DOLLARS (\$276,918) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2028 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 0.250% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of May and November of each year, with the first interest being payable on May 1, 2026.

The principal amount evidenced by this Note may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement entered by and between the Municipality and the State of Wisconsin by the Department of Natural Resources and the Department of Administration (the "Financial Assistance Agreement") including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 2028 in an amount equal to an amount which when amortized over the remaining term of this Note plus current payments of interest (but only on amounts drawn hereunder) at Zero and 250/1000ths percent (0.250%) per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis in the format shown on the attached Schedule A.

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

This Note shall not be redeemable prior to its maturity, except as provided in the Financial Assistance Agreement.

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

This Note is issued for the purpose of providing for the payment of the cost of the replacement of lead service lines, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 67.12(12), Wisconsin Statutes, and a resolution adopted September 2, 2025, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$276,918 Taxable General Obligation Promissory Notes, Series 2025A, and Providing for Other Details and Covenants With Respect Thereto". The principal of and interest on this Note are payable in lawful money of the United States of America as aforesaid, and for the prompt payment of the principal and interest on this Note, and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the Municipality are hereby irrevocably pledged.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of this Note have existed, have happened and have been performed in due time, form and manner as required by law; that the indebtedness of the Municipality, including this Note and the issue of which it is a part, does not exceed any limitation, general or special, imposed by law; and that a valid, direct, annual irrepealable tax has been levied by the Municipality sufficient to pay the interest on this Note when it falls due and also to pay and discharge the principal hereof at maturity.

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

CITY OF WATERTOWN, WISCONSIN

(SEAL)

By: _____
Robert Stocks
Mayor

By: _____
Megan Dunneisen
City Clerk

ASSIGNMENT

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

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

Please insert Social Security or other identifying number of Assignee

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

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

Dated: _____

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

Signature(s) guaranteed by

SCHEDULE A

\$276,918

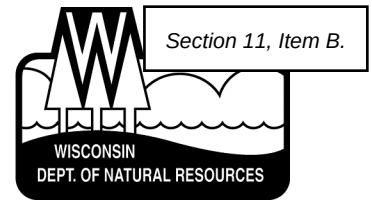
CITY OF WATERTOWN, WISCONSIN
TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025A

<u>Amount of Disburse- ment</u>	<u>Date of Disbursement</u>	<u>Series of Notes</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Amount</u>
May 1, 2028	\$34,313.01
May 1, 2029	34,398.79
May 1, 2030	34,484.78
May 1, 2031	34,571.00
May 1, 2032	34,657.42
May 1, 2033	34,744.07
May 1, 2034	34,830.93
May 1, 2035	34,918.00



August 26, 2025

PETER HARTZ, WATER SYSTEM MANAGER
CITY OF WATERTOWN
106 JONES STREET
PO BOX 477
WATERTOWN WI 53094

SUBJECT: Safe Drinking Water Loan Program, Project No. 5439-07
BIL SFY25 LSL Program-- CT 9620
Financial Assistance Agreement - September 24, 2025

Dear Peter Hartz:

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

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 September 24, 2025, we need to follow the Loan Closing Schedule (Attachment 1).

The City of Watertown 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, Kate Leja-Brennan, at 608-261-7434, for assistance with execution of the FAA, Request for Disbursement (Form 8700-366), or other SDWLP documents.

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

Sincerely,

A handwritten signature in blue ink, which appears to read 'Becky Scott', is placed below the word 'Sincerely,'.

Becky Scott, Section Manager
Environmental Loans Section
Bureau of Community Financial Assistance

Electronic Copies: Jacob Lichter, Quarles & Brady LLP - Milwaukee
Justin Bilskemper, Strand Associates, Inc., Madison
Capital Finance Office - DOA/10

ATTACHMENT #1

Safe Drinking Water Loan Program Project No. 5439-07
City of Watertown
BIL SFY25 LSL Program-- CT 9620
Financial Assistance Agreement – Closing Schedule

By August 12, 2025:

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

By August 26, 2025:

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

On September 2, 2025:

- 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 September 3, 2025, VIA OVERNIGHT DELIVERY:

- 1. Municipality scans FAA signature page and sends via e-mail to Quarles & Brady LLP and Kate Leja-Brennan.
 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 September 22, 2025:

- Quarles & Brady LLP sends original signed and sealed Bond R-1 and emails a copy of the fully executed bond transcript to DOA.

September 24, 2025:

- 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.

ATTACHMENT #2

Safe Drinking Water Loan Program Project No. 5439-07
City of Watertown
BIL SFY25 LSL Program-- CT 9620
Financial Assistance Agreement Summary
Distribution Sheet

LOAN INFO

Total Project Amount: \$8,218,522

Principal Forgiveness Amount: \$830,757

Net SDWLP Loan Amount: \$276,918

SDWLP 5439-09: \$2,001,523

SDWLP 5439-08: \$1,928,034

SDWLP 5439-99: \$3,181,290

Pledge: Taxable General Obligation

Federal Equivalency Project: X Yes No

Composite Interest Rate: 0.250% Loan Term: 10 Years

DOCUMENT INFO

Date of Municipal Obligation Resolution – September 2, 2025

CLOSING INFO

Refinancing: None

Date of Refinancing: N/A

Estimated First Disbursement: N/A

MUNICIPAL INFO

Municipal ID: 28291

Substantial Completion Date: October 1, 2027

DISTRIBUTION

Department of Natural Resources

Kate Leja-Brennan
Bureau of Community Financial Assistance
101 South Webster Street, 2nd Floor
PO Box 7921
Madison WI 53707-7921
608-852-1937
kathryn.leja@wisconsin.gov

Department of Administration

Amy Johnson
State of Wisconsin DOA Capital Finance Office
101 East Wilson Street, 10th Floor
PO Box 7864
Madison WI 53707-7864
608-266-0739
amyc.johnson@wisconsin.gov

Municipality

Mayor/Chairman
Peter Hartz
City of Watertown
106 Jones Street
PO Box 477
Watertown WI 53094
920-262-4000
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Financial Assistance Agreement
Safe Drinking Water Loan Program
Form 8700-214 rev 10/24

STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM
LEAD SERVICE LINE REPLACEMENT
FINANCIAL ASSISTANCE AGREEMENT WITH PRINCIPAL FORGIVENESS

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF ADMINISTRATION

and

CITY OF WATERTOWN

\$1,107,675 With up to \$830,757 PRINCIPAL FORGIVENESS

FINANCIAL ASSISTANCE AGREEMENT

Dated as of September 24, 2025

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. 28291
Safe Drinking Water Loan Program Project No. 5439-07

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WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated September 24, 2025, 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 Watertown, 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, Wis. Stats., established the SDWLP to be used in part for purposes of the Act; and

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

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

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

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

WHEREAS, DOA determined the SDWLP will provide financial assistance to the Municipality by making a loan (the "Loan") pursuant to s. 281.59(9), Wis. Stats., for the purposes of that subsection and providing principal forgiveness; 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 SDWLP that it has created a dedicated source of revenue, which may constitute taxes levied by the Municipality with respect to a general obligation of the Municipality, for repayment of the Municipal Obligations; and

WHEREAS, the Municipality, when required, 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 30, 2024, 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.

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

"Final Completion" means all Service Lines to be financed under this FAA have been installed and the Municipality has submitted all necessary Project closeout documentation, including the final request for disbursement of Financial Assistance to the Municipality.

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

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

"Lead Service Line" or "LSL" means (i) all or a portion of a water Service Line constructed of lead, and/or (ii) all or a portion of a water Service Line constructed of galvanized material that is or was downstream of lead.

“Lead Service Line Replacement Program” means the subprogram of the SDWLP which provides funding from the Bipartisan Infrastructure Law for replacement of Lead Service Lines and is managed and administered by DNR and DOA.

"Loan" means the loan or loans made by the SDWLP to the Municipality of which a portion of the principal will be forgiven pursuant to this FAA.

"Loan Disbursement Table" means the table, maintained by DOA, with columns for inserting the following information for the portion of the Loan which is to be repaid with interest:

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

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

- (a) 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 general obligations of the Municipality, and the full faith and credit of the Municipality is pledged for the payment of principal thereof and interest thereon as and when it becomes due; and
- (e) interest on the Municipal Obligations is included in gross income of the owners thereof for federal income taxation purposes.

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

"Municipal Obligations" means the bonds or notes issued and delivered by the Municipality to the SDWLP, a specimen copy of which is included in the Municipal Obligations transcript, in exchange for the portion of the Loan which is not subject to Principal Forgiveness.

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

“Principal Forgiveness” means Financial Assistance received in the form of forgiveness of a portion of the Loan principal pursuant to the Act, Regulations, and this FAA of which no repayment thereof shall be required except as may be required per the Act, Statute, Regulations, or this FAA. The total amount of principal forgiveness available for this Project as of the date of this FAA is \$830,757.

"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 on February 15, 2017, 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. 5439-07 by DNR, described in the Project Manager Summary Page (Exhibit F), and further described in the DNR approval letter(s), if any, 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, or are costs for which DNR granted a variance to a portion of the Regulations to make them allowable, which have been incurred by the Municipality or the applicable private property owner, 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 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, and ch. 145, Wis. Stats, as administered by the Department of Safety and Professional Services, 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.

"Service Line" means the water service piping from the corporation stop of a municipally-owned water main or service line to the meter, isolation valve, or other water utility service terminal on the served property.

"Servicing Fee" means any servicing fee that may be imposed by DNR and DOA pursuant to s. 281.61(5)(b), 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 3.09 hereof.

"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.

"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 pursuant to the Municipality's Water Rates or otherwise.

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

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

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

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

- (a) Words importing the singular number shall include the plural number and vice versa, and one gender shall include all genders.
- (b) All references herein to particular articles or sections are references to articles or sections of this FAA.
- (c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this FAA, nor shall they affect its meaning, construction, or effect.
- (d) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms as used in this FAA refer to 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) Reserved.
- (b) Pursuant to the Statute, the SDWLP 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) Reserved.
- (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 therefore, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or which, in any way, could adversely affect the validity of this FAA or any agreement or instrument to which the State is a party and which is used or contemplated for use in consummation of the transactions contemplated by each of the foregoing.

(g) The Project is on the DNR funding list for the 2025 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), (u), and (ee) 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 \$276,918 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 and legally-binding general obligations of the Municipality secured as set forth therein.

(i) The resolutions of the Municipality accepting the Financial Assistance and authorizing the execution and delivery of this FAA and the transactions contemplated hereunder 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 any public portion of the Project, carry on its activities relating thereto, undertake and complete or cause the property owner to 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 Financial Assistance made hereunder have been spent on eligible Project Costs. All Project Costs are reasonable, necessary, and allocable by the Municipality to the Project under generally accepted accounting principles. None of the proceeds of the Financial Assistance shall be used directly or indirectly by the Municipality as working capital or to finance inventory, as opposed to capital improvements.

(n) The Project is 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) Reserved.

(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) Reserved.

(r) Reserved.

(s) The Municipality represents that it has satisfied and shall continue to satisfy all the applicable requirements in ss. 281.61(4), (5), and (8m), Wis. Stats., ch. NR 166, Wis. Adm. Code, and ch. 145 Wis. Stats.

(t) The Municipality has levied a tax 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 Wisconsin Fund construction grants program, the SDWLP, or the CWFP.

(v) Reserved.

(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 expected Substantial Completion date of the Project is October 1, 2027.

(x) If the Municipality fails to make a principal repayment or interest payment after its due date, the department of administration shall place on file a certified statement of all amounts due under this section and s. 281.58 or 281.61 or s. 281.60, 2021 stats. After consulting the department, the department of administration may collect all amounts due by deducting those amounts from any state payments due the municipality or may add a special charge to the amount of taxes apportioned to and levied upon the county under s. 70.60. If the department of administration collects amounts due, it shall remit those amounts to the fund to which they are due and notify the department of that action.

(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 Water System or, in the case of a joint utility system, to bill the users of the 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) Reserved.

(cc) The Municipality acknowledges that it is eligible to receive Financial Assistance in the form of a Loan of \$1,107,675 with Principal Forgiveness of \$830,757 for payment of Project Costs.

- (dd) The Municipality acknowledges that they have final responsibility for assuring compliance with all federal requirements of the Lead Service Line Replacement Program whether the work is completed under a municipally-bid contract or completed utilizing a prequalified list of plumbers and contractors from which property owners contract directly.
- (ee) The Municipality has met all terms and conditions contained herein and certifies that the Project funded through this agreement will result in the entire Service Line being lead-free and that no partial replacement will result in a Service Line that is still partially lead.

ARTICLE III
LOAN PROVISIONS

Section 3.01. Loan Clauses

- (a) Subject to the conditions and in accordance with the terms of this FAA, the SDWLP hereby agrees to make the Loan, and the Municipality agrees to accept the Loan. As evidence of the portion of the Loan made to the Municipality remaining subsequent to the Principal Forgiveness, the Municipality hereby agrees to sell to the SDWLP Municipal Obligations in the aggregate principal amount of \$276,918. 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 zero and 250/1000ths percent (0.250%) per annum, and interest shall accrue and be payable only on Loan principal amounts actually disbursed on the Municipal from the date of disbursement until the date such amounts are repaid or forgiven.
- (d) Disbursements of Financial Assistance shall generally be made: first in the form of Loan disbursements that include the applicable percentage of Principal Forgiveness up to \$830,757; and second, if the Principal Forgiveness cap has been reached, in the form of Loan disbursements on the Municipal Obligations. Principal Forgiveness will be applied at the time of Loan disbursement.
- (e) The Department of Administration shall maintain a Loan Disbursement Table on its website <http://eif.doa.wi.gov/start>. DOA shall make entries as each disbursement is made and as each principal amount is repaid; the SDWLP and the Municipality agree that such entries shall be mutually binding.
- (f) Upon Final Completion of the Project, DOA may request that the Municipality issue substitute Municipal Obligations in the aggregate principal amount equal to the outstanding principal balance of the Municipal Obligations.
- (g) The Municipality shall deliver, or cause to be delivered, a Municipal Obligation Counsel Opinion to the SDWLP concurrently with the delivery of the Municipal Obligations.

Section 3.02. Type of Municipal Obligation and Security The Municipality's obligation to meet annual debt service requirements on the Municipal Obligations shall be a general obligation evidenced by issuance of taxable general obligation notes pursuant to ch. 67, Wis. Stats.

Section 3.03. Municipal Obligations Amortization Principal and interest payments on the Municipal Obligations shall be due on the dates set forth in Exhibit B of this FAA. The payment amounts shown on Exhibit B are for informational purposes only and assume the full amount of the Municipal Obligations is disbursed and that the full amount of Principal Forgiveness available is applied to the Loan on September 24, 2025. It is understood that the actual amounts of the Municipality's Municipal Obligations payments shall be based on the actual dates and amounts of disbursements on the Municipal Obligations. Notwithstanding the foregoing or anything in the Municipal Obligations, the Municipal Obligations shall be for no longer than ten (10) years from the date of this FAA and shall mature and be fully amortized not later than ten (10) years after the original issue date of the Municipal Obligations. Repayment of principal on the Municipal Obligations shall begin not later than twelve (12) months after the expected or actual Substantial Completion date of the Project.

Section 3.04. Sale and Redemption of Municipal Obligations

- (a) Municipal Obligations may be prepaid with prior written consent of the SDWLP. The SDWLP has sole discretion to withhold such consent. Advance notice of prepayment requests must be submitted to doaeif@wisconsin.gov. Only electronic prepayments will be accepted and payments must occur on the published DNR and DOA disbursement dates.
- (b) The Municipality shall pay all costs and expenses of the SDWLP in effecting the redemption of the Bonds to be redeemed with the proceeds of the prepayment of the Municipal Obligations. Such costs and expenses may include any prepayment premium applicable to the SDWLP and any investment losses incurred or sustained by the SDWLP resulting directly or indirectly from any such prepayment.
- (c) Subject to subsection (a), the Municipality may prepay the Municipal Obligations with any settlements received from any third party relating to the design or construction of the Project.
- (d) Prepayments of the Municipal Obligations shall be applied pro rata to all maturities of the Municipal Obligations unless otherwise agreed to by the State.

Section 3.05. Disbursement of Financial Assistance

- (a) Under this FAA, Financial Assistance shall be drawn in the order specified in Section 3.01(d) of this document.
- (b) Each disbursement request shall be delivered to DNR. Each request must contain invoices or other evidence acceptable to DNR and DOA that Project Costs for which disbursement of Financial Assistance is requested have been incurred by the Municipality or the applicable private property owner.
- (c) The SDWLP, through its agents or Trustee, plans to make disbursements of Financial Assistance on a semimonthly basis upon approval of each disbursement request by DNR and DOA. Such approval by DNR and DOA may require adjustment and corrections to the disbursement request submitted by the Municipality. The Municipality shall be notified whenever such an adjustment or correction is made by DNR or DOA.
- (d) Disbursements made to the Municipality are subject to pre- and post-payment adjustments by DNR or DOA.
 - (1) If the Financial Assistance is not yet fully disbursed, and SDWLP funds were previously disbursed for costs not eligible for SDWLP funding or not eligible under this FAA, the SDWLP shall make necessary adjustments to future disbursements.

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

(f) Disbursement to the Municipality beyond ninety-five percent (95%) of the total 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, 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, if applicable;
- (3) the Municipality certifies in writing to DNR its compliance with applicable Federal requirements (certification must be as prescribed on Exhibit C);
- (4) the Municipality furnishes reports and provides data and such other information as SDWLP may require prior to Project closeout; and
- (5) DNR certifies in writing to DOA the Municipality's compliance with all applicable requirements of this FAA.

Section 3.06. Remedies

(a) If the Municipality or any agent thereof:

- (1) 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 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 Water 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 Municipal Obligations As security for the Municipal Obligations, the Municipality hereby pledges the full faith and credit of the Municipality and an irrevocable levy of ad valorem taxes (which is a dedicated source of revenue) in accordance with the terms of the Municipal Obligation Resolution and may include revenues of the Water System which are appropriated and irrevocably deposited in the debt service fund for the Municipal Obligations; provided, however, that any such revenues of the Water System shall not be derived from rate-payer funds. Pursuant to s.67.05(10), Wis. Stats., the tax levy may be reduced by the amounts of revenues so deposited.

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.

Section 3.09. Other Amounts Payable The Municipality hereby expressly agrees to pay to the SDWLP:

- (a) such Servicing Fee as the SDWLP may impose pursuant to s. 281.61(5)(b), 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 3.09 shall be deposited in the Equity Fund established pursuant to the Program Resolution.

ARTICLE IV CONSTRUCTION OF THE PROJECT

Section 4.01. Insurance When utilizing a municipally-bid contract, the Municipality agrees to maintain property and liability insurance for the Project that is reasonable in amount and coverage and that is consistent with prudent municipal insurance practices for the term of this FAA. The Municipality agrees to provide written evidence of insurance coverage to the SDWLP upon request at any time during the term of this FAA.

In the event the 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 Project.

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. 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.
- (b) During construction of the Project, if a Lead Service Line is replaced that results in creation of a partial Lead Service Line due to the remaining portion of the Service Line also containing lead, or containing galvanized iron or galvanized steel that is or has been downstream of lead, the SDWLP shall not provide funding for the Lead Service Line replacement until the remaining side of the Service Line has also been replaced.
- (c) Pitcher filters or point-of-use filtration that have been certified to NSF/ANSI 53 for the reduction of lead shall be provided from the start of replacement until at least six months following completion of the replacement. 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 any municipally-bid 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 or the applicable property owner 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. At or prior to completion of the Project, the Municipality shall cause to be prepared for the Project documentation which will include, for each replacement:

- (1) property address,
- (2) property type (residential, school, daycare, commercial, other),
- (3) original Service Line material,
- (4) new Service Line material; and
- (5) Service Line ownership (public, private, both).

(c) As applicable, 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, the Municipality shall:

- (1) complete and deliver to DNR the documentation described in Section 4.04(b) above;
- (2) prepare and deliver to DNR the completed Federal Requirements Compliance Certification attached hereto as Exhibit E of this FAA; and
- (3) if the Project included work performed under a municipally-bid contract, prepare and deliver to DNR the completed Contract Utilization of Disadvantaged Business Enterprises (DBE) form attached hereto as Exhibit E of this FAA.
- (4) certify to DNR its acceptance of the Project from its contractors, subject to claim against contractors and third parties;

Section 4.05. Payment of Additional Project Costs

- (a) In the event of revised eligibility determinations, cost overruns, and amendments exceeding the Financial Assistance amount, the SDWLP may allocate additional financial assistance to 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, which shall be at the sole discretion of the State, depends on, among other things, the availability of funds pursuant to the Statute and the Regulations.
- (b) In the event this Financial Assistance is not sufficient to pay the costs of the Project in full, the Municipality shall nonetheless complete the Project and pay that portion of the Project Costs as may be in excess of available Financial Assistance, and shall not be entitled to any reimbursement thereof from the SDWLP, or bonds issued to fund Financial Assistance, except from the proceeds of additional financing which may be provided by the SDWLP 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 SDWLP, DOA or DNR makes any warranty, either express or implied, as to the Project or its condition, or that it shall be suitable for the Municipality's purposes or needs, or that the Financial Assistance shall be sufficient to pay the costs of the Project. Review or approval of engineering reports, facilities plans, the 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, and build 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 Project documents. Nothing in this section prohibits a Municipality from requiring more assurances, guarantees, indemnity, or other contractual requirements from any party performing Project work.

ARTICLE V
COVENANTS

Section 5.01. Application of Financial Assistance The Municipality shall apply the proceeds of the Financial Assistance solely to Project Costs.

Section 5.02. Reserved

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

Section 5.04. Reserved

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 Financial Assistance shall be credited promptly upon receipt thereof and shall be reimbursement for or expended only for Project Costs. The Municipality shall: permit any authorized representative of DNR or DOA, or agents thereof, the right to review or audit all records relating to the Project or the Financial Assistance; 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.

Section 5.07. Project Areas The Municipality shall permit representatives of DNR access to the Project records at all reasonable times, include provisions in any municipally-bid contracts permitting access during construction, and allow extracts and copies of Project records to be made by DNR representatives.

Section 5.08. Engineering Inspection When utilizing a municipally-bid contract, 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 applicable building codes.

Section 5.09. Reserved

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.

(b) The Municipality covenants that it shall adopt, and 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 Project; 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, or set and collect User Fees as set forth in Section 5.10.

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

Section 5.13. Nondiscrimination Covenant

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

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

(c) The Municipality shall follow all federal statutes and regulations prohibiting discrimination, without limitation, including the following:

(1) Age Discrimination Act, Pub. L. 94-135

(2) Equal Employment Opportunity, Executive Order 11246

(3) Section 13 of the Clean Water Act, Pub. L. 92-500

(4) Section 504 of the Rehabilitation Act, Pub. L. 93-112 supplemented by Executive Orders 11914 and 11250

(5) Title VI of the Civil Rights Act, Pub. L. 88-352

(6) Participation by Disadvantaged Business Enterprises in Procurement, s. NR 162.08(4) and s. NR 166.11(4) Wis. Adm. Code.

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

Section 5.15. Adequate Funds The Municipality shall have sufficient funds available to repay the Municipal Obligations.

Section 5.16. Management When utilizing a municipally-bid contract, the Municipality shall provide and maintain competent and adequate management, supervision, and inspection at the construction site to ensure that the completed work conforms to applicable building codes. The Municipality shall furnish progress reports and such other information as DNR may require.

Section 5.17. Reimbursement Any disbursement of Financial Assistance to the Municipality in excess of the amount determined by final audit to be due the Municipality shall be reimbursed to DOA within 60 days after DNR or DOA provides a notice 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 or as a recovery of a Loan disbursement with Principal Forgiveness (if there is no outstanding principal balance for the Project).

Section 5.20. Maintenance of Legal Existence

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

(b) A Municipality may consolidate with or merge into any other legal entity, dissolve or otherwise dispose of all of its assets or substantially all of its assets, 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 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. To the extent applicable, the Municipality shall comply with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Rewards (Uniform Guidance). For auditor's reference, the SDWLP Project falls under Catalog of Federal Domestic Assistance number 66.468. Without any request the Municipality shall furnish to DOA, at doaeif@wisconsin.gov as soon as available, and in any event within 30 days after completion, the Federal Single Audit. Notification must include acknowledgement of any SRF findings and/or resolution to prior year findings.

Section 5.24. Federal Equivalency Project The Municipality covenants that the Project shall comply with federal requirements applicable to activities supported with federal funds, a list of which is included as Exhibit G of this FAA.

ARTICLE VI MISCELLANEOUS

Section 6.01. Notices All notices, certificates, or other communications hereunder shall be sufficiently given, and shall be deemed given, when electronically delivered, 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 WATERTOWN
106 JONES STREET
PO BOX 477
WATERTOWN WI 53094

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

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

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

Section 6.04. Amendments, Supplements, and Modifications This FAA may be amended, supplemented, or modified to provide for additional financial assistance for the Project by the SDWLP to the Municipality or for other purposes. All amendments, supplements, and modifications shall be in writing between the SDWLP by DNR and DOA acting under authority of the 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, awarding, assigning, and confirming the rights, security interests, and agreements awarded or intended to be awarded by this FAA and relating to the Municipal Obligations.

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

Section 6.10. Covenant by Municipality as to Compliance with 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 WATERTOWN

By: _____
Robert Stocks
Mayor

Attest: _____
Megan Dunneisen
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 WATERTOWN
SDWLP Project No. 5439-07

	Total Project Costs	Eligible SDWLP Costs Paid by 5439-08	Eligible SDWLP Costs Paid by 5439-09	Eligible SDWLP Costs Paid by 5439-99	SDWLP Total Award Amount for this Project 5439-07
Force Account	0.00	0.00	0.00	0.00	0.00
Interim Financing	0.00	0.00	0.00	0.00	0.00
Preliminary Engineering	0.00	0.00	0.00	0.00	0.00
Land or Easement Acquisition	0.00	0.00	0.00	0.00	0.00
Engineering/Construction Mgmt.	0.00	0.00	0.00	0.00	0.00
Construction/Equipment	7,772,734.00	1,812,746.00	1,886,260.00	3,029,800.00	1,043,928.00
Contingency	388,638.00	90,638.00	94,313.00	151,490.00	52,197.00
Miscellaneous Costs	57,150.00	24,650.00	20,950.00	0.00	11,550.00
SDWLP Closing Costs	0.00	0.00	0.00	0.00	0.00
TOTAL	\$8,218,522.00	\$1,928,034.00	\$2,001,523.00	\$3,181,290.00	\$1,107,675.00
Principal Forgiveness Amount					\$830,757.00
Net SDW Loan Amount					\$276,918.00

Principal Forgiveness is 75% for private side construction costs and filters.

City of Watertown, Wisconsin

Exhibit B

Project 5439-07 Safe Drinking Water Fund Program

Loan Closing Date: September 24, 2025

Payment Date	Principal Payment	Interest Rate	Interest Payment	Principal & Interest	Bond Year Debt Service	Calendar Year Debt Service
1-May-26	0.00	0.250%	417.30	417.30	417.30	0.00
1-Nov-26	0.00	0.250%	346.15	346.15	0.00	763.45
1-May-27	0.00	0.250%	346.15	346.15	692.30	0.00
1-Nov-27	0.00	0.250%	346.15	346.15	0.00	692.30
1-May-28	34,313.01	0.250%	346.15	34,659.16	35,005.31	0.00
1-Nov-28	0.00	0.250%	303.26	303.26	0.00	34,962.42
1-May-29	34,398.79	0.250%	303.26	34,702.05	35,005.31	0.00
1-Nov-29	0.00	0.250%	260.26	260.26	0.00	34,962.31
1-May-30	34,484.78	0.250%	260.26	34,745.04	35,005.30	0.00
1-Nov-30	0.00	0.250%	217.15	217.15	0.00	34,962.19
1-May-31	34,571.00	0.250%	217.15	34,788.15	35,005.30	0.00
1-Nov-31	0.00	0.250%	173.94	173.94	0.00	34,962.09
1-May-32	34,657.42	0.250%	173.94	34,831.36	35,005.30	0.00
1-Nov-32	0.00	0.250%	130.62	130.62	0.00	34,961.98
1-May-33	34,744.07	0.250%	130.62	34,874.69	35,005.31	0.00
1-Nov-33	0.00	0.250%	87.19	87.19	0.00	34,961.88
1-May-34	34,830.93	0.250%	87.19	34,918.12	35,005.31	0.00
1-Nov-34	0.00	0.250%	43.65	43.65	0.00	34,961.77
1-May-35	34,918.00	0.250%	43.65	34,961.65	35,005.30	34,961.65
Totals	276,918.00		4,234.04	281,152.04	281,152.04	281,152.04
Net Interest Rate				0.2500%		
Bond Years				1,693.5990		
Average Life				6.1159		

The above schedule assumes full disbursement of the loan on the loan closing date,
19-Aug-25 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 Watertown (the “Municipality”) hereby certify that, for all expenditures made for construction of DNR Project No. 5439-07 (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. 5439-07 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.

UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES (DBE)

Notice: This form is authorized by ss. 281.58, 281.59, and 281.61, Wis. Stats. Submittal of a completed form to the DNR is mandatory prior to receiving a final disbursement. Dollar amounts listed on the form should only include amounts paid under the Financial Assistance Agreement. Information collected on this form will be used for administrative purposes and may be provided to requesters to the extent required by Wisconsin's Public Records Law [ss. 19.31–19.39, Wis. Stats.].

Municipality
City of Watertown

Project Number
5439-07

Project Description
BIL SFY25 LSL Program-- CT 9620

Are any DBEs expected to be utilized on the project? If yes, list below. Yes ☐ No ☒				Enter at Project Closeout	
DBE Firm	Indicate DBE Type	Construction or Non-construction*	Contract Estimate (\$)	Actual Amount Paid to the DBE (\$)	Certifying Agency or List
SAMPLE: ABC Engineering, LLC.	X MBE ☐ WBE ☐ Other	Non-construction	10,000	9,950	WisDOT
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
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	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				

* Construction costs include but are not limited to paving, excavation, HVAC, plumbing, electrical, carpentry, trucking, and equipment. Non-construction costs include but are not limited to professional services, engineering, land acquisition, and supplies.

I hereby certify that, to the best of my knowledge and belief, the information provided on this form is accurate and correct.

Signature of Municipal Representative		Date Signed
Name of Person Completing This Form	Email Address	Phone Number

EXHIBIT F

PROJECT MANAGER SUMMARY PAGE

CITY OF WATERTOWN
SDWLP Project No. 5439-07

1. Project Description: The Municipality bid a contract to replace private and public Lead Service Lines (LSL) over a total of four financial assistance agreements. This Project consists of an estimated 231 private side LSL replacements where the public side was either previously replaced on prior projects or will be replaced at the same time and funded through project 5439-99. This Project is taking place in census tract 9620 in Dodge County.

Eligible replacements under this FAA consist of the replacement of Lead Service Lines from the corporation stop or the curb stop of a municipally-owned water main or Service Line to the meter, or other water utility service terminal on the served property.

All LSL replacements must result in complete removal of all lead components between the watermain and the connection point inside the building. Galvanized Service Lines, on the public or the private side, are considered lead for the purpose of determining whether a Lead Service Line has been completely replaced.

If a Lead Service Line, including both the public portion and the private portion of the line, cannot be replaced in its entirety at one time, resulting in a Service Line that is temporarily composed partially of lead, the water utility is required to provide the customer with filtration during the time between replacements. Filters must be models that have been tested and certified to NSF/ANSI 53 for the reduction of lead. Filters must also be supplied for six months following full LSL replacement. Funding through this FAA shall not be disbursed for those lines until all lead components have been completely replaced, and such replacement is recommended to be completed within 45 days of the initial replacement of a portion of the Lead Service Line but should be replaced within 90 days, unless the public side of the Lead Service Line was replaced prior to participation in the LSL Replacement Program. Please refer to the LSL Replacement Best Practices document attached as Exhibit H.

2. Ineligible Costs: No ineligible costs were identified in the review of this Project. If the DNR identifies ineligible Project Costs as the Project progresses, the DNR will notify the Municipality.

In general, costs that are ineligible for inclusion under this FAA include:

- LSL replacements where either the public side or the private side contains lead and has not been replaced (partial replacements);
- Watermain replacements, even if the watermain has lead joints;
- Premise plumbing, which includes anything downstream of the normal connection point inside the home.

3. Other Funding Sources: The construction contract bid by the municipality is being funded through four awards with DNR. The costs under this award are exclusively for construction, contingency, and filters for the private side in census tract 9620. The costs covered by the other awards are:

Project Number	Eligible PF %	Scope	Costs
5439-08	50% Private Side Only	Municipal	\$1,928,034.00
5439-09	100% Private Side Only	Census Tract 1002	\$2,001,523.00
5439-99	10% Public Side Only	Municipal	\$3,181,290.00

4. Miscellaneous Costs: As shown in the Project Budget Sheet Summary (Exhibit A), SDWLP funding in the amount of \$11,550.00 is included in the miscellaneous category for filters.

5. Contingency Allowance: The Contingency allowance of \$52,197.00 is five percent of the amount of uncompleted construction work. The Municipality must obtain DNR approval of change orders prior to requesting reimbursement.
6. DBE Good Faith Effort: The Municipality made a good faith effort to solicit Disadvantaged Business Enterprises (DBE) when publishing the bid advertisement in the Watertown Daily Times on 3/26/2025 and 4/2/2025. Five Star Energy Services made a good faith effort to solicit DBEs when directly soliciting multiple DBEs. There are no DBEs expected to work on this Project.
7. Davis-Bacon Wage Rate Requirements: For projects where the work was bid as a municipal contract, all work must comply with Davis-Bacon and Related Acts requirements.
8. 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 use of American Iron and Steel requirements of Section 1452 of the Act.
9. Environmental Review: An Environmental Review was completed for this Project which resulted in categorical exclusion with recommended erosion control. A construction site storm water permit may be required if the contiguous project area exceeds 1 acre.
10. Principal Forgiveness: The disadvantaged census tract 9620 is eligible to receive up to 75% Principal Forgiveness (PF) for eligible private side construction costs and filters. There are no other project costs included in this award, making the full \$830,757 private side PF eligible. This PF is solely for the purpose of reducing the cost borne by property owners for replacement of their LSL.
11. Federal Single Audit: This Project is being financed with federal funds and is subject to the Federal Single Audit requirements referenced in Section 5.23 of this FAA. If the Municipality receives more than \$1,000,000 of money that originates from any federal source in a calendar year, then it must commission a Federal Single Audit as part of its regular financial audit. The Catalog of Federal Domestic Assistance number is 66.468 for drinking water project disbursements funded with federal money.
12. Closeout Documentation: At Project completion the Municipality must submit to DNR the documentation described in section 4.04(b) of this FAA, which will include reporting for each replaced Service Line:
 1. property address,
 2. property type (residential, school, daycare, commercial, other),
 3. original Service Line material,
 4. new Service Line material; and,
 5. Service Line ownership (public, private, both)

EXHIBIT G

LIST OF FEDERAL LAWS AND AUTHORITIES

The Municipality acknowledges that the Project is designated as a Federal Equivalency project, which is subject to additional federal requirements listed below.

- Archaeological and Historic Preservation Act of 1974 (P.L. 93-291, as amended) 16 U.S.C. §469a-1
- Build America, Buy America Act (BABA), P.L. 117-58, §§ 70901-52
- Clean Air Act Conformity (P.L. 95-95, as amended) 42 U.S.C. §7506(c)
- Coastal Barriers Resources Act (P.L. 97-348) 16 U.S.C. §3501 et. seq.
- Coastal Zone Management Act (P.L. 92-583, as amended) 16 U.S.C. §1451 et. seq.
- Debarment and Suspension (Executive Order 12549)
- Demonstration Cities & Metropolitan Development Act (P.L. 89-754, as amended) 42 U.S.C. §3331 et. seq.
- Endangered Species Act (P.L. 93-205, as amended) 16 U.S.C. §1531 et. seq.
- Enhancing Public Awareness of SRF Assistance Agreements (EPA Office of Water Memo dated June 3, 2015)
- Environmental Justice (Executive Order 12898)
- Equal Employment Opportunity (Executive Order 11246)
- Farmland Protection Policy Act (P.L. 97-98) 7 U.S.C. §4201 et. seq.
- Federal Single Audit Act (2 CFR 200 Subpart F)
- Fish and Wildlife Coordination Act (P.L. 85-624, as amended) 16 U.S.C. §661
- Floodplain Management (Executive Order 11988, as amended)
- National Historic Preservation Act of 1966 (P.L. 89-665, as amended) 54 U.S.C. §300101 et. seq.
- NEPA-like Environmental Review (National Environmental Policy Act)
- Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment (2 CFR 200.216)
- Promoting the Use of Small, Minority, & Women-owned Businesses (Executive Orders 11625, 12138, & 12432)
- Protection and Enhancement of the Cultural Environment (Executive Order 11593)
- Protection of Wetlands (Executive Order 11990, as amended)
- Uniform Relocation Assistance and Real Property Acquisition Policies Act (P.L. 91-646, as amended)
- Wild & Scenic Rivers Act (P.L. 90-542, as amended) 16 U.S.C. §1271 et. seq.

EXHIBIT H

BEST PRACTICES FOR LEAD SERVICE LINE REPLACEMENTS

➤ **Participants in the Lead Service Line Replacement Program are expected to follow these steps.**

Lead Service Line Replacement Requirements under the Lead & Copper Rule Revisions (LCRR)

1. **Notice and Public Education.** Provide notice to the owner of the affected service line as well as non-owner resident(s) served by the affected service line within 24 hours of completion of the replacement. The notice must include all the following information, in accordance with §141.85(a) of the LCRR.
 - Explain that consumers may experience a temporary increase of lead levels in their drinking water due to the replacement.
 - Provide information about the health effects of lead.
 - Provide information about actions consumers can take to minimize their exposure to lead in drinking water.
2. **Flushing Information.** Provide information about service line flushing before the replaced service line is returned to service.
3. **Filters.** Provide the consumer(s) with a pitcher filter or point-of-use device certified by an American National Standards Institute accredited certifier to NSF/ANSI 53 for the reduction of lead, six months of replacement cartridges, and instructions for use before the replaced service line is returned to service.
4. **Follow-up Sampling.** Offer to the consumer to take a follow up tap sample between three months and six months after completion of the replacement and provide the results of the sample to the consumer.

RESOLUTION NO. 9782

RESOLUTION AUTHORIZING THE ISSUANCE AND
SALE OF UP TO \$964,017 TAXABLE GENERAL OBLIGATION PROMISSORY NOTES,
SERIES 2025B,
AND PROVIDING FOR OTHER DETAILS AND COVENANTS
WITH RESPECT THERETO

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

WHEREAS, certain improvements, including the replacement of lead service lines, are necessary to meet the needs of the Municipality and the residents thereof, consisting of the construction of a project (the "Project") assigned Safe Drinking Water Loan Program Project No. 5439-08 by the Department of Natural Resources; and

WHEREAS, under the provisions of Section 67.12(12), Wisconsin Statutes, any municipality (as defined in Section 67.01(5), Wisconsin Statutes) may, by action of its governing body, issue promissory notes as evidence of indebtedness for any public purpose (as defined in Section 67.04(1)(b), Wisconsin Statutes) which promissory notes are general obligations of the municipality; and

WHEREAS, the Municipality deems it to be necessary, desirable and in its best interest to authorize and sell general obligation promissory notes of the Municipality, pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, to pay the cost of the Project; and

WHEREAS, such notes are to be issued for purposes of Sections 281.58, 281.59, 281.60 or 281.61, Wisconsin Statutes; and

WHEREAS, due to certain provisions of the Internal Revenue Code of 1986, as amended, it is necessary to issue such notes on a taxable basis, and the State of Wisconsin Safe Drinking Water Loan Program has approved the issuance of such notes on a taxable basis.

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

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

- (a) "Act" means Chapter 67, Wisconsin Statutes;
- (b) "Bond Registrar" means the Municipal Treasurer which shall act as Paying Agent for the Notes;

(c) "Debt Service Fund" means the Debt Service Fund of the Municipality, which shall be the "debt service fund" as such term is defined in the Act;

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

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

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

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

(h) "Municipality" means the City of Watertown, Jefferson and Dodge Counties, Wisconsin;

(i) "Notes" means the \$964,017 Taxable General Obligation Promissory Notes, Series 2025B, of the Municipality dated their date of issuance, authorized to be issued by this Resolution;

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

(k) "Project" means the Project described in the preamble to this Resolution; and

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

Section 2. Authorization of the Notes and the Financial Assistance Agreement. For the purpose of paying the cost of the Project (including legal, fiscal, engineering and other expenses), there shall be borrowed on the full faith and credit of the Municipality up to the sum of \$964,017; and fully registered general obligation promissory notes of the Municipality are authorized to be issued in evidence thereof and sold to the State of Wisconsin Safe Drinking Water Loan Program in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference and the Mayor and City Clerk of the Municipality are hereby authorized, by and on behalf of the Municipality, to execute the Financial Assistance Agreement.

Section 3. Terms of the Notes. The Notes shall be designated "Taxable General Obligation Promissory Notes, Series 2025B" (the "Notes"); shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 0.250% per annum; shall be issued in denominations of \$0.01 or any integral multiple thereof; and shall mature on the dates and in the amounts as set forth in Exhibit B of the Financial Assistance Agreement and in the Note form attached hereto as Exhibit A as it is from time to time adjusted by the State of

Wisconsin based upon the actual draws made by the Municipality. Interest on the Notes shall be payable commencing on May 1, 2026 and semiannually thereafter on May 1 and November 1 of each year. The Notes shall not be subject to redemption prior to maturity except as provided in the Financial Assistance Agreement.

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

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

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

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

Section 5. Application of Note Proceeds; Borrowed Money Fund. The sale proceeds of the Notes (exclusive of accrued interest and any premium received, which shall be deposited in the Debt Service Fund) shall, forthwith upon receipt, be placed in and kept by the Treasurer as a separate fund to be known as the "Taxable General Obligation Promissory Notes, Series 2025B, Borrowed Money Fund" (hereinafter referred to as the "Borrowed Money Fund"). Monies in the Borrowed Money Fund shall be used solely for the purposes for which borrowed or for transfer to the Debt Service Fund as provided by law. Moneys in the Borrowed Money Fund shall be disbursed within three (3) business days of their receipt from the State of Wisconsin and shall not be invested in any interest-bearing account.

Section 6. Tax Levy. (a) For the express purpose of paying interest on the Notes as it falls due and also to pay and discharge the principal thereof at maturity, the full faith, credit and taxing powers of the Municipality are hereby pledged and there is hereby levied upon all of the taxable property in the Municipality, in addition to all other taxes, a direct, annual irrevocable tax in an amount and at the times sufficient for that purpose. This tax shall be levied in the years 2025 through 2034, inclusive, and shall be in such amounts as are necessary to provide for payment of the principal of and interest on the Notes in 2026 through 2035, inclusive, when due.

Assuming the entire principal amount of the Notes is drawn as of the closing date, this tax will be levied for collection in the following years in the following amounts:

<u>Tax Collection</u> <u>Year</u>	<u>Amount</u>
2026	\$ 2,657.74
2027	2,410.04
2028	121,712.41
2029	121,712.04
2030	121,711.67
2031	121,711.29
2032	121,710.91
2033	121,710.54
2034	121,710.16
2035	121,709.78

The actual tax carried onto the tax rolls each year shall equal the amount necessary to repay the actual principal amount drawn under the Notes, and any interest thereon, when due.

(b) The Municipality shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Notes, said tax shall be, from year to year, carried into the tax rolls of the Municipality and collected as other taxes are collected, provided that the amount of tax carried into said tax rolls may be reduced in any year by the amount of any surplus money in the Debt Service Fund created in Section 7 hereof.

(c) If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Notes when due, the requisite amounts shall be paid from other funds of the Municipality then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 7. Debt Service Fund. The proceeds of the taxes levied pursuant to Section 6 above, when collected by the Municipal Treasurer, and such further deposits as may be required by Section 67.11, Wisconsin Statutes, shall be placed and kept by the Municipal Treasurer as a separate fund irrevocably pledged for paying the principal of and interest on the Notes so long as any such Notes shall remain outstanding, to be known as the "Taxable General Obligation Promissory Notes, Series 2025B Debt Service Fund" (hereinafter referred to as "Debt Service Fund"). The accrued interest and any premium received at the time of delivery of the Notes shall be paid into the Debt Service Fund. Interest on or principal of the Notes falling due at any time when there shall be on hand in the Debt Service Fund insufficient funds for the payment of such principal and interest shall be paid promptly when due from other funds of the Municipality.

Section 8. Deposits and Investments. The Debt Service Fund shall be kept apart from monies in the other funds and accounts of the Municipality and the same shall be used for no purpose other than the prompt payment of principal of and interest on the Notes as the same becomes due and payable. All monies therein shall be deposited in special and segregated accounts in a public depository selected under Chapter 34 of the Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section

66.0603(1m) and 67.10(3), Wisconsin Statutes. All income derived from such investments shall be regarded as revenues of the Municipality.

Section 9. Operation of Project; Municipality Covenants. It is covenanted and agreed by the Municipality with the owner or owners of the Notes, and each of them, that the Municipality will perform all of the obligations of the Municipality as set forth in the Financial Assistance Agreement.

Section 10. Sale of Notes. The sale of the Notes to the State of Wisconsin Safe Drinking Water Loan Program for the purchase price of up to \$964,017 and at par, is ratified and confirmed; and the officers of the Municipality are authorized and directed to do any and all acts, including executing the Financial Assistance Agreement and the Notes as hereinabove provided, necessary to conclude delivery of the Notes to said purchaser, as soon after adoption of this Resolution as is convenient. The purchase price for the Notes shall be paid upon requisition therefor as provided in the Financial Assistance Agreement, and the officers of the Municipality are authorized to prepare and submit to the State requisitions and disbursement requests in anticipation of the execution of the Financial Assistance Agreement and the issuance of the Notes.

Section 11. Amendment to Resolution. After the issuance of any of the Notes, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Notes have been paid in full as to both principal and interest, or discharged as herein provided, except: (a) the Municipality may, from time to time, amend this Resolution without the consent of any of the owners of the Notes, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and (b) this Resolution may be amended, in any respect, with a written consent of the owners of not less than two-thirds (2/3) of the principal amount of the Notes then outstanding, exclusive of Notes held by the Municipality; provided, however, that no amendment shall permit any change in the pledge of tax revenues of the Municipality or the maturity of any Note issued hereunder, or a reduction in the rate of interest on any Note, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Notes may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Note to which the change is applicable.

Section 12. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owner or owners of the Notes, and after issuance of any of the Notes no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 11, until all of the Notes have been paid in full as to both principal and interest. The owner or owners of any of the Notes shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the Municipality, the Governing Body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the Municipality, its Governing Body and any other authorized body, to take any and all actions necessary to carry out all of the provisions and agreements contained in this Resolution.

Section 13. Requirements of Municipality. The officers of the Municipality, staff of the Municipality, attorneys for the Municipality, financial consultants of the Municipality, or other agents or employees of the Municipality are hereby authorized to do all acts and things required of them by this Resolution for the full, punctual and complete performance of all of the provisions of this Resolution.

Section 14. Illegal or Invalid Provisions. In case any one or more of the provisions of this Resolution or any of the Notes shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Notes.

Section 15. Continuing Disclosure. The officers of the Municipality are hereby authorized and directed, if requested by the State of Wisconsin, to provide to the State of Wisconsin Safe Drinking Water Loan Program and to such other persons or entities as directed by the State of Wisconsin such ongoing disclosure regarding the Municipality's financial condition and other matters, at such times and in such manner as the Safe Drinking Water Loan Program may require, in order that securities issued by the Municipality and the State of Wisconsin satisfy rules and regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended and as it may be amended from time to time, imposed on brokers and dealers of municipal securities before the brokers and dealers may buy, sell, or recommend the purchase of such securities.

Section 16. Conflicting Resolutions. All ordinances, resolutions, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage.

Passed: September 2, 2025

Approved: September 2, 2025

Robert Stocks
Mayor

Attest:

Megan Dunneisen
City Clerk

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED NO. _____	UNITED STATES OF AMERICA STATE OF WISCONSIN JEFFERSON AND DODGE COUNTIES CITY OF WATERTOWN	REGISTERED \$ _____
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TAXABLE GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2025B

Final <u>Maturity Date</u>	Date of <u>Original Issue</u>
May 1, 2035	_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

FOR VALUE RECEIVED the City of Watertown, Jefferson and Dodge Counties, Wisconsin (the "Municipality") hereby acknowledges itself to owe and promises to pay to the registered owner shown above, or registered assigns, the principal sum of an amount not to exceed _____ DOLLARS (\$ _____) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2028 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 0.250% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of May and November of each year, with the first interest being payable on May 1, 2026.

The principal amount evidenced by this Note may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement entered by and between the Municipality and the State of Wisconsin by the Department of Natural Resources and the Department of Administration (the "Financial Assistance Agreement") including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 2028 in an amount equal to an amount which when amortized over the remaining term of this Note plus current payments of interest (but only on amounts drawn hereunder) at Zero and 250/1000ths percent (0.250%) per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis in the format shown on the attached Schedule A.

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

This Note shall not be redeemable prior to its maturity, except as provided in the Financial Assistance Agreement.

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

This Note is issued for the purpose of providing for the payment of the cost of the replacement of lead service lines, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 67.12(12), Wisconsin Statutes, and a resolution adopted September 2, 2025, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$964,017 Taxable General Obligation Promissory Notes, Series 2025B, and Providing for Other Details and Covenants With Respect Thereto". The principal of and interest on this Note are payable in lawful money of the United States of America as aforesaid, and for the prompt payment of the principal and interest on this Note, and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the Municipality are hereby irrevocably pledged.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of this Note have existed, have happened and have been performed in due time, form and manner as required by law; that the indebtedness of the Municipality, including this Note and the issue of which it is a part, does not exceed any limitation, general or special, imposed by law; and that a valid, direct, annual irrepealable tax has been levied by the Municipality sufficient to pay the interest on this Note when it falls due and also to pay and discharge the principal hereof at maturity.

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

CITY OF WATERTOWN, WISCONSIN

(SEAL)

By: _____
Robert Stocks
Mayor

By: _____
Megan Dunneisen
City Clerk

COPY

(Form of Assignment)

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

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

Please insert Social Security or other identifying number of Assignee

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

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

Dated: _____

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

Signature(s) guaranteed by

SCHEDULE A

\$964,017

CITY OF WATERTOWN, WISCONSIN
TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025B

<u>Amount of Disburse- ment</u>	<u>Date of Disbursement</u>	<u>Series of Notes</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Amount</u>
May 1, 2028	\$119,451.68
May 1, 2029	119,750.31
May 1, 2030	120,049.69
May 1, 2031	120,349.81
May 1, 2032	120,650.68
May 1, 2033	120,952.31
May 1, 2034	121,254.69
May 1, 2035	121,557.83

\$964,017
City of Watertown, Wisconsin
Taxable General Obligation Promissory Notes, Series 2025B

CLOSING CERTIFICATE

Robert Stocks, the Mayor, and Megan Dunneisen, the City Clerk of the City of Watertown, Jefferson and Dodge Counties, Wisconsin (the "Municipality"), hereby certify as follows:

1. We are the duly qualified and acting Mayor and City Clerk of the Municipality and have been such at all times pertinent to the authorization and delivery of the "Taxable General Obligation Promissory Notes, Series 2025B" of the Municipality (the "Notes").
2. We have executed and sealed the negotiable, fully-registered Notes. The Notes are in the aggregate principal amount of \$964,017, are dated September 24, 2025, and are numbered from 1 upward. The Notes mature in installments of principal due on May 1 of each of the years 2028 through 2035, and bear interest at a rate of 0.250% per annum. We were duly authorized to execute the same.
3. Attached in the Closing Transcript is a true and complete copy of a resolution entitled: "Resolution Authorizing the Issuance and Sale of Up to \$964,017 Taxable General Obligation Promissory Notes, Series 2025B, and Providing for Other Details and Covenants With Respect Thereto" (the "Note Resolution"). The Note Resolution was duly adopted by the Common Council of the Municipality (the "Governing Body") on September 2, 2025. The Note Resolution has not been repealed, amended or modified in any respect and remains in full force and effect today.
4. Attached in the Closing Transcript is a true and complete copy of the Certificate of Compliance with Open Meeting Law Public Notice Requirements with respect to the September 2, 2025 meeting of the Governing Body of the Municipality, evidencing compliance with Subchapter V of Chapter 19, Wisconsin Statutes.
5. Attached in the Closing Transcript is a true and complete copy of the part of the minutes of the September 2, 2025 meeting of the Governing Body wherein the Governing Body adopted the Note Resolution.
6. Attached in the Closing Transcript is a true and complete copy of a sworn affidavit from an authorized representative of the official newspaper of the Municipality, in which a notice has been published pursuant to Section 893.77, Wisconsin Statutes, regarding the adoption of the Note Resolution.
7. Attached in the Closing Transcript is a Specimen Note. The signatures of Robert Stocks, the Mayor, and Megan Dunneisen, the City Clerk of the Municipality, are their respective true signatures, and the seal of the Municipality appearing on the Notes is an accurate impression or facsimile of the seal of the Municipality.

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

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

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

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

12. The meeting of the Governing Body was held on September 2, 2025, at which a quorum was present throughout. The Governing Body consists of nine Alderpersons. At such meeting, the Note Resolution was introduced by one of the Governing Body members in accordance with routinely established procedures of the Governing Body (all Governing Body members having full copies thereof in advance and adequate time to read and examine prior to adoption, and no member objecting); and, on motion duly made and seconded, duly adopted by the affirmative vote of the members present, upon an aye or no vote duly recorded in the Governing Body minutes.

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

14. Attached in the Closing Transcript is a true and complete copy of a "Certificate of Equalized Value," furnished by the state officer authorized by law so to certify, certifying that the aggregate, full, equalized value of all the taxable property in the Municipality, as last determined by the Wisconsin Department of Revenue pursuant to Sections 67.03 and 70.57, Wisconsin Statutes, is \$3,441,450,100, an amount which, to the best of our information and belief, is correct.

15. We have reviewed the Note Resolution appearing in the Closing Transcript, and to the best of our information and belief, all of the statements made therein are true and correct.

16. No petition has been filed with the Municipality protesting against issuance of the Notes, and any period for filing such a petition as permitted by law has expired.

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

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

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

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

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

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

23. Excluding the Notes and the \$276,918 Taxable General Obligation Promissory Notes, Series 2025A, dated the date hereof (the "2025A Notes"), the Municipality currently has outstanding general obligation indebtedness in an aggregate principal amount not exceeding \$40,805,000.

24. The total general obligation indebtedness of the Municipality, including the Notes and the 2025A Notes is not more than \$42,045,935 and does not exceed any general or special constitutional or statutory limitation thereon.

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

26. The Municipality has delivered the Notes to the State on the date of this Certificate.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official seal of the Municipality as of September 24, 2025.

CITY OF WATERTOWN, WISCONSIN

(SEAL)

By: _____
Robert Stocks
Mayor

By: _____
Megan Dunneisen
City Clerk

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 WATERTOWN

By: _____
Robert Stocks
Mayor

Attest: _____
Megan Dunneisen
City Clerk

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

By: _____
Authorized Officer

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Officer

REGISTERED
NO. 1

UNITED STATES OF AMERICA
STATE OF WISCONSIN
JEFFERSON AND DODGE COUNTIES
CITY OF WATERTOWN

REGISTERED
\$964,017

TAXABLE GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2025B

Final
Maturity Date

May 1, 2035

Date of
Original Issue

September 24, 2025

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN
PROGRAM

FOR VALUE RECEIVED the City of Watertown, Jefferson and Dodge Counties, Wisconsin (the "Municipality") hereby acknowledges itself to owe and promises to pay to the registered owner shown above, or registered assigns, the principal sum of an amount not to exceed NINE HUNDRED SIXTY-FOUR THOUSAND SEVENTEEN DOLLARS (\$964,017) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2028 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 0.250% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of May and November of each year, with the first interest being payable on May 1, 2026.

The principal amount evidenced by this Note may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement entered by and between the Municipality and the State of Wisconsin by the Department of Natural Resources and the Department of Administration (the "Financial Assistance Agreement") including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 2028 in an amount equal to an amount which when amortized over the remaining term of this Note plus current payments of interest (but only on amounts drawn hereunder) at Zero and 250/1000ths percent (0.250%) per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis in the format shown on the attached Schedule A.

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

This Note shall not be redeemable prior to its maturity, except as provided in the Financial Assistance Agreement.

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

This Note is issued for the purpose of providing for the payment of the cost of the replacement of lead service lines, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 67.12(12), Wisconsin Statutes, and a resolution adopted September 2, 2025, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$964,017 Taxable General Obligation Promissory Notes, Series 2025B, and Providing for Other Details and Covenants With Respect Thereto". The principal of and interest on this Note are payable in lawful money of the United States of America as aforesaid, and for the prompt payment of the principal and interest on this Note, and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the Municipality are hereby irrevocably pledged.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of this Note have existed, have happened and have been performed in due time, form and manner as required by law; that the indebtedness of the Municipality, including this Note and the issue of which it is a part, does not exceed any limitation, general or special, imposed by law; and that a valid, direct, annual irrevocable tax has been levied by the Municipality sufficient to pay the interest on this Note when it falls due and also to pay and discharge the principal hereof at maturity.

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

CITY OF WATERTOWN, WISCONSIN

(SEAL)

By: _____
Robert Stocks
Mayor

By: _____
Megan Dunneisen
City Clerk

ASSIGNMENT

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

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

Please insert Social Security or other identifying number of Assignee

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

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

Dated: _____

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

Signature(s) guaranteed by

SCHEDULE A

\$964,017

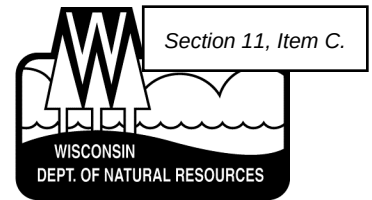
CITY OF WATERTOWN, WISCONSIN
TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025B

<u>Amount of Disburse- ment</u>	<u>Date of Disbursement</u>	<u>Series of Notes</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Amount</u>
May 1, 2028	\$119,451.68
May 1, 2029	119,750.31
May 1, 2030	120,049.69
May 1, 2031	120,349.81
May 1, 2032	120,650.68
May 1, 2033	120,952.31
May 1, 2034	121,254.69
May 1, 2035	121,557.83



August 26, 2025

PETER HARTZ, WATER SYSTEM MANAGER
CITY OF WATERTOWN
106 JONES STREET
PO BOX 477
WATERTOWN WI 53094

SUBJECT: Safe Drinking Water Loan Program, Project No. 5439-08
BIL SFY25 LSL Program-- System-wide
Financial Assistance Agreement - September 24, 2025

Dear Peter Hartz:

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

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 September 24, 2025, we need to follow the Loan Closing Schedule (Attachment 1).

The City of Watertown 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, Kate Leja-Brennan, at 608-261-7434, for assistance with execution of the FAA, Request for Disbursement (Form 8700-366), or other SDWLP documents.

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

Sincerely,

A handwritten signature in blue ink, which appears to read 'Becky Scott', is located below the 'Sincerely,' text.

Becky Scott, Section Manager
Environmental Loans Section
Bureau of Community Financial Assistance

Electronic Copies: Jacob Lichter, Quarles & Brady LLP - Milwaukee
Justin Bilskemper, Strand Associates, Inc., Madison
Capital Finance Office - DOA/10

ATTACHMENT #1

Safe Drinking Water Loan Program Project No. 5439-08
City of Watertown
BIL SFY25 LSL Program-- System-wide
Financial Assistance Agreement – Closing Schedule

By August 12, 2025:

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

By August 26, 2025:

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

On September 2, 2025:

- 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 September 3, 2025, VIA OVERNIGHT DELIVERY:

- 1. Municipality scans FAA signature page and sends via e-mail to Quarles & Brady LLP and Kate Leja-Brennan.
 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 September 22, 2025:

- Quarles & Brady LLP sends original signed and sealed Bond R-1 and emails a copy of the fully executed bond transcript to DOA.

September 24, 2025:

- 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.

ATTACHMENT #2

Safe Drinking Water Loan Program Project No. 5439-08 City of Watertown BIL SFY25 LSL Program-- System-wide Financial Assistance Agreement Summary Distribution Sheet

LOAN INFO

Total Project Amount: \$8,218,522

Principal Forgiveness Amount: \$964,017

Net SDWLP Loan Amount: \$964,017

SDWLP 5439-07: \$1,107,675

SDWLP 5439-09: \$2,001,523

SDWLP 5439-99: \$3,181,290

Pledge: Taxable General Obligation

Federal Equivalency Project: ☒ Yes ☐ No

Composite Interest Rate: 0.250% Loan Term: 10 Years

DOCUMENT INFO

Date of Municipal Obligation Resolution – September 2, 2025

CLOSING INFO

Refinancing: None

Date of Refinancing: N/A

Estimated First Disbursement: N/A

MUNICIPAL INFO

Municipal ID: 28291

Substantial Completion Date: October 1, 2027

DISTRIBUTION

Department of Natural Resources

Kate Leja-Brennan
Bureau of Community Financial Assistance
101 South Webster Street, 2nd Floor
PO Box 7921
Madison WI 53707-7921
608-852-1937
kathryn.leja@wisconsin.gov

Municipality

Peter Hartz
City of Watertown
106 Jones Street
PO Box 477
Watertown WI 53094
920-262-4000
phartz@watertownwi.gov

Department of Administration

Amy Johnson
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Financial Assistance Agreement
Safe Drinking Water Loan Program
Form 8700-214 rev 10/24

STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM
LEAD SERVICE LINE REPLACEMENT
FINANCIAL ASSISTANCE AGREEMENT WITH PRINCIPAL FORGIVENESS

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF ADMINISTRATION

and

CITY OF WATERTOWN

\$1,928,034 With up to \$964,017 PRINCIPAL FORGIVENESS

FINANCIAL ASSISTANCE AGREEMENT

Dated as of September 24, 2025

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. 28291
Safe Drinking Water Loan Program Project No. 5439-08

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WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated September 24, 2025, 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 Watertown, 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, Wis. Stats., established the SDWLP to be used in part for purposes of the Act; and

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

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

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

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

WHEREAS, DOA determined the SDWLP will provide financial assistance to the Municipality by making a loan (the "Loan") pursuant to s. 281.59(9), Wis. Stats., for the purposes of that subsection and providing principal forgiveness; 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 SDWLP that it has created a dedicated source of revenue, which may constitute taxes levied by the Municipality with respect to a general obligation of the Municipality, for repayment of the Municipal Obligations; and

WHEREAS, the Municipality, when required, 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 30, 2024, 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.

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

"Final Completion" means all Service Lines to be financed under this FAA have been installed and the Municipality has submitted all necessary Project closeout documentation, including the final request for disbursement of Financial Assistance to the Municipality.

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

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

"Lead Service Line" or "LSL" means (i) all or a portion of a water Service Line constructed of lead, and/or (ii) all or a portion of a water Service Line constructed of galvanized material that is or was downstream of lead.

“Lead Service Line Replacement Program” means the subprogram of the SDWLP which provides funding from the Bipartisan Infrastructure Law for replacement of Lead Service Lines and is managed and administered by DNR and DOA.

"Loan" means the loan or loans made by the SDWLP to the Municipality of which a portion of the principal will be forgiven pursuant to this FAA.

"Loan Disbursement Table" means the table, maintained by DOA, with columns for inserting the following information for the portion of the Loan which is to be repaid with interest:

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

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

- (a) 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 general obligations of the Municipality, and the full faith and credit of the Municipality is pledged for the payment of principal thereof and interest thereon as and when it becomes due; and
- (e) interest on the Municipal Obligations is included in gross income of the owners thereof for federal income taxation purposes.

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

"Municipal Obligations" means the bonds or notes issued and delivered by the Municipality to the SDWLP, a specimen copy of which is included in the Municipal Obligations transcript, in exchange for the portion of the Loan which is not subject to Principal Forgiveness.

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

“Principal Forgiveness” means Financial Assistance received in the form of forgiveness of a portion of the Loan principal pursuant to the Act, Regulations, and this FAA of which no repayment thereof shall be required except as may be required per the Act, Statute, Regulations, or this FAA. The total amount of principal forgiveness available for this Project as of the date of this FAA is \$964,017.

"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 on February 15, 2017, 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. 5439-08 by DNR, described in the Project Manager Summary Page (Exhibit F), and further described in the DNR approval letter(s), if any, 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, or are costs for which DNR granted a variance to a portion of the Regulations to make them allowable, which have been incurred by the Municipality or the applicable private property owner, 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 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, and ch. 145, Wis. Stats, as administered by the Department of Safety and Professional Services, 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.

"Service Line" means the water service piping from the corporation stop of a municipally-owned water main or service line to the meter, isolation valve, or other water utility service terminal on the served property.

"Servicing Fee" means any servicing fee that may be imposed by DNR and DOA pursuant to s. 281.61(5)(b), 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 3.09 hereof.

"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.

"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 pursuant to the Municipality's Water Rates or otherwise.

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

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

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

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

- (a) Words importing the singular number shall include the plural number and vice versa, and one gender shall include all genders.
- (b) All references herein to particular articles or sections are references to articles or sections of this FAA.
- (c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this FAA, nor shall they affect its meaning, construction, or effect.
- (d) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms as used in this FAA refer to 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) Reserved.
- (b) Pursuant to the Statute, the SDWLP 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) Reserved.
- (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 therefore, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or which, in any way, could adversely affect the validity of this FAA or any agreement or instrument to which the State is a party and which is used or contemplated for use in consummation of the transactions contemplated by each of the foregoing.

(g) The Project is on the DNR funding list for the 2025 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), (u), and (ee) 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 \$964,017 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 and legally-binding general obligations of the Municipality secured as set forth therein.

(i) The resolutions of the Municipality accepting the Financial Assistance and authorizing the execution and delivery of this FAA and the transactions contemplated hereunder 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 any public portion of the Project, carry on its activities relating thereto, undertake and complete or cause the property owner to 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 Financial Assistance made hereunder have been spent on eligible Project Costs. All Project Costs are reasonable, necessary, and allocable by the Municipality to the Project under generally accepted accounting principles. None of the proceeds of the Financial Assistance shall be used directly or indirectly by the Municipality as working capital or to finance inventory, as opposed to capital improvements.

(n) The Project is 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) Reserved.

(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) Reserved.

(r) Reserved.

(s) The Municipality represents that it has satisfied and shall continue to satisfy all the applicable requirements in ss. 281.61(4), (5), and (8m), Wis. Stats., ch. NR 166, Wis. Adm. Code, and ch. 145 Wis. Stats.

(t) The Municipality has levied a tax 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 Wisconsin Fund construction grants program, the SDWLP, or the CWFP.

(v) Reserved.

(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 expected Substantial Completion date of the Project is October 1, 2027.

(x) If the Municipality fails to make a principal repayment or interest payment after its due date, the department of administration shall place on file a certified statement of all amounts due under this section and s. 281.58 or 281.61 or s. 281.60, 2021 stats. After consulting the department, the department of administration may collect all amounts due by deducting those amounts from any state payments due the municipality or may add a special charge to the amount of taxes apportioned to and levied upon the county under s. 70.60. If the department of administration collects amounts due, it shall remit those amounts to the fund to which they are due and notify the department of that action.

(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 Water System or, in the case of a joint utility system, to bill the users of the 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) Reserved.

(cc) The Municipality acknowledges that it is eligible to receive Financial Assistance in the form of a Loan of \$1,928,034 with Principal Forgiveness of \$964,017 for payment of Project Costs.

- (dd) The Municipality acknowledges that they have final responsibility for assuring compliance with all federal requirements of the Lead Service Line Replacement Program whether the work is completed under a municipally-bid contract or completed utilizing a prequalified list of plumbers and contractors from which property owners contract directly.
- (ee) The Municipality has met all terms and conditions contained herein and certifies that the Project funded through this agreement will result in the entire Service Line being lead-free and that no partial replacement will result in a Service Line that is still partially lead.

ARTICLE III
LOAN PROVISIONS

Section 3.01. Loan Clauses

- (a) Subject to the conditions and in accordance with the terms of this FAA, the SDWLP hereby agrees to make the Loan, and the Municipality agrees to accept the Loan. As evidence of the portion of the Loan made to the Municipality remaining subsequent to the Principal Forgiveness, the Municipality hereby agrees to sell to the SDWLP Municipal Obligations in the aggregate principal amount of \$964,017. 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 zero and 250/1000ths percent (0.250%) per annum, and interest shall accrue and be payable only on Loan principal amounts actually disbursed on the Municipal from the date of disbursement until the date such amounts are repaid or forgiven.
- (d) Disbursements of Financial Assistance shall generally be made: first in the form of Loan disbursements that include the applicable percentage of Principal Forgiveness up to \$964,017; and second, if the Principal Forgiveness cap has been reached, in the form of Loan disbursements on the Municipal Obligations. Principal Forgiveness will be applied at the time of Loan disbursement.
- (e) The Department of Administration shall maintain a Loan Disbursement Table on its website <http://eif.doa.wi.gov/start>. DOA shall make entries as each disbursement is made and as each principal amount is repaid; the SDWLP and the Municipality agree that such entries shall be mutually binding.
- (f) Upon Final Completion of the Project, DOA may request that the Municipality issue substitute Municipal Obligations in the aggregate principal amount equal to the outstanding principal balance of the Municipal Obligations.

Section 3.02. Type of Municipal Obligation and Security The Municipality's obligation to meet annual debt service requirements on the Municipal Obligations shall be a general obligation evidenced by issuance of taxable general obligation notes pursuant to ch. 67, Wis. Stats.

Section 3.03. Municipal Obligations Amortization Principal and interest payments on the Municipal Obligations shall be due on the dates set forth in Exhibit B of this FAA. The payment amounts shown on

Exhibit B are for informational purposes only and assume the full amount of the Municipal Obligations is disbursed and that the full amount of Principal Forgiveness available is applied to the Loan on September 24, 2025. It is understood that the actual amounts of the Municipality's Municipal Obligations payments shall be based on the actual dates and amounts of disbursements on the Municipal Obligations. Notwithstanding the foregoing or anything in the Municipal Obligations, the Municipal Obligations shall be for no longer than ten (10) years from the date of this FAA and shall mature and be fully amortized not later than ten (10) years after the original issue date of the Municipal Obligations. Repayment of principal on the Municipal Obligations shall begin not later than twelve (12) months after the expected or actual Substantial Completion date of the Project.

Section 3.04. Sale and Redemption of Municipal Obligations

(a) Municipal Obligations may be prepaid with prior written consent of the SDWLP. The SDWLP has sole discretion to withhold such consent. Advance notice of prepayment requests must be submitted to doaeif@wisconsin.gov. Only electronic prepayments will be accepted and payments must occur on the published DNR and DOA disbursement dates.

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

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

(d) Prepayments of the Municipal Obligations shall be applied pro rata to all maturities of the Municipal Obligations unless otherwise agreed to by the State.

Section 3.05. Disbursement of Financial Assistance

(a) Under this FAA, Financial Assistance shall be drawn in the order specified in Section 3.01(d) of this document.

(b) Each disbursement request shall be delivered to DNR. Each request must contain invoices or other evidence acceptable to DNR and DOA that Project Costs for which disbursement of Financial Assistance is requested have been incurred by the Municipality or the applicable private property owner.

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

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

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

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

(f) Disbursement to the Municipality beyond ninety-five percent (95%) of the total 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, 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, if applicable;
- (3) the Municipality certifies in writing to DNR its compliance with applicable Federal requirements (certification must be as prescribed on Exhibit C);
- (4) the Municipality furnishes reports and provides data and such other information as SDWLP may require prior to Project closeout; and
- (5) DNR certifies in writing to DOA the Municipality's compliance with all applicable requirements of this FAA.

Section 3.06. Remedies

(a) If the Municipality or any agent thereof:

- (1) 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 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 Water 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 Municipal Obligations As security for the Municipal Obligations, the Municipality hereby pledges the full faith and credit of the Municipality and an irrepealable levy of ad valorem taxes (which is a dedicated source of revenue) in accordance with the terms of the Municipal Obligation Resolution and may include revenues of the Water System which are appropriated and irrevocably deposited in the debt service fund for the Municipal Obligations; provided, however, that any such revenues of the Water System shall not be derived from rate-payer funds. Pursuant to s.67.05(10), Wis. Stats., the tax levy may be reduced by the amounts of revenues so deposited.

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.

Section 3.09. Other Amounts Payable The Municipality hereby expressly agrees to pay to the SDWLP:

- (a) such Servicing Fee as the SDWLP may impose pursuant to s. 281.61(5)(b), 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 3.09 shall be deposited in the Equity Fund established pursuant to the Program Resolution.

ARTICLE IV CONSTRUCTION OF THE PROJECT

Section 4.01. Insurance When utilizing a municipally-bid contract, the Municipality agrees to maintain property and liability insurance for the Project that is reasonable in amount and coverage and that is consistent with prudent municipal insurance practices for the term of this FAA. The Municipality agrees to provide written evidence of insurance coverage to the SDWLP upon request at any time during the term of this FAA.

In the event the 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 Project.

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. 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.
- (b) During construction of the Project, if a Lead Service Line is replaced that results in creation of a partial Lead Service Line due to the remaining portion of the Service Line also containing lead, or containing galvanized iron or galvanized steel that is or has been downstream of lead, the SDWLP shall not provide funding for the Lead Service Line replacement until the remaining side of the Service Line has also been replaced.
- (c) Pitcher filters or point-of-use filtration that have been certified to NSF/ANSI 53 for the reduction of lead shall be provided from the start of replacement until at least six months following completion of the replacement. 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 any municipally-bid 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 or the applicable property owner 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. At or prior to completion of the Project, the Municipality shall cause to be prepared for the Project documentation which will include, for each replacement:
 - (1) property address,
 - (2) property type (residential, school, daycare, commercial, other),
 - (3) original Service Line material,

- (4) new Service Line material; and
- (5) Service Line ownership (public, private, both).

(c) As applicable, 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, the Municipality shall:

- (1) complete and deliver to DNR the documentation described in Section 4.04(b) above;
- (2) prepare and deliver to DNR the completed Federal Requirements Compliance Certification attached hereto as Exhibit E of this FAA; and
- (3) if the Project included work performed under a municipally-bid contract, prepare and deliver to DNR the completed Contract Utilization of Disadvantaged Business Enterprises (DBE) form attached hereto as Exhibit E of this FAA.
- (4) certify to DNR its acceptance of the Project from its contractors, subject to claim against contractors and third parties;

Section 4.05. Payment of Additional Project Costs

(a) In the event of revised eligibility determinations, cost overruns, and amendments exceeding the Financial Assistance amount, the SDWLP may allocate additional financial assistance to 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, which shall be at the sole discretion of the State, depends on, among other things, the availability of funds pursuant to the Statute and the Regulations.

(b) In the event this Financial Assistance is not sufficient to pay the costs of the Project in full, the Municipality shall nonetheless complete the Project and pay that portion of the Project Costs as may be in excess of available Financial Assistance, and shall not be entitled to any reimbursement thereof from the SDWLP, or bonds issued to fund Financial Assistance, except from the proceeds of additional financing which may be provided by the SDWLP 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 SDWLP, DOA or DNR makes any warranty, either express or implied, as to the Project or its condition, or that it shall be suitable for the Municipality's purposes or needs, or that the Financial Assistance shall be sufficient to pay the costs of the Project. Review or approval of engineering reports, facilities plans, the 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, and build 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 Project documents. Nothing in this section prohibits a Municipality from requiring more assurances, guarantees, indemnity, or other contractual requirements from any party performing Project work.

ARTICLE V COVENANTS

Section 5.01. Application of Financial Assistance The Municipality shall apply the proceeds of the Financial Assistance solely to Project Costs.

Section 5.02. Reserved

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

Section 5.04. Reserved

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 Financial Assistance shall be credited promptly upon receipt thereof and shall be reimbursement for or expended only for Project Costs. The Municipality shall: permit any authorized representative of DNR or DOA, or agents thereof, the right to review or audit all records relating to the Project or the Financial Assistance; 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.

Section 5.07. Project Areas The Municipality shall permit representatives of DNR access to the Project records at all reasonable times, include provisions in any municipally-bid contracts permitting access during construction, and allow extracts and copies of Project records to be made by DNR representatives.

Section 5.08. Engineering Inspection When utilizing a municipally-bid contract, 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 applicable building codes.

Section 5.09. Reserved

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.

(b) The Municipality covenants that it shall adopt, and 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 Project; 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, or set and collect User Fees as set forth in Section 5.10.

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

Section 5.13. Nondiscrimination Covenant

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

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

(c) The Municipality shall follow all federal statutes and regulations prohibiting discrimination, without limitation, including the following:

- (1) Age Discrimination Act, Pub. L. 94-135
- (2) Equal Employment Opportunity, Executive Order 11246
- (3) Section 13 of the Clean Water Act, Pub. L. 92-500

(4) Section 504 of the Rehabilitation Act, Pub. L 93-112 supplemented by Executive Orders 11914 and 11250

(5) Title VI of the Civil Rights Act, Pub. L 88-352

(6) Participation by Disadvantaged Business Enterprises in Procurement, s. NR 162.08(4) and s. NR 166.11(4) Wis. Adm. Code.

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

Section 5.15. Adequate Funds The Municipality shall have sufficient funds available to repay the Municipal Obligations.

Section 5.16. Management When utilizing a municipally-bid contract, the Municipality shall provide and maintain competent and adequate management, supervision, and inspection at the construction site to ensure that the completed work conforms to applicable building codes. The Municipality shall furnish progress reports and such other information as DNR may require.

Section 5.17. Reimbursement Any disbursement of Financial Assistance to the Municipality in excess of the amount determined by final audit to be due the Municipality shall be reimbursed to DOA within 60 days after DNR or DOA provides a notice 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 or as a recovery of a Loan disbursement with Principal Forgiveness (if there is no outstanding principal balance for the Project).

Section 5.20. Maintenance of Legal Existence

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

(b) A Municipality may consolidate with or merge into any other legal entity, dissolve or otherwise dispose of all of its assets or substantially all of its assets, 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 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. To the extent applicable, the Municipality shall comply with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Rewards (Uniform Guidance). For auditor's reference, the SDWLP Project falls under Catalog of Federal Domestic Assistance number 66.468. Without any request the Municipality shall furnish to DOA, at doaeif@wisconsin.gov as soon as available, and in any event within 30 days after completion, the Federal Single Audit. Notification must include acknowledgement of any SRF findings and/or resolution to prior year findings.

Section 5.24. Federal Equivalency Project The Municipality covenants that the Project shall comply with federal requirements applicable to activities supported with federal funds, a list of which is included as Exhibit G of this FAA.

ARTICLE VI MISCELLANEOUS

Section 6.01. Notices All notices, certificates, or other communications hereunder shall be sufficiently given, and shall be deemed given, when electronically delivered, 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 WATERTOWN
106 JONES STREET
PO BOX 477
WATERTOWN WI 53094

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

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

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

Section 6.04. Amendments, Supplements, and Modifications This FAA may be amended, supplemented, or modified to provide for additional financial assistance for the Project by the SDWLP to the Municipality or for other purposes. All amendments, supplements, and modifications shall be in writing between the SDWLP by DNR and DOA acting under authority of the 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, awarding, assigning, and confirming the rights, security interests, and agreements awarded or intended to be awarded by this FAA and relating to the Municipal Obligations.

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

Section 6.10. Covenant by Municipality as to Compliance with 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 WATERTOWN

By: _____
Robert Stocks
Mayor

Attest: _____
Megan Dunneisen
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 WATERTOWN
SDWLP Project No. 5439-08

	Total Project Costs	Eligible SDWLP Costs Paid by 5439-07	Eligible SDWLP Costs Paid by 5439-09	Eligible SDWLP Costs Paid by 5439-99	SDWLP Total Award Amount for this Project 5439-08
Force Account	0.00	0.00	0.00	0.00	0.00
Interim Financing	0.00	0.00	0.00	0.00	0.00
Preliminary Engineering	0.00	0.00	0.00	0.00	0.00
Land or Easement Acquisition	0.00	0.00	0.00	0.00	0.00
Engineering/Construction Mgmt.	0.00	0.00	0.00	0.00	0.00
Construction/Equipment	7,772,734.00	1,043,928.00	1,886,260.00	3,029,800.00	1,812,746.00
Contingency	388,638.00	52,197.00	94,313.00	151,490.00	90,638.00
Miscellaneous Costs	57,150.00	11,550.00	20,950.00	0.00	24,650.00
SDWLP Closing Costs	0.00	0.00	0.00	0.00	0.00
TOTAL	\$8,218,522.00	\$1,107,675.00	\$2,001,523.00	\$3,181,290.00	\$1,928,034.00
Principal Forgiveness Amount					\$964,017.00
Net SDW Loan Amount					\$964,017.00

Principal Forgiveness is 50% for private side construction costs and filters.

City of Watertown, Wisconsin**Exhibit B**

Project 5439-08 Safe Drinking Water Fund Program

Loan Closing Date:

September 24, 2025

Payment Date	Principal Payment	Interest Rate	Interest Payment	Principal & Interest	Bond Year Debt Service	Calendar Year Debt Service
1-May-26	0.00	0.250%	1,452.72	1,452.72	1,452.72	0.00
1-Nov-26	0.00	0.250%	1,205.02	1,205.02	0.00	2,657.74
1-May-27	0.00	0.250%	1,205.02	1,205.02	2,410.04	0.00
1-Nov-27	0.00	0.250%	1,205.02	1,205.02	0.00	2,410.04
1-May-28	119,451.68	0.250%	1,205.02	120,656.70	121,861.72	0.00
1-Nov-28	0.00	0.250%	1,055.71	1,055.71	0.00	121,712.41
1-May-29	119,750.31	0.250%	1,055.71	120,806.02	121,861.73	0.00
1-Nov-29	0.00	0.250%	906.02	906.02	0.00	121,712.04
1-May-30	120,049.69	0.250%	906.02	120,955.71	121,861.73	0.00
1-Nov-30	0.00	0.250%	755.96	755.96	0.00	121,711.67
1-May-31	120,349.81	0.250%	755.96	121,105.77	121,861.73	0.00
1-Nov-31	0.00	0.250%	605.52	605.52	0.00	121,711.29
1-May-32	120,650.68	0.250%	605.52	121,256.20	121,861.72	0.00
1-Nov-32	0.00	0.250%	454.71	454.71	0.00	121,710.91
1-May-33	120,952.31	0.250%	454.71	121,407.02	121,861.73	0.00
1-Nov-33	0.00	0.250%	303.52	303.52	0.00	121,710.54
1-May-34	121,254.69	0.250%	303.52	121,558.21	121,861.73	0.00
1-Nov-34	0.00	0.250%	151.95	151.95	0.00	121,710.16
1-May-35	121,557.83	0.250%	151.95	121,709.78	121,861.73	121,709.78
Totals	964,017.00		14,739.58	978,756.58	978,756.58	978,756.58
Net Interest Rate				0.2500%		
Bond Years				5,895.8186		
Average Life				6.1159		

The above schedule assumes full disbursement of the loan on the loan closing date.

26-Aug-25 Wisconsin Department of Administration

B - 1

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 Watertown (the “Municipality”) hereby certify that, for all expenditures made for construction of DNR Project No. 5439-08 (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. 5439-08 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.

UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES (DBE)

Notice: This form is authorized by ss. 281.58, 281.59, and 281.61, Wis. Stats. Submittal of a completed form to the DNR is mandatory prior to receiving a final disbursement. Dollar amounts listed on the form should only include amounts paid under the Financial Assistance Agreement. Information collected on this form will be used for administrative purposes and may be provided to requesters to the extent required by Wisconsin's Public Records Law [ss. 19.31–19.39, Wis. Stats.].

Municipality
City of Watertown

Project Number
5439-08

Project Description
BIL SFY25 LSL Program-- System-wide

Are any DBEs expected to be utilized on the project? If yes, list below. Yes ☐ No ☒				Enter at Project Closeout	
DBE Firm	Indicate DBE Type	Construction or Non-construction*	Contract Estimate (\$)	Actual Amount Paid to the DBE (\$)	Certifying Agency or List
<i>SAMPLE: ABC Engineering, LLC.</i>	<i>X MBE ☐ WBE ☐ Other</i>	<i>Non-construction</i>	<i>10,000</i>	<i>9,950</i>	<i>WisDOT</i>
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
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	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				

* Construction costs include but are not limited to paving, excavation, HVAC, plumbing, electrical, carpentry, trucking, and equipment. Non-construction costs include but are not limited to professional services, engineering, land acquisition, and supplies.

I hereby certify that, to the best of my knowledge and belief, the information provided on this form is accurate and correct.

Signature of Municipal Representative		Date Signed
Name of Person Completing This Form	Email Address	Phone Number

EXHIBIT F

PROJECT MANAGER SUMMARY PAGE

CITY OF WATERTOWN
SDWLP Project No. 5439-08

1. Project Description: The Municipality bid a contract to replace private and public Lead Service Lines (LSL) over a total of four financial assistance agreements. Originally, the Municipality applied for public and private side replacements as part of a municipal-wide project under the application for 5439-08. The utility wanted to cover the costs for the public side replacements which resulted in the project being split into 5439-08 covering private side replacements and 5439-99 covering public side replacements. This Project is a municipal-wide project to replace an estimated 401 private side LSLs.

Eligible replacements under this FAA consist of the replacement of Lead Service Lines from the corporation stop or the curb stop of a municipally-owned water main or Service Line to the meter, or other water utility service terminal on the served property.

All LSL replacements must result in complete removal of all lead components between the watermain and the connection point inside the building. Galvanized Service Lines, on the public or the private side, are considered lead for the purpose of determining whether a Lead Service Line has been completely replaced.

If a Lead Service Line, including both the public portion and the private portion of the line, cannot be replaced in its entirety at one time, resulting in a Service Line that is temporarily composed partially of lead, the water utility is required to provide the customer with filtration during the time between replacements. Filters must be models that have been tested and certified to NSF/ANSI 53 for the reduction of lead. Filters must also be supplied for six months following full LSL replacement. Funding through this FAA shall not be disbursed for those lines until all lead components have been completely replaced, and such replacement is recommended to be completed within 45 days of the initial replacement of a portion of the Lead Service Line but should be replaced within 90 days, unless the public side of the Lead Service Line was replaced prior to participation in the LSL Replacement Program. Please refer to the LSL Replacement Best Practices document attached as Exhibit H.

2. Ineligible Costs: No ineligible costs were identified in the review of this Project. If the DNR identifies ineligible Project Costs as the Project progresses, the DNR will notify the Municipality.

In general, costs that are ineligible for inclusion under this FAA include:

- LSL replacements where either the public side or the private side contains lead and has not been replaced (partial replacements);
 - Watermain replacements, even if the watermain has lead joints;
 - Premise plumbing, which includes anything downstream of the normal connection point inside the home.
3. Other Funding Sources: The construction contract bid by the municipality is being funded through four awards with DNR. The costs under this award are exclusively for construction, contingency, and filters for the private side in the municipal-wide project. The costs covered by the other awards are:

Project Number	Eligible PF %	Scope	Costs
5439-07	75% Private Side Only	Census Tract 9620	\$1,107,675.00
5439-09	100% Private Side Only	Census Tract 1002	\$2,001,523.00
5439-99	10% Public Side Only	Municipal	\$3,181,290.00

4. Miscellaneous Costs: As shown in the Project Budget Sheet Summary (Exhibit A), SDWLP funding in the amount of \$24,650 is included in the Miscellaneous category for filters.
5. Contingency Allowance: The Contingency allowance of \$90,638 is five percent of the amount of uncompleted construction work. The Municipality must obtain DNR approval of change orders prior to requesting reimbursement.
6. DBE Good Faith Effort: The Municipality made a good faith effort to solicit Disadvantaged Business Enterprises (DBE) when publishing the bid advertisement in the Watertown Daily Times on 3/26/2025 and 4/2/2025. Five Star Energy Services made a good faith effort to solicit DBEs when directly soliciting multiple DBEs. There are no DBEs expected to perform work on this Project.
7. Davis-Bacon Wage Rate Requirements: For projects where the work was bid as a municipal contract, all work must comply with Davis-Bacon and Related Acts requirements.
8. 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 use of American Iron and Steel requirements of Section 1452 of the Act.
9. Environmental Review: An Environmental Review was completed for this Project which resulted in categorical exclusion with recommended erosion control. A construction site storm water permit may be required if the contiguous project area exceeds 1 acre.
10. Principal Forgiveness: The Municipality is eligible to receive up to 50% Principal Forgiveness (PF) for eligible private side construction costs and filters. There are no other project costs making the full \$964,017 private side PF eligible. This PF is solely for the purpose of reducing the cost borne by property owners for replacement of their LSL.
11. Federal Single Audit: This Project is being financed with federal funds and is subject to the Federal Single Audit requirements referenced in Section 5.23 of this FAA. If the Municipality receives more than \$1,000,000 of money that originates from any federal source in a calendar year, then it must commission a Federal Single Audit as part of its regular financial audit. The Catalog of Federal Domestic Assistance number is 66.468 for drinking water project disbursements funded with federal money.
12. Closeout Documentation: At Project completion the Municipality must submit to DNR the documentation described in section 4.04(b) of this FAA, which will include reporting for each replaced Service Line:
 1. property address,
 2. property type (residential, school, daycare, commercial, other),
 3. original Service Line material,
 4. new Service Line material; and,
 5. Service Line ownership (public, private, both)

EXHIBIT G

LIST OF FEDERAL LAWS AND AUTHORITIES

The Municipality acknowledges that the Project is designated as a Federal Equivalency project, which is subject to additional federal requirements listed below.

- Archaeological and Historic Preservation Act of 1974 (P.L. 93-291, as amended) 16 U.S.C. §469a-1
- Build America, Buy America Act (BABA), P.L. 117-58, §§ 70901-52
- Clean Air Act Conformity (P.L. 95-95, as amended) 42 U.S.C. §7506(c)
- Coastal Barriers Resources Act (P.L. 97-348) 16 U.S.C. §3501 et. seq.
- Coastal Zone Management Act (P.L. 92-583, as amended) 16 U.S.C. §1451 et. seq.
- Debarment and Suspension (Executive Order 12549)
- Demonstration Cities & Metropolitan Development Act (P.L. 89-754, as amended) 42 U.S.C. §3331 et. seq.
- Endangered Species Act (P.L. 93-205, as amended) 16 U.S.C. §1531 et. seq.
- Enhancing Public Awareness of SRF Assistance Agreements (EPA Office of Water Memo dated June 3, 2015)
- Environmental Justice (Executive Order 12898)
- Equal Employment Opportunity (Executive Order 11246)
- Farmland Protection Policy Act (P.L. 97-98) 7 U.S.C. §4201 et. seq.
- Federal Single Audit Act (2 CFR 200 Subpart F)
- Fish and Wildlife Coordination Act (P.L. 85-624, as amended) 16 U.S.C. §661
- Floodplain Management (Executive Order 11988, as amended)
- National Historic Preservation Act of 1966 (P.L. 89-665, as amended) 54 U.S.C. §300101 et. seq.
- NEPA-like Environmental Review (National Environmental Policy Act)
- Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment (2 CFR 200.216)
- Promoting the Use of Small, Minority, & Women-owned Businesses (Executive Orders 11625, 12138, & 12432)
- Protection and Enhancement of the Cultural Environment (Executive Order 11593)
- Protection of Wetlands (Executive Order 11990, as amended)
- Uniform Relocation Assistance and Real Property Acquisition Policies Act (P.L. 91-646, as amended)
- Wild & Scenic Rivers Act (P.L. 90-542, as amended) 16 U.S.C. §1271 et. seq.

EXHIBIT H

BEST PRACTICES FOR LEAD SERVICE LINE REPLACEMENTS

➤ **Participants in the Lead Service Line Replacement Program are expected to follow these steps.**

Lead Service Line Replacement Requirements under the Lead & Copper Rule Revisions (LCRR)

1. **Notice and Public Education.** Provide notice to the owner of the affected service line as well as non-owner resident(s) served by the affected service line within 24 hours of completion of the replacement. The notice must include all the following information, in accordance with §141.85(a) of the LCRR.
 - Explain that consumers may experience a temporary increase of lead levels in their drinking water due to the replacement.
 - Provide information about the health effects of lead.
 - Provide information about actions consumers can take to minimize their exposure to lead in drinking water.
2. **Flushing Information.** Provide information about service line flushing before the replaced service line is returned to service.
3. **Filters.** Provide the consumer(s) with a pitcher filter or point-of-use device certified by an American National Standards Institute accredited certifier to NSF/ANSI 53 for the reduction of lead, six months of replacement cartridges, and instructions for use before the replaced service line is returned to service.
4. **Follow-up Sampling.** Offer to the consumer to take a follow up tap sample between three months and six months after completion of the replacement and provide the results of the sample to the consumer.

**RESOLUTION FOR
CITY OF WATERTOWN - WATER SYSTEMS**

**AUTHORIZING EXECUTION OF
WISCONSIN DEPARTMENT OF NATURAL RESOURCES (DNR)
FINANCIAL ASSISTANCE AGREEMENT**

**SPONSOR: ALDERPERSON ARNETT
FROM: PUBLIC WORKS COMMISSION**

WHEREAS, the City of Watertown (the “Municipality”) wishes to undertake a project to replace private lead service lines, identified as DNR No. 5439-09 (the “Project”); and

WHEREAS, the Municipality has applied to the Safe Drinking Water Loan Program (the “SDWLP”) for financial assistance in the form of a loan made by the SDWLP to the Municipality of which all the principal will be forgiven at the time that loan disbursements are made to the Municipality, pursuant to the DNR Financial Assistance Agreement; and

WHEREAS, the SDWLP has determined that it can provide a loan with principal forgiveness in an amount up to \$2,001,523 that it has identified as being eligible for SDWLP funding; and

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF WATERTOWN, WISCONSIN: that the City Mayor and City Clerk be and are hereby authorized by and on behalf of the Municipality to execute the Principal Forgiven Financial Assistance Agreement that contains the terms and conditions of the SDWLP award for the Project. The Principal Forgiven Financial Assistance Agreement is incorporated herein by this reference.

	YES	NO
DAVIS		
LAMPE		
BERG		
BARTZ		
BLANKE		
SMITH		
ARNETT		
WETZEL		
MOLDENHAUER		
MAYOR STOCKS		
TOTAL		

ADOPTED September 2, 2025

CITY CLERK

APPROVED September 2, 2025

MAYOR

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
Safe Drinking Water Loan Program
Form 8700-214B rev 10/24

STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM
LEAD SERVICE LINE (LSL) PRINCIPAL FORGIVEN FINANCIAL ASSISTANCE AGREEMENT

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF ADMINISTRATION

and

CITY OF WATERTOWN

\$2,001,523 With \$2,001,523 PRINCIPAL FORGIVENESS

FINANCIAL ASSISTANCE AGREEMENT

Dated as of September 24, 2025

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. 28291
Safe Drinking Water Loan Program Project No. 5439-09

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WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated September 24, 2025, 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 Watertown, 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 has, pursuant to the Statute, established the SDWLP to be used in part for purposes of the Act; and

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

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

WHEREAS, the Municipality has 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 DNR criteria for project eligibility established in applicable state statutes and regulations; and

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

WHEREAS, DNR has determined the SDWLP 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 providing Principal Forgiveness of the Loan principal;

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 30, 2024, for financial assistance under the Statute.

"Bipartisan Infrastructure Law" or "BIL" means the federal Infrastructure Investment and Jobs Act signed into law on November 15, 2021.

"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.

"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.

"Final Completion" means all Service Lines to be financed under this FAA have been installed and the Municipality has submitted all necessary Project closeout documentation, including the final request for disbursement of Financial Assistance to the Municipality.

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

"Financial Assistance Agreement" or "FAA" means this Financial Assistance Agreement between the SDWLP, by DNR and DOA, and the Municipality.

"Lead Service Line" or "LSL" means (i) all or a portion of a water Service Line constructed of lead, and/or (ii) all or a portion of a water Service Line constructed of galvanized material that is or was downstream of lead.
"Loan" means the loan made by the SDWLP to the Municipality of which the principal will be forgiven pursuant to this FAA at the time Loan disbursements are made.

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

"Principal Forgiveness" means Financial Assistance received in the form of forgiveness of Loan principal amounts pursuant to the Act, Regulations, and this FAA of which no repayment thereof shall be required except as may be required per the Act, Statute, Regulations, or this FAA.

"Project" means the project assigned SDWLP Project No. 5439-09 by DNR, described in the Project Manager Summary (Exhibit B).

"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, or are costs for which DNR granted a variance to a portion of the Regulations to make them allowable, which have been incurred by the Municipality or the applicable private property owner, an estimate of which is set forth in Exhibit A hereto and made a part hereof.

"Regulations" means the Act; the BIL; chs. NR 150, 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, and ch. 145, Wis. Stats, as administered by the Department of Safety and Professional Services, as such may be adopted or amended from time to time.

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

"Service Line" means the water service piping from the corporation stop of a municipally-owned water main or service line to the meter, isolation valve, or other water utility service terminal on the served property.

"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.

"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 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 downstream from the curb stop.

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 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 article or section of this FAA in which they appear, and the term "hereafter" means after, and the term "heretofore" means before, the date of delivery of this FAA.
- (e) All accounting terms not otherwise defined in this FAA have the meanings assigned to them in accordance with generally accepted accounting principles for U.S. state and local governments established by the Governmental Accounting Standards Board, as may be amended from time to time "GAAP"), and all computations provided for herein shall be made in accordance with GAAP.

ARTICLE II
REPRESENTATIONS

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

- (a) 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.
- (b) 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 (a).
- (c) 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.
- (d) The execution and delivery by the SDWLP of this FAA and the consummation of the transactions contemplated by this FAA shall not violate any indenture, mortgage, deed of trust, note, agreement, or other contract or instrument to which the State is a party or by which it is bound, or, to the best of the SDWLP's knowledge, any judgment, decree, order, statute, rule, or regulation applicable to the SDWLP, and all consents, approvals, authorizations, and orders of governmental or regulatory authorities that are required for the consummation of the transactions contemplated thereby have been obtained.
- (e) 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, pending or threatened in writing, against 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.
- (f) The Project is on the DNR funding list for the 2025 state fiscal year.
- (g) The SDWLP is granting a variance to s. NR 166.07(g), Wis. Adm. Code, to allow privately-owned Lead Service Lines to be eligible for funding without Wisconsin Public Service Commission approval of a lead service line replacement program or making a general obligation pledge.

Section 2.02. Representations of the Municipality The Municipality represents and warrants as of the date of this FAA, and with respect to paragraphs (l), (m), (n), and (o), covenants during 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 "local governmental unit" 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, and
 - (3) carry out and consummate all transactions contemplated by this FAA.
- (b) The Municipality is in compliance and will remain in compliance with its Water Diversion Permit (if any).

(c) The governing body of the Municipality has duly approved the execution and delivery of this FAA in the amount of \$2,001,523, and has authorized the taking of any and all action as may be required on the part of the Municipality and its authorized officers to carry out, give effect to, and consummate the transactions contemplated by this FAA.

(d) This FAA has been duly authorized, executed, and delivered and constitutes a legal, valid, and binding obligation of the Municipality, enforceable in accordance with its terms.

(e) 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, pending or threatened in writing, against 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;

(3) in any way contesting or affecting the validity or enforceability of this FAA, or any agreement or instrument relating to this FAA, 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.

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

(g) The resolution of the Municipality authorizing execution of this FAA has been duly adopted by the Municipality and remains in full force and effect as of the date hereof.

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

(i) 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 for obtaining the Loan under this FAA.

(j) The Project is eligible under s. 281.61(2), Wis. Stats., for financing from the SDWLP. Any portions of the Project that are ineligible for financing from the SDWLP are listed within the Project Manager Summary attached hereto as Exhibit B. The Municipality intends the Project to be and continue to be an eligible project under the Statute throughout the term of this FAA. Each Service Line to be replaced as part of the Project will satisfy the federal environmental review requirements.

- (k) All amounts shown in Exhibit A of this FAA are costs of a Project eligible for financial assistance under the Act or Statute. All proceeds of any borrowing of the Municipality that have been spent and are being paid with the proceeds of the Financial Assistance made hereunder have been spent on 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 Loan shall be used directly or indirectly by the Municipality as working capital or to finance inventory, as opposed to capital improvements.
- (l) 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 4.02 hereof.
- (m) The Municipality represents that it has satisfied and shall continue to satisfy all the applicable requirements in ss. 281.61(4), (5), and (8m), Wis. Stats., ch. NR 166, Wis. Adm. Code, and ch.145, Wis. Stats.
- (n) 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, and the SDWLP.
- (o) The Municipality has met all terms and conditions contained herein and certifies that the Project funded through this agreement will result in the entire Service Line being lead-free and that no partial replacement will result in a service line that is still partially lead.
- (p) The Municipality represents that it has submitted to DNR a budget estimate and documentation related to individuals or firms hired to perform work for the Project, as required by DNR.
- (q) 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.
- (r) 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.
- (s) The Municipality acknowledges that it is eligible to receive Financial Assistance in the form of a Loan of \$2,001,523 with Principal Forgiveness of \$2,001,523 for payment of Project Costs.

ARTICLE III
FINANCIAL ASSISTANCE PROVISIONS

Section 3.01. Financial Assistance Clause Prior to disbursement, the Financial Assistance shall be held by the SDWLP. Earnings on undisbursed Loan funds shall be for the account of the SDWLP. Financial Assistance shall be disbursed only upon submission by the Municipality of disbursement requests and approval thereof as set forth in Section 3.02 hereof.

Section 3.02. Disbursement of Financial Assistance

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

(b) The SDWLP, through its agents, 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.

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

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

(2) If the Financial Assistance is 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.

(d) The SDWLP or its agent shall disburse Financial Assistance only to the Municipality's account by electronic transfer of funds. The Municipality hereby covenants that it shall take actions and provide information necessary to facilitate these transfers. The Municipality agrees to pay Project invoices in a timely manner.

(e) Disbursement to the Municipality 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 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, if applicable;

(3) the Municipality certifies in writing to DNR its compliance with applicable Federal requirements (certification must be as prescribed on Exhibit E);

(4) the Municipality furnishes reports and provides data and such other information as SDWLP may require prior to Project closeout; and

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

Section 3.03. 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 covenant 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) Disbursements otherwise due the Municipality 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 observe or perform any 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, then 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 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 3.04. FAA Effective Date and FAA Term This FAA shall become effective upon its execution and delivery by the parties hereto, shall remain in effect for a period of 3 years from the date of Final Completion.

ARTICLE IV CONSTRUCTION OF THE PROJECT

Section 4.01. Insurance When utilizing a municipally-bid contract the Municipality agrees to maintain property and liability insurance for the Project that is reasonable in amount and coverage and that is consistent with prudent municipal insurance practices for the term of this FAA. The Municipality agrees to provide written evidence of insurance coverage to the SDWLP upon request at any time during the term of this FAA.

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. The Municipality or the applicable private property owners shall proceed with the construction of the Project in conformity with law and with all applicable requirements of governmental authorities having jurisdiction with respect thereto.
- (b) During construction of the Project, if a private lead service line is replaced that results in creation of a partial lead service line due to the public portion of the service line also containing lead, the SDWLP shall not provide funding for the private lead service line replacement until the public side of the service line has also been replaced.
- (c) Pitcher filters or point-of-use filtration that has been certified to NSF/ANSI 53 for the reduction of lead shall be provided from the start of replacement until at least six months following completion of the replacement. 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. Funding will not be disbursed until the replacement of the entire line is complete.

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 any municipally-bid 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 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. At or prior to completion of the Project, the Municipality shall cause to be prepared for the Project documentation which will include, for each replacement:

- 1. property address,
- 2. property type (residential, school, daycare, commercial, other),
- 3. original Service Line material,
- 4. new Service Line material; and
- 5. Service Line ownership (public, private, both).

(c) As applicable, 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, the Municipality shall:

(1) complete and deliver to DNR the documentation described in section 4.04(b) above;

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

(3) if the Project included work performed under a municipally-bid contract, prepare and deliver to DNR the completed Contract Utilization of Disadvantaged Business Enterprises (DBE) form attached hereto as Exhibit F of this FAA.

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

Section 4.05. No Warranty Regarding Condition, Suitability, or Cost of Project Neither the SDWLP, DOA, nor DNR makes any warranty, either express or implied, as to the Project or its condition, or that it shall be suitable for the Municipality's purposes or needs, or that the Financial Assistance shall be sufficient to pay the costs of the Project. Review or approval of any 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, and build 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 any Project documents. Nothing in this section prohibits a Municipality from requiring more assurances, guarantees, or indemnity or other contractual requirements from any party performing Project work.

ARTICLE V COVENANTS

Section 5.01. Application of Financial Assistance The Municipality shall apply the proceeds of the Financial Assistance solely for Project Costs.

Section 5.02. 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, outstanding FAA requirements, including, without limitation, the Statute, the Regulations, and the Water Diversion Permit (if any), and with this FAA.

Section 5.03. Public Ownership The Municipality shall at all times retain ownership of the Water System to which the Service Lines funded through this FAA are attached.

Section 5.04. Establishment of Project Accounts

(a) The Municipality shall maintain a separate account that reflects the receipt and expenditure of all SDWLP funds for the Project. All Financial Assistance shall be credited promptly upon receipt thereof and shall be reimbursement for or expended only for Project Costs. The Municipality shall:

- (1) permit any authorized representative of DNR or DOA, or agents thereof, the right to review or audit all records relating to the Project or the Financial Assistance;
- (2) 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
- (3) permit extracts and copies of the Project records to be made by any of them; and
- (4) fulfill information requests by any of them.

Section 5.05. 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. Information about the locations of the lines replaced and the material composition of those lines shall be made part of the Municipality's permanent records.

Section 5.06. Project Areas The Municipality shall permit representatives of DNR visual access to the Project and various related records at reasonable times and allow extracts and copies of Project records to be made by DNR representatives.

Section 5.07. Engineering Inspection When utilizing a municipally-bid contract, 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 applicable building codes.

Section 5.08. 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; any action, suit, or proceeding at law or in equity, by or before any governmental instrumentality or agency; or any other event that may impair the ability of the Municipality to construct the Project or operate the Water System.

Section 5.09. 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, including acts or omissions of the Municipality's employees, agents, or representatives.

Section 5.10. Nondiscrimination Covenant

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

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

(c) The Municipality shall follow all federal statutes and regulations prohibiting discrimination, without limitation, including the following:

- (1) Age Discrimination Act, Pub. L. 94-135
- (2) Equal Employment Opportunity, Executive Order 11246
- (3) Section 13 of the Clean Water Act, Pub. L. 92-500
- (4) Section 504 of the Rehabilitation Act, Pub. L. 93-112 supplemented by Executive Orders 11914 and 11250
- (5) Title VI of the Civil Rights Act, Pub. L. 88-352
- (6) Participation by Disadvantaged Business Enterprises in Procurement, s. NR 162.08(4) and s. NR 166.11(4) Wis. Adm. Code.

Section 5.11. 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 5.12. Management When utilizing a municipally-bid contract the Municipality shall provide and maintain competent and adequate management, supervision, and inspection at the construction site to ensure that the completed work conforms to applicable building codes. The Municipality shall furnish progress reports and such other information as DNR may require.

Section 5.13. Reimbursement Any payment of Financial Assistance to the Municipality in excess of the amount determined by final audit to be due the Municipality shall be reimbursed to DOA within 60 days after DNR or DOA provides a notice of overpayment.

Section 5.14. Rebates The Municipality agrees to pay to the SDWLP any refunds, rebates, credits, or other amounts received for Project Costs that have already been funded by the SDWLP.

Section 5.15. Maintenance of Legal Existence

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

(b) A Municipality may consolidate with or merge into any other legal entity, dissolve or otherwise dispose of all of its assets or substantially all of its assets, transfer all or substantially all of its assets to another legal entity (and thereafter be released of all further obligation under this FAA) 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 any other documents the SDWLP deems reasonably necessary to protect its environmental interests and its investment in the Project; and

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

Section 5.16. 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 5.17. Wage Rate Requirements The Municipality represents that it shall comply with Section 1450(e) of the Safe Drinking Water 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 this Loan shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 31 of title 40, United States Code.

Section 5.18. Federal Single Audit At the time of signing of this FAA, the funds awarded to the Municipality for this Project are 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. To the extent applicable, the Municipality shall comply with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Rewards (Uniform Guidance). For auditor’s reference, the SDWLP Project falls under Catalog of Federal Domestic Assistance number 66.468. Without any request the Municipality shall furnish to DOA, at doaeif@wisconsin.gov as soon as available, and in any event within 30 days after completion, the Federal Single Audit. Notification must include acknowledgement of any state revolving fund findings and/or resolution to prior year findings.

Section 5.19. Federal Equivalency Project The Municipality covenants that the Project shall comply with federal requirements applicable to activities supported with federal funds, a list of which is included as Exhibit D of this FAA.

ARTICLE VI
MISCELLANEOUS

Section 6.01. Notices All notices, certificates, or other communications hereunder shall be sufficiently given, and shall be deemed given when electronically delivered, 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 WATERTOWN
106 JONES STREET
PO BOX 477
WATERTOWN WI 53094

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent, by giving written notice 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. 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 6.05. Applicable Law This FAA shall be governed by and construed in accordance with the laws of the State, including the Statute.

Section 6.06. 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 obtaining funding for the Project and better assuring, conveying, assigning, and confirming the rights, security interests, and agreements granted or intended to be granted by this FAA.

Section 6.07. Termination This FAA may be terminated in whole or in part pursuant to one or more of the following:

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

Section 6.08. 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 WATERTOWN

By: _____
Robert Stocks
Mayor

Attest: _____
Megan Dunneisen
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 SUMMARY

CITY OF WATERTOWN
SDWLP Project No. 5439-09

	Total Project Costs	Eligible SDWLP Costs Paid by 5439-07	Eligible SDWLP Costs Paid by 5439-08	Eligible SDWLP Costs Paid by 5439-99	SDWLP Total Award Amount for this Project 5439-09
Force Account	0	0	0	0	0
Interim Financing	0	0	0	0	0
Preliminary Engineering	0	0	0	0	0
Land or Easement Acquisition	0	0	0	0	0
Engineering/Construction Mgmt.	0	0	0	0	0
Construction/Equipment	7,772,734	1,043,928	1,812,746	3,029,800	1,886,260
Contingency	388,638	52,197	90,638	151,490	94,313
Miscellaneous Costs	57,150	11,550	24,650	0	20,950
SDWLP Closing Costs	0	0	0	0	0
TOTAL	\$8,218,522	\$1,107,675	\$1,928,034	\$3,181,290	\$2,001,523

EXHIBIT B

PROJECT MANAGER SUMMARY

CITY OF WATERTOWN
SDWLP Project No. 5439-09

1. Project Description: The Municipality bid a contract to replace private and public Lead Service Lines (LSL) over a total of four financial assistance agreements. This Project is in census tract 1002 in Jefferson County. An estimated 419 private side LSLs will be replaced where the public side was either previously replaced on prior projects or will be replaced at the same time and funded through project 5439-99.

Eligible replacements under this FAA consist of the replacement of the Service Line from the corporation stop or the curb stop of a municipally-owned water main or service line (depending on ownership structure) to the meter, or other water utility service terminal on the served property.

All LSL replacements must result in complete removal of all lead components between the watermain and the connection point inside the building. Galvanized service lines, on the public or the private side, that are or have been downstream of lead components, are considered lead for the purpose of determining whether a Lead Service Line has been completely replaced.

If a Lead Service Line, including both the public portion and the private portion of the line, cannot be replaced in its entirety at one time, resulting in a service line that is temporarily composed partially of lead, the water utility is required to provide the customer with point-of-use filtration during the time between replacements. Filters must be models that have been tested and certified to NSF/ANSI 53 for the reduction of lead. Filters must also be supplied for six months following full LSL replacement. Funding through this FAA shall not be disbursed for those lines until all lead components have been completely replaced, and such replacement is recommended to be completed within 45 days of the initial replacement of a portion of the Lead Service Line but should be replaced within 90 days, unless the public side of the Lead Service Line was replaced prior to participation in the LSL Replacement Program. Please refer to the LSL Replacement Best Practices document attached as Exhibit C.

2. Ineligible Costs: No ineligible costs were identified in the review of this Project. If the DNR identifies ineligible Project Costs as the Project progresses, the DNR will notify the Municipality.

In general, costs that are ineligible for the Private LSL Replacement Program include:

- Private LSL replacements where the public side contains lead and has not been replaced (partial replacements);
 - Premise plumbing, which includes anything downstream of the normal connection point inside the home;
 - Any components of the utility side of the service line;
 - Costs for engineering or administration.
3. Other Funding Sources: The construction contract bid by the Municipality is being funded through four SDWLP awards. The costs under this Project are exclusively for construction, contingency, and filters for the private side in census tract 1002. The costs covered by the other awards are:

Project Number	Eligible PF %	Scope	Costs
5439-07	75% Private Side Only	Census Tract 9620	\$1,107,675
5439-08	50% Private Side Only	Municipal	\$1,928,034
5439-99	10% Public Side Only	Municipal	\$3,181,290

4. Miscellaneous Costs: As shown in the Project Budget Sheet Summary (Exhibit A), SDWLP funding in the amount of \$20,950 is included in the Miscellaneous category for Point of Use Filtration.

5. Contingency Allowance: The Contingency allowance of \$94,313 is five percent of the amount of uncompleted construction work. The Municipality must obtain CME approval of change orders prior to requesting reimbursement.
6. DBE Good Faith Effort: The Municipality made a good faith effort to solicit Disadvantaged Business Enterprises (DBE) when publishing the bid advertisement in the Watertown Daily Times on 3/26/2025 and 4/2/2025. Five Star Energy Services made a good faith effort to solicit DBEs when directly soliciting multiple DBEs. There are no DBEs expected to perform work on this Project.
7. Davis-Bacon Wage Rate Requirements: For projects where the work was bid as a municipal contract, all work must comply with Davis-Bacon and Related Acts requirements.
8. Environmental Review Conditions: An Environmental Review was completed for this Project which resulted in categorical exclusion with recommended erosion control. A construction site storm water permit may be required if the contiguous Project area exceeds one acre.
9. Federal Single Audit: This Project is being financed with federal funds and is subject to the Federal Single Audit requirements referenced in Section 5.18 of this FAA. If the Municipality receives more than \$1,000,000 of money that originates from any federal source in a calendar year, then it must commission a Federal Single Audit as part of its regular financial audit. The Catalog of Federal Domestic Assistance number is 66.468 for drinking water project disbursements funded with federal money.
10. 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 use of American Iron and Steel requirements of Section 1452 of the Act.
11. Closeout Documentation: At Project completion the Municipality must submit to DNR the documentation described in section 4.04(b) of this FAA, which will include reporting for each replaced Service Line:
 1. property address,
 2. property type (residential, school, daycare, commercial, other),
 3. original Service Line material,
 4. new Service Line material; and
 5. Service Line ownership (public, private, both)

EXHIBIT C

BEST PRACTICES FOR LEAD SERVICE LINE REPLACEMENTS

➤ **Participants in the Lead Service Line Replacement Program are expected to follow these steps.**

1. **Notice and Public Education.** Provide notice to the owner of the affected service line as well as non-owner resident(s) served by the affected service line within 24 hours of completion of the replacement. The notice must include all the following information, in accordance with §141.85(a) of the LCRR.
 - Explain that consumers may experience a temporary increase of lead levels in their drinking water due to the replacement.
 - Provide information about the health effects of lead.
 - Provide information about actions consumers can take to minimize their exposure to lead in drinking water,
2. **Flushing Information.** Provide information about service line flushing before the replaced service line is returned to service.
3. **Filters.** Provide the consumer(s) with a pitcher filter or point-of-use device certified by an American National Standards Institute accredited certifier to reduce lead, six months of replacement cartridges, and instructions for use before the replaced service line is returned to service.
4. **Follow-up Sampling.** Offer to the consumer to take a follow up tap sample between three months and six months after completion of the replacement and provide the results of the sample to the consumer in accordance with paragraph (d) of this section.

EXHIBIT D

LIST OF FEDERAL LAWS AND AUTHORITIES

The Municipality acknowledges that the Project is designated as a Federal Equivalency project, which is subject to additional federal requirements listed below.

- Archaeological and Historic Preservation Act of 1974 (P.L. 93-291, as amended) 16 U.S.C. §469a-1
- Build America, Buy America Act (BABA), P.L. 117-58, §§ 70901-52
- Clean Air Act Conformity (P.L. 95-95, as amended) 42 U.S.C. §7506(c)
- Coastal Barriers Resources Act (P.L. 97-348) 16 U.S.C. §3501 et. seq.
- Coastal Zone Management Act (P.L. 92-583, as amended) 16 U.S.C. §1451 et. seq.
- Debarment and Suspension (Executive Order 12549)
- Demonstration Cities & Metropolitan Development Act (P.L. 89-754, as amended) 42 U.S.C. §3331 et. seq.
- Endangered Species Act (P.L. 93-205, as amended) 16 U.S.C. §1531 et. seq.
- Enhancing Public Awareness of SRF Assistance Agreements (EPA Office of Water Memo dated June 3, 2015)
- Environmental Justice (Executive Order 12898)
- Equal Employment Opportunity (Executive Order 11246)
- Farmland Protection Policy Act (P.L. 97-98) 7 U.S.C. §4201 et. seq.
- Federal Single Audit Act (2 CFR 200 Subpart F)
- Fish and Wildlife Coordination Act (P.L. 85-624, as amended) 16 U.S.C. §661
- Floodplain Management (Executive Order 11988, as amended)
- National Historic Preservation Act of 1966 (P.L. 89-665, as amended) 54 U.S.C. §300101 et. seq.
- NEPA-like Environmental Review (National Environmental Policy Act)
- Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment (2 CFR 200.216)
- Promoting the Use of Small, Minority, & Women-owned Businesses (Executive Orders 11625, 12138, & 12432)
- Protection and Enhancement of the Cultural Environment (Executive Order 11593)
- Protection of Wetlands (Executive Order 11990, as amended)
- Uniform Relocation Assistance and Real Property Acquisition Policies Act (P.L. 91-646, as amended)
- Wild & Scenic Rivers Act (P.L. 90-542, as amended) 16 U.S.C. §1271 et. seq.

EXHIBIT E

FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION

[Prepare on Municipal Letterhead at Project Completion and Closeout]

The undersigned officials of the City of Watertown (the "Municipality") hereby certify that, for all expenditures made for construction of DNR Project No. 5439-09 (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. 5439-09 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 F

UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES (DBE)

Notice: This form is authorized by ss. 281.58, 281.59, and 281.61, Wis. Stats. Submittal of a completed form to the DNR is mandatory prior to receiving a final disbursement. Dollar amounts listed on the form should only include amounts paid under the Financial Assistance Agreement. Information collected on this form will be used for administrative purposes and may be provided to requesters to the extent required by Wisconsin's Public Records Law [ss. 19.31–19.39, Wis. Stats.].

Municipality
City of Watertown

Project Number
5439-09

Project Description
BIL SFY25 LSL Program-- CT 1002

Are any DBEs expected to be utilized on the project? If yes, list below. Yes ☐ No ☒				Enter at Project Closeout	
DBE Firm	Indicate DBE Type	Construction or Non-construction*	Contract Estimate (\$)	Actual Amount Paid to the DBE (\$)	Certifying Agency or List
SAMPLE: ABC Engineering, LLC.	X MBE ☐ WBE ☐ Other	Non-construction	10,000	9,950	WisDOT
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
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	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				
	☐ MBE ☐ WBE ☐ Other				

* Construction costs include but are not limited to paving, excavation, HVAC, plumbing, electrical, carpentry, trucking, and equipment. Non-construction costs include but are not limited to professional services, engineering, land acquisition, and supplies.

I hereby certify that, to the best of my knowledge and belief, the information provided on this form is accurate and correct.

Signature of Municipal Representative		Date Signed
Name of Person Completing This Form	Email Address	Phone Number

**RESOLUTION TO
APPROVE MECHANICAL WORK FOR
WASTEWATER ULTRAVIOLET DISINFECTION SYSTEM**

**SPONSOR: ALDERPERSON ARNETT
FROM: PUBLIC WORKS COMMISSION**

WHEREAS, the City of Watertown wastewater utility owns and operates a treatment plant used in the recycling, cleaning, and disinfection of all wastewaters prior to discharge in the Rock River; and,

WHEREAS, The Wastewater Treatment Plant Facilities Plan completed and submitted to WDNR on December 30, 2024, identified the Ultraviolet Disinfection System as an immediate need for upgrades due to the existing system age (23 years in service), coupled with discontinuance of support and parts from the manufacturer for electrical components; and,

WHEREAS, Wastewater posted to the public mechanical equipment and electrical bid specifications and solicited contractors to remove the existing equipment and install the new equipment, including all electrical work needed for operations of the new system, and received three bids listed; and,

<u><i>Equipment Manufacturer</i></u>	<u><i>Total Cost</i></u>
Rhode Brothers, Inc.	\$228,000
Sabel Mechanical LLC	\$309,000
Lee Mechanical	\$331,500

WHEREAS, Rhode Brothers, Inc., has worked for Watertown on pumps and equipment in the past, and provided is qualified for this type of work; and,

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF WATERTOWN, WISCONSIN: that the proper City Officials be and are hereby authorized to approve hiring Rhode Brothers, Inc. of Plymouth, Wisconsin to complete the electrical and mechanical work associated with removal and installation of the new systems, for \$228,000.

The funding for said project to come from account #02-97-30-12

	YES	NO
DAVIS		
LAMPE		
BERG		
BARTZ		
BLANKE		
SMITH		
ARNETT		
WETZEL		
MOLDENHAUER		
MAYOR STOCKS		
TOTAL		

ADOPTED September 2, 2025

CITY CLERK

APPROVED September 2, 2025

MAYOR

August 7, 2025

Peter Hartz
City of Watertown Wastewater Treatment Plant
800 Hoffmann Drive
Watertown, WI 53094



Subject: **EVALUATION OF BIDS**
WWTP Ultra-Violet Disinfection System Replacement
Bid Date of August 7, 2025

Dear Mr. Hartz:

We have completed our evaluation of the bid opened on August 7th, 2025, for the Ultra-Violet (UV) Disinfection System Replacement. A copy of the Tabulation of Bids listing the received bids is attached for your information.

Three bids were received for the UV Disinfection System Replacement project. Rhode Brothers Inc. submitted the low bid of \$228,000, Sabel Mechanical submitted the next low bid of \$309,000, and Lee Mechanical submitted a bid of \$331,500. The bidding process drew a good response to the bid advertisement, with about 20 companies holding bidding documents that were issued from the electronic plan house site prior to the bid opening.

The bid submitted by Rhode Brothers contained all the required documentation including the acknowledgement of the addendum, signature, and bid security. No bid informalities were noted.

Rhode Brothers has a long history of performing mechanical and general construction for municipal projects related to water and wastewater in Wisconsin. Given the bidder's substantial assets and reputation for construction projects in the state of Wisconsin, we recommend awarding the contract to Rhode Brothers, Inc. for \$228,000.

Please contact me if you have any questions or need additional information.

Sincerely,
Applied Technologies, Inc.



Kathleen R. Hassing, P.E.

Attachment: Tabulation of Bids



TABULATION OF BIDS
~~Purchase of~~ UV Disinfection System Equipment Install
City of Watertown, WI
August 7th, 2025, 10:00 a.m.

Bidder Name	Addendum No. 1 (✓)	Total Base Bid (\$)	Signature (✓)	Bid Security Included (✓)
Rhode	✓	228,000	✓	✓
Lee	✓	331,500	✓	✓
Sabel	✓	309,000	✓	✓

BID FORM

PROJECT IDENTIFICATION: Ultra-Violet Disinfection System Replacement

THIS BID IS SUBMITTED TO: City of Watertown
Wastewater Treatment Plant
800 Hoffman Road, Watertown, Wisconsin 53094

1. The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an agreement with Owner in the form included in the Contract Documents to perform and furnish all Work as specified or indicated in the Contract Documents for the Contract Price and within the Contract Time indicated in this Bid and in accordance with the other terms and conditions of the Contract Documents.
2. Bidder accepts all of the terms and conditions of the Invitation to Bid and Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to acceptance for the period of time specified in the Invitation to Bid after the day of Bid opening. Bidder will sign and submit the Agreement with the Bonds and other documents required by the Bidding Requirements within 15 days after the date of Owner's Notice of Award.
3. In submitting this Bid, Bidder represents, as more fully set forth in the Agreement, that:
- (a) Bidder has examined copies of all the Bidding Documents and of the following Addenda, receipt of all which is hereby acknowledged:

<u>Number</u>	<u>Date</u>
1	8/4/2025

- (b) Bidder has familiarized itself with the nature and extent of the Contract Documents, Work, site, locality, and all local conditions and Laws and Regulations that in any manner may affect cost, progress, performance or furnishing of the Work.
- (c) Bidder has correlated the results of all such observations, examinations, investigations, explorations, tests, reports and studies with the terms and conditions of the Contract Documents.
- (d) Bidder has given Engineer written notice of all conflicts, errors or discrepancies that it has discovered in the Contract Documents and the written resolution thereof by Engineer is acceptable to Bidder.
- (e) This Bid is genuine and not made in the interest of or on behalf of any undisclosed person, firm or corporation and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid; Bidder has not solicited or induced any person, firm or corporation to refrain from bidding; and Bidder has not sought by collusion to obtain for itself any advantage over any other Bidder or over Owner.

00 41 00-1

4. Bidder will complete the Work for the following prices:

TOTAL BASE BID:

The Bidder agrees to complete the Total Base Bid work for each type and unit of work called for in the Contract Documents set forth in the Contract Documents for the following amount:

Two hundred twenty eight thousand
(use words)

_____ Dollars \$ 228,000
(use figures)

If the Contract is to be awarded, it will be awarded to the lowest, qualified, responsive and responsible Bidder based on the TOTAL BASE BID whose evaluation by Owner indicates that the award will be in the best interests of the Project.

5. Bidder agrees to the provisions of Article 3 of the Agreement as to the contract times, and the Bidder accepts the provisions of the Article 3 of the Agreement as to liquidated damages in the event of failure to complete the Work on time.

6. The following documents are attached to and made a condition of this Bid:

- (a) Required Bid Security in the form of bid bond.
- (b) Schedule B - Subcontractor Listing
- (c) Statement of the Bidder's qualification to do business in the state where the Project is located; or in the absence of such evidence, this bid constitutes Bidder's covenant to obtain such qualification prior to the award of the Contract.

7. Communications concerning this Bid shall be addressed to:

Name: Craig Bahr

Company Name: Rohde Brothers, Inc.

Address: W5745 Woodchuck Lane, Plymouth, WI 53073

Telephone No.: (920) 893-5905

SUBMITTED ON August 7, 20 25

00 41 00-2

I hereby certify that as Bidder I/We have examined and carefully prepared this Bid from the Bidding Documents and have checked the same in detail before submitting this Bid, and that all statements herein are made on behalf of:

An Individual

By (Individual's Signature) _____ (SEAL)

Individual's Name (Print) _____

Doing business as (Firm Name) _____

Business address: _____

Phone No.: _____

A Partnership

By (Firm Name) _____ (SEAL)

Signature of General Partner _____

Name of General Partner (Print) _____

Business Address: _____

Phone No.: _____

A Corporation

By (Corporation Name) Rohde Brothers, Inc.

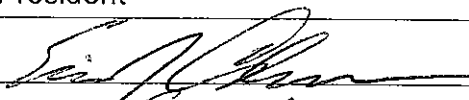
State of Incorporation Wisconsin

Signature of Authorized Representative Cj Bahr

Name of Authorized Rep. (Print) Craig Bahr

00 41 00-3

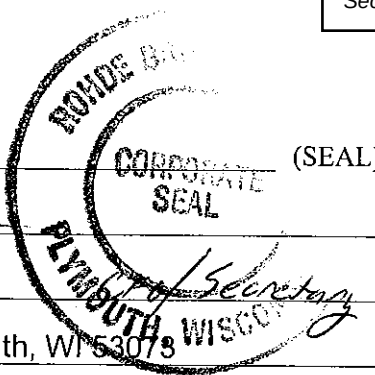
Title Vice President

Attest (Signature)  (SEAL)

Name of Attester (Print) ERIC CARLSON

Business address: W5745 Woodchuck Lane, Plymouth, WI 53078

Phone No.: (920) 893-5905



A Joint Venture

By (Representative's Signature) _____ (SEAL)

Representative's Name & Title (Print) _____

Doing business as (Firm Name) _____

Business address: _____

Phone No.: _____

By (Representative's Signature) _____ (SEAL)

Representative's Name & Title (Print) _____

Doing business as (Firm Name) _____

Business address: _____

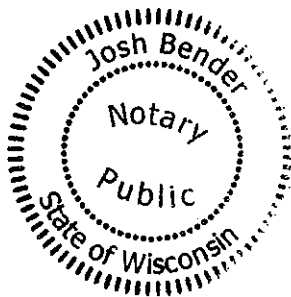
Phone No.: _____

(Each joint venturer must sign. The manner of signing for each individual, partnership, and corporation that is a party to the joint venture should be in the manner indicated above).

00 41 00-4

Sworn and subscribed to before me this

6th day of August, 20 25.



Josh Bender
Notary or Other Officer Authorized To
Administer Oaths

My commission expires: 7-26-2028

EVIDENCE OF AUTHORITY TO SIGN

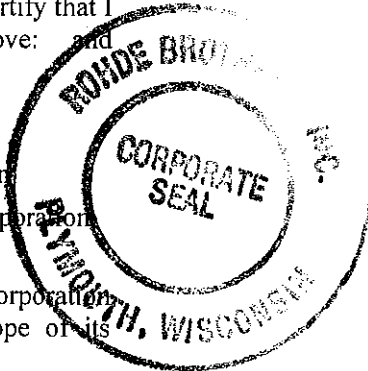
I, Eric Carlson, certify that I
am the CFO of Rohde Brothers, Inc. hereinabove: and
that Craig Bahr, who
(name of person executing the Contract)

signed the Bid Form on behalf of Rohde Brothers, Inc., was then
Vice President of said Corporation
(title)

that said Bid Form was duly signed for and in behalf of said Corporation
by authority of its governing body, and is within the scope of its
corporate powers.

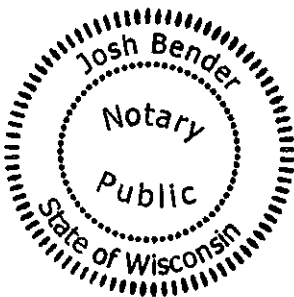
Eric Carlson
CFO

Josh Bender
Notary Public



Subscribed and sworn to
Before me this 6th day of
August, 20 25.

My Commission Expires: 7-26-2028



BID BOND

Rohde Brothers, Inc. W5745 Woodchuck Lane, Plymouth, WI 53073
hereinafter called the Principal (Bidder), and Ohio Farmers Insurance Company
a corporation duly organized and existing under the laws of the State of Ohio,
having its principal place of business at 1 Park Circle, Westfield Center, OH, and authorized to do
business in the State of Wisconsin, as Surety, are held and firmly bound unto the _____
Watertown Wastewater Treatment Facility

hereinafter called the Obligee, in the penal sum of Five Percent of the Amount Bid
_____ DOLLARS
(\$5% of the amount bid) for the payment of which we bind ourselves, our heirs, executors,
administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS BOND IS SUCH THAT:

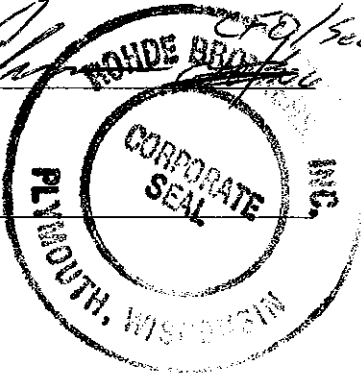
WHEREAS, the Principal is herewith submitting its Bid for:

City of Watertown Ultra-Violet Disinfection System Replacement

said Bid, by reference thereto, being hereby made a part hereof.

Now, therefore, if the Bid submitted by the Principal is accepted, and the Contract awarded to the Principal, and if the Principal shall execute the proposed Agreement and shall furnish such Performance Bond and Payment Bond as required by the Contract Documents within the time fixed by the Documents, then this obligation shall be void; if the Principal shall fail to execute the proposed Agreement and furnish the bonds, the Surety hereby agrees to pay to the Oblgee the penal sum as liquidated damages.

Signed and sealed this 7th day of August, 2025.

[SEAL] Rohde Brothers, Inc. _____
PRINCIPAL *Evan J. Rohde*
WITNESS *[Signature]* BY _____ PRESIDENT (TITLE)


[SEAL] Ohio Farmers Insurance Company _____
SURETY

WITNESS *[Signature]* BY *[Signature]* (TITLE) Bradley S. Babcock, Attorney-in-Fact

General
Power
of Attorney

Westfield Insurance Co.
Westfield National Insurance Co.
Ohio Farmers Insurance Co.
Westfield Center, Ohio

CERTIFIED COPY

Know All Men by These Presents, That WESTFIELD INSURANCE COMPANY, WESTFIELD NATIONAL INSURANCE COMPANY and OHIO FARMERS INSURANCE COMPANY, corporations, hereinafter referred to individually as a "Company" and collectively as "Companies," duly organized and existing under the laws of the State of Ohio, and having its principal office in Westfield Center, Medina County, Ohio, do by these presents make, constitute and appoint
BRADLEY S. BABCOCK, KIMBERLY L. BABCOCK, JOINTLY OR SEVERALLY

of CEDARBURG and State of WI its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings, or other instruments or contracts of suretyship in any penal limit. - - - - -

LIMITATION: THIS POWER OF ATTORNEY CANNOT BE USED TO EXECUTE NOTE GUARANTEE, MORTGAGE DEFICIENCY, MORTGAGE GUARANTEE, OR BANK DEPOSITORY BONDS.

and to bind any of the Companies thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the applicable Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolution adopted by the Board of Directors of each of the WESTFIELD INSURANCE COMPANY, WESTFIELD NATIONAL INSURANCE COMPANY and OHIO FARMERS INSURANCE COMPANY:

"Be It Resolved, that the President, any Senior Executive, any Secretary or any Fidelity & Surety Operations Executive or other Executive shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

The Attorney-in-Fact may be given full power and authority for and in the name of and on behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements of indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be as binding upon the Company as if signed by the President and sealed and attested by the Corporate Secretary."

"Be It Further Resolved, that the signature of any such designated person and the seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signatures or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached." (Each adopted at a meeting held on February 8, 2000).

In Witness Whereof, WESTFIELD INSURANCE COMPANY, WESTFIELD NATIONAL INSURANCE COMPANY and OHIO FARMERS INSURANCE COMPANY have caused these presents to be signed by their National Surety Leader and Senior Executive and their corporate seals to be hereto affixed this 20th day of FEBRUARY A.D., 2023.

Corporate
Seals
Affixed



WESTFIELD INSURANCE COMPANY
WESTFIELD NATIONAL INSURANCE COMPANY
OHIO FARMERS INSURANCE COMPANY

By:
Gary W. Stumper, National Surety Leader and Senior Executive

State of Ohio
County of Medina ss.:

On this 20th day of FEBRUARY A.D., 2023, before me personally came **Gary W. Stumper** to me known, who, being by me duly sworn, did depose and say, that he resides in **Medina, OH**; that he is **National Surety Leader and Senior Executive** of WESTFIELD INSURANCE COMPANY, WESTFIELD NATIONAL INSURANCE COMPANY and OHIO FARMERS INSURANCE COMPANY, the companies described in and which executed the above instrument; that he knows the seals of said Companies; that the seals affixed to said instrument are such corporate seals; that they were so affixed by order of the Boards of Directors of said Companies; and that he signed his name thereto by like order.

Notarial
Seal
Affixed



David A. Kotnik, Attorney at Law, Notary Public
My Commission Does Not Expire (Sec. 147.03 Ohio Revised Code)

State of Ohio
County of Medina ss.:

I, **Frank A. Carrino**, Secretary of WESTFIELD INSURANCE COMPANY, WESTFIELD NATIONAL INSURANCE COMPANY and OHIO FARMERS INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Companies, which is still in full force and effect; and furthermore, the resolutions of the Boards of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seals of said Companies at Westfield Center, Ohio, this 7th day of August, 2025 A.D.,



Frank A. Carrino, Secretary

Watertown Ultra-violet Disinfection System Replacement

List of proposed subcontractors

- Concrete Work – R-Industries - industrial contractor
- Electrical Work – CR Fuchs

CHARLES E ROHDE
ROHDE BROTHERS INC
W5745 WOODCHUCK LN
PO BOX 409
PLYMOUTH WI 53073-0409

This is your new Certification, License, or Registration Card.

ID: 120390

ROHDE BROTHERS INC

Certification, License, or Registration Name
HVAC Contractor Registration

Expires
07/06/26

Wisconsin Department of Safety and Professional Services
Signature: *M. R. D.*

Directions for Self-laminating Card:

1. Sign the card.
2. Peel card from liner slowly.
3. Replace card signature side down in window.
4. Punch card through back sheet.

To view details about your credential or continuing education, visit the Department website at www.dsps.wi.gov.

*** Please check your credentials to see if they require continuing education prior to your next renewal.***

Please review the information on the card. If errors or discrepancies are found, you may contact the Department at 608-266-2112 or email DSPSCredTrades@wi.gov, and provide your ID number printed on the card. The Department should be notified of changes in addresses as they occur. Notification of address changes is the responsibility of the credential holder.

A renewal notice will be sent to the address on file about 30 days before the expiration date of each credential indicated on the card. Renewals are contingent upon compliance with the requirements specified in Wisconsin Administrative Code SPS305.

SBD 10183 (R. 5/16)

**RESOLUTION TO
APPROVE CHANGE ORDER NO. 1 TO
BITUMINOUS SURFACING CONTRACT #6-25
WITH WOLF PAVING CO., INC.**

**SPONSOR: ALDERPERSON TONY ARNETT
FROM: PUBLIC WORKS COMMISSION**

WHEREAS, the Common Council previously awarded Contract #6-25 Bituminous Surfacing to Wolf Paving Co., Inc. in the amount of \$526,049.78; and,

WHEREAS, funding is available for additional street resurfacing in the Annual Street Reserve Account due to favorable 2025 bids; and,

WHEREAS, Wolf Paving Co., Inc. has assured the City that additional street resurfacing projects can be completed in 2025; and,

WHEREAS, the Engineering Division in coordination with the Department of Public Works has developed a list of resurfacing streets to add to the 2025 contract for consideration; and,

WHEREAS, the Public Works Commission has reviewed and recommends approval of this Change Order; and,

WHEREAS, the Engineering Division is seeking Council approval to add the below streets to the 2025 Bituminous Surfacing Contract #6-25;

Street	Limits	L.F.	Cost Estimate
Summit Avenue	East Gate Drive, west 640’	640’	\$46,000
South Street	Chadwick Drive to Benton Street	1,300’	\$90,000
Oakwood Lane	Milford Street, west 310’	310’	\$19,000

WHEREAS, approval of this change order will increase the total contract amount from \$526,049.78 to \$681,049.78; and,

WHEREAS, this work is within the scope of the 2025 Annual Street Reserve Budget; and,

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF WATERTOWN, WISCONSIN:

That the proper City Officials be and are hereby authorized to approve Change Order No. 1 to the Bituminous Surfacing Contract #6-25 with Wolf Paving Co., Inc. for an amount not to exceed \$155,000.00. Funds to come from the Annual Street Reserve Account: 05-58-11-69.

	YES	NO
DAVIS		
LAMPE		
BERG		
BARTZ		
BLANKE		
SMITH		
ARNETT		
WETZEL		
MOLDENHAUER		
MAYOR STOCKS		
TOTAL		

ADOPTED September 2, 2025

CITY CLERK

APPROVED September 2, 2025

MAYOR

**RESOLUTION TO
APPROVE THE AQUATIC PLANT MANAGEMENT ON CITY-OWNED
PROPERTIES POLICY**

**SPONSOR: ALDERPERSON TONY ARNETT
FROM: PUBLIC WORKS COMMISSION**

WHEREAS, the City of Watertown recognizes the importance of maintaining healthy shoreline and aquatic plants to sustain the environmental quality, safety, and aesthetic value of its water resources; and,

WHEREAS, aquatic plant management is critical for improving water quality, controlling erosion, enhancing habitat, supporting recreation, and preserving the overall function of rivers, streams, lakes, ponds, and stormwater infrastructure located on City-owned lands; and,

WHEREAS, the Parks, Recreation & Forestry Department and the Department of Public Works have developed the Aquatic Plant Management on City-owned Properties Policy to provide consistent guidance for the protection, restoration, and management of aquatic plants along rivers, streams, lakes, ponds, and stormwater best management practices (BMPs) and infrastructure within City ownership; and,

WHEREAS, this policy establishes guiding principles, clarifies departmental responsibilities, outlines management practices, and ensures compliance with state and federal regulatory requirements; and,

WHEREAS, the Public Works Commission has reviewed and recommends approval of the policy by the Common Council.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Watertown, Wisconsin, that the Aquatic Plant Management on City-owned Properties Policy, attached hereto as Exhibit A and incorporated herein by reference, is hereby approved and adopted as official policy of the City of Watertown.

BE IT FURTHER RESOLVED, that the Parks, Recreation & Forestry Department and the Department of Public Works are hereby directed to implement the policy in coordination with the applicable state and federal regulatory authorities.

	YES	NO
DAVIS		
LAMPE		
BERG		
BARTZ		
BLANKE		
SMITH		
ARNETT		
WETZEL		
MOLDENHAUER		
MAYOR STOCKS		
TOTAL		

ADOPTED September 2, 2025

CITY CLERK

APPROVED September 2, 2025

MAYOR

Aquatic Plant Management on City-owned Properties Policy

For River Corridors, Streambanks, Lakefronts, Pond Banks and Stormwater BMPs and Infrastructure
City of Watertown Parks, Recreation & Forestry Department and Public Works Department

1. Introduction

The City of Watertown recognizes the vital role that healthy shoreline and aquatic vegetation plays in sustaining the environmental quality, safety, and aesthetic value of its water resources. This policy provides guidance for the protection, restoration, and management of vegetation along rivers, streams, lakes, ponds, and stormwater best management practices (BMPs) and infrastructure within city-owned lands. Proper shoreline and aquatic vegetation management improves water quality, controls erosion, enhances habitat, supports recreation, and contributes to overall ecological health of the water body.

2. Departments

- Public Works Department – Streets Division
Responsible for routine vegetation maintenance along riverbanks, drainage ditches, and select public stormwater best management practices (BMPs) to maintain drainage function and public safety. Tasks may include mowing, hand removal, mechanical cutting, and woody vegetation control in BMPs and around stormwater infrastructure.
- Public Works Department – Engineering Division/Stormwater Utility
Oversees long-term planning, regulatory compliance, and capital improvements for the City's stormwater system. Coordinates permitting, survey, and design standards related to stormwater systems, and advises on appropriate maintenance methods.
- Parks, Recreation, and Forestry Department
Maintains vegetation at launch sites, access points, riverbanks and shoreline areas and stormwater BMPs within park properties. Responsibilities include routine

mowing, hand removal, and selective cutting to ensure safe public access and protect streambank stabilization plantings.

3. Purpose

This policy is designed to:

- Clarify management of city-owned properties
 - Protect and restore native shoreline vegetation
 - Prevent erosion and sedimentation
 - Improve water quality by filtering runoff
 - Manage invasive species
 - Balance ecological preservation with public access and recreation
 - Provide consistent guidance for city staff, contractors, and partners
-

4. Scope

This policy applies to all city-owned lands bordering:

- **Rivers and streambanks** (perennial and intermittent)
- **Lakefronts** (natural and artificial)
- **Pond banks** (emergent, submerged, terrestrial vegetation)
- **Stormwater BMPs, drainage ditches* and infrastructure** (emergent, submerged, terrestrial vegetation)

*Drainage District 80 and Dodge County maintain the agricultural drainage ditch on the northeast side of the City.

5. Guiding Principles

- **Ecological Integrity:** Protect the natural structure and function of shoreline ecosystems.
 - **Native Species First:** Prioritize the use and protection of native plant species adapted to local hydrology.
 - **Minimal Disturbance:** Limit soil disruption and vegetation clearing near water bodies.
-

- **Multi-Use Balance:** Allow responsible public access and recreation without degrading shoreline environments.
- **Regulatory Compliance:** Align with state (e.g., WDNR), federal (e.g., USACE), and local waterway protection laws.

6. Shoreline Management Zones and Practices

A. Riparian Buffer Zone (0–35 feet from water’s edge)

Applicable to rivers, streams, lakes, and ponds

Objectives:

- Stabilize shorelines and prevent erosion
- Filter nutrients and pollutants from runoff
- Provide habitat for fish, birds, and aquatic life
- Maintain scenic natural views

Shorelines (emergent, terrestrial vegetation): routine and more substantial occasional maintenance may be needed in specific areas of shorelines along waterways in the City.

Native plantings are installed in specific locations to protect streambanks from erosion; native plantings require more attention during the first 3 years while they are becoming established.

Allowed Practices:

- Retention and planting of native grasses, sedges, shrubs, and trees
- Manual removal of invasive species
- Creation of narrow access corridors (e.g., trails, fishing spots) using natural materials
- Installation of low-impact erosion control (e.g., coir logs, native bioengineering)
- Routine mowing of trails/access to shorelines.
- Removal of hazardous or approved trees and shrubs.

Restricted Practices:

- Use of synthetic herbicides without proper approval
- Grading or excavation without permit

B. Lakefront and Pond Bank Specifics

Lakes and ponds often experience wave action, water level fluctuation, and aesthetic landscaping pressure. Additional management principles include:

Lakefronts:

- Use **deep-rooted native plants** to stabilize sloped shorelines
- Incorporate **buffer plantings** of at least 10–15 feet wide where feasible
- Allow designated swim or watercraft access zones, bordered by stabilized paths
- Avoid decorative rock or riprap unless engineered and permitted with native vegetation overstory

Pond Banks:

- Maintain a 3–5 foot no-mow buffer around the pond edge
- Use emergent plants (e.g., soft rush, blue flag iris) for bank stabilization and nutrient uptake
- Control algae and aquatic weeds through non-chemical means first (e.g., shading, circulation)
- Discourage waterfowl congregation through diverse shoreline vegetation to reduce waste and bank trampling

Launch/Access Points:

- both land (terrestrial) and water (aquatic) vegetation can be found at launches and access points. Management of aquatic vegetation, either emergent or submerged, may be regulated by WDNR. Upland or terrestrial vegetation is typically not regulated by WDNR, unless the area has been determined to be a wetland.

C. Stormwater Best Management Practices (BMPs) and Infrastructure

Stormwater BMPs and Infrastructure require maintenance to function as designed, and as required by the Wisconsin Department of Natural Resources Municipal Separate Storm Sewer System (MS4) Permit.

- Site-specific maintenance plans are required for all stormwater BMPs.
- Routine stormwater BMP and infrastructure maintenance is typically exempt from state and local permits.
- Routine maintenance of emergent vegetation may be needed around inlets/outlets, throughout the bottom of a dry pond, infiltration basin, or biofilter, and on the slopes and/or embankments of the stormwater ponds, infiltration basins, biofilters, etc.

Stormwater trees also require routine maintenance. While permeable pavement systems are not designed to include vegetation, routine maintenance is required to prevent vegetation from compromising the system.

- Occasional management of stormwater BMP vegetation may include dredging or more substantial vegetation removal and re-establishment. WDNR permits are required for dredging and sediment management for larger stormwater BMP management projects.

Occasional management may include stabilization of drainage ditch banks.

7. Invasive Species Management

The city will maintain an ongoing invasive species management program:

- Inspections as needed during growing season
 - Priority species include: buckthorn, Japanese knotweed, Phragmites, reed canary grass, garlic mustard, purple loosestrife, yellow iris, cattails
 - Integrated management methods: mechanical removal, and replanting native species
-

8. Methods of Control

<u>Method</u>	<u>DPW- Engineering</u>	<u>DPW- Streets & Solid Waste</u>	<u>Parks, Recreation, & Forestry</u>	<u>Frequency</u>	<u>Regulating Authority</u>
Hand Pull:					
Stormwater BMPs		X			
Shoreline		X	X	As Needed	
In Water					WDNR
Drainage Ditches					
Launch/Access Points			X		
Mechanical/Cutting*:					
Stormwater BMPs		X		1-2 Times Per Year	
Shoreline		X	X	As Needed	
In Water					WDNR
Drainage Ditches					
Launch/Access Points			X		
Chemical**:					
Stormwater BMPs					WDNR, DATCP
Shoreline			X		WDNR, DATCP
In Water					WDNR, DATCP
Drainage Ditches					WDNR, DATCP
Launch/Access Points					
Burning***:					
Stormwater BMPs					City FD
Shoreline					City FD
In Water					City FD, WDNR
Drainage Ditches					City FD
Launch/Access Points					City FD

*Wisconsin Department of Natural Resources (WDNR) requires permits for some mechanical harvesting or cutting of submerged aquatic plants. These projects may require an aquatic plant management survey and plan to be completed prior to permit issuance.

**Wisconsin Department of Natural Resources (WDNR) requires permits for some chemical treatments of submerged or emergent aquatic plants. These projects may require an aquatic plant management survey and plan to be completed prior to permit issuance. Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) requires licenses for commercial (including municipal) applications of aquatic herbicides and algaecides.

***City of Watertown Fire Department policies *should be checked prior to burning vegetation within City limits. Coordination with City FD on training events may be an option to manage vegetation.*

9. Tree and Shrub Removal Guidelines

- Removal is permitted only when:
 - Trees are dead, diseased, or pose a safety hazard
 - Approved as part of an ecological restoration or natural resources management plan
- Removal must be approved by the Parks Supervisor or City Forester
- Replacement planting with native species is encouraged following removal