

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

Financial Assistance Agreement  
Clean Water Fund Program  
Form 8700-214 rev 04/20

STATE OF WISCONSIN CLEAN WATER FUND PROGRAM

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STATE OF WISCONSIN  
DEPARTMENT OF NATURAL RESOURCES  
DEPARTMENT OF ADMINISTRATION

and

CITY OF WAUKESHA

\_\_\_\_\_

\$55,549,871

FINANCIAL ASSISTANCE AGREEMENT

\_\_\_\_\_

Dated as of August 26, 2020

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

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

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

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Municipal Identification No. 67291  
Clean Water Fund Program Project No. 4062-05

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WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated August 26, 2020, between the STATE OF WISCONSIN Clean Water Fund Program (the "CWFP"), by the Department of Natural Resources (the "DNR") and the Department of Administration (the "DOA"), acting under authority of ss. 281.58 and 281.59, Wis. Stats., as amended (the "Statute"), and the City of Waukesha, a municipality within the meaning of the Statute, duly organized and existing under the laws of the State of Wisconsin (the "Municipality"); and

WHEREAS, the United States, pursuant to the Federal Water Quality Act of 1987 (the "Water Quality Act"), requires each state to establish a water pollution control revolving fund to be administered by an instrumentality of the state before the state may receive capitalization grants for eligible projects from the United States Environmental Protection Agency (the "EPA"), or any successor which may succeed to the administration of the program established by Title VI of the Water Quality Act; and

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

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

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

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

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

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

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

WHEREAS, the Municipality certifies to the CWFP that it has created a dedicated source of revenue, which may constitute taxes levied by the Municipality for repayment of the Loan; and

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

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

ARTICLE I  
DEFINITIONS; RULES OF INTERPRETATION

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

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

"Application" means the written application of the Municipality dated May 21, 2020, for financial assistance under the Statute.

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

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

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

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

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

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

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

"FAA" means this Financial Assistance Agreement.

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

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

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

"Fiscal Sustainability Plan" means a plan meeting the minimum requirements of section 603(d)(1)(E) of the Act.

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

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

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

- (a) amount of each disbursement,
- (b) date of each disbursement,
- (c) the series of Bonds from which each disbursement is made,

- (d) principal amounts repaid, and
- (e) outstanding principal balance.

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

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

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

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

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

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

"Parity Obligations" means the Municipality's \$10,409,006 Sewer System Revenue Bonds, Series 2020C, dated August 26, 2020, and any other obligations issued on a parity with the Municipal Obligations pursuant to the restrictive provisions of Section 11 of the Municipal Obligation Resolution.

"Plans and Specifications" means the Project design plans and specifications assigned No. S-2019-0868, approved by DNR on February 24, 2020, and No. S-2019-0870, approved by DNR on March 6, 2020, as the same may be amended or modified from time to time in accordance with this FAA.

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

"Project" means the project assigned CFWP Project No. 4062-05 by DNR, described in the Project Manager Summary Page (Exhibit F), and further described in the DNR approval letters for the Plans and Specifications, or portions thereof, issued under s. 281.41, Wis. Stats.

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

"Regulations" means the Act, and chs. NR 108, NR 110, NR 150, NR 151, NR 162, and NR 216, Wis. Adm. Code, the regulations of DNR, and ch. Adm. 35, Wis. Adm. Code, the regulations of DOA, adopted pursuant to and in furtherance of the Act, as such may be adopted or amended from time to time.

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

"Senior Municipal Obligations" means:

the Municipality's \$7,455,000 Sewer System Revenue Bonds, Series 2014, dated April 8, 2014;  
its \$33,000,000 Sewer System Revenue Bonds, Series 2014B, dated June 25, 2014;  
its \$15,583,127 Sewer System Revenue Bonds, Series 2015, dated July 8, 2015;  
its \$3,610,000 Sewer System Revenue Bonds, Series 2016, dated May 10, 2016;  
its \$6,395,000 Sewer System Revenue Bonds, Series 2017, dated May 23, 2017;  
its \$5,550,000 Sewer System Revenue Bonds, Series 2018, dated May 8, 2018;  
its \$2,286,112 Sewer System Revenue Bonds, Series 2018B, dated October 24, 2018;  
its \$2,980,000 Sewer System Revenue Bonds, Series 2019, dated May 7, 2019; and  
its \$4,785,000 Sewer System Revenue Bonds, Series 2020, dated May 14, 2020; and  
any obligations issued by the Municipality in the future on a parity with these bonds.

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

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

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

"Sewerage System" means the entire sewer system of the Municipality, specifically including that portion of the Project owned by the Municipality and including all property of every nature now or hereafter owned by the Municipality for the collection, transmission, treatment, and disposal of domestic and industrial sewerage and waste.

"State" means the State of Wisconsin.

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

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

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

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

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

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

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

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

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

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



ARTICLE II  
REPRESENTATIONS

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

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

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

- (a) The Municipality possesses the legal municipal form of a city under ch. 62, Wis. Stats. The Municipality is located within the State and is a "municipality" within the meaning of the Statute, duly organized and existing under the laws of the State, and has full legal right, power, and authority to:
  - (1) conduct its business and own its properties,
  - (2) enter into this FAA,
  - (3) adopt the Municipal Obligation Resolution,
  - (4) issue and deliver the Municipal Obligations to the CWFP as provided herein, and
  - (5) carry out and consummate all transactions contemplated by each of the aforesaid documents.
- (b) The Municipality's Project is a project needed to provide treatment to achieve compliance with an enforceable requirement changed or established after May 17, 1988 (new/changed limits).
- (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 \$55,549,871 and authorized the taking of any and all action as may be required on the part of the Municipality and its authorized officers to carry out, give effect to, and consummate the transactions contemplated by each of the foregoing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(s) The Municipality represents that it has satisfied all the applicable requirements in s. 281.58, Wis. Stats., and ch. NR 162, Wis. Adm. Code.

(t) The Municipality has adopted a rate, charge, or assessment schedule that will generate annually sufficient revenue to pay the principal of and interest on the Municipal Obligations.

(u) The Municipality is in substantial compliance with all conditions, requirements, and terms of any financial assistance previously awarded through the federal construction grants program, the Wisconsin Fund construction grants program, the CWFP, or the SDWLP.

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

(w) The Municipality represents that it submitted to DNR a bid tabulation for the Project with a recommendation to DNR for review and concurrence. The expected Substantial Completion date of the Project is April 22, 2022.

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

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

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

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

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

ARTICLE III  
LOAN PROVISIONS

Section 3.01. Loan Clauses

(a) Subject to the conditions and in accordance with the terms of this FAA, the CWFP hereby agrees to make the Loan and the Municipality agrees to accept the Loan. As evidence of the Loan made to the Municipality, the Municipality hereby agrees to sell to the CWFP Municipal Obligations in the aggregate principal amount of \$55,549,871. The CWFP shall pay for the Municipal Obligations in lawful money of the United States, which shall be disbursed as provided in this FAA.

(b) Prior to disbursement, Loan proceeds shall be held by the CWFP or by the Trustee for the account of the CWFP. Earnings on undisbursed Loan proceeds shall be for the account of the CWFP. Loan proceeds shall be disbursed only upon submission by the Municipality of disbursement requests and approval thereof as set forth in Section 3.06 hereof.

(c) The Loan shall bear interest at the rate of one and 931/1000ths percent (1.931%) per annum, and interest shall accrue and be payable only on Loan proceeds actually disbursed from the date of disbursement until the date such amounts are repaid. A description of how the interest rate was determined is included in the Project Manager Summary Page (Exhibit F).

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

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

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

Section 3.02. Loan Amortization Principal and interest payments on the Loan (and on the Municipal Obligations evidencing the Loan) shall be due on the dates set forth in Exhibit B of this FAA. The payment amounts shown on Exhibit B are for informational purposes only and assume the full amount of the Loan is disbursed to the Municipality on August 26, 2020. It is understood that the actual amount of the Municipality's Loan payments shall be based on the actual date and amount of Loan disbursements for the Project. Notwithstanding the foregoing or anything in the Municipal Obligations, the Loan shall be for no longer than thirty (30) years from the date of this FAA and shall mature and be fully amortized not later than thirty (30) years after the original issue date of the Municipal Obligations. Repayment of principal on the Loan shall begin not later than twelve (12) months after the expected or actual Substantial Completion date of the Project.

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

Municipal Obligations and any Parity Obligations) times the greater of (i) 110 percent or (ii) the highest debt service coverage ratio required with respect to the Senior Municipal Obligations or such other debt obligations payable from the revenues of the Sewerage System then outstanding (other than Municipal Obligations and any Parity Obligations). As of the date of this FAA, the required debt service coverage ratio for Senior Municipal Obligations is 125 percent and the required debt service coverage ratio for the Municipal Obligations and Parity Obligations is 110%; however, this percentage is subject to change as outlined in the prior sentence. The Loan is also secured as provided in Section 3.08 hereof.

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

(a) such Servicing Fee as the CWFP may impose pursuant to s. 281.58(9)(d), Wis. Stats., which shall be payable in semiannual installments on each interest payment date; such a Servicing Fee shall be imposed upon the Municipality after approval of a future Biennial Finance Plan by the State of Wisconsin Building Commission which contains a Servicing Fee requirement, schedule, and amount; and

(b) the Municipality's allocable share of the Fees and Charges as such costs are incurred. Allocable share shall mean the proportionate share of the Fees and Charges based on the outstanding principal of the Loan.

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

Section 3.05. Sale and Redemption of Municipal Obligations

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

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

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

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

Section 3.06. Disbursement of Loan Proceeds

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

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

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

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

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

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

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

(1) DNR is satisfied that the Project has been completed in accordance with the Plans and Specifications, DNR has approved all change orders relating to the Project, and DNR has determined that the Project is in compliance with the Municipality's WPDES Permit;

(2) the Municipality certifies to DNR its acceptance of the Project from its contractors;

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

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

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

### Section 3.07. Remedies

(a) If the Municipality:

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

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

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

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

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

(ii) Project work may be suspended.

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

(iv) Other administrative remedies may be pursued.

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

(1) Pursuant to s. 281.59(11)(b), Wis. Stats., DOA shall place on file a certified statement of all amounts due the CWFP under this FAA. DOA may collect all amounts due the CWFP by deducting those amounts from any State payments due the Municipality or adding a special charge to the amount of taxes apportioned to and levied upon the county in which the Municipality is located under s. 70.60, Wis. Stats.

(2) Pursuant to s. NR 162.18(1), Wis. Adm. Code, DNR may: declare the unpaid Loan balance due and immediately payable; increase the interest rate on the unpaid balance of the Loan to the market interest rate in effect on the date the FAA was executed; or immediately terminate the FAA and disburse no additional funds, if the Loan has not been fully disbursed.

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

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

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

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

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

(b) other than as already pledged to the outstanding Parity Obligations and Senior Municipal Obligations, the Municipality shall not pledge the revenues, except as provided in Section 11 of the Municipal Obligation Resolution, to be derived from the Municipality's User Charge System or other revenues pledged under Section 3.08(a) above, to any person other than the CWFP, unless the revenues pledged to such other person meet the debt coverage ratios described in Section 3.03 hereof..

Section 3.09. Effective Date and Term This FAA shall become effective upon its execution and delivery by the parties hereto, shall remain in full force and effect from such date, and shall expire on such date as the Municipal Obligations shall be discharged and satisfied in accordance with the provisions thereof.



ARTICLE IV  
CONSTRUCTION OF THE PROJECT

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

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

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

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

Section 4.04. Completion of the Project

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

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

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

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

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

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

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

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

(5) submit to DNR an Operation and Maintenance Manual Certification Checklist.

Section 4.05. Payment of Additional Project Costs

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

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

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

ARTICLE V  
COVENANTS

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

Section 5.02. Operation and Maintenance; Equipment Replacement Fund

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

(1) at all times operate the Project or otherwise cause the Project to be operated properly and in a sound and economical manner, including proper training of personnel;

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

(3) periodically make, or cause to be made, all necessary and proper repairs, replacements, and renewals so that at all times the operation of the Project may be properly conducted in a manner that is consistent with the requirements of the WPDES Permit. The Municipality shall not, without the approval of DNR, discontinue operation of, sell, or otherwise dispose of the Sewerage System, except for portions of the Sewerage System sold or otherwise disposed of in the course of ordinary repair and replacement of parts so long as the Loan is outstanding.

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

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

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

Section 5.05. Establishment of Project Accounts; Audits

(a) The Municipality shall maintain Project accounts in accordance with generally accepted accounting principles (GAAP), including standards relating to the reporting of infrastructure assets and directions issued by the CWFP. Without any request the Municipality shall furnish to DOA as soon as available, and in any event within one hundred eighty (180) days after the close of each fiscal year, a copy of the audit report for such year and accompanying GAAP-based financial statements for such period, as examined and reported by such independent certified public accountants of recognized standing selected by the Municipality and reasonably satisfactory to DOA, whose reports shall indicate that the accompanying financial statements have been prepared in conformity with GAAP and include standards relating to the reporting of infrastructure assets.

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

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

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

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

Section 5.09. Tax Covenants

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

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

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

(d) The Municipality shall not use (directly or indirectly) the proceeds of the Bonds in any manner that would constitute an "advance refunding" within the meaning of Section 149(d)(2) of the Code or any successor provision.

Section 5.10. User Fee Covenant

(a) The Municipality hereby certifies that it has adopted and shall charge User Fees with respect to the Project in accordance with applicable laws, the Statute, and the Regulations in amounts such

that revenues of the Municipality with respect to the Project shall be sufficient, together with other funds available to the Municipality for such purposes, to pay all costs of operating and maintaining the Project in accordance with this FAA, and to pay all amounts due under this FAA and the Municipal Obligations.

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

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

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

Section 5.13. Nondiscrimination Covenant

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

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

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

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

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

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

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

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

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

Section 5.21. Maintenance of Legal Existence

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

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

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

Section 5.22. Wage Rate Requirements The Municipality represents that it shall comply with Section 513 of the Federal Water Pollution Control Act (33 USC 1372), which requires that all laborers and mechanics employed by contractors and subcontractors funded directly by or assisted in whole or in part with funding under 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 5.23. Fiscal Sustainability Plan The Municipality has completed all required components of a Fiscal Sustainability Plan and shall maintain the plan at least for the life of the Loan.

Section 5.24. Use of American Iron and Steel The Municipality agrees to comply with requirements for Use of American Iron and Steel contained in section 608 of the Act for products used in the Project which are made primarily of iron and/or steel.

Section 5.25. Federal Single Audit At the time of signing of this FAA, the funds awarded to the Municipality for this Project are not considered to be subject to federal single audit requirements, but such consideration may change subsequent to the FAA if any changes are made to federal single audit requirements applicable to municipalities.

ARTICLE VI  
MISCELLANEOUS

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

- (a) DEPARTMENT OF ADMINISTRATION  
OFFICE OF CAPITAL FINANCE  
CLEAN WATER FUND PROGRAM  
101 EAST WILSON STREET 10TH FLOOR  
MADISON WI 53702-0004  
OR  
PO BOX 7864  
MADISON WI 53707-7864
- (b) DEPARTMENT OF NATURAL RESOURCES  
BUREAU OF COMMUNITY FINANCIAL ASSISTANCE  
101 SOUTH WEBSTER STREET CF/2  
MADISON WI 53702-0005  
OR  
PO BOX 7921  
MADISON WI 53707-7921
- (c) US BANK CORP TRUST  
MATTHEW HAMILTON EP-MN-WS3T  
60 LIVINGSTON AVENUE  
ST PAUL MN 55101-229
- (d) CITY OF WAUKESHA  
201 DELAFIELD STREET  
WAUKESHA WI 53188

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

CITY OF WAUKESHA

By: \_\_\_\_\_  
Shawn N. Reilly  
Mayor

Attest: \_\_\_\_\_  
Gina L. Kozlik  
Clerk-Treasurer

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 WAUKESHA  
CWFP Project No. 4062-05

	Total Project Costs (A)	Ineligible Costs (B)	Eligible Costs Paid by US Geological Survey (C)	Contracted Costs for Future CWFP Loans (D)	Net CWFP Loan Amount (E)
Force Account	\$ 363,000	\$ 0	\$ 0	\$ 0	\$ 363,000
Interim Financing Costs	0	0	0	0	0
Preliminary Engineering	43,100,236	22,200,990	54,495	0	20,844,751
Land or Easement Acquisition	0	0	0	0	0
Engineering/Construction Management	17,736,378	9,017,590	0	4,482,668	4,236,120
Construction/Equipment	110,036,326	8,910,365	0	73,725,961	27,400,000
Contingency	5,501,817	4,248,817	0	0	1,253,000
Miscellaneous Costs	1,418,000	0	0	0	1,418,000
CWFP Closing Costs	35,000	0	0	0	35,000
Total	\$178,190,757	\$44,377,762	\$54,495	\$78,208,629	\$55,549,871

Notes:

(A) Total Project Costs shown in this budget include portions of the costs in Contract Packages 5 and 6 of the Great Lakes water supply overall project. Also included are costs associated with the wastewater treatment plant project 4062-07 because the construction contract for that project includes construction of the return flow pumping station. Several engineering/professional services contracts that include costs for both the return flow and the water supply portions of the overall project are also included in this column.

(B) Water supply and wastewater treatment plant engineering and construction costs included in Column A are called out in this column as ineligible for CWFP funds or ineligible under this Loan. In addition, the amount of contingency would have been eligible if this loan included all construction costs shown in Column B and Column D are shown as ineligible under this Loan. The general allowance, which is ineligible for CWFP funds, of \$117,000 attributed to the return flow pumping station in the wastewater treatment plant/pumping station contract is added to the amount described in the previous sentence.

(C) Each of the Municipality's contracts with the U.S. Geological Survey included costs paid by the Survey. Therefore, these costs are not included in this FAA.

(D) The Municipality plans to apply for additional CWFP financial assistance in future years for the already-contracted costs shown in Column D, along with other costs they may incur and contracts into which they may enter for return flow pipeline and pumping station work.

(E) Column A - Column B - Column C - Column D = Column E, which includes the amount apportioned to each budget line from which reimbursement of costs may be requested under this FAA.

**City of Waukesha, Wisconsin**

**Exhibit B**

Project 4062-05 Clean Water Fund Program

Loan Closing Date:

**August 26, 2020**

Payment Date	Principal Payment	Interest Rate	Interest Payment	Principal & Interest	Bond Year Debt Service	Calendar Year Debt Service
1-Nov-20	0.00	1.931%	193,676.17	193,676.17	0.00	193,676.17
1-May-21	0.00	1.931%	536,334.00	536,334.00	730,010.17	0.00
1-Nov-21	0.00	1.931%	536,334.00	536,334.00	0.00	1,072,668.00
1-May-22	1,446,941.53	1.931%	536,334.00	1,983,275.53	2,519,609.53	0.00
1-Nov-22	0.00	1.931%	522,363.78	522,363.78	0.00	2,505,639.31
1-May-23	1,474,881.97	1.931%	522,363.78	1,997,245.75	2,519,609.53	0.00
1-Nov-23	0.00	1.931%	508,123.80	508,123.80	0.00	2,505,369.55
1-May-24	1,503,361.94	1.931%	508,123.80	2,011,485.74	2,519,609.54	0.00
1-Nov-24	0.00	1.931%	493,608.84	493,608.84	0.00	2,505,094.58
1-May-25	1,532,391.86	1.931%	493,608.84	2,026,000.70	2,519,609.54	0.00
1-Nov-25	0.00	1.931%	478,813.60	478,813.60	0.00	2,504,814.30
1-May-26	1,561,982.35	1.931%	478,813.60	2,040,795.95	2,519,609.55	0.00
1-Nov-26	0.00	1.931%	463,732.66	463,732.66	0.00	2,504,528.61
1-May-27	1,592,144.22	1.931%	463,732.66	2,055,876.88	2,519,609.54	0.00
1-Nov-27	0.00	1.931%	448,360.50	448,360.50	0.00	2,504,237.38
1-May-28	1,622,888.53	1.931%	448,360.50	2,071,249.03	2,519,609.53	0.00
1-Nov-28	0.00	1.931%	432,691.51	432,691.51	0.00	2,503,940.54
1-May-29	1,654,226.51	1.931%	432,691.51	2,086,918.02	2,519,609.53	0.00
1-Nov-29	0.00	1.931%	416,719.96	416,719.96	0.00	2,503,637.98
1-May-30	1,686,169.62	1.931%	416,719.96	2,102,889.58	2,519,609.54	0.00
1-Nov-30	0.00	1.931%	400,439.99	400,439.99	0.00	2,503,329.57
1-May-31	1,718,729.56	1.931%	400,439.99	2,119,169.55	2,519,609.54	0.00
1-Nov-31	0.00	1.931%	383,845.66	383,845.66	0.00	2,503,015.21
1-May-32	1,751,918.22	1.931%	383,845.66	2,135,763.88	2,519,609.54	0.00
1-Nov-32	0.00	1.931%	366,930.89	366,930.89	0.00	2,502,694.77
1-May-33	1,785,747.76	1.931%	366,930.89	2,152,678.65	2,519,609.54	0.00
1-Nov-33	0.00	1.931%	349,689.49	349,689.49	0.00	2,502,368.14
1-May-34	1,820,230.55	1.931%	349,689.49	2,169,920.04	2,519,609.53	0.00
1-Nov-34	0.00	1.931%	332,115.17	332,115.17	0.00	2,502,035.21
1-May-35	1,855,379.21	1.931%	332,115.17	2,187,494.38	2,519,609.55	0.00
1-Nov-35	0.00	1.931%	314,201.48	314,201.48	0.00	2,501,695.86
1-May-36	1,891,206.58	1.931%	314,201.48	2,205,408.06	2,519,609.54	0.00
1-Nov-36	0.00	1.931%	295,941.88	295,941.88	0.00	2,501,349.94
1-May-37	1,927,725.78	1.931%	295,941.88	2,223,667.66	2,519,609.54	0.00
1-Nov-37	0.00	1.931%	277,329.69	277,329.69	0.00	2,500,997.35
1-May-38	1,964,950.16	1.931%	277,329.69	2,242,279.85	2,519,609.54	0.00
1-Nov-38	0.00	1.931%	258,358.09	258,358.09	0.00	2,500,637.94
1-May-39	2,002,893.35	1.931%	258,358.09	2,261,251.44	2,519,609.53	0.00
1-Nov-39	0.00	1.931%	239,020.16	239,020.16	0.00	2,500,271.60
1-May-40	2,041,569.22	1.931%	239,020.16	2,280,589.38	2,519,609.54	0.00
1-Nov-40	0.00	1.931%	219,308.81	219,308.81	0.00	2,499,898.19
1-May-41	2,080,991.92	1.931%	219,308.81	2,300,300.73	2,519,609.54	0.00
1-Nov-41	0.00	1.931%	199,216.83	199,216.83	0.00	2,499,517.56
1-May-42	2,121,175.88	1.931%	199,216.83	2,320,392.71	2,519,609.54	0.00
1-Nov-42	0.00	1.931%	178,736.88	178,736.88	0.00	2,499,129.59
1-May-43	2,162,135.78	1.931%	178,736.88	2,340,872.66	2,519,609.54	0.00
1-Nov-43	0.00	1.931%	157,861.46	157,861.46	0.00	2,498,734.12
1-May-44	2,203,886.63	1.931%	157,861.46	2,361,748.09	2,519,609.55	0.00
1-Nov-44	0.00	1.931%	136,582.93	136,582.93	0.00	2,498,331.02
1-May-45	2,246,443.68	1.931%	136,582.93	2,383,026.61	2,519,609.54	0.00
1-Nov-45	0.00	1.931%	114,893.52	114,893.52	0.00	2,497,920.13
1-May-46	2,289,822.50	1.931%	114,893.52	2,404,716.02	2,519,609.54	0.00
1-Nov-46	0.00	1.931%	92,785.28	92,785.28	0.00	2,497,501.30
1-May-47	2,334,038.97	1.931%	92,785.28	2,426,824.25	2,519,609.53	0.00
1-Nov-47	0.00	1.931%	70,250.13	70,250.13	0.00	2,497,074.38
1-May-48	2,379,109.27	1.931%	70,250.13	2,449,359.40	2,519,609.53	0.00
1-Nov-48	0.00	1.931%	47,279.83	47,279.83	0.00	2,496,639.23
1-May-49	2,425,049.87	1.931%	47,279.83	2,472,329.70	2,519,609.53	0.00
1-Nov-49	0.00	1.931%	23,865.98	23,865.98	0.00	2,496,195.68
1-May-50	2,471,877.58	1.931%	23,865.98	2,495,743.56	2,519,609.54	2,495,743.56
Totals	55,549,871.00		18,248,815.77	73,798,686.77	73,798,686.77	73,798,686.77

Net Interest Rate 1.9310%  
 Bond Years 945,044.8489  
 Average Life 17.0125

The above schedule assumes full disbursement of the loan on the loan closing date.  
 18-Jun-20 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. However, 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 actual payment schedule based on disbursements to-date at <http://eif.doa.wi.gov/> by selecting Loan Payment Schedule on the lower half of the page. You can also request loan payment information from [doaeif@wisconsin.gov](mailto: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	Provides information commonly requested by municipal auditors. Available for completed calendar years.
Loan Account History	Loan disbursements, principal payments, and loan balance as of the selected date.
Loan Payment Schedule	Future principal and interest payments for disbursements through the selected date.
Payment History	Past principal and interest payments through the selected date.
Disbursement History	Past loan and grant disbursements through the selected date.

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>.

After your last disbursement of loan funds and project close-out, we will email the final loan payment schedule to you.

The Environmental Improvement Fund sends invoices semi-annually. Principal and interest payments are due by May 1 each year. Interest-only payments are due by November 1. 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.

Please call Katherine Miller at 608-266-2305 or email [doaeif@wisconsin.gov](mailto:doaeif@wisconsin.gov) for more information on your payment schedule.

EXHIBIT C

FORM OF LOAN DISBURSEMENT TABLE

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

EXHIBIT D

OPERATING CONTRACTS

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

EXHIBIT E

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

**MANDATORY PROJECT CLOSEOUT DOCUMENT**

Note: This form is authorized by s. NR 162.14(4)(b)4, Wis. Adm. Code. Receipt of this completed form by the Department is mandatory prior to receiving a final disbursement. The information printed on this form is taken from the completed Good Faith Certification Form 8700-294 and MBE/WBE Contacts Worksheet Form 8700-294A. Any changes or additions made to the list of prime contractors and DBE subcontractors during the construction must be reflected on this form at closeout. Personal information collected on this form will be used for program administration and must be made available to requesters as required by Wisconsin Open Records Law (s. 19.31 – 19.39, Wis. Stats.).

Municipality Name: City of Waukesha	Project Number: 4062-05	Loan/Grant Amount: \$55,549,871
Project Description: Construct Return Flow Pipeline/Pumping Station		
Did the municipality satisfy the MBE/WBE requirements? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (If no, refer to Exhibit F-Project Manager Summary Page.)		

Construction/Equipment/Supplies Contracts	DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to MBE/WBE Firm
				<b>Municipality Completes at Project Closeout</b>
Prime: S. J. Louis Construction	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Construction	\$24,100,000	
Sub: Arrow-Crete Construction, Inc	<input checked="" type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Concrete	\$1,214,091	
Sub: Hard Rock Sawing & Drilling	<input type="checkbox"/> MBE <input checked="" type="checkbox"/> WBE <input type="checkbox"/> Other	Concrete Sawing	\$71,125	
Sub: Heider & Bott	<input type="checkbox"/> MBE <input checked="" type="checkbox"/> WBE <input type="checkbox"/> Other	Supplies	\$3,432,777	
Sub: South Star Trucking	<input checked="" type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Trucking	\$4,777,074	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime: C. D. Smith Construction, Inc	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Construction	\$3,300,000	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
				Total MBE \$ _____
				Total WBE \$ _____



Professional/Technical Services Contracts	DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to MBE/WBE Firm
				Municipality Completes at Project Closeout
Prime: Jacobs Engineering Group	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A	Engineering	\$634,805	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime: Black & Veatch	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A	Engineering	\$3,576,000	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime: Greeley & Hansen	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A	Engineering	\$20,216,000	
Sub: GESTRA	X MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Soil Boring	\$226,050	
Sub: Highland Group	X MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Land Acquisition	\$117,000	
Sub: Terra Venture Advisors LLC	<input type="checkbox"/> MBE X WBE <input type="checkbox"/> Other	Land Acquisition	\$10,000	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
				Total MBE \$ _____
				Total WBE \$ _____

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

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

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

## EXHIBIT F

### PROJECT MANAGER SUMMARY PAGE

CITY OF WAUKESHA  
CWFP Project No. 4062-05

1. **Project Description:** This Loan is the first in a series of loans expected to be provided by the CWFP for funding the Municipality's return flow pipeline that must be built in order for Waukesha to comply with the requirements of the Great Lakes Compact. This FAA includes portions of the already bid contracts for Contract Packages 4, 5, and 6 of the Great Lakes water supply and return flow pipeline overall project. In order to spread cash flow and be able to step the user rate increases needed for the overall project, the Municipality intends to apply to the CWFP multiple times for portions of the costs related to the return flow pipeline. The City of Waukesha is utilizing WIFIA funding for the new water supply portion of the overall project.

Also included in this FAA is the return flow pump station. The pump station work was included in the contract for the wastewater treatment plant phosphorus reduction project that is receiving CWFP financial assistance under CWFP project 4062-07. The only costs from the C.D. Smith contract for this work that are included in this Loan are the costs of the return flow pump station. The Municipality should not request disbursement of funds from the 4062-05 Loan to pay costs related to the treatment plant construction.

Many of the contracts associated with costs included in this Loan contain work for both the water supply portion of the overall project and for the return flow portion. The FAA for this Project is providing financial assistance for only the return flow pipeline work. The Municipality should not request disbursement of funds from this Loan for costs incurred for water supply related work.

2. **Ineligible Costs:** There are costs included in the contracts associated with this FAA that are ineligible for CWFP financial assistance or are being funded under a different CWFP loan. The ineligible costs include the following:
  - ◆ Baker Tilly construction audit contract, water supply costs - \$56,718
  - ◆ Black & Veatch construction management contract, water supply costs - \$8,432,742
  - ◆ C. D. Smith construction contract, treatment plant costs - \$8,910,365
  - ◆ Greeley-Hansen engineering contract, water supply costs - \$21,713,000
  - ◆ Jacobs preliminary engineering contract, treatment plant costs - \$487,990
  - ◆ Jacobs construction management contract, treatment plant costs - \$537,130
  - ◆ General contingency amount included in the C.D. Smith construction contract - \$180,000
3. **Other Funding Sources:** The Municipality is receiving WIFIA funds for the majority of the water supply costs, and they received \$54,495 from the U.S. Geological Survey as cost-sharing funds for monitoring work in the Root River, which is where the return flow pipeline outfall will be located.
4. **Miscellaneous Costs:** As shown in the Project Budget Sheet (Exhibit A), CWFP funding in the amount of \$1,418,000 is included in the Miscellaneous category for:
  - ◆ CH2M Hill application assistance and water quality work - \$34,468
  - ◆ Bid advertising, administrative expenses, easements - \$1,271,324
  - ◆ Kaempfer & Associates route determination - \$2,358
  - ◆ Stafford Rosenbaum legal services - \$60,465
  - ◆ Bruce J Baker Services legal and regulatory assistance - \$24,113
  - ◆ PSC and DNR assessments - \$8,543
  - ◆ Travel, incidental, and other miscellaneous expenses - \$2,578
  - ◆ Springsted Incorporated financing services - \$10,265
  - ◆ A B Data printing services - \$2,925

- ◆ FedEx shipping charges - \$18
- ◆ Air Maps Inc digital scans for pipeline routing - \$943

Each construction-related item, denoted by an asterisk (\*), requires review and approval by the DNR construction management engineer (CME) **prior** to reimbursement from the CWFP. The Municipality must provide the CME a copy of the vendor's invoice, procurement method used, and applicable bidding and contracting documentation. After the CME determines eligibility and gives approval, the Municipality may then request reimbursement from the CWFP.

5. Contingency Allowance: The Contingency allowance of \$1,253,000 is 4.6% of the amount of construction work being funded with this loan. Typically 5% is the amount of contingency provided, but in this project, there is a general allowance of \$117,000 in the C. D. Smith construction contract that is ineligible for funding. That \$117,000 is included in the ineligible amount shown on the Contingency budget line in Exhibit A. The Municipality must obtain CME approval of change orders prior to requesting reimbursement.
6. Equipment Replacement Fund: The Municipality shall establish an equipment replacement fund according to s. NR 162.08, Wis. Adm. Code, and maintain the equipment replacement fund as a separate fund of the Municipality. The required minimum percentage shall be 5% resulting in a minimum balance of \$1,604,663.75. The Municipality has a maximum of three years from the first principal payment on this Loan to achieve the required minimum balance/percentage.
7. DBE Good Faith Effort: Seven DBEs are being utilized on this Project. The prime contractor, S. J. Louis subcontracted with four DBEs for concrete, concrete sawing, trucking, and supplies, totaling \$9,495,067. The program engineer for the overall Great Lakes water initiative, which includes this return flow Project, subcontracted with three DBEs for soil boring, field investigations, and land and easement acquisition, totaling \$353,050. The additional prime contractor, C. D. Smith, and the Municipality made good faith efforts to achieve DBE participation. The names of the DBE subcontractors and the amount each received is included in Exhibit E of this FAA.
8. Green Project Reserve: There are no Green Project Reserve elements in this Project.
9. Use of American Iron and Steel: This Project is subject to the Use of American Iron and Steel (UAIS) requirements of section 608 of the Act.
10. Fiscal Sustainability Plan: The Municipality certified to DNR that a Fiscal Sustainability Plan (FSP) that meets the requirements of section 603(d)(1)(E) of the Act has been developed and that the plan will be maintained at least for the life of the Loan.

11. Composite Interest Rate:

Total Eligible Costs	<b>\$133,632,995</b>
Total Requested Costs	<b>\$55,549,871</b>
Parallel Cost Percentage (PCP)	<b>96.00%</b>
<hr/>	
Maximum DBE Penalty = Total Eligible Costs X PCP X 8%	<b>\$10,263,014</b>
Actual DBE Penalty (If not applicable, penalty is \$0. Cannot exceed Maximum DBE Penalty.)	<b>\$0</b>
Septage Facility Costs at 0%	<b>\$0</b>
<hr/>	
Maximum Subsidized Rate Costs = (Total Eligible Costs X PCP) – Actual DBE Penalty	<b>\$128,287,675</b>
<hr/>	
Actual Subsidized Rate Costs (Note: Cannot exceed Maximum Subsidized Rate Costs, but may be less if not requesting Total Eligible Costs.)	<b>\$53,327,877</b>
Market Rate Costs = Total Requested Costs – Actual Subsidized Rate Costs	<b>\$2,221,994</b>
<hr/>	
Septage Facility Costs at 0%	<b>\$0</b>
<hr/>	
<b>Total Loan Amount = Actual Subsidized Rate Costs + Market Rate Costs</b>	<b>\$55,549,871</b>
<b>Composite Interest Rate</b> = (Actual Subsidized Rate Costs/Total Loan Amount) X 1.87% + (Market Rate Costs/Total Loan Amount) X 3.4% + (Septage Facility Costs at 0%)	<b>1.931%</b>

EXHIBIT G

FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION

**[Prepare on Municipal Letterhead at Project Completion and Closeout]**

The undersigned officials of the City of Waukesha (the "Municipality") hereby certify that, for all expenditures made for construction of DNR Project No. 4062-05 (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. 4062-05 has met the requirements for the Use of American Iron and Steel contained in section 608 of the Federal Water Pollution Control Act, as amended.

The Municipality further certifies that a Fiscal Sustainability Plan meeting the requirements of section 603(d)(1)(E) of the Federal Water Pollution Control Act, as amended, has been completed for the treatment works and that the plan will be maintained at least for the life of the CWFP Loan for the Project.

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: \_\_\_\_\_