

**ABSTRACT/SYNOPSIS OF THE ESSENTIAL ELEMENTS OF THE OFFICIAL
ACTIONS OF THE COMMON COUNCIL OF THE CITY OF WHITEWATER,
WALWORTH AND JEFFERSON COUNTIES, WISCONSIN.**

May 19, 2022

The special meeting of the Common Council was called to order at 5:30 p.m. by Council President Lisa Dawsey-Smith. The meeting was held both virtually and in person. MEMBERS PRESENT; Schreiber, McCormick, Brown, Gerber, Majkrzak, Smith, Allen. MEMBERS ABSENT: None. LEGAL COUNSEL PRESENT: Wallace McDonell.

**RESOLUTION AUTHORIZING ISSUANCE AND SALE OF WATERWORKS AND
SEWER REVENUE BONDS, SERIES 2022B, OF THE CITY OF WHITEWATER,
WALWORTH AND JEFFERSON COUNTIES, WISCONSIN, AND PROVIDING FOR
THE PAYMENT OF THE BONDS AND OTHER DETAILS WITH RESPECT TO THE
BONDS.**

RESOLUTION NO. 2022-0519-01

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
\$8,190,000 WATERWORKS AND SEWER SYSTEM REVENUE BONDS,
SERIES 2022B, OF THE CITY OF WHITEWATER, WALWORTH AND JEFFERSON
COUNTIES, WISCONSIN, AND PROVIDING FOR THE PAYMENT OF THE BONDS AND
OTHER DETAILS WITH RESPECT TO THE BONDS

WHEREAS, the City of Whitewater, Walworth and Jefferson Counties, Wisconsin (the "City") owns and operates a Waterworks System (the "Waterworks System") and a Sewer System (the "Sewer System") which are operated for public purposes as separate public utilities by the City and which are hereby combined for the purposes of this financing (hereinafter, the City's Waterworks System and Sewer System shall be referred to collectively as the "System"); and

WHEREAS, under the provisions of Section 66.0621, Wisconsin Statutes, any municipality in the State of Wisconsin may, by action of its governing body, provide funds for extending, adding to and improving a public utility, which bonds are payable only from the income and revenues of such utility and are secured by a pledge of the revenues of the utility; and

WHEREAS, pursuant to a resolution adopted on November 17, 2009 (the "2009 Resolution"), the City has heretofore issued its Sewer System Revenue Bonds, Series 2009, dated December 9, 2009 (the "2009 Bonds"), which bonds were originally payable from the income and revenues of the Sewer System; and

WHEREAS, pursuant to a resolution adopted on July 19, 2011 (the "2011 Resolution"), the City has heretofore issued its Sewer System Revenue Bonds, Series 2011, dated July 27, 2011 (the "2011 Bonds"), which bonds were originally payable from the income and revenues of the Sewer System on a parity with the 2009 Bonds; and

WHEREAS, pursuant to a resolution adopted on April 7, 2016 (the "2016 Resolution"), the City has heretofore issued its Sewer System Revenue Bonds, Series 2016, dated April 13, 2016 (the "2016 Bonds"), which bonds were originally payable from the income and revenues of the Sewer System on a parity with the 2009 Bonds and the 2011 Bonds (the 2009 Bonds, the 2011 Bonds and the 2016 Bonds shall be referred to collectively as the "Prior Bonds"); and

WHEREAS, pursuant to a resolution adopted on April 19, 2022 (the "Amending Resolution" and collectively with the 2009 Resolution, the 2011 Resolution and the 2016 Resolution, the "Prior Resolutions"), the City has amended the 2009 Resolution, the 2011 Resolution and the 2016 Resolution to add a pledge of the income and revenues of the Waterworks System to the Prior Bonds and to change the name of the Prior Bonds to "Waterworks and Sewer System Revenue Bonds" with the written consent of the owners of the Prior Bonds, which consent is attached hereto as Exhibit A so that the Prior Bonds are payable from the Revenues (defined herein); and

WHEREAS, the City has determined that certain additions, improvements and extensions to the System (collectively, the "Project") are necessary to adequately supply the needs of the City and the residents thereof; and

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

WHEREAS, it is necessary, desirable and in the best interests of the City to authorize and sell revenue bonds (the "Bonds") for such purpose payable solely from the Revenues of the System, which bonds are to be authorized and issued pursuant to the provisions of Section 66.0621, Wisconsin Statutes, on a parity with the Prior Bonds; and

WHEREAS, other than the Prior Bonds, the City has no bonds or obligations outstanding which are payable from the Revenues of the System; and

WHEREAS, the City has directed Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary to sell the Bonds; and

WHEREAS, Ehlers, in consultation with the officials of the City, prepared a Notice of Sale (a copy of which is attached hereto as Exhibit B and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on May 19, 2022; and

WHEREAS, the City Clerk (in consultation with Ehlers) caused a form of notice of the sale to be published and/or announced and caused the Notice of Sale to be distributed to potential bidders offering the Bonds for public sale on May 19, 2022; and

WHEREAS, the City has duly received bids for the Bonds as described on the Bid Tabulation attached hereto as Exhibit C and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Notice of Sale and is deemed to be the most advantageous to the City. Ehlers has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit D and incorporated herein by this reference.

NOW, THEREFORE, the City Council of the City of Whitewater, Walworth and Jefferson Counties, Wisconsin, do resolve that:

Section 1A. Ratification of the Notice of Sale and Offering Materials. The City Council of the City hereby ratifies and approves the details of the Bonds set forth in Exhibit B attached hereto as and for the details of the Bonds. The Notice of Sale and any other offering materials prepared and circulated by Ehlers are hereby ratified and approved in all respects. All actions taken by officers of the City and Ehlers in connection with the preparation and distribution of the Notice of Sale, and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Authorization of Bonds. For the purpose of paying the costs of the Project, the City shall borrow on the Revenues of the System the sum of \$8,190,000. Negotiable, fully-registered bonds of the City, in the denomination of \$5,000, or any integral multiple thereof, shall be issued in evidence thereof. The Bonds shall be designated "Waterworks and Sewer System Revenue Bonds, Series 2022B", shall be numbered from R-1 upward and shall be dated June 9, 2022. The Bonds shall bear interest at the rates per annum set forth in the Proposal and shall mature on May 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit E-1 and incorporated herein by this reference.

Interest on the Bonds shall be payable semi-annually on May 1 and November 1 of each year, commencing May 1, 2023. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit E-2 and incorporated herein by this reference (the "Schedule").

The Bonds maturing on May 1, 2031 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on May 1, 2030 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. If the Proposal specifies that any of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption are set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established in Exhibit MRP for such Bonds in such manner as the City shall direct.

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

Section 1C. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the City nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Debt Service Fund provided for in Section 4A herein, and shall be a valid claim of the registered owner or owners thereof only against the Debt Service Fund and the Revenues of the System pledged to such fund on a parity with the pledge granted to the owners of the Prior Bonds. Sufficient Revenues are hereby pledged to said Debt Service Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, the Prior Bonds and Parity Bonds as the same becomes due.

Section 2. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit F and incorporated herein by this reference.

Section 3. Definitions. In addition to the words defined elsewhere in this Resolution, the following words shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Annual Debt Service Requirement" means the total amount of principal and interest due in any Bond Year on the Bonds, the Prior Bonds and Parity Bonds (whether the principal is due by maturity or mandatory redemption).

"Bond Year" means the one-year period ending on a principal payment date or mandatory redemption date for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository for the City with respect to the Bonds.

"Fiscal Year" means the fiscal year adopted by the City for the System, which is currently the calendar year.

"Net Revenues" means the Revenues minus all Operation and Maintenance Expenses of the System.

"Operation and Maintenance Expenses" or "Current Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but excluding depreciation, debt service, tax equivalents and capital expenditures.

"Parity Bonds" means additional bonds or obligations issued on a parity as to pledge and lien with the Bonds in accordance with the provisions of Section 7 of this Resolution.

"Reserve Requirement" means an amount, determined as of the date of issuance of the Bonds, equal to the least of (a) 10% of the principal amount of the Bonds up to an amount permitted pursuant to section 148(d)(1) of the Code and Regulations; (b) the maximum annual

debt service on the Bonds in any Bond Year; and (c) 125% of average annual debt service on the Bonds; provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the outstanding obligations secured by the Reserve Account in any Bond Year. If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the Parity Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such Parity Bonds, plus the amount permitted to be deposited therein pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued in any Bond Year; and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued; provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the Parity Bonds to be issued and the outstanding obligations secured by the Reserve Account in any Bond Year.

"Regulations" means the Regulations of the Commissioner of Internal Revenue under the Code.

"Revenues" or "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from waterworks and sewer charges imposed by the City, all payments to the City under any service agreements between the City and any contract users of the System, and any other monies received from any source including all rentals and fees, any special assessments levied and collected in connection with the projects financed by the Bonds and the Prior Bonds and any monies appropriated by the City Council to the System pursuant to Section 5 herein.

"System" means the entire Waterworks System and Sewer System of the City specifically including that portion of the Project owned by the City and including all property of every nature now or hereafter owned by the City for: (i) the collection, treatment, storage and distribution of water; and (ii) the collection, transmission, treatment, storage, metering and disposal of domestic, industrial and public sewerage and waste, including all improvements and extensions thereto made by the City while any of the Prior Bonds, the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such Waterworks System, and Sewer System and including all appurtenances, contracts, leases, franchises, and other intangibles.

Section 4A. Income and Revenue Funds. In accordance with the Act, for the purpose of the application and proper allocation of the Revenues of the System, and to secure the payment of the principal of and interest on the Bonds, Prior Bonds and Parity Bonds, certain funds which were created and established by a resolution adopted on November 20, 1990, continued by the Prior Resolutions, and are hereby further continued and shall be used solely for the following respective purposes:

- (a) Sewer System and Waterworks System Revenue Fund (the "Revenue Fund"), into which shall be deposited as received the Gross Earnings of the System, which money shall then be divided among the Operation and Maintenance Fund, the Debt Service Fund, the Reserve Account, the Depreciation Fund and the Surplus Fund in the amounts and in the manner set forth in Section 4B hereof and used for the purposes described below.

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

(c) Sewer System and Waterworks System Revenue Bond and Interest Special Redemption Fund (the "Debt Service Fund"), which shall be used for the payment of the principal of, premium, if any, and interest on the Bonds, the Prior Bonds and Parity Bonds as the same becomes due.

(d) Reserve Account (the "Reserve Account"), which is hereby continued within the Debt Service Fund and which shall be used for the payment of the principal and interest on the Bonds and any Parity Bonds secured by the Reserve Account at any time when there shall be insufficient money in the Debt Service Fund for said purpose. The Reserve Account does not secure the principal of or interest on the Prior Bonds, and moneys in the Reserve Account shall under no circumstances be used to pay principal of or interest on the Prior Bonds.

(e) Waterworks System and Sewer System Depreciation Fund (the "Depreciation Fund"), which shall be used to provide a proper and adequate depreciation account for the System. Money in the Depreciation Fund shall be available and shall be used whenever necessary to restore any deficiency in the Debt Service Fund or the Reserve Account.

(f) Waterworks System and Sewer System Surplus Fund (the "Surplus Fund"), which shall first be used when necessary to meet requirements of the Operation and Maintenance Fund including the one month reserve, the Debt Service Fund including the Reserve Account, and the Depreciation Fund. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wis. Stats. Money thereafter remaining in the Surplus Fund may be transferred to any of the funds or accounts continued by this section.

Section 4A. Application of Revenues. After the delivery of the Bonds, the Gross Earnings of the System shall be deposited as collected in the Revenue Fund and shall be transferred monthly to the funds listed below in the following order of priority and in the manner set forth below:

(a) to the Operation and Maintenance Fund, in an amount equal to the estimated Current Expenses for such month and, if not needed to remedy any deficiency in the Debt Service Fund for the following month (after giving effect to available amounts in said Fund from prior deposits);

(b) to the Debt Service Fund, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Bonds, the Prior Bonds and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Bonds, the Prior Bonds and any Parity Bonds

coming due during such Bond Year (after giving effect to available amounts in said Fund from accrued interest, any premium or any other source);

(c) to the Reserve Account, only at such times that the amount on deposit is not equal to the Reserve Requirement, an amount equal to one-twelfth of the Reserve Requirement until the amount accumulated in the Reserve Account (after giving effect to amounts on deposit or in the Reserve Account, from any investment earnings or any other source) equals the Reserve Requirement;

(d) to the Depreciation Fund an amount determined by the City Council to be sufficient to provide a proper and adequate depreciation account for the System; and

(e) to the Surplus Fund, any amount remaining in the Revenue Fund after the monthly transfers required above have been completed.

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

It is the express intent and determination of the City Council that the amounts transferred from the Revenue Fund and deposited in the Debt Service Fund (including the Reserve Account) shall be sufficient in any event to pay principal of and interest on the Bonds, the Prior Bonds and any Parity Bonds and to meet the Reserve Requirement, and the City Treasurer shall each Fiscal Year deposit at least sufficient Revenues in the Debt Service Fund to pay promptly all principal and interest falling due on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement.

The Debt Service Fund shall be kept apart from monies in the other funds and accounts of the City. The Debt Service Fund shall be used for no purpose other than the prompt payment of principal of and interest on the Prior Bonds, the Bonds and any Parity Bonds. The minimum amounts to be so deposited for debt service on the Bonds, in addition to all amounts to be deposited to pay debt service on the Prior Bonds, are set forth on the Schedule.

It is the intent of the City that at all times the Reserve Account constitutes a "reasonably required reserve fund" under Section 148 of the Code and any applicable Regulations.

The Operation and Maintenance Fund and the Depreciation Fund shall be deposited as received in public depositories to be selected by the City Council in the manner required by Chapter 34 of the Wisconsin Statutes and may be invested in legal investments subject to the provisions of Section 66.0603(1m), Wis. Stats.

The Debt Service Fund shall be used for no purpose other than the payment of interest upon and principal of the Prior Bonds, the Bonds and Parity Bonds promptly as the same become due and payable or to pay redemption premiums. All money in the Debt Service Fund shall be deposited in a special account and invested in legal investments subject to Section 66.0603(1m), Wisconsin Statutes, and the monthly payments required to be made to the Debt Service Fund shall be made directly to such account.

Funds in the Debt Service Fund in excess of the minimum amounts required to be paid therein plus reserve requirements may be transferred to the Surplus Fund.

Section 5. Service to the City. The reasonable cost and value of any service rendered to the City by the System by furnishing services for public purposes shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the revenues derived from the System, and out of the tax levy of the City made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the City in each year shall be in an amount which, together with Revenues of the System, will produce Net Revenues equivalent to not less than 1.20 times the Annual Debt Service Requirement. Such compensation for such service rendered to the City shall, in the manner provided hereinabove, be paid into the separate and special funds described in Section 4A of this Resolution. However, such payment is subject to (a) annual appropriations by the City Council therefor, (b) approval of the Wisconsin Public Service Commission, or successors to its function, if necessary, and (c) applicable levy limits, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 6. Operation of System; City Covenants. It is covenanted and agreed by the City with the owner or owners of the Bonds, and each of them, that:

(a) The City will faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, and will collect and segregate the Revenues of the System and apply them to the respective funds and accounts described hereinabove;

(b) The City will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions, extensions, or improvements that may be made part thereto, except that the City shall have the right to sell, lease or otherwise dispose of any property of the System found by the City Council to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Debt Service Fund, or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Debt Service Fund;

(c) The City will cause the Project to be completed as expeditiously as reasonably possible;

(d) The City will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the System or its Revenues or could impair the security of the Bonds;

(e) The City will maintain in reasonably good condition and operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that in each Fiscal Year Net Revenues shall not be less than 120% of the Annual Debt Service Requirement, and so that the Revenues of the System herein agreed to be set aside to provide for the payment of the Bonds, the Prior Bonds and Parity Bonds and the interest thereon as the same becomes due and payable, and to meet the Reserve Requirement, will be sufficient for those purposes;

(f) The City will prepare a budget not less than sixty days prior to the end of each Fiscal Year and, in the event such budget indicates that the Net Revenues for each Fiscal Year will not exceed the Annual Debt Service Requirement for each corresponding Fiscal Year by the proportion stated hereunder, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of Net Revenues to the Annual Debt Service Requirement shall be accomplished as promptly as possible;

(g) The City will keep proper books and accounts relative to the System separate from all other records of the City and will cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants including a balance sheet and a profit and loss statement of the System as certified by such accountants. There may be separate audits for the Waterworks System and the Sewer System. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein shall include the following: (1) a statement in detail of the income and expenditures of the System for the Fiscal Year; (2) a statement of the Net Revenues of the System for such Fiscal Year; (3) a balance sheet as of the end of such Fiscal Year; (4) the accountants' comment regarding the manner in which the City has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (5) the number of connections to the System at the end of the Fiscal Year, for each user classification (i.e., residential, commercial, public and industrial); (6) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (7) the volume of water used as the basis for computing the service charge; and

(h) So long as any of the Bonds are outstanding the City will carry for the benefit of the owners of the Bonds insurance of the kinds and in the amounts normally carried by private companies or other public bodies engaged in the operation of similar systems. All money received for loss of use and occupancy shall be considered Revenue of the System payable into the separate funds and accounts named in Section 4A of this Resolution. All money received for losses under any casualty policies shall be used in repairing the damage or in replacing the property destroyed provided that if the City Council shall find it is inadvisable to repair such damage or replace such property and that the operation of the System has not been impaired thereby, such money shall be deposited in the Debt Service Fund, but in that event such payments shall not reduce the amounts otherwise required to be paid into the Debt Service Fund.

Section 7. Additional Bonds. The Bonds are issued on a parity with the Prior Bonds. No bonds or obligations payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if their lien and pledge is

junior and subordinate to that of the Bonds. Parity Bonds may be issued only if all of the following conditions are met:

a. Either:

(1) The Net Revenues for the last completed Fiscal Year preceding the issuance of such additional obligations must have been at least equal to 1.20 times the average combined annual interest and principal requirements on all bonds then outstanding and payable from the Revenues of the System (other than any bonds being refunded), and the obligations so proposed to be issued for any succeeding Fiscal Year in which there shall be a principal maturity on such outstanding bonds; provided, however, that if prior to the authorization of such additional obligations the City shall have adopted and put into effect a revised schedule of rates, then the Net Revenues of the System for the last completed Fiscal Year which would, in the written opinion of a registered municipal advisor, consulting engineer, the Wisconsin Public Service Commission or an independent certified public accountant employed for that purpose, have resulted from such rates had they been in effect for such period may be used in lieu of the actual Net Revenues for the last completed Fiscal Year; or

(2) A registered municipal advisor, certified public accountant or consulting professional engineer provides a certificate setting forth for each of the three Fiscal Years commencing with the Fiscal Year following that in which the projects financed by such additional obligations are to be completed, the projected Net Revenues and the maximum annual interest and principal requirements on all bonds outstanding payable from the Net Revenues of the System and on the obligations then to be issued (the "Maximum Annual Debt Service Requirement"); and demonstrating that for each such Fiscal Year the projected Net Revenues will be in an amount not less than 120% of such Maximum Annual Debt Service Requirement.

b. The payments required to be made into the funds enumerated in Section 4A of this Resolution (including the Reserve Account, but not the Surplus Fund) must have been made in full.

c. The additional bonds must have principal falling due on May 1 and interest falling due on May 1 and November 1 of each year.

d. If the Parity Bonds are to be secured by the Reserve Account, the amount on deposit in the Reserve Account must be increased to an amount equal to the Reserve Requirement applicable upon the issuance of Parity Bonds as defined in Section 3 of this Resolution.

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

While the Prior Bonds are outstanding, unless waived by the registered owners of the Prior Bonds, the City must also meet the additional bonds test set forth in the Prior Resolutions prior to the issuance of Parity Bonds.

Section 8. Sale of Bonds. The bid of the Purchaser for the purchase price set forth in the Proposal be and it hereby is accepted and the City Manager and City Clerk are authorized and directed to execute an acceptance of the offer of said successful bidder on behalf of the City. The good faith deposit of the Purchaser shall be applied as described in the Notice of Sale until the closing of the bond issue, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The officers of the City are authorized and directed to do any and all acts necessary to conclude delivery of the Bonds to the Purchaser, upon receipt of the purchase price, as soon after adoption of this Resolution as is convenient.

Section 9. Application of Bond Proceeds. All accrued interest, if any, received from the sale of the Bonds shall be deposited into the Debt Service Fund. An amount of proceeds of the Bonds needed to make the balance in the Reserve Account equal to the Reserve Requirement shall be deposited in the Reserve Account. The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bonds, shall be deposited in a special fund designated as "Waterworks and Sewer System Improvement Fund." Said special fund shall be adequately secured and used solely for the purpose of meeting costs of extending, adding to and improving the System, as described in the preamble hereof. The balance remaining in said Waterworks and Sewer System Improvement Fund after paying said costs shall be transferred to the Debt Service Fund for use in payment of principal of and interest on the Bonds.

Section 10. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except:

a. The City may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and

b. This Resolution may be amended, in any respect, with the written consent of the owners of not less than two-thirds of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the City; provided, however, that no amendment shall permit any change in the pledge of Revenues derived from the System, or in the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 11. Defeasance. When all Bonds have been discharged, all pledges, liens, covenants and other rights granted to the owners thereof by this Resolution shall cease. The City may discharge all Bonds due on any date by depositing into a special account on or before that date a sum sufficient to pay the same in full; or if any Bonds should not be paid when due, it may nevertheless be discharged by depositing into a special account a sum sufficient to pay it in full with interest accrued from the due date to the date of such deposit. The City, at its option, may also discharge all Bonds called for redemption on any date when they are prepayable according to their terms, by depositing into a special account on or before that date a sum sufficient to pay them in full, with the required redemption premium, if any, provided that notice of redemption has been duly given as required by this Resolution. The City, at its option, may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the City's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the City's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for. Upon such payment or deposit, in the amount and manner provided by this Section, all liability of

the City with respect to the Bonds shall cease, terminate and be completely discharged, and the owners thereof shall be entitled only to payment out of the money so deposited.

Section 12. Investments and Arbitrage. Monies accumulated in any of the funds and accounts referred to in Sections 4A and 9 hereof which are not immediately needed for the respective purposes thereof, may be invested in legal investments subject to the provisions of Sec. 66.0603(1m), Wisconsin Statutes, until needed. All income derived from such investments shall be credited to the fund or account from which the investment was made; provided, however, that at any time that the Reserve Requirement is on deposit in the Reserve Account, any income derived from investment of the Reserve Account shall be deposited into the Debt Service Fund and used to pay principal and interest on the Bonds. A separate banking account is not required for each of the funds and accounts established under this Resolution; however, the monies in each fund or account shall be accounted for separately by the City and used only for the respective purposes thereof. The proceeds of the Bonds shall be used solely for the purposes for which they are issued but may be temporarily invested until needed in legal investments. No such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations.

An officer of the City, charged with the responsibility for issuing the Bonds, shall, on the basis of the facts, estimates and circumstances in existence on the date of closing, make such certifications as are necessary to permit the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Code or the Regulations.

Section 13. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 10, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the City, the governing body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the City, its governing body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 14. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 15. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by Bond Trust Services Corporation, Roseville, Minnesota, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The City hereby authorizes the City Manager and the City Clerk or other appropriate officers of the City to enter a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds.

Section 16. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the City Manager and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the City Manager and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 17. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 18. Compliance with Federal Tax Laws. (a) The City represents and covenants that the Project and the ownership, management and use of the Project will not cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

The foregoing covenants shall remain in full force and effect, notwithstanding the defeasance of the Bonds, until the date on which all of the Bonds have been paid in full.

Section 19. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to a financial institution to be selected by Ehlers at Closing for further distribution as directed by Ehlers.

Section 20. Official Statement. The City Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the closing of the Bonds, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 21. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the City Manager and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 22. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 23. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The City Manager and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the City Manager and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 24. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the City Manager and City Clerk, authenticated, if required, by the Fiscal Agent, sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing

on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 25. Conflicting Ordinances or Resolutions. All prior ordinances, resolutions (other than the Prior Resolutions), rules, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage. In case of any conflict between this Resolution and the Prior Resolutions, then the Prior Resolutions shall control so long as any bonds authorized by the Prior Resolutions are outstanding.

Adopted, approved and recorded April 19, 2022.

Resolution introduced by Councilmember Allen, who moved its adoption. Seconded by Councilmember McCormick. AYES: Schreiber, McCormick, Brown, Gerber, Majkrzak, Smith, Allen. NOES: None. ABSENT: None. ADOPTED: May 19, 2022.

Cameron L. Clapper, City Manager

Michele R. Smith, City Clerk

(Copies of Exhibits can be obtained from the City Clerk's Office)

ADJOURNMENT. It was moved by Allen and seconded by McCormick to adjourn the meeting. AYES: Schreiber, McCormick, Brown, Gerber, Majkrzak, Smith, Allen. NOES: None. ABSENT: None. The meeting adjourned at 5:48 p.m.

Respectfully submitted,

Michele R. Smith, Clerk