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Attachments: 1. Comptroller Letter, 2. Fiscal Impact Statement, 3. Exhibit A and B, 4. Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
10/31/2023	0	COMMON COUNCIL	ASSIGNED TO		
11/14/2023	1	FINANCE & PERSONNEL COMMITTEE			
11/21/2023	1	COMMON COUNCIL	ADOPTED	Pass	15:0
11/22/2023	1	MAYOR	SIGNED		

230947

Substitute 1

991863, 060091, 090330, 120975, 171368

The Chair

Substitute resolution authorizing the sale and issuance of up to \$100,000,000 Sewerage System Second Lien Revenue Bonds in one or more series

Whereas, the City of Milwaukee, Wisconsin (the “City”) owns and operates a sewerage system (the “System”) which is operated for a public purpose as a public utility by the City; and

Whereas, certain improvements to the System are necessary to meet the needs of the City and the residents thereof, consisting of the construction of one or more capital improvements of the System, each constituting a “Project” eligible for funding under the Clean Water Fund Program (the “CWFP”) administered by the State of Wisconsin Department of Natural Resources (the “Department of Natural Resources”); and

Whereas, under the provisions of Section 66.0621 of the Wisconsin Statutes (the “Act”) the City may, by action of its governing body, provide for purchasing, acquiring, constructing, extending, adding to, improving, operating and managing a public utility from the proceeds of bonds, which bonds are to be payable only from the revenues received from any source by such utility, including all rentals and fees; and

Whereas, pursuant to Resolution File Number 991863 adopted by the Common Council on

August 2, 2001, as amended by Resolution File Number 021776 adopted by the Common Council on April 15, 2003, by Resolution File Number 100863 adopted by the Common Council on November 23, 2010, and by Resolution File Number 230413 adopted by the Common Council on July 31, 2023 (collectively, the “**Master Resolution**”), the City is authorized to issue Sewerage System Revenue Bonds (the “**First Lien Bonds**”); and

Whereas, the City has issued multiple series of First Lien Bonds under the Master Resolution on a parity and equality of rank with each other; three of such series of First Lien Bonds are currently outstanding (the “**Outstanding First Lien Bonds**”) in the aggregate principal amount of \$143,110,000; and

Whereas, pursuant to Section 3.07 of the Master Resolution, the City is authorized to issue bonds, notes, or other evidences of indebtedness of the City payable out of, and which may be secured by a pledge of, amounts deposited into the Subordinate Obligation Fund (“**Subordinate Obligations**”) established under the Master Resolution as may from time to time be available for the purpose of payment thereof; and

Whereas, on June 20, 2006, the Common Council of the City adopted Resolution File Number 060091 (the “**2006 Resolution**”) authorizing the issuance of Subordinate Obligations in the form of Sewerage System Second Lien Revenue Bonds (the “**Second Lien Bonds**”), in one or more series, in an aggregate principal amount not to exceed \$59,909,500; and

Whereas, two series of Second Lien Bonds were issued under the 2006 Resolution and sold to the CWFP (the “**2006 Authorization Bonds**”), payable on a junior and subordinate basis to the First Lien Bonds and on a parity with each other, a portion of which 2006 Authorization Bonds are currently outstanding; and

Whereas, on July 28, 2009, the Common Council of the City adopted Resolution File Number 090330 (the “**2009 Resolution**”) authorizing the issuance of Subordinate Obligations in the form of Second Lien Bonds, in one or more series, in an aggregate principal amount not to exceed \$89,215,825.57; and

Whereas, two series of Second Lien Bonds were issued under the 2009 Resolution and sold to the CWFP (the “**2009 Authorization Bonds**”), payable on a junior and subordinate basis to the First Lien Bonds and on a parity with the 2006 Authorization Bonds and with each other, a portion of which 2009 Authorization Bonds are currently outstanding; and

Whereas, on February 5, 2013, the Common Council of the City adopted Resolution File Number 120975 (the “**2013 Resolution**”) authorizing the issuance of Subordinate Obligations in the form of Second Lien Bonds, in one or more series, in an aggregate principal amount not to exceed \$100,000,000; and

Whereas, four series of Second Lien Bonds were issued under the 2013 Resolution and sold to the CWFP (the “**2013 Authorization Bonds**”), payable on a junior and subordinate basis to the First Lien Bonds and on a parity with the 2006 Authorization Bonds, the 2009 Authorization Bonds, and with each other, a portion of which 2013 Authorization Bonds are currently outstanding; and

Whereas, on March 27, 2018, the Common Council of the City adopted Resolution File Number 171368 (the “**2018 Resolution**”) authorizing the issuance of Subordinate Obligations in the form of Second Lien Bonds, in one or more series, in an aggregate principal amount not to exceed \$100,000,000; and

Whereas, five series of Second Lien Bonds were issued under the 2018 Resolution and sold to the CWFP (the “**2018 Authorization Bonds**”), payable on a junior and subordinate basis to the First Lien Bonds and on a parity with the 2006 Authorization Bonds, the 2009 Authorization Bonds, the 2013 Authorization Bonds, and with

each other, a portion of which 2018 Authorization Bonds are currently outstanding; and

Whereas, the current aggregate principal amount outstanding of the 2006 Authorization Bonds, the 2009 Authorization Bonds, the 2013 Authorization Bonds, and the 2018 Authorization Bonds (collectively, the “**Outstanding Second Lien Bonds**”) is \$155,404,765.54; and

Whereas, other than the Outstanding First Lien Bonds and the Outstanding Second Lien bonds, there are no other outstanding obligations payable from the income and revenues derived from the operation of the System; and

Whereas, the City now wishes to finance the costs of each Project by authorizing, selling, and issuing Second Lien Bonds, in one or more series, in an aggregate principal amount not to exceed \$100,000,000 (the “**Bonds**”), to be issued pursuant to the provisions of the Act, on the terms and conditions described in this Resolution, payable on a junior and subordinate basis to the Outstanding First Lien Bonds and on a parity with the Outstanding Second Lien Bonds, from the income and revenues derived and to be derived from the operation of the System; and

Whereas, the 2006 Resolution permits the issuance of additional bonds on a parity and equality of rank with the 2006 Authorization Bonds upon compliance with the conditions set forth under Section 12 thereof, which section is continued under the 2009 Resolution, the 2013 Resolution, the 2018 Resolution, and this resolution (the “**Additional Bonds Test**”); all conditions set forth under the Additional Bonds Test have been or will be satisfied prior to the issuance of the Bonds; and

Whereas, in accordance with Section 66.0621(4)(a)2 of the Wisconsin Statutes and this Resolution (i) interest on the Bonds will be payable at least annually, and (ii) payment of principal on the Bonds will commence not later than three years after the date of issuance of the applicable series of Bonds; the requirement each year to pay both principal of and interest on the Bonds will be reasonable and in accordance with prudent municipal utility management practices;

Now therefore, be it Resolved By the Common Council of the City of Milwaukee:

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

“**Act**” means Section 66.0621 of the Wisconsin Statutes;

“**Authorized Officers**” means the Mayor, the Clerk, and the Comptroller of the City;

“**Bond Anticipation Note**” means any bond anticipation note issued pursuant to Section 3.06 of the Master Resolution;

“**Bond Registrar**” means the City Comptroller, who is appointed to act as paying agent and registrar for the Bonds;

“**Bonds**” mean the City’s Sewerage System Second Lien Revenue Bonds, issued in one or more Series, in an aggregate principal amount not to exceed \$100,000,000, as authorized by this Resolution;

“**Commissioners of the Public Debt**” means the members of the City’s Public Debt Commission appointed by the Mayor, with the approval of the Common Council, who are authorized by the Common Council to approve by resolution, among other things, the final terms of the City’s debt obligations, including the Bonds;

“**Consulting Engineer**” means an independent consulting engineer or engineering firm or corporation selected by the City and having special skill, knowledge and experience in analyzing the operations of sewerage systems, preparing rate analyses, forecasting the loads and revenues of sewerage systems, preparing feasible reports respecting the financing of sewerage systems and advising on the

operation of sewerage facilities;

“**CWFP**” means the State of Wisconsin Clean Water Fund Program;

“**Debt Service Account**” means the State Loan Program Debt Service Account of the City established as a special account within the Subordinate Obligation Fund under the 2006 Resolution and affirmed and continued under Section 6 of this Resolution, which account shall be the “special redemption fund” as such term is defined in the Act;

“**Financial Assistance Agreement**” means, with respect to a Series of Bonds, the Financial Assistance Agreement by and between the State of Wisconsin by the Department of Natural Resources and the Department of Administration and the City pursuant to which the Bonds of such Series are to be issued and sold to the CWFP, substantially in the form presented to the Common Council and incorporated herein by reference;

“**First Lien Bonds**” means any Sewerage System Revenue Bonds of the City heretofore or hereafter issued under the Master Resolution but does not include any Bond Anticipation Note or any Subordinate Obligation;

“**Fiscal Year**” means the twelve-month period ending on each December 31;

“**Master Resolution**” means Resolution File Number 991863 adopted by the Common Council on August 23, 2001, as amended by Resolution File Number 021776 adopted by the Common Council on April 15, 2003, by Resolution File Number 100863 adopted by the Common Council on November 23, 2010, and by Resolution File Number 230413 adopted by the Common Council on July 31, 2023, as the same may be amended and supplemented from time to time;

“**Net Revenues**” means, with respect to any period, the Revenues during such period less amounts required to pay Operation and Maintenance Expenses;

“**Operation and Maintenance Expenses**” means the costs and expenses of operating and maintaining the System, including, without limiting the generality of the foregoing, all expenses includable in the operation and maintenance expense accounts of the City relating to the System according to generally accepted accounting principles, exclusive of debt service, capital expenditures, depreciation and tax equivalents;

“**Outstanding Second Lien Bonds**” has the meaning set forth in the recitals of this Resolution;

“**Parity Bonds**” means Subordinate Obligations other than the Bonds payable from the Second Lien Revenues on a junior and subordinate basis to the First Lien Bonds and on a parity and equality with the Bonds and the Outstanding Second Lien Bonds pursuant to the restrictive provisions of Section 12 of this Resolution;

“**Prior Resolutions**” means collectively, the 2006 Resolution, the 2009 Resolution, the 2013 Resolution, and the 2018 Resolution;

“**Project**” or “**Projects**” means one or more of the capital improvements to the System funded under the CWFP. All elements of each Project are to be owned and operated by the City as part of the System;

“**Record Date**” means the close of business on the fifteenth day of the calendar month next preceding any principal or interest payment date;

“**Revenues**” means the moneys, including any moneys collected from the City or any department thereof, derived by the City from the rates, rentals, fees and charges prescribed for the use and services of, and the facilities and commodities furnished by, the System, including, without limiting the generality of the foregoing, all income, receipts, profits, and other moneys derived from the furnishing or supplying of the System (including payments made by counterparties pursuant to interest rate exchange agreements);

“**Second Lien Bonds**” means the Bonds, the Outstanding Second Lien Bonds, and any Parity Bonds;

“**Second Lien Revenue Requirement**” means with respect to any Fiscal Year, an amount equal to 1.20 times the principal of, premium if any, and interest on, the Bonds, the Outstanding Second Lien Bonds, and any Parity Bonds payable in such Fiscal Year;

“**Second Lien Revenues**” means the amounts in the Subordinate Obligation Fund as may be available from time to time for the payment of the Second Lien Bonds, including any amounts on deposit in the Debt Service Account;

“**Series**” means one or more separate issues of Bonds issued on the same date or on multiple different dates pursuant to this Resolution;

“**Sewerage Service Charge**” means the sewerage system charge authorized in Section 66.0821(4) of the Wisconsin Statutes;

“**Subordinate Obligations**” means any bond, note, or other evidence of indebtedness of the City issued under Section 3.07 of the Master Resolution, including the Second Lien Bonds, and payable from the Net Revenues held in the Subordinate Obligation Fund, as further described in the recitals to this Resolution;

“**Subordinate Obligation Fund**” means the fund established pursuant to Section 6.04 of the Master Resolution for the payment of Subordinate Obligations;

“**System**” means the entire sewerage system of the City, specifically including that portion of each Project owned by the City and including all property of every nature now or hereafter owned by the City for the collection, transmission, treatment and disposal of domestic and industrial sewerage and waste, including all improvements and extensions thereto made by the City while any Second Lien Bonds remain outstanding, including all real and personal property of every nature constituting part of or used or useful in connection with such sewerage system and including all appurtenances, contracts, leases, franchises, and other intangibles;

“**2006 Authorization Bonds**” has the meaning set forth in the recitals of this Resolution;

“**2006 Resolution**” has the meaning set forth in the recitals of this Resolution;

“**2009 Authorization Bonds**” has the meaning set forth in the recitals of this Resolution;

“**2009 Resolution**” has the meaning set forth in the recitals of this Resolution;

“**2013 Authorization Bonds**” has the meaning set forth in the recitals of this Resolution;

“**2013 Resolution**” has the meaning set forth in the recitals of this Resolution;

“**2018 Authorization Bonds**” has the meaning set forth in the recitals of this Resolution; and

“**2018 Resolution**” has the meaning set forth in the recitals of this Resolution.

Section 2. Authorization of the Bonds and Financial Assistance Agreements. For the purpose of paying the costs of the Projects (including legal, fiscal, engineering and other expenses), there shall be borrowed on the credit of the income and revenue of the System an aggregate principal amount not to exceed \$100,000,000; and fully registered sewerage system second lien revenue bonds of the City are hereby authorized to be issued, in one or more Series, in evidence thereof, pursuant to the Act and as Subordinate Obligations under Section 3.07 of the Master Indenture, and sold to the CWFPP in accordance with the terms and conditions of the related Financial Assistance Agreement for such Series, which are incorporated herein by this reference. The Mayor and the City Clerk are hereby authorized, by and on behalf of the City, to execute each Financial Assistance Agreement.

Section 3. Terms of the Bonds. The Bonds of each Series shall be designated “Sewerage System Second Lien Revenue Bonds” and the title of each Bond shall also include a Series designation. Bonds of each Series shall be dated as of their date of original issuance; shall be numbered one and upward; shall bear interest at a rate per annum not to exceed 8.00% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months; shall be issued in denominations of \$0.01 or any multiple thereof; and shall mature on the dates and in the amounts as set forth in Exhibit B to the related Financial Assistance Agreement, provided that each Bond shall mature within 40 years of its date of issuance. Interest on the Bonds shall be payable semiannually on May 1 and November 1 of each year. The Bonds shall not be subject to redemption prior to maturity except as provided in the applicable Financial Assistance Agreement. The Bonds may be subject to annual principal installment payments as set forth in the applicable Financial Assistance Agreement. It is found and determined that the annual debt service payments made or provided for with respect to the Bonds are reasonable in accordance with prudent municipal utility management practices. Determination and approval of the final terms of the Bonds of each Series, including the Series designation, and the applicable Financial Assistance Agreement, are delegated to the Commissioners of the Public Debt in Section 22.

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

The Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the Comptroller of the City, and attested by the manual or facsimile signature of the City Clerk and the facsimile signatures the Commissioners of the Public Debt, and the City's seal shall be affixed or a facsimile of the City's seal shall be imprinted, on each Bond; *provided, however*, that the signature of either the Comptroller or the City Clerk shall be a manual signature. In case any of the officers who shall have signed, countersigned, or attested any of the Bonds shall cease to be such officer before such Bonds have been issued, such Bonds shall be valid nevertheless and may be issued by the City with the same effect as though the persons who had signed, countersigned, or attested such Bonds had not ceased to be such officers.

The principal of, and premium, if any, and interest on, the Bonds shall be paid by the City Comptroller, who is hereby appointed as the Bond Registrar.

Both the principal of, and interest on, the Bonds shall be payable in lawful money of the United States of America by the Bond Registrar. Payment of principal of the final maturity on the Bonds will be payable upon presentation and surrender of the Bonds to the Bond Registrar. Payment of principal of the Bonds (except the final maturity) and each installment of interest shall be made to the registered owner of each Bond who shall appear on the registration books of the City (the "**Register**"), maintained by the Bond Registrar, on the Record Date and shall be paid by wire or other electronic funds transfer or by check of the City, sent by first class mail, to such registered owner at the address shown on the Register or at such other address may be furnished in writing by such registered owner to the Bond Registrar.

Section 5. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the 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 Account within the Subordinate Obligation Fund affirmed and continued hereunder, and shall be a valid claim of any owner thereof only against such Debt Service Account and the Second Lien Revenues pledged thereto, on a junior and subordinate basis to the pledge granted to the owners of the First Lien Bonds and on a parity and equality of rank with any other Second Lien Bonds issued under this Resolution. Sufficient Second Lien Revenues are hereby pledged to the Debt Service Account and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Second Lien Bonds as the same becomes due.

The City covenants that, without the consent of all the owners of the Bonds then outstanding, it will not amend the terms and provisions of Article VI of the Master Resolution in any way that would materially and adversely affect the security for the payment of the Bonds.

The City covenants that it will not adopt any amendment pursuant to Section 10.01 of the Master Resolution that would be detrimental to the interests of the owners of the Bonds.

Section 6. Funds and Accounts. In accordance with the Act and pursuant to Section 6.01 of the Master Resolution, the City has established and maintains the Sewerage System Revenue Fund (the "**Revenue Fund**"); the Operation and Maintenance Fund; the Rebate Fund; the Sewerage System Special Redemption Fund (and the Reserve Account therein); the Subordinate Obligation Fund; and the Surplus Fund (collectively, the "**Funds and Accounts**"). The deposit and application of the Revenues and other moneys held in the Funds and Accounts is set forth in Article VI of the Master Resolution and, for the benefit of the registered owners of the Bonds, the City covenants to deposit and apply all the Revenues of the System in accordance with the provisions of the Master Resolution.

In accordance with the Act, for the purpose of the application and proper allocation of the Second Lien Revenues of the System, the City established under Section 6 of the 2006 Resolution, a special trust fund known as the "State Loan Program Debt Service Account" (the "**Debt Service Account**") within the Subordinate Obligation Fund, to secure the payment of the principal of, and premium, if any, and interest on, the Bonds, the Outstanding Second Lien Bonds, and any Parity Bonds. The Debt Service Account is hereby affirmed and continued and shall be the "special redemption fund" for the Bonds as such term is defined in the Act. Second Lien Revenues held in the Debt Service Account shall be used for the payment of the principal of, premium if any, and interest on, the Bonds as the same shall become due and payable.

Section 7. Application of Revenues and Second Lien Revenues. On the fifth day prior to the end of each month, and in accordance with the provisions of Section 6.02(B)(4) of the Master Resolution, the City shall transfer from the Revenue Fund to the Subordinate Obligation Fund, the amount required to be deposited therein to satisfy the then current deposit requirements for the Debt Service Account. Immediately upon such deposit to the Subordinate Obligation Fund, the City shall allocate and transfer into the Debt Service Account within the Subordinate Obligation Fund the current deposit requirement, which is the sum of (i) an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Second Lien Bonds then outstanding and (ii) an amount equal to one-twelfth (1/12) of the next installment of principal of the Second Lien Bonds then outstanding coming due (after giving

effect to available amounts in the Debt Service Account from accrued interest, any premium, or any other source).

It is the express intent and determination of the Common Council that the amounts so transferred and deposited in the Debt Service Account shall be sufficient in any event to pay the interest on the Bonds as the same accrues and the principal thereof as the same matures.

Section 8. Deposits and Investments. The Debt Service Account shall be kept apart from monies held in the other Funds and Accounts of the City and the same shall be used for no purpose other than the prompt payment of principal of, and premium if any, and interest on the Second Lien Bonds as the same becomes due and payable. All moneys therein shall be deposited in special and segregated accounts in a public depository selected under Chapter 34 of the Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m) of the Wisconsin Statutes. The other funds herein created or continued (except the Sewerage System CWFPP Project Fund established for each Series of Bonds) may be combined in a single account in a public depository selected in the manner set forth above and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m) of the Wisconsin Statutes.

Section 9. Service to the City. The reasonable cost and value of services rendered to the City by the System by furnishing sewerage services for public purposes shall be charged against the City and shall, to the extent permitted by law, be paid 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; that is to say, out of the tax levy of the City made by it to raise money to meet its necessary current expenses. The reasonable cost and value of such service to the City in each year shall be equal to an amount which, together with other Revenues of the System, will produce in each Fiscal Year Net Revenues equivalent to not less than the annual principal and interest requirements on the Outstanding First Lien Bonds, the Outstanding Second Lien Bonds, the Bonds, and any Parity Bonds then outstanding times the greater of (i) 110%, or (ii) the highest debt service coverage ratio required with respect to any debt obligations payable from the Revenues of the System then outstanding. However, such payment out of the tax levy shall be subject to (a) approval of the Public Service Commission, or successors to its function, if applicable, (b) yearly appropriations therefor, and (c) applicable levy limitations, if any; but 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 the services rendered to the City and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

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

Section 11. Rates and Charges. (A) The City shall fix, charge, and collect such Sewerage Service Charges as shall be required in order that in each Fiscal Year the Second Lien Revenues shall be not less than the Second Lien Revenue Requirement for such Fiscal Year. The failure in any Fiscal Year to comply with the foregoing rate covenant in this subsection (A) shall not constitute a default under this Resolution if the City complies with Section 11(B) below.

(B) Prior to the end of each Fiscal Year the Commissioner of Public Works of the City shall complete a review of the financial condition of the System for the purpose of estimating whether the Second Lien Revenues for such Fiscal Year and for the next succeeding Fiscal Year will be sufficient to comply with the rate covenant in Section 11(A) above and shall by a written certificate make a determination with respect thereto. If it is determined in such written certificate that the Second Lien Revenues may not be so sufficient, the Commissioner of Public Works of the City shall forthwith make a study for the purpose of determining a schedule of Sewerage Service Charges which, in the opinion of the Commissioner of Public Works, will cause sufficient Second Lien Revenues to be collected in the following Fiscal Year to comply with such rate covenant in subsection (A) of this Section 11 and will cause additional Revenues to be collected in such following and later Fiscal Years sufficient to eliminate the amount of any deficiency at the earliest practicable time, or the Commissioner of Public Works may elect to cause the Consulting Engineer to make such a study and render such opinion. The Common Council shall as promptly as practicable but no later than the one hundred twenty (120) days following such determination by the Commissioner of Public Works, or receipt of the Consulting Engineer's recommendation, adopt and place in effect a schedule of Sewerage Service Charges as so determined or recommended pursuant to this Section 11.

Section 12. Subordinate Status; Additional Bonds. Each Bond issued pursuant to this Resolution is authorized to be issued under Section 3.07 of the Master Resolution as a Subordinate Obligation, junior and subordinate to the First Lien Bonds, and entitled to a rank and priority of payment from the Subordinate Obligation Fund equal to, and on a parity with, the Second Lien Bonds. No bonds or obligations payable from Second Lien Revenues may be issued in such manner as to enjoy priority over the Bonds. Additional Subordinate Obligations may be issued if the lien and pledge of Second Lien Revenues is junior and subordinate to that of the Bonds. Parity Bonds may be issued only under the following circumstances:

- (a) Additional Parity Bonds may be issued for the purpose of completing any Project and for the purpose of financing costs of

any Project which are ineligible for payment under the CWFPP. However, such additional Parity Bonds shall be in an aggregate amount not to exceed 20% of the face amount of the Bonds; or

(b) Additional Parity Bonds may also be issued if all the following conditions are met:

(1) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional Parity Bonds must have been in an amount at least equal to the maximum annual interest and principal requirements on all First Lien Bonds and Second Lien Bonds (other than Bond Anticipation Notes) outstanding and payable from the Revenues of the System, and on the Parity Bonds then to be issued, times the greater of (i) 1.10 or (ii) the highest debt service coverage ratio to be required with respect to the additional Parity Bonds then to be issued or on the First Lien Bonds (which is currently 1.20) or Second Lien Bonds payable from the Revenues of the System then outstanding. Should an increase in permanent rates and charges, including those made to the City, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such Parity Bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Net Revenues for purposes of such computation shall include such additional revenues as an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

(2) The payments required to be made into the Funds enumerated in Sections 6 and 7 of this Resolution must have been made in full.

(3) The additional Parity Bonds must have principal maturing on May 1 of each year and interest falling due on May 1 and November 1 of each year.

(4) The proceeds of the additional Parity Bonds must be used only for the purpose of providing extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 13. Sale of Bonds. The Bonds of each Series shall be sold by private sale to the CWFPP for the aggregate purchase price of up to \$100,000,000, on such date or dates and at such price or prices, as shall be determined by the Commissioners of the Public Debt; provided that the Bonds shall be sold at a price not less than 98% of the par value thereof and at a true interest cost not in excess of 7% per annum. The Authorized Officers are authorized and directed to do any and all acts, including executing any Financial Assistance Agreement and any Series of the Bonds as hereinabove provided, necessary to conclude delivery of such Series to the CWFPP. The purchase price for the Bonds shall be paid upon requisition therefor as provided in the applicable Financial Assistance Agreement. Determination and approval of the details of each Series of the Bonds and the terms of sale of each Series of the Bonds are delegated to the Commissioners of the Public Debt in Section 22.

Section 14. Application of Bond Proceeds. The proceeds of the sale of the Bonds of each Series shall be deposited by the City into a separate special fund to be established for such Series of the Bonds and designated with the applicable Series designation for the Bonds and named “[20_] Sewerage System CWFPP Project Fund” (each a “**Project Fund**”). The establishment of the Project Fund for each Series of Bonds is hereby delegated to the Comptroller. The Project Fund shall be used solely for the purpose of paying the costs of the Projects (including capitalized interest, if any, on the Bonds) as more fully described in the Financial Assistance Agreements. Proceeds of sale of the Bonds may be applied to pay or provide for the payment of any debt of the City issued for the purpose of providing interim financing of the costs of any Project or Projects. Moneys in any Project Fund shall be disbursed within three (3) business days of their receipt from the CWFPP and shall not be invested in any interest-bearing account.

Other than “preliminary expenditures” as defined in the Treasury Regulations 26 CFR 1.150-2 in an amount not exceeding 20% of the principal amount of the Bonds of a Series, or other than a “de minimis” amount as defined in Treasury Regulations 26 CFR 1.150-2 in an amount not exceeding the lesser of \$100,000 or 5% of the principal amount of the Bonds of a Series, all of the proceeds loaned to the City will be used for costs of Projects paid by the City subsequent to (i) the date which is 60 days prior to the date on which the City adopted a “declaration of intent” pursuant to Treasury Regulations 26 CFR 1.150-2 stating its intent to reimburse other funds of the City previously used to finance Projects, or (ii) the date on which the Bonds of such Series are issued; and

Section 15. 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 a written consent of the owners of not less than two-thirds (2/3) of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the City; *provided, however*, that no amendment shall permit any change in the pledge of Second Lien Revenues or the maturity of any Bond issued hereunder, or a

reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 16. Defeasance. When all Bonds have been discharged, all pledges, 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 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 by the U.S. Government, or by 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 principal amount of each such Bond at maturity and the accrued interest thereon, 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, and the accrued interest thereon, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for.

Section 17. Tax Covenant; Rebate Fund. The interest on each Bond is intended to be excluded from gross income for purposes of federal income taxation. The City shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Bond is subject on the date of original issuance thereof.

In order to maintain exclusion from gross income for purposes of federal income taxation, the City affirms that the tax covenant made in this Resolution shall apply to the Bonds. In furtherance of the foregoing, the City shall comply with the provisions of the non arbitrage or tax certificate executed by an Authorized Officer in connection with issuance of the Bonds; the obligation of the City to comply with the provisions herein with respect to the rebate to the Department of the Treasury of the United States of America relating to the Bonds shall remain in full force and effect so long as the City shall be required by the Code to rebate such earnings on the gross proceeds of the Bonds notwithstanding that the Bonds are no longer outstanding.

Unless the Bonds of a Series are exempt from the rebate requirements of the Internal Revenue Code of 1986 (the "Code"), a separate special fund of the City shall be established for such Series of Bonds to be designated with the applicable Series designation and named "[20__] Sewerage System CWFPR Rebate Fund" (each a "Rebate Fund"). The establishment of the Rebate Fund for each such Series of Bonds that is not exempt from the rebate requirements under the Code is hereby delegated to the Comptroller. The sole purpose of the Rebate Fund is to provide for the payment of any rebate liability with respect to the Bonds under the relevant provisions of the Code and the Treasury Regulations promulgated thereunder (the "Regulations"). The Rebate Fund shall be maintained by the City until all required rebate payments with respect to the Bonds have been made in accordance with the relevant provisions of the Code and the Regulations.

The City hereby covenants and agrees that it shall pay to the United States from the applicable Rebate Fund, on the dates and in the amounts and manner required by the Code and the Regulations, the portion of the "rebate amount" (as defined in Section 1.148-3(b) of the Regulations) that is due as of each "computation date" (within the meaning of Section 1.148-3(e) of the Regulations). As of the date of this Resolution, the provisions of the Regulations specifying the required amounts of rebate installment payments and the due dates and manner of such payments are contained in Sections 1.148-3(f) and (g) of the Regulations, respectively. Amounts held in a Rebate Fund relating to a Series of Bonds, and the investment income therefrom, are not pledged as security for the First Lien Bonds, the Second Lien Bonds, or any other Subordinate Obligations and may only be used for the payment of any rebate liability with respect to such Series of Bonds.

The City may engage the services of a qualified rebate determination provider to assist it in determining the rebate payments, if any, owed to the United States with respect to the Bonds. The City shall maintain or cause to be maintained records of determinations of rebate liability made with respect to the Bonds for each computation date until three (3) years after the April 15th of the calendar year immediately preceding the retirement of the last Bond. The City shall make such records available to the CWFPR upon reasonable request therefor.

Section 18. 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 15, until all 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 Common Council, and any and all officers and agents thereof including, but without limitation, the right to require the City, the Common Council 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 19. Continuing Disclosure. The officers of the City are hereby authorized and directed, if requested by the CWFP, to provide (and to undertake in a written agreement to provide) to the CWFP and to such other persons or entities as directed by the CWFP such ongoing disclosure regarding the City's financial condition and other matters, at such times and in such manner as the CWFP may require, in order that securities issued by the City and the CWFP satisfy rules and regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended or may be amended from time to time imposed on brokers and dealers of municipal securities before the brokers and dealers may buy, sell, or recommend the purchase of such securities.

A Continuing Disclosure Certificate, in substantially the form of a Supplemental Certificate authorized by the City's Resolution File Number 100846 adopted on November 23, 2010, is authorized to be executed and delivered by the Comptroller for each Series of the Bonds. The City authorizes and directs the appropriate officers and employees of the City to take all action necessary or appropriate to comply with and carry out all the provisions of the Continuing Disclosure Certificate as amended from time to time. Notwithstanding any other provision of this Resolution, failure of the City to perform in accordance with the Continuing Disclosure Certificate shall not constitute a default under this Resolution and the Continuing Disclosure Certificate may be enforced only as provided therein.

Section 20. Publication of Notice. The City Comptroller shall cause to be published a separate notice for each Series of the Bonds notifying electors of the City that the City has agreed to sell such Series of the Bonds. Each notice shall be published promptly in the City's official newspaper as a class 1 notice under Chapter 985 of the Wisconsin Statutes after the date of the applicable Financial Assistance Agreement. Each notice shall be in substantially the form attached hereto as in Exhibit B. The Comptroller shall obtain proof, in affidavit form, of the publication, and shall compare the published notice with the attached form to confirm that no mistake was made in publication.

Section 21. Conflicting Resolutions. All ordinances, resolutions, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed, and this Resolution shall be in effect from and after its passage.

Section 22. Delegation of Approvals to the Commissioners of the Public Debt. It is hereby delegated to the Commissioners of the Public Debt, subject to the limitations as contained herein, the power with respect to each Series of the Bonds to determine, approve, and carry out the following: (a) the date or dates, maturity date or dates, principal amount of each maturity, and the amount and date of each annual principal installment payment, if any; *provided, however*, that the Bonds shall mature on May 1 of any year not exceeding 40 years from the date of issuance of such Series; (b) the interest rate or rates, if any, of the Bonds or the manner of determining such rate or rates, and the date from which interest on the Bonds shall accrue, the dates on which interest on the Bonds shall be payable, if any; *provided, however*, that the interest rate for the Bonds maturing in any year shall not exceed 8% per annum; (c) the redemption price or prices, if any, the redemption terms; (d) the provisions for the sale or exchange of the Bonds and for the delivery thereof; (e) directions for the application of the proceeds of the Bonds, the interest on such Bonds to be capitalized from the proceeds thereof, if any, and the date or dates to which such capitalized interest shall accrue; (f) the details for the form of each Bond in substantially the form attached as Exhibit A; and (g) any other provisions that are not in conflict with this Resolution. The Commissioners of the Public Debt shall finalize, by adopting one or more resolutions relating to each Series of Bonds, such determinations and approvals pursuant to the authority granted herein, which resolutions shall be filed with the City Clerk of the City.

Section 23. Authorized Officers. The Bonds shall be executed in accordance with the provisions of this Resolution. An Authorized Officer is hereby authorized to execute and deliver, in the name and on behalf of the City, any and all documents and instruments, and to do and cause to be done any and all acts and procedures, said Authorized Officer deems necessary or advisable in connection with the offering, sale and issuance of the Bonds and to carry out the transactions contemplated by this Resolution. For purposes of the CWFP Financial Assistance Application, the Commissioner of Public Works is designated as the Authorized Representative.

Comptroller

Comptroller

JB

11/8/2023

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