

RESOLUTION NO.: RES-24-_____

**RESOLUTION AUTHORIZING THE SALE AND ISSUANCE OF UP TO
\$2,932,862 SUBORDINATE WATER UTILITY REVENUE BONDS, SERIES 2024B;
AND PROVIDING FOR OTHER DETAILS
AND COVENANTS WITH RESPECT THERETO**

Section 1. Definitions.

In addition to the capitalized terms defined in the recitals above, capitalized terms not otherwise defined in this resolution shall have the meanings set forth below unless the context requires another meaning.

- (a) **“Act”** means Section 66.0621 of the Wisconsin Statutes;
- (b) **“Bond Registrar”** means the Municipal Treasurer, who shall act as registrar and paying agent for the Bonds;
- (c) **“Bonds”** means the Municipality’s up to \$2,932,862 Subordinate Water Utility Revenue Bonds, Series 2024B, dated the Original Issue Date, authorized to be issued by this Resolution;
- (d) **“Bond Year”** means the twelve-month period ending on each May 1;
- (e) **“Current Expenses”** means the reasonable and necessary cost of operating, maintaining, administering, insuring, and repairing the System. Current Expenses shall be determined in accordance with generally accepted accounting principles and shall include, but not be limited to, salaries and wages, premiums for insurance, and the cost of materials, supplies, and audits. Current Expenses shall exclude allowances for depreciation, debt service on obligations of the System, tax equivalents, and capital expenditures;
- (f) **“Debt Service Fund”** means the Water Utility Subordinate Special Redemption Fund of the Municipality created and established under Section 6 of the 2023 Resolution and affirmed and continued in this Resolution for payment of the Bonds, the Outstanding Bonds, and any Parity Bonds, which fund shall be the “special redemption fund”, as such term is defined in the Act, with respect to the Bonds;
- (g) **“Financial Assistance Agreement”** means the Financial Assistance Agreement, dated the Original Issue Date, by and between the State of Wisconsin by the Department of Natural Resources and the Department of Administration and the Municipality pursuant to which the Bonds are to be issued and sold to the SDWLP, substantially in the form presented to the Governing Body and incorporated herein by reference;
- (h) **“Fiscal Year”** means the twelve-month period ending on each December 31;

(i) “**Governing Body**” means the Municipality’s Common Council, or such other body as may hereafter be the chief legislative body of the Municipality;

(j) “**Gross Earnings**” means the gross revenues of the System from all sources, excluding (i) customer deposits, (ii) collected taxes imposed by other governmental entities, and (iii) earnings on amounts held in the Special Redemption Fund, the Depreciation Fund, and any construction fund funded with proceeds of the Bonds or any issue of Parity Bonds;

(k) “**Municipal Treasurer**” means the Treasurer of the Municipality;

(l) “**Municipality**” means the City of Madison, Wisconsin;

(m) “**Net Revenues**” means Gross Revenues after deduction of Current Expenses, plus earnings on amounts held in the Special Redemption Fund;

(n) “**Original Issue Date**” means July 24, 2024;

(o) “**Outstanding Bonds**” has the meaning set forth in the recitals to this Resolution;

(p) “**Parity Bonds**” means bonds payable from the revenues of the System other than the Bonds and the Outstanding Bonds, issued on a parity and equality with the Bonds and the Outstanding Bonds pursuant to the restrictive provisions of Section 11(b) of the 2023 Resolution and continued in this Resolution, and subordinate to the Senior Bonds.

(q) “**Project**” means the Project defined in the recitals to this Resolution, all elements of which are to be owned and operated by the Municipality as part of the System;

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

(s) “**SDWLP**” has the meaning set forth in the recitals to this Resolution;

(t) “**Senior Bonds**” has the meaning set forth in the recitals to this Resolution;

(u) “**Senior Resolutions**” has the meaning set forth in the recitals to this Resolution;

(v) “**System**” means the water utility of the Municipality, which shall include all property of every nature now or hereafter owned by the Municipality for the extraction, collection, storage, treatment, transmission, distribution, metering, and discharge of domestic, industrial, and potable public water, or constituting part of, or used or useful in connection with, the water utility of the Municipality, including all appurtenances, contracts, leases, franchises, and other intangibles relating thereto; and

- (w) “**2023 Bonds**” has the meaning set forth in the recitals to this Resolution.
- (x) “**2023 Resolution**” has the meaning set forth in the recitals to this Resolution.
- (y) “**2024A Bonds**” has the meaning set forth in the recitals to this Resolution.
- (z) “**2024A Resolution**” has the meaning set forth in the recitals to this Resolution.

Section 2. Authorization of the Bonds and the Financial Assistance Agreement.

For the purpose of paying the costs of the Project (including legal, fiscal, engineering and other expenses), there shall be borrowed on the credit of the income and revenues of the System the sum of up to \$2,932,862 and fully registered revenue bonds of the Municipality are authorized to be issued in evidence thereof and sold to the SDWLP in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference. The Mayor and the Clerk of the Municipality are hereby authorized, by and on behalf of the Municipality, to execute the Financial Assistance Agreement.

Section 3. Terms of the Bonds.

The Bonds shall be designated “Subordinate Water Utility Revenue Bonds, Series 2024B”; shall be dated the Original Issue Date; shall be numbered one and upward; shall bear interest at the rate of 2.145% 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 May 1 in the years and in the amounts as set forth in Exhibit B of the Financial Assistance Agreement and in the form of Bond attached hereto as Exhibit A. Interest on the Bonds shall be payable semiannually on May 1 and November 1 of each year, commencing November 1, 2024. The Bonds shall not be subject to redemption prior to maturity except as provided in the Financial Assistance Agreement.

The schedule of maturities of the Bonds is found to be such that the amount of annual debt service payments, taking in to account the debt service payments on the Senior Bonds and the Outstanding Bonds, is reasonable in accordance with prudent municipal utility practices.

Section 4. Form, Execution, Registration, and Payment of the Bonds.

The Bonds shall be issued as registered obligations in substantially the form attached hereto as Exhibit A and incorporated herein by this reference.

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

The principal of, premium, if any, and interest on, the Bonds shall be paid by the Municipal Treasurer, who is hereby appointed as the 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 on 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 Municipality (the “**Register**”), maintained by the Bond Registrar, on the Record Date and shall be paid by electronic money transfer or by check of the Municipality, sent by overnight delivery service, 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.

Each Bond is transferable only upon the Register at the office of the Bond Registrar, by the registered owner in person or its duly authorized attorney, upon surrender of the Bond, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Bond Registrar, duly executed by the registered owner or its duly authorized attorney. Thereupon a replacement Bond shall be issued to the transferee in exchange therefor. The Municipality may deem and treat the person in whose name each Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes.

Section 5. Security for the Bonds.

The Bonds, together with interest thereon, shall not constitute an indebtedness of the Municipality nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Debt Service Fund affirmed and continued hereunder, and shall be a valid claim of the registered owner or owners thereof only against such Debt Service Fund and the revenues of the System pledged to such fund, junior and subordinate to the pledge of Net Revenues in the Special Redemption Fund (as defined in the Senior Resolutions) granted to the owners of the Senior Bonds, and on a parity and equality of rank with the Outstanding Bonds. Sufficient revenues of the System are hereby pledged to the 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 Outstanding Bonds, and any Parity Bonds as the same become due.

Section 6. Funds and Accounts.

In accordance with the Act, for the purpose of the application and proper allocation of the revenues of the System, and to secure the payment of the principal of, premium, if any, and interest on, the Bonds, the Outstanding Bonds, and any Parity Bonds, the Municipality affirms, continues, and creates, as applicable, the following funds and accounts of the System, some of which were originally created, continued, or renamed, as applicable, under Section 34 of the 2007 Resolution and continued under the remaining Senior Resolutions, and some of which were originally created under Section 6 of the 2023 Resolution (collectively, the “**Funds and Accounts**”), to provide for the collection, distribution, and use of the Gross

Revenues and proceeds of the Bonds, which shall be used solely for the following respective purposes:

(a) Water Utility Revenue Fund (the “**Revenue Fund**”), into which shall be deposited as received the entire Gross Revenues of the System after deduction of amounts required by the Senior Resolutions to be deposited in the funds and accounts for the Senior Bonds, which money shall then be divided among the Operation and Maintenance Fund, the Special Redemption Fund, the Depreciation Fund, and the Surplus Fund, and from the Surplus Fund to the Debt Service Fund in the amounts and in the manner set forth in Section 7 hereof and used for the purposes described below.

(b) Water Utility Operation and Maintenance Fund (the “**Operation and Maintenance Fund**”), which will be used to hold amounts expected to be used for the payment of the reasonable and necessary expenses of operating and maintaining the System, including salaries, wages, materials, supplies, and insurance, unless the balance in the Operation and Maintenance Fund exceeds the estimated operating and maintenance expenses of the System for the next succeeding 90 days, in which case the excess amount, (i) after deduction of amounts required by the Senior Resolutions to be deposited in the funds and accounts for the Senior Bonds must be transferred to the Debt Service Fund to remedy any deficiency in the Debt Service Fund, and (ii) if or to the extent that no such deficiency exists, then the remaining excess amount may be transferred to the Surplus Fund.

(c) Water Utility Special Redemption Fund (the “**Special Redemption Fund**”), which is divided into the following three accounts: (i) the “Interest and Principal Account”, (ii) the “Earnings Account”, and (iii) the “Reserve Account.” Amounts held in the Interest and Principal Account and the Earnings Account will be used only to pay principal of, and premium, if any, and interest on, the Senior Bonds and any bonds issued on a parity to the Senior Bonds as provided in the Senior Resolutions (the “**Senior Parity Bonds**”). Amounts held in the Reserve Account will be used to pay principal of, or interest on, the Senior Bonds or any Senior Parity Bonds on any date when amounts in the Interest and Principal Account and the Earnings Account are insufficient to make such payments as provided in the Senior Resolutions.

(d) Water Utility Depreciation Fund (the “**Depreciation Fund**”), which will be used to hold amounts expected to be used to pay for repairs, replacements, extensions, or additions to the System, *provided*, that amounts in the Depreciation Fund can be used only if such amounts are not needed to make up any deficiency in the Interest and Principal Account or the Reserve Account described in (c) above, and the deposit to the Debt Service Fund for the payment of the Bonds, the Outstanding Bonds, and Parity Bonds.

(e) Water Utility Surplus Fund (the “**Surplus Fund**”), which shall be applied *first*, as required by the Senior Resolutions, to pay principal of, or interest on, the Senior Bonds when the Special Redemption Fund for the Senior Bonds is insufficient for that purpose, and to remedy any deficiency in any of the Funds and Accounts as described in the Senior Resolutions, and *second*, as required by this Resolution, to make deposits to

the Debt Service Fund described in (f) below to provide for the payment of the principal of, and interest on, the Bonds, the Outstanding Bonds, and any Parity Bonds as the same becomes due, and to remedy any deficiency in any of the Funds and Accounts. Notwithstanding the provisions of the Senior Resolutions, amounts in the Surplus Fund shall not be used for any other purpose except to the extent such amounts are in excess of the amounts required to pay the principal of, and interest coming due on, the Senior Bonds, the Bonds, the Outstanding Bonds, and any Parity Bonds on their next respective interest payment dates. If at the close of any Fiscal Year there is no such deficiency, then such amounts may be disbursed as follows:

- (i) to retire the Bonds, the Outstanding Bonds, or any Parity Bonds in advance of maturity by redemption; or
- (ii) to rebate payments made by customers of the System pursuant to any plan adopted by the Governing Body of the Municipality; or
- (iii) to the general fund of the Municipality.

(f) Water Utility Subordinate 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 Outstanding Bonds, and Parity Bonds as the same become due.

(g) 2024B Water Utility SDWLP Project Fund, which shall be used for the purpose of paying the costs of the Project as described in Section 13 hereof.

(h) 2024B Rebate Fund, which shall be used for the purpose of paying any rebate liability with respect to the Bonds as described in Section 16 hereof.

The Special Redemption Fund created under the Senior Resolutions for the Senior Bonds, including the Earnings Account and the Reserve Account therein, is not pledged to the payment of principal of or interest on the Bonds, the Outstanding Bonds, or any Parity Bonds, and amounts on deposit in the Special Redemption Fund shall not be used for the payment of principal of or interest on the Bonds, the Outstanding Bonds, or any Parity Bonds as the same becomes due.

Section 7. Application of Revenues.

Until all Bonds, Outstanding Bonds, and any Parity Bonds have been retired, or until there is on deposit in the Debt Service Fund an amount sufficient to provide for the payment of the Bonds, the Outstanding Bonds, and any Parity Bonds, together with interest thereon to maturity, the Gross Revenues 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, an amount equal to the estimated Current Expenses for such month and for the following month (after giving effect to available amounts in said fund from prior deposits);

(b) to the Special Redemption Fund, amounts sufficient to fund the accounts therein as required under the Senior Resolutions.

(c) to the Depreciation Fund, an amount determined by the Governing Body to be sufficient to provide a proper and adequate depreciation account for the System;

(d) to the Surplus Fund, any amount remaining in the Revenue Fund after the monthly transfers required in (a) through (c) above have been completed, to be further applied as described in Section 6(e) above, and the deposit to the Debt Service Fund described below; and.

(e) 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 Outstanding 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 Outstanding 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);

Transfers from the Revenue Fund to the Operation and Maintenance Fund, the Special Redemption Fund, the Depreciation Fund, and the Surplus Fund, and from the Surplus Fund to the Debt Service Fund, shall be made monthly in the order indicated above, on such dates as are necessary to carry out the purposes of the respective funds, and such transfer shall be applicable to monies on deposit in the Revenue Fund as of the last day of the preceding month. Any other transfers and deposits to any fund required or permitted by subsection (a) through (e) of this Section 7, except transfers or deposits which are required to be made immediately or annually, shall be made on such dates as are necessary to carry out the purposes of the respective funds. Any transfer or deposit required to be made at the end of any Fiscal Year shall be made within 60 days after the close of such Fiscal Year.

It is the express intent and determination of the Governing Body that the amounts transferred from the Surplus Fund and deposited in the Debt Service Fund shall be sufficient in any event to pay the interest on the Bonds, the Outstanding Bonds, and any Parity Bonds and the principal thereof as the same becomes due.

Section 8. Deposits and Investments.

The Debt Service Fund shall be kept apart from monies in the other funds and accounts and the same shall be used for no purpose other than the prompt payment of principal of, premium if any, and interest on, the Bonds, the Outstanding Bonds, and any Parity Bonds as the same become due and payable. All monies therein shall be deposited in special and segregated accounts in a public depository selected under Chapter 34 of the Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m) of the Wisconsin Statutes. The other funds herein created or continued, as applicable (except the 2024B Water Utility SDWLP Project Fund created in Section 6 hereof), 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 Municipality.

The reasonable cost and value of services rendered to the Municipality by the System by furnishing water services for public purposes shall be charged against the Municipality and shall, to the extent permitted by law, be paid in monthly installments as the service accrues, out of the current revenues of the Municipality collected or in the process of collection, exclusive of the revenues derived from the System; that is to say, out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses. The reasonable cost and value of such service to the Municipality in each year shall be equal to an amount which, together with other revenues of the System, will produce in each Fiscal Year Net Revenues equivalent to not less than the annual principal and interest requirements on the Senior Bonds, the Bonds, the Outstanding Bonds, and any Parity Bonds, and any other debt obligations payable from the revenues of the System then outstanding times the greater of (i) 110%, or (ii) the highest debt service coverage ratio required with respect to any 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 Wisconsin 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 Municipality to make any such appropriation over and above the reasonable cost and value of the services rendered to the Municipality and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 10. Operation of System; Municipality Covenants.

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

Section 11. Additional Bonds.

Additional obligations payable out of the revenues of the System that have a priority over the Bonds, the Outstanding Bonds, and any Parity Bonds may be issued as provided in the Senior Resolutions. Additional obligations may be issued if the lien and pledge is junior and subordinate to that of the Bonds, the Outstanding Bonds, and the Senior Bonds. Additional Parity Bonds may be issued only if all the following conditions are met:

- (i) 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 bonds outstanding payable from the revenues of the System (other than obligations subordinate to the Bonds and the Outstanding Bonds), and on the bonds then to be issued, times the greater of (a) 1.10 or (b) the highest debt service coverage ratio to be required with respect to any Senior Bonds, Outstanding Bonds, and Parity Bonds then outstanding. Should an increase in permanent rates and charges, including those made to the Municipality, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such

additional 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.

(ii) The payments required to be made into the funds enumerated in Section 6 of this Resolution must have been made in full.

(iii) Additional Parity Bonds must have principal maturing on May 1 of each year and interest due on May 1 and November 1 of each year.

(iv) The proceeds of 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.

(v) Additional Parity Bonds may, at the discretion of the Municipality, be issued with the additional security of a reserve fund but any such reserve fund shall not be available as additional security for the Bonds.

Section 12. Sale of Bonds.

The sale of the Bonds to the SDWLP for the purchase price of up to \$2,932,862, and at par, is ratified and confirmed; and the officers of the Municipality are authorized and directed to do any and all acts, including executing the Financial Assistance Agreement and the Bonds as herein above provided, necessary to conclude delivery of the Bonds to the SDWLP, as soon after adoption of this Resolution as is convenient. The purchase price for the Bonds shall be paid upon requisition therefor as provided in the Financial Assistance Agreement. The officers of the Municipality are authorized to prepare and submit to the SDWLP any requisitions or disbursement requests in anticipation of the execution of the Financial Assistance Agreement and the issuance of the Bonds.

Section 13. Application of Bond Proceeds.

The proceeds of the sale of the Bonds shall be deposited by the Municipality into the “**2024B Water Utility SDWLP Project Fund**” created and established under Section 6 hereof. The 2024B Water Utility SDWLP Project Fund shall be used solely for the purpose of paying the costs of the Project (including capitalized interest, if any, on the Bonds) as more fully described in the recitals of this Resolution and in the Financial Assistance Agreement. Moneys in the 2024B Water Utility SDWLP Project Fund shall be disbursed within three business days after their receipt from the SDWLP and shall not be invested in any interest-bearing account.

Section 14. Amendment to Resolution.

After the issuance of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except: (a) the Municipality may, from 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 Municipality; *provided, however*, that no amendment shall permit any change in the pledge of revenues derived from the System or the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 15. Defeasance.

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

Section 16. Rebate Fund.

Unless the Bonds are exempt from the rebate requirements of the Internal Revenue Code of 1986, as amended (the "**Code**"), the Municipality shall establish and maintain, so long as the Bonds are outstanding, a separate account to be known as the "**2024B Rebate Fund**." The sole purpose of the 2024B 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 2024B Rebate Fund shall be maintained by the Municipality 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 Municipality hereby covenants and agrees that it shall pay to the United States Treasury from the 2024B 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 time and manner of such payments are contained in Sections 1.148-3(f) and (g) of the Regulations, respectively. Amounts held in the 2024B Rebate Fund and the investment income therefrom are not pledged as security for the Bonds, the Outstanding Bonds, or any Parity Bonds and may only be used for the payment of any rebate liability with respect to the Bonds.

The Municipality 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 Municipality 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 Municipality shall make such records available to the SDWLP upon reasonable request therefor.

Section 17. Resolution a Contract.

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

Section 18. Continuing Disclosure.

The officers of the Municipality are hereby authorized and directed, if requested by the SDWLP, to provide to the SDWLP and to such other persons or entities as directed by the SDWLP, such ongoing disclosure regarding the Municipality’s financial condition and other matters, at such times and in such manner as the SDWLP may require, in order that securities issued by the Municipality and the SDWLP 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.

Section 19. Application of Surplus Fund.

From and after the date of issuance of the Bonds, and while any of the Bonds, the Outstanding Bonds, and Parity Bonds shall be outstanding, amounts in the Surplus Fund shall be applied (i) *first*, as required by the Senior Resolutions, to pay principal of, or interest on, the Senior Bonds when the Special Redemption Fund is insufficient for that purpose, and to remedy any deficiency in any of the Funds or Accounts, and (ii) *second*, as required by this Resolution,

to make deposits to the Debt Service Fund to provide for the payment of the principal of, and interest on, the Bonds, the Outstanding Bonds, and any Parity Bonds as the same becomes due, and to remedy any deficiency in any of the Funds and Accounts. Notwithstanding the provisions of the Senior Resolutions, amounts in the Surplus Fund shall not be used for any other purpose except to the extent such amounts are in excess of the amounts required to pay the principal of, and interest coming due on, the Senior Bonds, the Bonds, the Outstanding Bonds, and any Parity Bonds on their next respective interest payment dates, as described in Section 6(e) of this Resolution.

Section 20. Publication of Notice.

The Clerk of the Municipality shall publish notice that the Municipality has agreed to sell the Bonds. The notice shall be published promptly after the execution of the Financial Assistance Agreement in the Municipality's official newspaper as a class 1 notice under Chapter 985 of the Wisconsin Statutes. The notice shall be in substantially the form attached hereto as in Exhibit B. The Clerk 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.

In case any part of a prior action of the Governing Body conflicts with this Resolution, that part of the prior action is hereby rescinded; except that this Section shall not be interpreted as rescinding any part of the Senior Resolutions. In the case of any conflict between this Resolution and the Senior Resolutions, the Senior Resolutions shall control as long as any Senior Bonds are outstanding.

Passed: July 2, 2024

Approved: July ____, 2024

Satya Rhodes-Conway, Mayor

Attest:

Maribeth Witzel-Behl, Clerk

EXHIBIT A

(Form of Bond)

REGISTERED	UNITED STATES OF AMERICA	REGISTERED
	STATE OF WISCONSIN	
No. R-1	CITY OF MADISON	\$2,932,862

SUBORDINATE WATER SYSTEM REVENUE BOND, SERIES 2024B

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
2.145%	May 1, 2044	July 24, 2024	None

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

PRINCIPAL AMOUNT: TWO MILLION NINE HUNDRED THIRTY-TWO THOUSAND EIGHT
HUNDRED SIXTY-TWO DOLLARS

THE CITY OF MADISON, WISCONSIN (the “**Municipality**”) hereby acknowledges itself to owe and for value received promises to pay the Principal Amount to the Registered Owner on the Maturity Date or earlier installment payment date (as hereinafter described), and interest on the Principal Amount from the Original Issue Date at the annual rate of the Interest Rate. The actual interest amount due is based on the amount of principal drawn, from the dates so drawn (as hereinafter described), or from the most recent interest payment date to which interest has been paid. Interest is due and payable on each May 1 and November 1 until the Principal Amount has been paid, beginning on November 1, 2024. Interest is computed on the basis of a 360-day year of twelve 30-day months.

The Principal Amount evidenced by this Bond (the “**Bonds**”) may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement (as defined in the Resolution). The Principal Amount so drawn shall be repaid in annual installments on each May 1, beginning on May 1, 2026, in the amounts set forth in the repayment schedule attached as Exhibit B to the Financial Assistance Agreement and in the attached Schedule 2. The repayment schedule has been calculated by the State of Wisconsin Department of Administration (the “**State**”) assuming the full Principal Amount of the Bonds has been drawn by the Municipality on the Original Issue Date. The repayment schedule will be adjusted by the State from time to time based on the actual Principal Amounts drawn by the Municipality. The Principal Amounts so drawn shall be repaid in an amount equal to an amount which when amortized over the remaining term of this Bond plus current payments of interest (but only on amounts drawn hereunder) at the Interest Rate shall result in equal annual payments of the total of principal and interest on the Bonds. The State shall record draws of principal and repayments of principal in the format shown on the attached Schedule 1.

On each principal payment date (whether at maturity or earlier installment payment or redemption date) and on each interest payment date, the Treasurer of the Municipality (who will act as authentication agent, paying agent, and registrar for the Bonds), or any successor fiscal agent appointed by the Municipality to act as authentication agent, paying agent, and registrar for the Obligations under Section 67.10(2) of the Wisconsin Statutes (hereinafter called the “**Fiscal Agent**”), will pay the principal of, and interest on, this Bond by electronic funds transfer or by check sent by overnight delivery service to the person or entity in whose name this Bond is registered on the register (hereinafter called the “**Bond Register**”) maintained by the Fiscal Agent at the end of the 15th day (whether or not a business day) of the calendar month just before a regularly scheduled interest payment date for the Bonds (the “**Record Date**”).

The Bonds are subject to optional redemption prior to maturity only as provided in the Financial Assistance Agreement and upon the written consent of the Registered Owner.

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

This Bond is issued for the purpose of providing for the payment of the cost of constructing improvements to the water utility of the Municipality (the “**System**”), pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621 of the Wisconsin Statutes, and a resolution adopted on July 2, 2024, and entitled: “Resolution Authorizing the Sale and Issuance of up to \$2,932,862 Subordinate Water Utility Revenue Bonds, Series 2024B and Providing for Other Details and Covenants with Respect Thereto” (the “**Resolution**”), and is payable only from the Debt Service Fund (as defined in the Resolution) continued by the Municipality under the Resolution and the revenues of the System pledged to such fund. The Bonds are issued expressly subordinate to Senior Bonds (as defined in the Resolution) previously issued by the Municipality payable from revenues of the System and, subject to certain conditions described in the Resolution, subordinate to future Senior Bonds to be issued by the Municipality payable from revenues of the System, and on a parity and equality of rank with the Municipality’s Outstanding Bonds (as defined in the Resolution). Under circumstances and subject to conditions stated in the resolution authorizing the issuance of the 2023 Bonds (as defined in the Resolution) and continued under the Resolution, additional bonds and notes may later be issued on a parity with the Bonds and the Outstanding Bonds (collectively, “**Parity Bonds**”). This Bond does not constitute an indebtedness of the Municipality within the meaning of any constitutional or statutory debt limitation or provision.

This Bond is a valid claim of the Registered Owner hereof only against the Debt Service Fund and the revenues of the System pledged to the Debt Service Fund. Sufficient revenues of the System have been pledged to the Debt Service Fund to be used for no other

purpose than to pay the principal of, and interest on, the Bonds, the Outstanding Bonds, and any Parity Bonds as the same becomes due.

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

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by its Mayor and Clerk, and its corporate seal (or a true facsimile thereof) to be impressed (or imprinted) hereon, all as of the Original Issue Date specified above.

[SEAL]

CITY OF MADISON, WISCONSIN

By: _____
Satya Rhodes-Conway, Mayor

By: _____
Maribeth Witzel-Behl, Clerk

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Please Print or Type Name and Address of Assignee)

the within-mentioned Bond and all rights thereunder and does hereby irrevocably constitute and appoint _____ attorney-in-fact, to transfer the same on the books of the registry in the office of the Bond Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Bond Registrar, which requirements include membership or participation in the Securities Transfer Association Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Note: The signature to this assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or change whatsoever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation, or anyone in a representative capacity, proof of such person’s authority to act must accompany this Bond.

SCHEDULE 1 TO BOND FORM

\$2,932,862

CITY OF MADISON, WISCONSIN

SUBORDINATE WATER SYSTEM REVENUE BONDS, SERIES 2024B

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

SCHEDULE 2 TO BOND FORM

PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Principal Amount</u>
May 1, 2026	\$126,664.16
May 1, 2027	129,381.10
May 1, 2028	132,156.33
May 1, 2029	134,991.08
May 1, 2030	137,886.64
May 1, 2031	140,844.31
May 1, 2032	143,865.42
May 1, 2033	146,951.33
May 1, 2034	150,103.44
May 1, 2035	153,323.16
May 1, 2036	156,611.94
May 1, 2037	159,971.27
May 1, 2038	163,402.65
May 1, 2039	166,907.64
May 1, 2040	170,487.81
May 1, 2041	174,144.77
May 1, 2042	177,880.17
May 1, 2043	181,695.70
May 1, 2044	185,593.08

EXHIBIT B

NOTICE TO THE ELECTORS OF THE
CITY OF MADISON, WISCONSIN
RELATING TO BOND SALE

On July 2, 2024, pursuant to Section 66.0621 of the Wisconsin Statutes, a resolution was offered, read, approved, and adopted whereby the City of Madison, Wisconsin (the “City”) authorized the borrowing of money through the issuance of bonds and authorized certain City officials to enter into a purchase agreement relating to said borrowing. On July 24, 2024 the City entered into a purchase agreement with the State of Wisconsin Safe Drinking Water Loan Program to whom the City agreed to sell its subordinate water utility revenue bonds in the principal amount of up to \$2,932,862. The closing of the bonds was held on July 24, 2024. A copy of all proceedings with respect to the authorization and sale of said bonds is on file and may be examined in the office of the City Clerk at Room 101, City-County Building, 210 Martin Luther King, Jr. Boulevard, Madison, Wisconsin between the hours of 9:00 a.m. and 4:30 p.m. on weekdays.

This notice is given pursuant to Section 893.77 of the Wisconsin Statutes, which provides that an action or proceeding to contest the validity of such financing, for other than constitutional reasons, must be commenced within 30 days after the date of publication of this notice.

Publication Date: July __, 2024

/s/ Maribeth Witzel-Behl
City Clerk