

Loan Payment Schedule Comments

The following Loan Repayment Schedule is a hypothetical payment schedule that assumes all of the loan proceeds are drawn on the loan closing date. Since the Environmental Improvement Fund (“EIF”) loans are generally construction loans, the actual total amount of the loan disbursements, as well as the timing of the loan disbursements, will typically not be known until the construction project is complete. At the time that the last draw on your loan is made, the actual loan repayment schedule can be determined for the remainder of the loan term. Your municipality is only charged interest on the amount of the loan that is disbursed and the calculation is based on the number of days that the municipality has use of the money.

Please look over the following loan payment schedule so that you are aware of the dates when the interest payments start and when the principal payments will start. These payment dates are set in the bond/note that is the collateral for your EIF loan. A final loan payment schedule will be provided to you when DNR notifies DOA that the project is complete and the project is ready to be “closed-out”. A Loan Payment Schedule based on year-to-date disbursements may be obtained by your municipality or your auditor for planning or reporting purposes. To obtain a Loan Payment Schedule based on year-to-date loan disbursements, please go to:

<http://www.eif.doa.wi.gov>

and select the report titled “Loan Payment Schedule”.

If you have any questions on the following hypothetical loan payment schedule, please call Jessica Fandrich at 608-267-2734.

Other loan accounts reports are also available at the above website. Updated information is available on the website the day following a loan disbursement, a loan payment or other financial transaction that changes the loan balance.

State of Wisconsin
Department of Natural Resources
Bureau of Community Financial Assistance
101 South Webster Street
PO Box 7921
Madison, Wisconsin 53707-7921
(608) 266-7555

Financial Assistance Agreement
Safe Drinking Water Loan Program
Form 8700-214 rev 02/16

STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM
FINANCIAL ASSISTANCE AGREEMENT WITH PRINCIPAL FORGIVENESS

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF ADMINISTRATION

and

CITY OF MANITOWOC

\$403,496 With \$121,049 PRINCIPAL FORGIVENESS

FINANCIAL ASSISTANCE AGREEMENT

Dated as of December 14, 2016

This constitutes a **Financial Assistance Agreement** under the State of Wisconsin's Safe Drinking Water Loan Program. This agreement is awarded pursuant to ss. 281.59 and 281.61, Wis. Stats. The purpose of this agreement is to award financial assistance from the Safe Drinking Water Loan Program. This agreement also discloses the terms and conditions of this award.

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

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

Municipal Identification No. 36251
Safe Drinking Water Loan Program Project No. 5191-07

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

(a) the FAA and the performance by the Municipality of its obligations thereunder have been duly authorized by all necessary actions by the governing body of the Municipality, and the FAA has been duly executed and delivered by the Municipality;

(b) the Municipal Obligations have been duly authorized, executed, and delivered by the Municipality and sold to the SDWLP;

(c) each of the FAA and the Municipal Obligations constitutes a legal, valid, and binding obligation of the Municipality, enforceable against the Municipality in accordance with its respective terms (provided that enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that its enforcement may also be subject to the exercise of judicial discretion in appropriate cases);

(d) the Municipal Obligations constitute general obligations of the Municipality, and the full faith and credit of the Municipality is pledged for the payment of principal thereof and interest thereon as and when it becomes due;

(e) interest on the Municipal Obligations is not included in gross income of the owners thereof for federal income taxation purposes under existing laws, regulations, rulings and judicial decisions;

(f) the Municipal Obligations are not "arbitrage bonds" within the meaning of Section 148 of the Code and the arbitrage regulations; and

(g) the Municipal Obligations are not "private activity bonds" as defined in Section 141(a) of the Code.

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

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

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

"Plans and Specifications" means the Project design plans and specifications assigned No. W-2015-0589, approved by DNR on August 25, 2016, as the same may be amended or modified from time to time in accordance with this FAA.

"Principal Forgiveness" means Financial Assistance received in the form of forgiveness of Loan principal amount pursuant to the Act, Regulations, and this FAA of which no repayment thereof shall be required except as may be required per the Act, Regulations, or this FAA. The amount of principal forgiveness available for this Project as of the date of this FAA is \$121,049.

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

"Project" means the project assigned SDWLP Project No. 5191-07 by DNR, described in the Project Manager Summary Page (Exhibit F), and further described in the DNR approval letter(s) for the Plans and Specifications, or portions thereof, issued under s. 281.41, Wis. Stats.

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

"Regulations" means chs. NR 166, NR 809 and NR 811, Wis. Adm. Code, the regulations of DNR, and ch. Adm. 35, Wis. Adm. Code, the regulations of DOA, adopted pursuant to and in furtherance of the Act, as such may be adopted or amended from time to time.

"Responsible Party" means any third party who is found to be responsible for the well contamination at this project site and who is responsible for associated remediation costs.

"Safe Drinking Water Act" means the federal Safe Drinking Water Act, 42 U.S.C. 300f to 300j-26.

"SDWLP" means State of Wisconsin Safe Drinking Water Loan Program, established pursuant to ss. 281.59 and 281.61, Wis. Stats., and managed and administered by DNR and DOA.

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

"State" means the State of Wisconsin.

"Substantial Completion" means the point in time when the Project is operational or capable of being operated.

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

"Use of American Iron and Steel" means the requirements contained in section 424 of P.L. 114-113, the Consolidated Appropriations Act of 2016.

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

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

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

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

(s) The Municipality represents that it has satisfied all the applicable requirements in ss. 281.61(3), (4), (5) and (8m), Wis. Stats., and ch. NR 166, Wis. Adm. Code.

(t) The Municipality has levied a tax that will generate annually sufficient revenue to pay the principal of and interest on the Municipal Obligations.

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

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

(w) The Municipality represents that it has submitted to DNR a bid tabulation for the Project, with a recommendation to DNR for review and concurrence. The actual Substantial Completion date of the Project was December 16, 2015.

(x) The Municipality acknowledges that s. 281.59(11)(b), Wis. Stats., and the General Resolution provide that if the Municipality fails to repay the Loan when due, the State shall recover amounts due the SDWLP by deducting those amounts from any State payments due the Municipality.

This means that the following State payments would have been subject to this deduction:

	Transportation	State-shared	Total
2014	\$1,877,589.99	\$5,396,942.95	\$7,274,532.94
2015	\$1,902,776.93	\$5,397,847.67	\$7,300,624.60

The amount of State payments anticipated for this year, among others, and as changed or modified from time to time, that are subject to this deduction are:

2016	\$1,795,999.00	\$5,397,126.46	\$7,193,125.46
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These are not the entire amounts of State aid distributed to the Municipality. Other State aid is subject to intercept on failure of the Municipality to make full Loan payments due the SDWLP.

The Municipality acknowledges that ss. 281.59(11)(b) and 70.60, Wis. Stats., and the General Resolution, provide that if the Municipality fails to repay the Loan when due, the State shall recover amounts due the SDWLP by adding a special charge to the amount of taxes apportioned to and levied upon the county in which the Municipality is located.

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

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

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

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

CITY OF MANITOWOC

By: _____
Justin M. Nickels
Mayor

Attest: _____
Jennifer Hudon
City Clerk/Dep. Treas.

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

By: _____
Authorized Officer

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Officer

EXHIBIT A

PROJECT BUDGET SHEET SUMMARY

CITY OF MANITOWOC
SDWLP Project No. 5191-07

	Total Project Costs	Ineligible CWF Costs	CWF Eligible Costs	Principal Forgiveness*	Net SDWLP Loan Amount
Force Account	26,572	2,605	23,967	0	23,967
Interim Financing Costs	0	0	0	0	0
Engineering Report Preparation	0	0	0	0	0
Plans/Specifications Preparation	12,461	0	12,461	0	12,461
Land or Easement Acquisition	0	0	0	0	0
Engineering/Construction Mgmt.	0	0	0	0	0
Construction/Equipment	311,625	21,823	289,802	121,049	168,753
Contingency	15,204	1,899	13,305	0	13,305
Miscellaneous Costs	80,686	23,225	57,461	0	57,461
CWF Closing Costs	6,500	0	6,500	0	6,500
TOTAL	\$453,048	\$49,552	\$403,496	\$121,049	\$282,447

*Principal Forgiveness (PF) = Total SDWLP Eligible Costs x 30%. This project is eligible for \$121,049.

EXHIBIT F

PROJECT MANAGER SUMMARY PAGE

CITY OF MANITOWOC
SDWLP Project No. 5191-07

1. **Project Description:** This project is designed to deliver safe, clean City of Manitowoc drinking water to multiple properties that currently obtain their drinking water from private, potable wells impacted with volatile organic compounds (VOC) above the Maximum Contaminant Level Standards. The City of Manitowoc has been conducting environmental site investigation and remedial action planning activities for the former Town of Newton Gravel Pit site, 3130 Hecker Road, Manitowoc, Wisconsin. The Newton Gravel Pit site was the location of disposal practices that included discharge of liquid industrial wastes during an approximate 10-year time period between the early 1960s and early 1970s. Potable well monitoring identified VOC impacts to private potable wells located along Viebahn Street between S. 35th Street and CTH CR (S. 42nd Street) and south along CTH CR from Viebahn Street. The City of Manitowoc is taking responsibility to ensure that residents living in this area have safe, clean water by extending water mains to provide city water service to these properties.

This project is eligible for 30% of eligible costs in principal forgiveness, which is \$121,049.

2. **Ineligible Costs:** This project includes ineligible costs in the amount of \$49,552 which will be paid for using the City of Manitowoc's internal funds. Ineligible costs primarily include billing and accounting costs embedded in the force account and construction performed on private property.
3. **Other Funding Sources:** The City of Manitowoc will be paying for ineligible costs in the amount of \$49,552 using internal funds.
4. **Miscellaneous Costs:** As shown in the Project Budget Sheet Summary (Exhibit A), SDWLP funding in the amount of \$57,461 is included in the Miscellaneous category for:
 - ◆ Luisier Plumbing* - \$15,945
 - ◆ Manitowoc County Highway Department* - \$17,487
 - ◆ Equipment * - \$14,864
 - ◆ SMI Topography * - \$9,165

Each construction-related item, denoted by an asterisk (*), will require review and approval by the regional Construction Management Engineer (CME) prior to reimbursement from the SDWLP. The municipality must provide the CME with a copy of the vendor's invoice, procurement method used and applicable state documentation. When the CME has determined eligibility and given approval, the municipality may request reimbursement from the SDWLP.

5. **Contingency Allowance:** The total contingency allowance for this project is \$15,204. The amount of \$1,899 is ineligible. SDWLP eligible contingency allowance is in the amount of \$13,305 which is equal to the amount of eligible costs approved by the CME for Change Order 1. This calculation includes \$0 for uncompleted construction because the project is complete. Change orders must be approved by the regional CME prior to requesting reimbursement.

Base contingency (Uncompleted construction work x 5%)		\$0
Contractor_Vinton	CO No.1 (Eligible costs)	\$13,305
Contractor_Vinton	CO No.1 (Ineligible costs)	\$1,899
Total Contingency Allowance		\$15,204

Safe Drinking Water Loan Program Project No. 5191-07
City of Manitowoc
Water Main Extension Along Viebahn Street
Financial Assistance Agreement
Closing Schedule

By November 3, 2016:

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

By November 14, 2016:

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

On November 21, 2016:

- Municipality holds properly noticed meeting at which time:
 1. Municipal Obligation Resolution is adopted
 2. Bond related documents are signed by municipal officials
 3. DNR FAA is signed by municipal officials

NOTE: Most documents must be signed by Highest Elected Official & Clerk/Secretary and some documents must have municipal seal applied. Do not sign any Exhibits.

By November 22, 2016 VIA OVERNIGHT DELIVERY:

- 1. Municipality returns FAA via overnight delivery to DNR Project Manager Michelle Eis for countersigning by DNR.
 2. Municipality delivers signed & sealed Resolution & other bond documents via overnight delivery to Quarles & Brady, LLP.

By December 12, 2016:

- Quarles & Brady, LLP sends final signed and sealed bond documents and legal opinion to DOA.

December 14, 2016:

- Loan Closing Day. Quarles & Brady, LLP contacts DOA to confirm closing and DOA wire transfers the first disbursement to municipal bank account.

Safe Drinking Water Loan Program Project No. 5191-07
City of Manitowoc
Water Main Extension Along Viebahn Street
Financial Assistance Agreement Summary
Distribution Sheet

FINANCIAL ASSISTANCE INFO

Total Project Amount: \$453,048 Net SDWLP Loan Amount: \$282,447
Internal Funds: \$49,552 Principal Forgiveness Amount: \$121,049
Pledge: General Obligation Note Lien Priority: N/A
Composite Interest Rate: 1.540%

DOCUMENT INFO

Date of Municipal Obligation Resolution – December 14, 2016

CLOSING INFO

Refinancing: None Date of Refinancing: N/A
Estimated Reimbursement: \$403,493.10

DISTRIBUTION

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Madison, WI 53707-7921

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City of Manitowoc
900 Quay Street
Manitowoc, WI 54220

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Paul Steinbrecker
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