Meeting of the Commissioners of the Madison Metropolitan Sewerage District

Thursday, Sept 12, 2019 8:00 a.m.
MMSD Maintenance Facility Training Room, 1610 Moorland Road, Madison, WI 53713

Present: Commissioner Tom Hovel
Commissioner Sara Eskrich
Commissioner Grant Foster
Commissioner Ezra Meyer
Commissioner Brad Murphy
Commissioner Mary Swanson
Commissioner Tom Wilson

Excused Absence: Commissioner Ken Clark

Commission Meeting

1. Opening
   A. Call to Order 8:01 a.m.
   B. Welcome Guests: Greg Fries, City of Madison; Forbes McIntosh, Dane County Cities and Villages Association and Jon Becker, community member.
   C. Announcements:
      Introduction of Brad Arnold, Metrogro Diesel Mechanic and Mr. Mucha announced that Pollution Prevention week is September 16 through September 22 and that the district would be hosting a bike tour on 9/21/19.

2. Appearances by the Public: Jon Becker spoke to the commission regarding the NEI Truax Interceptor Relief project.

3. Consent Calendar
   A. Approval Meeting Minutes from 8-29-2019
   B. Approval of cash statement – Operating Cash Fund
   C. Approval of Cash statement – Capital Projects Fund
   D. Acceptance of work : West Interceptor Rehabilitation Pumping Station 5 Gammon Extension 2019-09-12-R1
   E. Review and Approval of Sewer Extension Plans
      Reconstruction Project
      • Southwest Bike Path Culvert Replacement – 2019-09-12-R2

Discussion: The 8-29-2019 minutes, operating cash fund, capital projects fund, acceptance of work for the pumping station 5-Gammon extension and one sewer extension plan were reviewed and placed on file.

The operating cash fund account shows an available balance through operating fund check no. 122794 in the amount of $931,847.09; subsequent receipts totaling
$9,091,165.44; less disbursements of $9,587,239.07; resulting in a cash balance of $435,773.46. The capital projects fund cash statement shows an available balance through capital projects fund account check no. 10407 in the amount of $42,352.10; plus receipts of $3,661,416.64; less disbursements of $2,372,105.82; with a resulting cash balance of $1,331,662.92.

**Action:** Commissioner Wilson moved, seconded by Commissioner Murphy to approve items A-E of the consent calendar.

Motion carried.

4. **Presentation of Proposed 2020 Operating, Capital Projects and the Debt Service Budgets**
   - **Presenter:** Michael Mucha, Chief Engineer and Director
   - **Description:** Informational presentation related to the “Proposed 2020 Operating, Capital Projects and Debt Service Budgets”.
   - **Discussion:** Mr. Mucha presented highlights and information related to the 2020 budget for commission consideration.
   - **Action:** No action at this time.

5. **Award of Professional Services for I/I Program Plan**
   - **Presenter:** Jen Hurlebaus, Collection Systems Engineer
   - **Description:** Requesting adoption of resolution (2019-09-12-R3) which would award professional services to Brown and Caldwell.
   - **Discussion:** Ms. Hurlebaus presented information to the commission including financial impact, background and analysis and options for consideration.
   - **Action:** Commissioner Meyer moved, seconded by Commissioner Foster to approve resolution 2019-09-12-R3 awarding services to Brown and Caldwell at a cost not to exceed $100,000.

   Motion carried.

6. **PFAS Update**
   - **Presenter:** Martin Griffin, Director of Ecosystem Services
   - **Description:** Update on PFAS.
   - **Discussion:** Mr. Griffin presented to the commission an update on district actions around the PFAS action plan.
   - **Action:** No action necessary.

7. **Sewerage System Promissory Notes**
   - **Presenter:** Jeff Brochtrup, Assistant Chief Engineer and Director
   - **Description:** Requesting adoption of resolution 2019-09-12-R4, which authorizes the issues and sale of up to $1,846,530 in general obligation sewerage system promissory notes for the Clean Water Fund (CWF) load for the Pumping Station 10 Force Main Rehabilitation and West Interceptor Rehabilitation Gammon Extension to Pumping Station 5 projects.
   - **Discussion:** Mr. Brochtrup presented information on the financial impact, background, analysis and options and next steps to the commission related to adopting resolution 2019-09-12-R4.
Action: Commissioner Wilson moved, seconded by Commission Eskrich to approve resolution 2019-09-12-R4 via roll call vote.


Motion carried unanimously 7-0.

8. Chief Engineer and Director’s Report
   A. CED Update
      No update provided.
   B. Regulatory Review and Report
      Mr. Kent provided a brief overview of regulatory and legislative happenings.
   C. Future Meeting Schedule
      See Future Agenda Topics-item #12.

9. Convene in Closed Session in Accordance with 19.85(1)c of the Wisconsin Statutes to Consider Employment, Promotion, Compensation or Performance Evaluation Data of any Public Employee Over Which the Governmental Body has Jurisdiction or Exercise Responsibility
Action: Commissioner Wilson moved, seconded by Commissioner Eskrich to convene in closed session in accordance with 19.85(1)c of the Wisconsin Statutes to consider employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercise responsibility.


10. Reconvene in Open Session
    Action: Commissioner Wilson moved, seconded by Commissioner Eskrich to reconvene in open session in accordance with 19.85(1)c of the Wisconsin Statutes to consider employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercise responsibility, the purpose of the closed session being a continuation of the process for the annual performance review of the chief engineer and director.

11. Discussion or Actions, if any, Relative to Items Discussed in Closed Session

*Commissioner Murphy excused from the meeting

**Discussion:** The commission undertook a 360 degree evaluation of the chief engineer and director (CED) and discussed the evaluation with chief engineer and director, Michael Mucha. The CED provided a self-evaluation outlining accomplishment of goals, district outcomes, executive limitations and the path forward. The commission is confident in the leadership and direction provided by the CED and the priorities and goals the CED is working on. A final document of these goals will be brought forward in the near future for commission approval.

**Action:** Commissioner Meyer moved, seconded by Commissioner Wilson to grant the chief engineer and director (CED), Michael Mucha, a performance-based pay increase, back-dated to July 1 of this year, of 2 percent of the midpoint of his current pay range, not to exceed the top of the pay range for his position per the currently adopted pay plan.

Motion approved unanimously 6-0 (Commissioner Murphy excused from the vote).

12. Future Agenda Topics

**Discussion:** The commissioners discussed whether or not there was interest in placing a topic on the agenda in regards to the NEI Truax Interceptor Relief project. Commission members agreed that this topic would not be placed on the agenda at this time.

**Action:** No formal action taken. Michael Mucha will contact Mr. Becker for further discussion.

13. Other Business Allowed by Law

**Action:** None.

14. Adjournment

**Action:** Commissioner Wilson moved, seconded by Commissioner Foster to adjourn.

Motion carried.

Adjournment at 11:40 a.m.

**Regular Meeting of the Commissioners**  
September 12, 2019

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Mary Swanson, Secretary

**Future Meetings:**
Thursday, September 26, 2019—regular meeting and public hearing on the district budgets
Thursday, October, 17, 2019
Thursday, October 31, 2019
ACCEPTANCE OF WORK:
WEST INTERCEPTOR REHABILITATION-GAMMON EXTENSION TO PUMPING STATION 5
2019-09-12-R1

WHEREAS, inspection of the West Interceptor upstream of Pumping Station 5 indicated that the pipeline suffered from interior pipe corrosion, and

WHEREAS, Madison Metropolitan Sewerage District (the “district”) determined the need to rehabilitate this portion of the interceptor to prevent further deterioration and possible failure, and

WHEREAS, the project was included in the district’s capital improvements plan and budget, and

WHEREAS, the West Interceptor Rehabilitation – Gammon Extension to Pumping Station 5 (the “project”) included lining approximately 3,500 lineal feet of 18-inch cast iron pipe, and

WHEREAS, the district entered into a contract dated Sept. 10, 2018, with Visu-Sewer, Inc. for construction of the project, and

WHEREAS, the chief engineer and director of the Madison Metropolitan Sewerage District certifies that all work included for the project has been completed in accordance with the contract documents, and

WHEREAS, Visu-Sewer, Inc. has submitted acceptable evidence showing satisfactions of all claims/liens, and

WHEREAS, acceptable evidence showing compliance with State prevailing wage requirements was not required, and

WHEREAS, Visu-Sewer, Inc. has submitted acceptable evidence showing compliance with Davis-Bacon Federal prevailing wage rate requirements, American Iron & Steel requirements, Disadvantaged Business Enterprise requirements and other WDNR Clean Water Fund loan requirements, and

WHEREAS, the original contract amount was $465,320 and the final contract amount, including all change orders, is $444,722.50, and

WHEREAS, the contract includes a provision that the sum of $10,000 be withheld by the district as a retainer for a period of one year following substantial completion.
NOW, THEREFORE, BE IT RESOLVED by the Madison Metropolitan Sewerage District Commission, and following consideration of the above recitals which are incorporated by reference, as follows:

1. That said work be accepted, with the district reserving to itself all rights under said contract, including guarantees against defects in workmanship, materials, construction or installation and guarantees against failure to perform successfully within the limits of the specifications.

2. That final payment be authorized and made to Visu-Sewer, Inc. in the amount of $77,287.37, which amount provides for the withholding of a $10,000 retainer from the final contract amount of $444,722.50.

The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held at the district on Sept. 12, 2019.

MADISON METROPOLITAN SEWERAGE DISTRICT

Thomas Hovel, President

Attested by:

Mary Swanson, Secretary
SOUTHWEST BIKE PATH CULVERT REPLACEMENT AT WAITE CIRCLE-2019
2019-09-12-R2

WHEREAS, plans for sanitary sewer extensions were submitted to the Madison Metropolitan Sewerage District (the "district") for Southwest Bike Path Culvert Replacement at Waite Circle-2019, in the City of Madison, on Aug. 30, 2019, by Greg Fries, City Engineering Division. The plans were designed by Adam Shelton, P.E., of Brown and Caldwell, for the City of Madison, and

WHEREAS, in 2017, the stone arch culvert under the Southwest Bike Path at Waite Circle began to fail. In 2017, as a result of the impending failure, the arch was slip lined with a 60-inch culvert during an emergency repair. This current project will reconstruct the culvert to a size similar to that of the original arch. In addition to the culvert reconstruction, the project will replace 288 feet of 10-inch and 12-inch diameter sanitary sewers on a new alignment, and

WHEREAS, no new lands will be served as part of this project, and

WHEREAS, ownership of the proposed sanitary sewers will be divided between the City of Madison and the district, as identified in the plans, and

WHEREAS, the proposed sanitary sewer extension will connect directly to the district’s Southwest Interceptor and replace district structures MH02-167, MH02-168 and MH02-169, and

WHEREAS, conveyance facility connection charges for the areas being served have been paid, and

WHEREAS, plan review fees are waived for reconstruction projects, and

WHEREAS, the district has received a sewer extension review letter #6-19-48 from the Capital Area Regional Planning Commission (CARPC) dated Sept. 5, 2019 stating the CARPC staff has reviewed the proposed extension and determined that it is consistent with the urban service area provisions of the “Dane County Water Quality Plan” and the “Dane County Land Use and Transportation Plan”, and

WHEREAS, the chief engineer and director of the district has recommended the approval of said plans,

THEREFORE, BE IT RESOLVED, that the plans for sanitary sewer extensions for Southwest Bike Path Culvert Replacement at Waite Circle-2019, in the City of Madison, submitted on Aug. 30, 2019, by Greg Fries, City Engineering Division, be approved subject to the following conditions:
1. That the City of Madison shall invite the district to the preconstruction conference, and require the contractor to obtain a direct connection permit for the work being performed on district owned facilities, a minimum of seven days in advance of performing any work. Contact Ray Schneider at (608) 347-3628 or RayS@madsewer.org to coordinate.

2. That the City of Madison shall require the presence of an engineer or an inspector on the construction of said sewer extensions who shall make a record showing in detail the construction as built and shall furnish the district with as-built plans in the case of any significant deviations from the original design.

3. That the construction, operation, maintenance and use of said sewer extensions shall be in accordance with the lawful rules and regulations of the district and with the applicable State of Wisconsin plumbing and sewerage codes.

4. That if construction of the sewer extensions covered by said plans has not commenced within four years following the approval date of this resolution, this approval shall become void and new plans shall be submitted. If construction has commenced but has not been completed within the four-year approval period, the unbuilt portion must be submitted for reapproval if it is a significant portion of the project and would require DNR approval.

The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held at the district on Sept. 12, 2019.

MADISON METROPOLITAN SEWERAGE DISTRICT

Attested by:

Thomas Hovel, President

Mary Swanson, Secretary
AWARD OF PROFESSIONAL SERVICES FOR THE
INfiltration AND INFLOW REDUCTION PROGRAM PLAN
RESOLUTION 2019-09-12-R3

WHEREAS, the Madison Metropolitan Sewerage District (the “district”) has determined a need to begin developing an infiltration and inflow reduction program, and

WHEREAS, the district anticipates forming a technical advisory committee (TAC) comprised of members from the customer communities to start making recommendations on the overall approach for the district’s infiltration and inflow program, and

WHEREAS, district staff does not have the expertise or resources to perform the work, and

WHEREAS, costs for the professional services were included in the district’s capital improvements plan and capital budget as part of the collection system facilities plan update, and

WHEREAS, district staff prepared a request for proposals (the “RFP”) for this work and distributed the RFP to consultants, and

WHEREAS, district staff advertised the work as required the district’s procurement policies, and

WHEREAS, the district received proposals from two interested consultants, and

WHEREAS, the recommended proposal is within the approved total project cost.

NOW, THEREFORE, and following consideration of the above recitals which are incorporated by reference, it is hereby resolved by the Madison Metropolitan Sewerage District Commission, as follows:

1. The commission awards the professional services for the infiltration and inflow reduction program plan to Brown and Caldwell at a cost not to exceed $100,000.

2. As set forth in the commission transaction approval authority policy, any amendments to the work that exceed 10 percent of the proposed price will require commission approval.

3. The commission authorizes the chief engineer and director to execute a professional services agreement for this work on behalf of the district.
The above resolution was adopted by the Commissioners of the Madison Metropolitan Sewerage District at their meeting held at the district on Sept. 12, 2019.

MADISON METROPOLITAN SEWERAGE DISTRICT COMMISSION

Thomas D. Hovel, President

Mary Swanson, Secretary
RESOLUTION AUTHORIZING THE ISSUANCE AND
SALE OF UP TO $1,846,530 GENERAL OBLIGATION
SEWERAGE SYSTEM PROMISSORY NOTES, SERIES 2019A
AND PROVIDING FOR OTHER
DETAILS AND COVENANTS WITH RESPECT THERETO

WHEREAS, the Madison Metropolitan Sewerage District, Dane County, Wisconsin (the "Municipality") owns and operates a sewerage system (the "System") which is operated for a public purpose as a public utility by the Municipality; and

WHEREAS, certain improvements to the System are necessary to meet the needs of the Municipality and the residents thereof, consisting of the construction of a project (the "Project") assigned Clean Water Fund Program Project No. 4010-52 by the State of Wisconsin Department of Natural Resources (the "Department of Natural Resources"), and as defined in the Department of Natural Resources approval letters for the Plans and Specifications of the Project, or portions thereof, issued under Section 281.41 of the Wisconsin Statutes, and assigned No. S-2018-0472 dated July 23, 2018 and No. S-2018-0533 dated August 8, 2018; and

WHEREAS, under the provisions of Chapter 67.12(12) of the Wisconsin Statutes, any Municipality (as defined in Section 67.01(5) of the Statutes) may, by action of its governing body, provide for the acquisition, planning, design, construction, development, extension, enlargement, renovation, rebuilding, repair or improvement of land, water, properties, buildings, equipment or facilities from the proceeds of promissory notes which are general obligations of the Municipality; and

WHEREAS, the Municipality deems it to be necessary, desirable and in its best interest to authorize and sell general obligation sewerage system promissory notes of the Municipality pursuant to the provisions of Section 67.12(12) of the Wisconsin Statutes, to pay the cost of the Project; and

WHEREAS, other than "preliminary expenditures" as defined in Treas. Reg. 26 CFR 1.150-2 in an amount not exceeding 20% of the principal amount of the notes authorized to be issued by this resolution, or other than a "de minimis" amount as defined in Treas. Reg. 26 CFR 1.150-2 in an amount not exceeding the lesser of $100,000 or 5% of the principal amount of the notes authorized to be issued by this resolution, all of the proceeds loaned to the Municipality will be used for Project costs paid by the Municipality subsequent to (i) the date which is 60 days prior to the date on which the Municipality adopted a "declaration of intent" pursuant to Treas. Reg. 26 CFR 1.150-2 stating its intent to reimburse other funds of the Municipality previously used to finance the Project, or (ii) the date on which the notes authorized herein are issued; and

WHEREAS, the Municipality currently has general obligation debt outstanding in the aggregate principal amount of $117,462,299.22 as follows:
NOW, THEREFORE, be it resolved by the Governing Body of the Municipality that:

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

(a) "Act" means Chapter 67 of the Wisconsin Statutes;

(b) "Closing Date" means the date of closing on the Clean Water Fund Program loan when the Notes are delivered to the State pursuant to the Financial Assistance Agreement;

(c) "Debt Service Fund" means the Debt Service Fund of the Municipality, created by this resolution, pursuant to Section 67.11 of the Act;

(d) "Financial Assistance Agreement" means the Financial Assistance Agreement by and between the Municipality and the State of Wisconsin by the Department of Natural Resources and the Department of Administration pursuant to which the Notes are to be issued and sold to the State, dated as of the Closing Date, substantially in the form attached hereto and incorporated herein by reference;

(e) "Fiscal Year" means the twelve-month period ending on each December 31;

(f) "Governing Body" means the Madison Metropolitan Sewerage District Commission, or such other body as may hereafter be the chief legislative body of the Municipality;

(g) "Municipal Treasurer" means the Treasurer of the Municipality, who shall act as Note Registrar and Paying Agent;
(h) "Municipality" means Madison Metropolitan Sewerage District;

(i) "Notes" mean the $1,846,530 General Obligation Sewerage System Promissory Notes, Series 2019A of the Municipality dated as of the Closing Date, authorized to be issued by this Resolution;

(j) "Note Registrar" means the Municipal Treasurer who shall act as Paying Agent for the Notes;

(k) "Note Year" means the twelve-month period ending on each May 1;

(l) "Project" means the Project described in the preamble to this Resolution. All elements of the Project are to be owned and operated by the Municipality as part of the System as described in the Financial Assistance Agreement;

(m) "Record Date" means the close of business on the fifteenth day of the calendar month next preceding any principal or interest payment date; and

(n) "System" means the entire sewerage system of the Municipality, specifically including that portion of the Project owned by the Municipality and including all property of every nature now or hereafter owned by the Municipality for the collection, transmission, treatment and disposal of domestic and industrial sewerage and waste, including all improvements and extensions thereto made by the Municipality while any of the Notes remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such sewerage system and including all appurtenances, contracts, leases, franchises, and other intangibles.

Section 2. Authorization of the Notes and the Financial Assistance Agreement. For the purpose of paying the cost of the Project (including legal, fiscal, engineering and other expenses), there shall be borrowed on the full faith and credit of the Municipality up to the sum of $1,846,530; and fully registered general obligation sewerage system promissory notes of the Municipality are authorized to be issued in evidence thereof and sold to the State of Wisconsin Clean Water Fund Program in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference; and the President (or in his/her absence, the Vice President) and the Secretary (or in his/her absence, the Vice President) of the Municipality are hereby authorized, by and on behalf of the Municipality, to execute the Financial Assistance Agreement.

Section 3. Terms of the Notes. The Notes shall be designated "General Obligation Sewerage System Promissory Notes, Series 2019A" (the "Notes"); shall be dated as of the Closing Date; shall be numbered one and upward; shall bear interest at 1.760% 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 integral multiple thereof; and shall mature on the dates and in the amounts as set forth in Exhibit B of the Financial Assistance Agreement as it is from time to time adjusted by the State based upon actual draws made by the Municipality. Interest on the Notes shall be payable semiannually on May 1 and November 1 of each year, commencing on May 1, 2020. The Notes shall not be subject to redemption prior to maturity except as provided in the Financial Assistance Agreement.
Section 4. Form, Execution, Registration and Payment of the Notes. The Notes shall be issued as registered obligations in substantially the form attached hereto as Exhibit A and incorporated herein by this reference.

The Notes shall be executed in the name of the Municipality by the manual signatures of the President (or in his/her absence, the Vice President) and the Secretary (or in his/her absence, the Vice President, as Acting Secretary), and shall be sealed with its official or corporate seal, if any.

The principal of, premium, if any, and interest on the Notes shall be paid by the Municipal Treasurer, who is hereby appointed as the Municipality's registrar (the "Note Registrar").

Both the principal of and interest on the Notes shall be payable in lawful money of the United States of America by the Note Registrar. Payment of principal of the final maturity on the Note will be payable upon presentation and surrender of the Note to the Note Registrar. Payment of principal on the Note (except the final maturity) and each installment of interest shall be made to the registered owner of each Note who shall appear on the registration books of the Municipality, maintained by the Note Registrar, on the Record Date and shall be paid by electronic transfer or by check or draft of the Municipality and mailed to such registered owner at his or its address as appears on such registration books or at such other address as may be furnished in writing by such registered owner to the Note Registrar.

Section 5. Note Proceeds. The sale proceeds of the Notes (exclusive of accrued interest and any premium received) shall, forthwith upon receipt, be placed in and kept by the Treasurer as a separate account of the Municipal Capital Projects Fund to be known as the "General Obligation Sewerage System Promissory Notes, Series 2019A, Borrowed Money Account" (hereinafter referred to as the "Borrowed Money Fund", which shall be the "borrowed money fund" as such term is defined in the Act). Monies in the "Borrowed Money Fund" shall be used solely for the purposes for which borrowed or for transfer to the Debt Service Fund as provided by law.

Section 6. Tax Levy.

(a) For the express purpose of paying the interest on the Notes as it falls due and also to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property in the Municipality, in addition to all other taxes, a non-repealable, direct, annual tax in an amount sufficient for that purpose. This tax shall be for collection in the years 2020 through 2039, inclusive, and shall be in such amounts as are necessary to provide for the payment of the principal and interest on the Notes when due. This tax, based on an interest rate of 1.760%, shall be in the maximum amounts as set forth in Exhibit B to the Financial Assistance Agreement, or such lesser amounts as it is from time-to-time adjusted by the State based upon actual draws made by the Municipality. Said Exhibit B is attached hereto as Exhibit B.

The actual tax carried onto the tax rolls each year shall equal the amount necessary to repay the actual principal amount drawn under the Notes, and any interest thereon, when due. The amount of tax carried into the tax roll may be reduced in any year by the amount of revenues of the Municipality's wastewater sewer service charge system which are appropriated and irrevocably deposited in the Debt Service Fund for the Notes.
(b) The Municipality shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Notes, said tax shall be, from year to year, carried into the tax rolls of the Municipality and collected as other taxes are collected, provided that the amount of tax carried into said tax rolls may be reduced in any year by the amount of any surplus money in the Debt Service Fund created in Section 7 hereof.

(c) If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Notes when due, the requisite amounts shall be paid from other funds of the Municipality then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 7. Debt Service Fund. The proceeds of the taxes levied pursuant to Section 6 above, when collected by the Municipal Treasurer, shall be placed and kept by the Municipal Treasurer as a separate fund irrevocably pledged for paying the principal of and interest on the Notes so long as any such Notes shall remain outstanding, to be known as the General Obligation Sewerage System Promissory Notes, Series 2019A, Debt Service Fund (hereinafter referred to as "Debt Service Fund"). The accrued interest and any premium received at the time of delivery of the Notes shall be paid over to the Debt Service Fund. Interest on or principal of the Notes falling due at any time when there shall be on hand in the Debt Service Fund insufficient funds for the payment of such principal and interest shall be paid promptly when due from other funds of the Municipality.

Section 8. Deposits and Investments. The Debt Service Fund shall be kept apart from monies in the other funds and accounts of the Municipality and the same shall be used for no purpose other than the prompt payment of principal of and interest on the Notes as the same becomes 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 and 67.10(3) of the Wisconsin Statutes. All income derived from such investments shall be regarded as revenues of the Municipality. No such investment shall be in such a manner as would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or the Regulations of the Commissioner of Internal Revenue thereunder.

An officer of the Municipality shall, on the basis of the facts, estimates and circumstances in existence on the date of closing, make such certifications as are necessary to permit the conclusion that the Notes are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended, or the Regulations of the Commissioner of Internal Revenue thereunder.

Section 9. Operation of System; Municipality Covenants. It is covenanted and agreed by the Municipality with the owner or owners of the Notes, and each of them, that the Municipality will perform all of the obligations as set forth in the Financial Assistance Agreement.
Section 10. **Sale of Notes.** The sale of Notes to the State of Wisconsin Clean Water Fund Program for the purchase price of up to $1,846,530, 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 Notes as hereinabove provided, necessary to conclude delivery of the Notes to said purchaser, as soon after adoption of this Resolution as is convenient. The purchase price for the Notes shall be paid upon requisition therefor as provided in the Financial Assistance Agreement.

Section 11. **Application of Note Proceeds.** The proceeds of the sale of the Notes shall be deposited by the Municipality into the "Borrowed Money Fund". The Borrowed Money Fund shall be used solely for the purpose of paying the costs of the Project (including capitalized interest, if any, on the Notes) as more fully described in the preamble hereof and in the Financial Assistance Agreement. Moneys in the Borrowed Money Fund shall be disbursed within three (3) business days of their receipt from the State of Wisconsin and shall not be invested in any interest-bearing account.

Section 12. **Amendment to Resolution.** After the issuance of any of the Notes, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Notes 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 Notes, 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 Notes then outstanding, exclusive of Notes held by the Municipality; provided, however, that no amendment shall permit any change in the pledge of tax revenues of the Municipality or the maturity of any Note issued hereunder, or a reduction in the rate of interest on any Note, 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 Notes 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 Note to which the change is applicable.

Section 13. **Defeasance.** When all Notes have been discharged, all pledges, covenants and other rights granted to the owners thereof by this Resolution shall cease. The Municipality may discharge all Notes 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 interest to accrue on each of said Notes to its maturity or, at the Municipality's option, if said Note 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 Note at maturity, or at the Municipality's option, if said Note 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 Notes on such date has been duly given or provided for.
Section 14. **Rebate Fund.** Unless the Notes are exempt from the rebate requirements of the Internal Revenue Code of 1986, as amended, the Municipality shall establish and maintain a separate account for the Notes to be known as the “Rebate Fund”. The sole purpose of the Rebate Fund is to provide for the payment of any rebate liability with respect to the Notes under the relevant provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder (the “Regulations”). The Rebate Fund shall be maintained by the Municipality until all required rebate payments with respect to the Notes 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 from the Rebate Fund, at the times 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 Rebate Fund and the investment income therefrom are not pledged as security for the Notes and may only be used for the payment of any rebate liability with respect to the Notes.

The Municipality may engage the services of accountants, attorneys or other consultants necessary to assist it in determining the rebate payments, if any, owed to the United States with respect to the Notes. The Municipality shall maintain or cause to be maintained records of determinations of rebate liability with respect to the Notes for each computation date until six (6) years after the retirement of the last of the Notes. The Municipality shall make such records available to the State of Wisconsin upon reasonable request therefor.

Section 15. **Continuing Disclosure.** The officers of the Municipality are hereby authorized and directed, if requested by the State, to provide to the State of Wisconsin Clean Water Fund Program (the “CWFP”) and to such other persons or entities as directed by the CWFP such ongoing disclosure regarding the Municipality'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 Municipality 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.

Section 16. **Resolution a Contract.** The provisions of this Resolution shall constitute a contract between the Municipality and the owner or owners of the Notes, and after issuance of any of the Notes no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 12, until all of the Notes have been paid in full as to both principal and interest. The owner or owners of any of the Notes 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 thereof, 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 take any and all actions necessary to carry out all of the provisions and agreements contained in this Resolution.
Section 17. Requirements of Municipality. The officers of the Municipality, staff of the Municipality, attorneys for the Municipality, financial consultants of the Municipality, or other agents or employees of the Municipality are hereby authorized to do all acts and things required of them by this Resolution for the full, punctual and complete performance of all of the provisions of this Resolution.

Section 18. Illegal or Invalid Provisions. In case any one or more of the provisions of this Resolution or any of the Notes shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Notes.

Section 19. 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.

Passed: September 12, 2019
Approved: September 12, 2019

Thomas Hovel, President

Attest:

Mary Swanson, Secretary
EXHIBIT A
(Form of Note)

REGISTERED
NO. R-1

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF DANE
MADISON METROPOLITAN SEWERAGE DISTRICT

GENERAL OBLIGATION SEWERAGE SYSTEM PROMISSORY NOTE, SERIES 2019A

Final Maturity Date
May 1, 2039

Date of Original Issue
September 25, 2019

REGISTERED OWNER: STATE OF WISCONSIN CLEAN WATER FUND PROGRAM

KNOW ALL MEN BY THESE PRESENTS that the Madison Metropolitan Sewerage District, Dane County, Wisconsin, (the "Municipality") hereby acknowledges itself to owe and for value received promises to pay to the registered owner shown above, or registered assigns, solely from the fund hereinafter specified, the principal sum of an amount not to exceed ONE MILLION EIGHT HUNDRED FORTY-SIX THOUSAND FIVE HUNDRED THIRTY DOLLARS ($1,846,530) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2020 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 1.760% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of May and November of each year, with the first interest being payable on May 1, 2020.

The principal amount evidenced by this Note may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement entered by and between the Municipality and the State of Wisconsin by the Department of Natural Resources and the Department of Administration including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 2020 in an amount equal to an amount which when amortized over the remaining term of this Note plus current payments of interest (but only on amounts drawn hereunder) at One and Seventy-Six Hundreths percent (1.760%) per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis in the format shown on the attached Exhibit A.

Both principal and interest hereon are hereby made payable to the registered owner in lawful money of the United States of America. On the final maturity date, principal of this Note shall be payable only upon presentation and surrender of this Note at the office of the Municipal Treasurer. Principal hereof (except the final maturity) and interest hereon shall be payable by
electronic transfer or by check or draft dated on or before the applicable payment date and mailed from the office of the Municipal Treasurer to the person in whose name this Note is registered at the close of business on the fifteenth day of the calendar month next preceding such interest payment date.

The Notes shall not be redeemable prior to their maturity, except with the consent of the registered owner.

This Note is transferable only upon the books of the Municipality kept for that purpose at the office of the Municipal Treasurer, by the registered owner in person or its duly authorized attorney, upon surrender of this Note, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Municipal Treasurer, duly executed by the registered owner or its duly authorized attorney. Thereupon a replacement Note shall be issued to the transferee in exchange therefor. The Municipality may deem and treat the person in whose name this Note 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 Note is issuable solely as a negotiable, fully-registered note, without coupons, and in denominations of $0.01 or any integral multiple thereof.

This Note is issued for the purpose of providing for the payment of the cost of constructing improvements to the Sewerage System of the Municipality, pursuant to Article XI, Section 3 of the Wisconsin Constitution, Chapter 67, Wisconsin Statutes, and a resolution adopted on September 12, 2019, and entitled: "RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO $1,846,530 GENERAL OBLIGATION SEWERAGE SYSTEM PROMISSORY NOTES, SERIES 2019A AND PROVIDING FOR OTHER DETAILS AND COVENANTS WITH RESPECT THERETO." The principal of and interest on this Note is payable in lawful money of the United States of America as aforesaid, and for the prompt payment of the principal and interest on this Note, and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the Municipality are hereby irrevocably pledged.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, have happened, and have been performed in due time, form and manner as required by law; that the indebtedness of the Municipality, including this Note and the issue of which it is a part, does not exceed any limitation, general or special, imposed by law; and that a valid, direct, annual irrepealable tax has been levied by the Municipality sufficient to pay the interest on this Note when it falls due and also to pay and discharge the principal hereof at maturity.
IN WITNESS WHEREOF, the Municipality has caused this Note to be signed by the signatures of its President (or in his/her absence, the Vice President) and Secretary (or in his/her absence, the Vice President, as Acting Secretary), and its corporate seal (or a true facsimile thereof) to be impressed (or imprinted) hereon, all as of the date of original issue specified above.

MADISON METROPOLITAN SEWERAGE DISTRICT
DADE COUNTY, WISCONSIN

(SEAL)

By: ___ FORM OF NOTE
    Thomas Hovel, President

By: ___ FORM OF NOTE
    Mary Swanson, Secretary
(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

(Please print or typewrite name and address, including zip code, of Assignee)

Please insert Social Security or other identifying number of Assignee

________________________________________________________________________

the within Note, and all rights thereunder, hereby irrevocably constituting and appointing

________________________________________________________________________

Attorney to transfer said Note on the books kept for the registration thereof with full power of substitution in the premises.

Dated: __________________________

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

Signature(s) guaranteed by:

__________________________________________
EXHIBIT A TO NOTE

$1,846,530 MADISON METROPOLITAN SEWERAGE DISTRICT
DAKE COUNTY, WISCONSIN
GENERAL OBLIGATION SEWERAGE SYSTEM
PROMISSORY NOTES, SERIES 2019A

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EXHIBIT A TO NOTE (continued)

PRINCIPAL REPAYMENT SCHEDULE

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Net Interest Rate 1.7600%
Bond Years 19,718.9704
Average Life 10.6789

The above schedule assumes full disbursement of the loan on the loan closing date.
29-Aug-19 Wisconsin Department of Administration