

NOTICE

There will be a Regular meeting of the City of Stoughton Utilities Committee on Tuesday, January 19, 2010 to be held at 5:00 p.m. in the Edmund T. Malinowski Room of the Stoughton Utilities Administration Office in the Stoughton Utilities Building, 600 S. Fourth Street, Stoughton, WI 53589.

AGENDA:

Call To Order.

Stoughton Utilities Payments Due List. (Action.) (Page Nos. 5-15)

Stoughton Utilities Committee Consent Agenda. (All items are considered routine and will be enacted upon by one motion. There will be no separate discussion of these items unless a Stoughton Utilities Committee member so requests, in which event the item will be removed from the consent agenda and be considered on the regular agenda.) **(Action.)**

- a) Draft Minutes of the December 14, 2009 Regular Stoughton Utilities Committee Meeting. (Page Nos. 16-18)
- b) Stoughton Utilities November 2009 Financial Summary. (Page Nos. 19-23)
- c) Stoughton Utilities November 2009 Statistical Information. (Page No. 24)
- d) Stoughton Utilities Communications. (Page Nos. 25-39)
- e) Stoughton Utilities 12-Month Calendar. (Page Nos. 40-42)
- f) Stoughton Utilities December 2009 Activities Report. (Page Nos. 43-48)
- g) Status of the Stoughton Utilities Committee December 14, 2009 Recommendations to the Stoughton Common Council. (Page No. 49)

Stoughton Utilities Management Team Verbal Reports.

BUSINESS:

1. Resolution Authorizing The Issuance And Sale Of Up To \$613,751 Waterworks System Revenue Bonds, Series 2010, And Providing For Other Details And Covenants With Respect Thereto, And Approval Of Related \$1,227,502 Financial Assistance Agreement, And Consideration And Acceptance Of The Engagement Letter With Quarles And Brady. **(Action.)** (Page Nos. 50-120)
2. Stoughton Utilities Ad Hoc Governance Committee. **(Action.)** (Page Nos. 121)
3. Stoughton Utilities Declarations Of Official Intent Nos. 2010 Through 2010-4. **(Action)** (Page Nos. 122-130)
4. Stoughton Utilities Commitment to Community/Low Income Programs. **(Discussion)** (Page Nos. 131-139)
5. Stoughton Utilities Automatic Payment Program. **(Discussion)** (Page Nos. 140-142)
6. Stoughton Utilities Committee Future Meeting Agenda Item(s). (Page No. 143)

ADJOURNMENT

Mayor Jim Griffin
Stoughton Utilities Committee Chairperson
January 7, 2010

Notices Sent To:

Mayor Jim Griffin, Chairperson
Aldersperson Carl T. Chenoweth, P.E.
Aldersperson Paul Lawrence, Vice Chairperson
Aldersperson Steve Tone
Stoughton Utilities Committee Citizen Member David Erdman

Stoughton Utilities Committee Citizen Member Jonathan Hajny
Stoughton Utilities Committee Citizen Member Norval Morgan
Stoughton Utilities Operations Superintendent Sean Grady
Stoughton Utilities Director Robert P. Kardasz, P.E.

cc: Alderperson Ross Scovotti
Common Council Members
WPPI Energy Assistant Vice President for Power Supply Resources Andy Kellen
City Clerk/Personnel Director Luann J. Alme
Stoughton Utilities/MEUW Southeastern Regional Safety Coordinator Christopher A. Belz
Stoughton Utilities Billing and Consumer Services Technician Erin N. Bothum
City Media Services Director William H. Brehm
City Attorney Matthew P. Dregne
Stoughton Utilities Wastewater System Supervisor Brian G. Erickson
Stoughton Utilities Office and Information Systems Supervisor Brian R. Hoops
Deputy City Clerk/Confidential Secretary Phili Hougan
Stoughton Utilities Finance and Administrative Manager Kim M. Jennings, CPA
Stoughton Library Administrative Assistant Debbie Myren
Stoughton Utilities/WPPI Energy Services Representative Alicia Rankin
Stoughton Utilities Water System Supervisor Roger M. Thorson
Stoughton Utilities Electric System Supervisor Craig A. Wood
City Department Heads
Stoughton Newspapers
Wisconsin State Journal

Note: If you are physically challenged and in need of assistance, please call 873-3379 during office hours of 7:30 a.m. to 4:30 p.m., prior to this meeting.

If you encounter a situation that may affect your scheduled participation, please contact Robert Kardasz or Sean Grady at 877-7423 or 877-7416 respectively prior to 5:00 p.m.

An expanded meeting may constitute a quorum of the Common Council.



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

Date: January 7, 2009

To: Stoughton Utilities Committee

From: Robert P. Kardasz, P.E.
Stoughton Utilities Director

Subject: Requested Actions At The January 11, 2010 Regular Stoughton Utilities Committee Meeting.

AGENDA:

- Stoughton Utilities Payments Due List. **(Review, approve, and recommend the approval of the Stoughton Utilities Payments Due List to the Stoughton Common Council on January 26, 2010.)**
- Stoughton Utilities Committee Consent Agenda.
 - a) Draft Minutes of the December 14, 2009 Regular Stoughton Utilities Committee Meeting. **(Approve the Draft Minutes of the December 14, 2009 Regular Stoughton Utilities Committee Meeting via the consent agenda approval.)**
 - b) Stoughton Utilities November 2009 Financial Summary. **(Discuss and accept the Stoughton Utilities November 2009 Financial Summary via the consent agenda approval.)**
 - c) Stoughton Utilities November 2009 Statistical Information. **(Discuss and accept the November 2009 Stoughton Utilities Statistical Information via the consent agenda approval.)**
 - d) Stoughton Utilities Communications. **(Discuss and accept the Stoughton Utilities Communications via the consent agenda approval.)**
 - e) Stoughton Utilities Committee 12-Month Calendar. **(Discuss and accept the Stoughton Utilities Committee 12-Month Calendar via the consent agenda approval.)**



Office 608-873-3379
Fax 608-873-4878
stoughtonutilities.com

- f) Stoughton Utilities December 2009 Activities Report. **(Discuss and accept the Stoughton Utilities December 2009 Stoughton Utilities Activities Report via the consent agenda approval.)**
- g) Status of the Stoughton Utilities Committee December 14, 2009 recommendation to the Stoughton Common Council. **(Discuss and accept the status of the December 14, 2009 recommendation to the Stoughton Common Council via the consent agenda approval.)**

Stoughton Utilities Management Team Verbal Reports. **(Discuss the Stoughton Utilities Management Team verbal reports.)**

BUSINESS:

1. Resolution Authorizing The Issuance And Sale Of Up To \$613,751 Waterworks System Revenue Bonds, Series 2010, And Providing For Other Details And Covenants With Respect Thereto, And Approval Of Related \$1,227,502 Financial Assistance Agreement, And Consideration And Acceptance Of The Engagement Letter With Quarles And Brady. **(Review, discuss, approve, and recommend the approval of the documents related to the financing of the Stoughton Utilities East Water Project to the Stoughton Finance Committee and the Stoughton Common Council on January 12, 2010.)**
2. Stoughton Utilities Ad Hoc Governance Committee. **(Review, discuss and support the Stoughton Utilities Ad Hoc Governance Committee.**
3. Stoughton Utilities Declarations Of Official Intent Nos. 2010-1 Through 2010-4. **(Review, discuss, and approve the Stoughton Utilities Declarations of Official Intent Nos. 2010-1 through 2010-4.)**
4. Stoughton Utilities Commitment To Community/Low Income Programs. **(Discussion.)**
5. Stoughton Utilities Automatic Payment Program. **(Discussion.)**
6. Stoughton Utilities Committee Future Meeting Agenda Item(s). **(Discuss future Stoughton Utilities Committee agenda items.)**

cc: Sean O Grady
Stoughton Utilities Operations Superintendent

Date: Tuesday, January 05, 2010
 Time: 02:32PM
 User: SGUNSOLUS

Stoughton Utilities
Check Register Summary - Standard

Page: 1 of 11
 Report: 03699W.rpt
 Company: 7430

Period: - As of: 1/5/2010

| Check Nbr | Type | Date | Vendor ID / Name | Amount Paid | Description |
|----------------------|------|------------|------------------------------------|-------------|---|
| Company: 7430 | | | | | |
| 000279 | HC | 12/30/2009 | 002 Employee Benefits Corp - Ach | 1,215.38 | Emp Ben Corp - Dec Ach/Emp Ben Corp - Dec Ach/Emp Ben Corp - Dec Ach/Emp Ben Corp - Dec Ach/Emp Ben Corp - Dec Ach/Emp Ben Corp - Dec Ach/Emp Ben Corp - Dec Ach |
| 000280 | HC | 12/30/2009 | 004 Us Cellular - Ach | 27.77 | Us Cellular - Dec Ach/Us Cellular - Dec Ach |
| 000281 | HC | 12/30/2009 | 001 Delta Dental - Ach | 1,669.92 | Delta Dental - Dec Ach/Delta Dental - Dec Ach/Delta Dental - Dec Ach/Delta Dental - Dec Ach |
| 000282 | HC | 12/30/2009 | 008 Payroll State Taxes - Ach | 23,454.24 | Pay State Taxes - 3rd qtr ach/Pay State Taxes - 3rd qtr ach |
| 000283 | HC | 12/30/2009 | 016 UBS FINANCIAL SVC INCOMING ACH | 4,972.22 | UBS Fin Svc Inc-Dec Ach/UBS Fin Svc Inc-Dec Ach |
| 000284 | HC | 12/30/2009 | 016 UBS FINANCIAL SVC INCOMING ACH | 500,000.00 | UBS Fin Svc Inc-Dec Ach/UBS Fin Svc Inc-Dec Ach |
| 000285 | HC | 12/30/2009 | 003 Alliant Energy - Ach | 2,625.76 | Alliant Energy - Dec Ach/Alliant Energy - Dec Ach/Alliant Energy - Dec Ach/Alliant Energy - Dec Ach |
| 000286 | HC | 12/30/2009 | 025 Payroll Federal Taxes- Ach | 29,468.83 | Payroll Fed Taxes- Dec Ach/Payroll Fed Taxes- Dec Ach/Payroll Fed Taxes- Dec Ach/Payroll Fed Taxes- Dec Ach/Payroll Fed Taxes- Dec Ach/Payroll Fed Taxes- Dec Ach |
| 000288 | HC | 12/30/2009 | 010 WI DEPT OF REVENUE TAXPAYMENT | 12,822.77 | WI Dept Rev-Nov Ach/Wi Dept Rev-Nov Ach/Wi Dept Rev-Nov Ach/Wi Dept Rev-Nov Ach |
| 000289 | HC | 12/30/2009 | 020 Wells Fargo Client Ana-ach | 1,596.37 | Wells Fargo Ana-Dec Ach/Wells Fargo Ana-Dec Ach/Wells Fargo Ana-Dec Ach/Wells Fargo Ana-Dec Ach |
| 018934 | CK | 12/2/2009 | 123 U.S. CELLULAR | 240.95 | U.S. Cell-Phones/U.S. Cell-Phones |
| 018935 | CK | 12/2/2009 | 146 STOUGHTON ELECTRIC UTIL. | 96.74 | Staton elec-customer refund/Staton elec-customer refund |

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|-----------|------|-----------|-------------|------------------------------------|---|
| 018936 | CK | 12/2/2009 | 70.40 | 148 FASTENAL CO. | Fastenal-Chipper Blade maint/Fastenal-Chipper Blade maint |
| 018937 | CK | 12/2/2009 | 225.50 | 166 INKWORKS, INC. | Inkworks-Tax roll letters/Inkworks-Tax roll letters/Inkworks-Tax roll letters/Inkworks-Tax roll letters |
| 018938 | CK | 12/2/2009 | 32.00 | 240 D&M SERVICE CENTER | D&M Svc ctr-ip gas/D&M Svc ctr-ip gas |
| 018939 | CK | 12/2/2009 | 247.00 | 270 WISCONSIN STATE JOURNAL | WI State Journal-Newspaper/WI State Journal-Newspaper/WI State Journal-Newspaper/WI State Journal-Newspaper |
| 018940 | CK | 12/2/2009 | 1,598.40 | 290 MID-WEST TREE & EXCAVATION, IN | Mid-West Tree-Trenching/Mid-West Tree-Trenching/Mid-West Tree-Trenching/Mid-West Tree-Trenching |
| 018941 | CK | 12/2/2009 | 1,312.38 | 309 HAWKINS, INC. | Hawkins-Chlorine & Fluoride/Hawkins-Chlorine & Fluoride |
| 018942 | CK | 12/2/2009 | 833.62 | 327 BORDER STATES ELECTRIC SUPPLY | Border States-Inventory/Border States-Inventory/Border States-Light/Border States-Light |
| 018943 | CK | 12/2/2009 | 284.00 | 377 GENERAL COMMUNICATIONS, INC | General comm-Portable Battery/General comm-Portable Battery |
| 018944 | CK | 12/2/2009 | 2,067.11 | 448 STRAND ASSOCIATES INC. | Strand-Const project/Strand-Uniroyal data review/Strand-Const project/Strand-Uniroyal data review/Strand-Const project/Strand-Const project/Strand-Const project/Strand-Const project/Strand-Const project+ |
| 018945 | CK | 12/2/2009 | 453.50 | 555 WOLF PAVING & EXCAVATING CO. | Wolf Paving-Black Top/Wolf Paving-Black Top |
| 018946 | CK | 12/2/2009 | 6,611.74 | 590 AUXIANT | Auxiant-Medical Admin/Auxiant-Medical Admin/Auxiant-Medical Admin/Auxiant-Medical Admin |

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|-----------|------|------------|-------------|---------------------------------|---|
| 018947 | CK | 12/2/2009 | 2,873.30 | 591 AUXIANT | Auxiant-Medical Claims/Auxiant-Medical Claims/Auxiant-Medical Claims/Auxiant-Medical Claims |
| 018948 | CK | 12/2/2009 | 285.00 | 769 HYDROTRONICS CONTROL CO. | Hydrotronics-Flow meters/Hydrotronics-Flow meters |
| 018949 | CK | 12/2/2009 | 5,224.49 | 781 DUNKIRK WATER POWER CO LLC | Dunkirk-Nov Dunkirk/Dunkirk-Nov Dunkirk |
| 018950 | CK | 12/2/2009 | 74.56 | 983 C & M HYDRAULIC TOOL SUPPLY | C & M Hydraulic-supplies/C & M Hydraulic-supplies |
| 018951 | CK | 12/3/2009 | 1,110.00 | 336 CLEANHARBORS ENV. SERVICES | Cleanharbors-cost of rem trans/Cleanharbors-cost of rem trans |
| 018952 | CK | 12/3/2009 | 356.00 | 400 RESCO | Resco-Inventory/Resco-ring ties/Resco-Inventory/Resco-ring ties/Resco-Inventory trans/Resco-Inventory trans |
| 018953 | CK | 12/3/2009 | 786.94 | 968 DAVE LONGRIE | D Longrie-Customer refund/D Longrie-Customer refund |
| 018954 | CK | 12/8/2009 | 138.46 | 133 WISCONSIN SCTF | WI SCTF-Dec A Support/WI SCTF-Dec A Support |
| 018955 | CK | 12/8/2009 | 268.56 | 312 STATE DISBURSEMENT UNIT | State Disb-Dec A support/State Disb-Dec A support |
| 018956 | CK | 12/8/2009 | 450.00 | 463 GREAT-WEST | Great-West-Dec A def comp/Great-West-Dec A def comp |
| 018957 | CK | 12/8/2009 | 600.00 | 731 NORTH SHORE BANK FSB | N Shore Bank-Dec A Def comp/N Shore Bank-Dec A Def comp |
| 018958 | CK | 12/10/2009 | 959.64 | 110 TOWN OF DUNN | Town Dunn-Const Refund/Town Dunn-Const Refund |
| 018959 | CK | 12/10/2009 | 107.11 | 111 AUTO PARTS OF STOUGHTON | Auto Parts-Trk #3 battery/Auto Parts-Trk #3 battery/Auto parts-Oil & filter/Auto parts-Oil & filter |
| 018960 | CK | 12/10/2009 | 1,089.69 | 112 KEVIN KULAGA | K Kulaga-Const Refund/K Kulaga-Const Refund |
| 018961 | CK | 12/10/2009 | 1,241.82 | 113 STEVEN BARNES | S Barnes-Const refund/S Barnes-Const refund |
| 018962 | CK | 12/10/2009 | 644.94 | 119 LAMP RECYCLERS | Lamp Recyclers-recycling/Lamp Recyclers-recycling/Lamp Recycle-Recycling/Lamp Recycle-Recycling |
| 018963 | CK | 12/10/2009 | 137.90 | 144 NO SHORTS ELECTRIC | No shorts-Const Refund/No shorts-Const Refund |

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|-----------|------|------------|-------------|------------------------------------|---|
| 018964 | CK | 12/10/2009 | 5.58 | 148 FASTENAL CO. | Fastenal-Supplies/Fastenal-Supplies |
| 018965 | CK | 12/10/2009 | 495.02 | 151 INTERNATIONAL PLASTICS | Intern Plastic-Bags/Intern Plastic-Bags |
| 018966 | CK | 12/10/2009 | 877.50 | 157 FORSTER ELEC. ENG., INC. | Forster-charter/Forster-charter |
| 018967 | CK | 12/10/2009 | 726.00 | 171 ASSOCIATED TRUST COMPANY | Assoc Trust-Wa Rev bonds/Assoc trust-Elec Rev bonds/Assoc trust-Elec Rev bonds/Assoc Trust-Wa Rev bonds |
| 018968 | CK | 12/10/2009 | 2,251.58 | 207 L.W. ALLEN, INC. | L.W. Allen-DNR replacements/L.W. Allen-DNR replacements |
| 018969 | CK | 12/10/2009 | 24.55 | 279 STOUGHTON HOSPITAL ASSOC. | Stoton Hosp-Drug Tests/Stoton Hosp-Drug Tests |
| 018970 | CK | 12/10/2009 | 150.00 | 331 MONONA PLUMB. & FIRE PROT. INC | Monona Plumbing-inspections/Monona Plumbing-inspections |
| 018971 | CK | 12/10/2009 | 1,547.62 | 338 HOPPE FARMS | Hoppe Farms-Const Refund/Hoppe Farms-Const Refund |
| 018972 | CK | 12/10/2009 | 3,032.53 | 362 UTILITY SERVICE CO., INC | Utility Svc-Quarter tower/Utility Svc-Quarter tower |
| 018973 | CK | 12/10/2009 | 20.00 | 390 BADGER WATER LLC | Badger Water-Lab water/Badger Water-Lab water |
| 018974 | CK | 12/10/2009 | 8,231.24 | 448 STRAND ASSOCIATES INC. | Strand-East side elevated tank/Strand-East side water main/Strand-East side elevated tank/Strand-East side water main |
| 018975 | CK | 12/10/2009 | 19.80 | 521 WESCO RECEIVABLES CORP. | Wesco-Inventory items/Wesco-Inventory items |
| 018976 | CK | 12/10/2009 | 518.44 | 591 AUXIANT | Auxiant-Medical Claims/Auxiant-Medical Claims/Auxiant-Medical Claims/Auxiant-Medical Claims |
| 018977 | CK | 12/10/2009 | 1,114.16 | 831 BURMEISTER | Burmeister-inventory items/Burmeister-Inventory items/Burmeister-inventory items |
| 018978 | CK | 12/10/2009 | 49.92 | 936 BRYAN JOHNSON | B Johnson-Customer refund/B Johnson-Customer refund/B Johnson-Customer refund/B Johnson-Customer refund/B Johnson-Customer refund |

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|-----------|------|------------|-------------|---------------------------|---|
| 018979 | CK | 12/10/2009 | 169.65 | 108 ASLESON'S TRUE VALUE | Aslesons-Misc Hardware Supply/Aslesons-Misc Hardware Supply/Aslesons-Misc Hardware supply/Aslesons-Misc Hardware supply/Aslesons-Misc Hardware supply/Aslesons-Misc Hardware supply/Aslesons-Misc Hardware supply/Aslesons-Misc Hardware supply/More... |
| 018980 | CK | 12/10/2009 | 293.04 | 108 ASLESON'S TRUE VALUE | Aslesons-Misc hardware supply/Aslesons-Misc hardware supply/Aslesons-Misc hardware supply/Aslesons-Misc hardware supply/Aslesons-Misc hardware supply/Aslesons-Misc hardware supply/More... |
| 018981 | CK | 12/10/2009 | 16,427.44 | 131 CITY OF STOUGHTON | city Stoton-Rent/city Stoton-Rent/City stoton-rent/city stoton-rent/city stoton-rent/city Stoton-rent/city Stoton-rent/city Stoton-rent/city Stoton-rent/city Stoton-rent/More... |
| 018982 | CK | 12/10/2009 | 444.14 | 482 AT & T | AT & T-Analog phones/AT & T-Analog phones/AT & T-Analog phones/AT & T-Analog service/AT & T-Analog service/AT & T-Analog service/AT & T-Analog phones/AT & T-Analog phones/AT & T-Analog phones/AT & T-Analog service/AT & T-Analog service |
| 018983 | CK | 12/10/2009 | 1,673.40 | 591 AUXIANT | Auxiant-Medical claims/Auxiant-Medical claims/Auxiant-Medical claims/Auxiant-Medical claims |
| 018984 | CK | 12/10/2009 | 9.51 | 824 UPS | UPS-Shipping charges/UPS-Shipping charges |
| 018985 | CK | 12/16/2009 | 74.19 | 119 LAMP RECYCLERS | Lamp Recyclers-Ctc funds/Lamp Recyclers-Ctc funds |
| 018986 | CK | 12/16/2009 | 182.28 | 143 DIGGERS HOTLINE, INC. | Diggers-Nov Locates/Diggers-Nov Locates |
| 018987 | CK | 12/16/2009 | 185.92 | 148 FASTENAL CO. | Fastenal-Parts/Fastenal-Parts |

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|-----------|------|------------|-------------|------------------------------------|--|
| 019001 | CK | 12/16/2009 | 1,662.50 | 727 GLS UTILITY LLC | GLS utility-Nov Locates/GLS utility-Nov Locates/GLS utility-Nov Locates/GLS utility-Nov Locates/GLS utility-Nov Locates |
| 019002 | CK | 12/16/2009 | 75.60 | 771 TESTAMERICA LABORATORIES, INC | Testamerica-Pond sampling/Testamerica-Pond sampling |
| 019003 | CK | 12/16/2009 | 9.29 | 983 C & M HYDRAULIC TOOL SUPPLY | C & M Hydraulic-bolts/C & M Hydraulic-bolts |
| 019004 | CK | 12/16/2009 | 100.00 | 206 WAYNE JACOBSON & JULIA DEYOUNG | W Jacobson-public benefits/W Jacobson-public benefits |
| 019005 | CK | 12/16/2009 | 1,000.00 | 286 STOUGHTON SCHOOLS | Stoton Schools-Award/Stoton Schools-Award |
| 019006 | CK | 12/16/2009 | 100.00 | 300 VICTORIA BEIN & JEFF BURNARD | V Bein-Pub Benefits/V Bein-Pub Benefits |
| 019007 | CK | 12/16/2009 | 1,209.09 | 448 STRAND ASSOCIATES INC. | Strand-General engineering/Strand-General engineering/Strand-General engineering/Strand-General engineering/Strand-General engineering |
| 019008 | CK | 12/16/2009 | 4,923.45 | 591 AUXIANT | Auxiant-Medical claims/Auxiant-Medical claims/Auxiant-Medical claims/Auxiant-Medical claims |
| 019009 | CK | 12/23/2009 | 13.03 | 111 AUTO PARTS OF STOUGHTON | Auto Parts-Trk #12 flashers/Auto Parts-Trk #12 flashers |
| 019010 | CK | 12/23/2009 | 640.26 | 215 NELSON EXCAVATING LLC | Nelson Exc-Water main repair/Nelson Exc-Water main repair |
| 019011 | CK | 12/23/2009 | 19.91 | 281 AMARIL UNIFORM COMPANY | Amaril-09 clothing/Amaril-09 clothing |
| 019012 | CK | 12/23/2009 | 85.00 | 548 WISCONSIN RURAL WATER ASSOC. | WI Rural Water-Excavat class/WI Rural Water-Excavat class |
| 019013 | CK | 12/23/2009 | 6,452.50 | 593 UNITED LIQUID WASTE RECYCLING, | Unite Liq Waste-Sludge Hauling/Unite Liq Waste-Sludge Hauling |
| 019014 | CK | 12/23/2009 | 1,022.53 | 632 ZORN COMPRESSOR & EQUIPMENT | Zorn-Dnr Replacement/Zorn-Air tank/Zorn-Dnr Replacement/Zorn-Air tank |

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|-----------|------|------------|-------------|-----------------------------------|---|
| 019015 | CK | 12/23/2009 | 544.59 | 674 NORTHERN SEWER EQUIP. CO. INC | N Sewer Equip-computer repair/N Sewer Equip-computer repair |
| 019016 | CK | 12/23/2009 | 5,000.00 | 995 MEUW | MEUW-Safety program/MEUW-Safety program/MEUW-Safety program/MEUW-Safety program/MEUW-Safety program |
| 019017 | CK | 12/23/2009 | 138.46 | 133 WISCONSIN SCTF | WI SCTF-Dec B Support/WI SCTF-Dec B Support |
| 019018 | CK | 12/23/2009 | 98.43 | 164 THE UPS STORE | Ups-shipping charges/Ups-shipping charges |
| 019019 | CK | 12/23/2009 | 13,449.36 | 191 WI. RETIREMENT SYSTEM | WI Ret Sys-Dec Retirement/WI Ret Sys-Dec Retirement/WI Ret Sys-Dec Retirement/WI Ret Sys-Dec Retirement |
| 019020 | CK | 12/23/2009 | 1,500.00 | 214 MUELLER IMPLEMENT, INC. | Mueller-New chain saws/Mueller-New chain saws |
| 019021 | CK | 12/23/2009 | 14.26 | 278 DEANA ZENTNER | D Zentner-Customer Refund/D Zentner-Customer Refund |
| 019022 | CK | 12/23/2009 | 78.00 | 283 STEFANIE MOCCERO | S Moccero-Customer Refund/S Moccero-Customer Refund |
| 019023 | CK | 12/23/2009 | 30.87 | 284 KYM KLOPPEDAL | K Kloppedal-Customer Refund/K Kloppedal-Customer Refund |
| 019024 | CK | 12/23/2009 | 89.83 | 285 WORLD SAVINGS BANK | World Savings-Customer Refund/World Savings-Customer Refund |
| 019025 | CK | 12/23/2009 | 280.00 | 293 UNITED WAY OF DANE COUNTY | United Way-4th Quarter pymt/United Way-4th Quarter pymt |
| 019026 | CK | 12/23/2009 | 268.56 | 312 STATE DISBURSEMENT UNIT | State Disb-Dec B Support/State Disb-Dec B Support |
| 019027 | CK | 12/23/2009 | 2,032.06 | 363 DYRDON EQUIPMENT, INC. | Drydon-DNR Replacement/Drydon-DNR Replacement |
| 019028 | CK | 12/23/2009 | 50.00 | 405 ROSENBAUM CRUSHING & EXCAV. | Rosenbaum-Dump Fee/Rosenbaum-Dump Fee |
| 019029 | CK | 12/23/2009 | 200.00 | 463 GREAT-WEST | Great-West-Def comp Dec B/Great-West-Def comp Dec B |
| 019030 | CK | 12/23/2009 | 146.02 | 505 HAUKOM LAW OFFICE | Haukom-Garnishment/Haukom-Garnishment |

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| 019031 | CK | 12/23/2009 | 41,102.00 | 596 CITIES & VILLAGES MUTUAL INS. | Citites & Vil-Workers Comp/Citites & Vill-Liab Insurance/Citites & Vill-Liab Insurance/Citites & Vil-Workers Comp/Citites & Vil-Workers Comp/Citites & Vill-Liab Insurance/Citites & Vil-Workers Comp/More... |
| 019032 | CK | 12/23/2009 | 150.00 | 731 NORTH SHORE BANK FSB | N Shore Bank-Dec B Def Comp/N Shore Bank-Dec B Def Comp |
| 019033 | CK | 12/23/2009 | 401.50 | 752 WISCONSIN PROFESSIONAL | WI Prof-Dec Union Dues/WI Prof-Dec Union Dues |
| 019034 | CK | 12/23/2009 | 193.81 | 759 STATE COLLECTION SERVICE, INC. | State Collec-Uncollectable fee/State Collec-Uncollectable fee |
| 019035 | CK | 12/23/2009 | 369.80 | 809 CINTAS CORPORATION #446 | Cintas-09 Clothing/Cintas-09 Clothing |
| 019036 | CK | 12/23/2009 | 1,065.62 | 316 PDC ELECTRICAL CONTRACTORS | PDC Elec-exhaust fan repairs/PDC Elec-exhaust fan repairs |
| 019037 | CK | 12/23/2009 | 450.95 | 400 RESCO | Resco-inventory/Resco-inventory/Resco-transportati on/Resco-transportation |
| 019038 | CK | 12/23/2009 | 580.74 | 521 WESCO RECEIVABLES CORP. | Wesco-supplies/Wesco-supplies/Wesco-KVA 16th/Wesco-KVA 16th |
| 019039 | CK | 12/23/2009 | 174.60 | 550 FIRST SUPPLY MADISON | First supply-inventory/First supply-inventory |
| 019040 | CK | 12/23/2009 | 9,031.10 | 591 AUXIANT | Auxiant-Medical Claims/Auxiant-Medical Claims/Auxiant-Medical Claims/Auxiant-Medical Claims |
| 019041 | CK | 12/23/2009 | 40.00 | 675 WI STATE LABORATORY OF HYGIENE | WI State lab-Fluoride testing/WI State lab-Fluoride testing |
| 019042 | CK | 12/29/2009 | 395.50 | 148 FASTENAL CO. | Fastenal-Air compressor supply/Fastenal-Air compressor supply |
| 019043 | CK | 12/29/2009 | 58,824.00 | 326 C B & I INC. | C B & I-East side elev tank/C B & I-East side elev tank |
| 019044 | CK | 12/29/2009 | 622.50 | 327 BORDER STATES ELECTRIC SUPPLY | Border States-Stinger Cover/Border States-Stinger Cover |
| 019045 | CK | 12/29/2009 | 8,408.88 | 448 STRAND ASSOCIATES INC. | Strand-Elevated tank/Strand-Elevated tank/Strand-Elevated tank/Strand-Elevated tank |

Stoughton Utilities
Check Register Summary - Standard

Period: - As of: 1/5/2010

| Check Nbr | Type | Date | Amount Paid | Vendor ID / Name | Description |
|-----------|------|------------|-------------|-----------------------------------|--|
| 019046 | CK | 12/29/2009 | 528.39 | 482 AT & T | AT & T-Office Pri Circuit/AT & T-Office Pri Circuit/AT & T-Office Pri Circuit/AT & T-Office Pri Circuit |
| 019047 | CK | 12/29/2009 | 185.56 | 550 FIRST SUPPLY MADISON | First Supply-Pipe & Fittings/First Supply-Ball-plug-hose & Fittings/First Supply-Ball-plug-hose |
| 019048 | CK | 12/29/2009 | 4,499.00 | 596 CITIES & VILLAGES MUTUAL INS. | Cities&villages-auto damage cv/Cities&villages-auto damage cv/Cities&villages-auto damage cv/Cities&villages-auto damage cv/Cities&villages-auto damage cv |
| 019049 | CK | 12/29/2009 | 1,369.52 | 644 PAYMENT REMITTANCE CENTER | Pymt Rem Ctr-Office supply/Pymt Rem Ctr-Office supply/Pymt Rem Ctr-Office supply/Pymt Rem Ctr-Office supply/Pymt Rem Ctr-Office supply/Pymt Rem Ctr-Desktop proc/Pymt Rem Ctr-Desktop proc/More... |
| 019050 | CK | 12/29/2009 | 795.76 | 644 PAYMENT REMITTANCE CENTER | Pymt Rem Ctr-Grit bags/Pymt Rem Ctr-Grit bags/Pymt Rem Ctr-DNR replacement/Pymt Rem Ctr-DNR replacement |
| 019051 | CK | 12/29/2009 | 2,115.00 | 814 GALLAGHER TENT & AWNING | Gallagher-Insulated covers/Gallagher-Insulated covers |
| 019052 | CK | 12/29/2009 | 13.23 | 906 ALLIANT ENERGY | alliant-Water Tower/alliant-Water Tower |
| 019053 | CK | 12/29/2009 | 2,696.71 | 340 TOWN OF RUTLAND | Rutland-Property taxes/Rutland-Property taxes/Rutland-property taxes/Rutland-property taxes |
| 019054 | CK | 1/4/2010 | 95.29 | 131 CITY OF STOUGHTON | City Stoton-Tax roll reimburse/City Stoton-Tax roll reimburse |
| 100263 | CK | 12/10/2009 | 400.00 | 187 PAUL JOHNSON | P Johnson-09 glasses/P Johnson-09 glasses/P Johnson-09 glasses sp/P Johnson-09 glasses sp |
| 100264 | CK | 12/10/2009 | 26.00 | 310 HANSON PEST MANAGEMENT | Hanson Pest-Pest maint/Hanson Pest-Pest maint |
| 100265 | CK | 12/10/2009 | 8.64 | 685 LAWRENCE SCHEEL | L Scheel-meal exp/L Scheel-meal exp |

DRAFT STOUGHTON UTILITIES COMMITTEE MEETING MINUTES

Monday, December 14, 2009 – 5:00 p.m.

Edmund T. Malinowski Room

Stoughton Utilities Administration Office

600 S. Fourth St.

Stoughton, Wisconsin

Members Present: Citizen Member David Erdman, Citizen Member Jonathan Hajny, Mayor Jim Griffin, Alderperson Paul Lawrence, and Alderperson Steve Tone.

Absent and Excused: Citizen Member Norval Morgan.

Absent: Alderperson Carl Chenoweth.

Others Present: Stoughton Utilities Billing and Consumer Services Technician Erin Bothum, Alderperson Ron Christianson, Stoughton Utilities Finance and Administrative Manager Kim Jennings, CPA, WPPI Energy Assistant Vice President for Power Supply Resources. Andy Kellen, Stoughton Utilities Director Robert Kardasz, P.E., and Stoughton Utilities and WPPI Energy Services Representative Alicia Rankin.

Call To Order: Mayor Jim Griffin called the regular Stoughton Utilities Committee meeting to order at 5:00 p. m.

WPPI Energy Presentation: Stoughton Utilities Director Robert Kardasz introduced WPPI Energy Assistant Vice President for Power Supply Andy Kellen. Mr. Kellen presented and discussed WPPI Energy operations, including the available power supply technologies. Discussion followed.

Alderperson Paul Lawrence arrived at the meeting at 5:05 p.m.

Citizen Member Jonathan Hajny arrived at the meeting at 5:07 p.m.

Stoughton Utilities Payments Due List: Stoughton Utilities Director Robert Kardasz presented and discussed the Stoughton Utilities Payments Due List. Discussion followed. Motion by Citizen Member David Erdman, seconded by Alderperson Paul Lawrence, to approve the Stoughton Utilities Payments Due List as presented and

DRAFT STOUGHTON UTILITIES COMMITTEE MEETING MINUTES

Monday, December 14, 2009 – 5:00 p.m.

Page No. 2

Stoughton, WI

recommend its approval to the Stoughton Common Council on December 22, 2009. Carried unanimously.

Stoughton Utilities Committee Consent Agenda: Utilities Director Robert Kardasz presented and discussed the Stoughton Utilities Committee Meeting Consent Agenda Items. Discussion Followed. Motion by Alderperson Paul Lawrence, seconded by Mayor Jim Griffin, to approve the following consent agenda items as presented: Draft Minutes of the November 14, 2009 Regular Meetings of the Stoughton Utilities Committee, Stoughton Utilities October 2009 Financial Summary, Stoughton Utilities October 2009 Statistical Information, Stoughton Utilities Communications, Stoughton Utilities Committee 12-Month Calendar, Stoughton Utilities November 2009 Activities Report, and the Status of the November 14, 2009 Recommendations to the Stoughton Common Council. Carried unanimously.

Stoughton Utilities Management Team Verbal Reports:

Stoughton Utilities Finance and Administrative Manager Kim Jennings explained the following:

- The January 27, 2010 loan closing for the water tower project may necessitate a special Stoughton Utilities Committee meeting.
- The 2009 audit is scheduled for January 12 – 14, 2010. This is the final audit under our contract.
- Stoughton Utilities will be holding our Holiday Open House from 2:00 p.m. to 6:00 p.m. on Thursday, December 17, 2009.

Resolution In Support Of WPPI Energy's Utility And Municipal Building Incentive Program:

Stoughton Utilities Director Robert Kardasz introduced Stoughton Utilities and WPPI Energy Energy Services Representative Alicia Rankin who presented and discussed the WPPI Energy Utility and Municipal Building Incentive Program. Discussion followed. Motion by Alderperson Steve Tone, seconded by Citizen Member David Erdman, to approve participation in the WPPI Energy Utility and Municipal Building Incentive Program and recommend the adoption of the corresponding

DRAFT STOUGHTON UTILITIES COMMITTEE MEETING MINUTES

Monday, December 14, 2009 – 5:00 p.m.

Page No. 3

Stoughton, WI

Resolution No. R-09 to the Stoughton Common Council on December 22, 2009. Carried unanimously.

Stoughton Utilities Governance: Stoughton Utilities Director Robert Kardasz presented and discussed a December 10, 2009 memorandum from City Attorney Matthew Dregne. Discussion followed. Motion by Alderperson Steve Tone, seconded by Citizen Member David Erdman to table until the January 2010 Stoughton Utilities Committee Meeting. Carried unanimously.

Proposed Compensation Adjustment For The Stoughton Utilities Office And Information Systems Supervisor: Stoughton Utilities Director Robert Kardasz presented and discussed the proposed compensation adjustment for the Stoughton Utilities Office and Information Systems Supervisor. Discussion followed. Motion by Citizen Member Jonathan Hajny, seconded by Citizen Member David Erdman, to approve the proposed five-step compensation of \$28.34 per hour to \$31.28 per hour, effective on the next pay period, and recommend its approval to the Stoughton Personnel Committee. Carried 4 to 0 with Alderperson Steve Tone abstaining.

Stoughton Utilities Committee Future Meeting Agenda Item(s): Ad Hoc Committee on Stoughton Utilities Governance.

Adjournment: Motion by Alderperson Paul Lawrence, seconded by Citizen Member Jonathan Hajny, to adjourn the Regular Stoughton Utilities Committee Meeting at 5:40 p.m. Carried unanimously.

Respectfully submitted,
Erin N. Bothum
Stoughton Utilities Billing and Consumer Services Technician

Stoughton Utilities

Financial Summary

November 2009-YTD

Highlights-Comparison to prior month

I have no concerns with the utility's financial status. The following items are meant to illustrate significant changes in the financial summary from prior periods.

Water Rates -

As expected, the water utility rate of return increased slightly over October 2009. This is a result of the Phase I water rate increase, effective on October 1, 2009. Cash generated from the rate increase will be used to repay the Safe Drinking Water Loan Funding for the East Water Tower Project.

Electric Rates -

We are planning to work with WPPI on a cost of service analysis in 2010. This analysis will help us determine whether each customer class is being charged rates appropriate for their demand and energy use.

Wastewater Rates - No rate changes are recommended at this time.

Submitted by:

Kim M. Jennings, CPA

Stoughton Utilities

Income Statement
November 2009-YTD

| | Electric | Water | Wastewater | Total |
|---------------------------------|----------------------|---------------------|---------------------|----------------------|
| Operating Revenue: | | | | |
| Sales | \$ 10,262,011 | \$ 1,058,249 | \$ 1,753,811 | \$ 13,074,071 |
| Unbilled Revenue | 1,018,832 | 115,624 | 166,805 | 1,301,261 |
| Other | 120,348 | 3,670 | 79,999 | 204,017 |
| Total Operating Revenue: | \$ 11,401,191 | \$ 1,177,543 | \$ 2,000,615 | \$ 14,579,349 |
| Operating Expense: | | | | |
| Purchased Power | \$ 8,518,679 | \$ - | \$ - | \$ 8,518,679 |
| Expenses | 1,123,443 | 563,226 | 701,133 | 2,387,802 |
| Taxes | 398,148 | 223,276 | 23,357 | 644,782 |
| Depreciation | 733,337 | 302,500 | 550,000 | 1,585,837 |
| Total Operating Expense: | \$ 10,773,606 | \$ 1,089,003 | \$ 1,274,490 | \$ 13,137,099 |
| Operating Income | \$ 627,584 | \$ 88,540 | \$ 726,125 | \$ 1,442,250 |
| Non-Operating Income | 361,597 | 145,704 | 32,437 | 539,738 |
| Non-Operating Expense | (295,130) | (104,885) | (147,070) | (547,085) |
| Net Income | \$ 694,051 | \$ 129,360 | \$ 611,492 | \$ 1,434,903 |

Stoughton Utilities

Rate of Return

November 2009-YTD

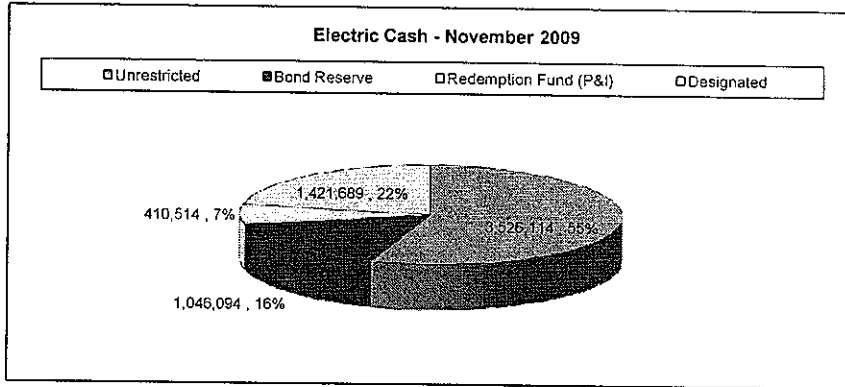
| | Electric | Water |
|--------------------------------------|-----------------|--------------|
| Operating Income (Regulatory) | \$ 627,584 | \$ 88,540 |
| Average Utility Plant in Service | 20,091,469 | 8,962,599 |
| Average Accumulated Depreciation | (7,856,635) | (3,165,476) |
| Average Materials and Supplies | 138,545 | 36,374 |
| Average Regulatory Liability | (332,404) | (513,424) |
| Average Net Rate Base | \$ 12,040,975 | \$ 5,320,073 |
| Actual Rate of Return | 5.21% | 1.66% |
| Authorized Rate of Return | 6.50% | 6.50% |

Stoughton Utilities
Cash & Investments

Electric

Nov-09

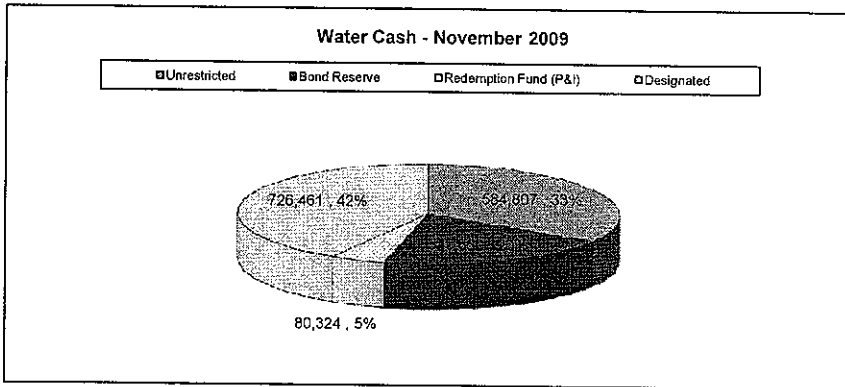
| | |
|-----------------------|------------------|
| Unrestricted | 3,526,114 |
| Bond Reserve | 1,046,094 |
| Redemption Fund (P&I) | 410,514 |
| Designated | 1,421,689 |
| Total | 6,404,411 |



Water

Nov-09

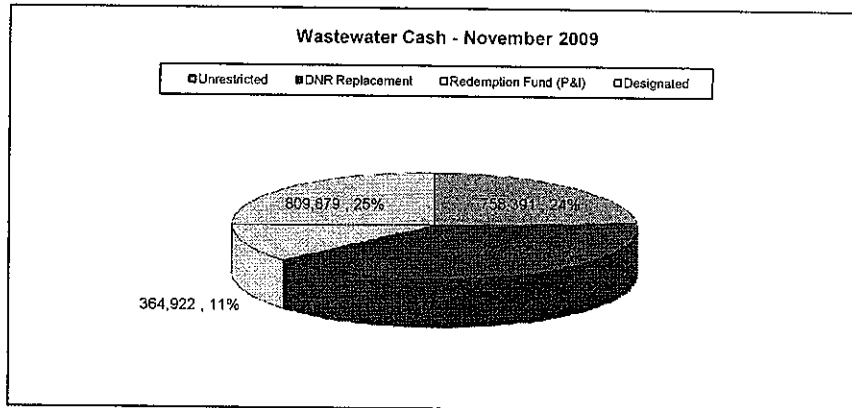
| | |
|-----------------------|------------------|
| Unrestricted | 584,807 |
| Bond Reserve | 349,660 |
| Redemption Fund (P&I) | 80,324 |
| Designated | 726,461 |
| Total | 1,741,251 |



Wastewater

Nov-09

| | |
|-----------------------|------------------|
| Unrestricted | 758,391 |
| DNR Replacement | 1,277,104 |
| Redemption Fund (P&I) | 364,922 |
| Designated | 809,879 |
| Total | 3,210,296 |



Stoughton Utilities

Balance Sheet

November 2009-YTD

| Assets | Electric | Water | WW | Total |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Cash & Investments | \$ 6,404,411 | \$ 1,741,251 | \$ 3,210,296 | \$ 11,355,958 |
| Customer A/R | 1,284,343 | 155,346 | 160,228 | 1,599,918 |
| Other A/R | 66,935 | 1,193 | 75,216 | 143,344 |
| Other Current Assets | 476,680 | 244,902 | 4,964 | 726,545 |
| Plant in Service | 20,402,523 | 9,020,129 | 20,799,794 | 50,222,446 |
| Accumulated Depreciation | (8,322,855) | (3,000,454) | (6,520,625) | (17,843,934) |
| Plant in Service - CIAC | 2,298,029 | 5,406,105 | - | 7,704,134 |
| Accumulated Depreciation-CIAC | (435,727) | (1,178,523) | - | (1,614,251) |
| Construction Work in Progress | 1,710,807 | 513,044 | 634,166 | 2,858,017 |
| Total Assets | \$ 23,885,147 | \$ 12,902,992 | \$ 18,364,038 | \$ 55,152,176 |
| Liabilities + Net Assets | | | | |
| A/P | \$ 871,917 | \$ 411 | \$ 39 | \$ 872,367 |
| Taxes Accrued | 252,087 | 206,250 | 2,460 | 460,798 |
| Interest Accrued | 54,527 | 7,962 | 12,052 | 74,540 |
| Other Current Liabilities | 138,067 | 79,208 | 104,886 | 322,162 |
| Long-Term Debt | 7,319,255 | 2,221,135 | 5,389,112 | 14,929,503 |
| Net Assets | 15,249,294 | 10,388,025 | 12,855,488 | 38,492,807 |
| Total Liabilities + Net Assets | \$ 23,885,147 | \$ 12,902,992 | \$ 18,364,038 | \$ 55,152,176 |

STOUGHTON UTILITIES
2009 Statistical Worksheet

| Electric | Total Sales 2008 Kwh | Total Kwh Purchased 2008 | Total Sales 2009 Kwh | Total Kwh Purchased 2009 | Demand Peak 2008 | Demand Peak 2009 |
|--------------|-------------------------|-----------------------------|-------------------------|-----------------------------|---------------------|---------------------|
| January | 12,814,174 | 12,877,726 | 12,528,674 | 12,758,970 | 24,290 | 23,808 |
| February | 11,830,563 | 11,874,353 | 10,571,338 | 10,791,222 | 23,339 | 22,476 |
| March | 10,497,385 | 11,598,139 | 10,411,495 | 10,924,959 | 21,724 | 20,628 |
| April | 10,368,260 | 10,558,531 | 9,495,456 | 9,712,939 | 20,329 | 18,831 |
| May | 10,367,375 | 10,292,490 | 9,562,688 | 9,566,446 | 19,182 | 19,032 |
| June | 11,436,709 | 11,946,296 | 10,864,926 | 11,370,009 | 26,831 | 31,849 |
| July | 13,582,833 | 13,947,963 | 11,178,668 | 11,039,571 | 30,650 | 22,759 |
| August | 12,650,529 | 12,672,459 | 10,995,140 | 11,799,669 | 27,669 | 25,591 |
| September | 10,561,417 | 11,181,395 | 10,105,696 | 10,462,828 | 29,139 | 21,873 |
| October | 10,719,301 | 10,620,156 | 10,349,669 | 10,361,961 | 19,637 | 18,958 |
| November | 10,195,545 | 10,894,393 | 9,899,463 | 10,319,121 | 21,497 | 20,903 |
| December | | | | | | |
| TOTAL | 125,024,091 | 128,463,901 | 115,963,213 | 119,107,695 | | |

| Water | Total Sales 2008 Gallons | Total Gallons Pumped 2008 | Total Sales 2009 Gallons | Total Gallons Pumped 2009 | Max Daily High 2008 | Max Daily Highs 2009 |
|--------------|-----------------------------|------------------------------|-----------------------------|------------------------------|------------------------|-------------------------|
| January | 34,438,000 | 40,449,000 | 35,308,000 | 38,020,000 | 1,622,000 | 1,412,000 |
| February | 33,172,000 | 37,487,000 | 32,547,000 | 35,089,000 | 1,467,000 | 1,514,000 |
| March | 32,675,000 | 40,071,000 | 35,418,000 | 38,686,000 | 1,487,000 | 1,448,000 |
| April | 33,928,000 | 39,643,000 | 35,288,000 | 36,844,000 | 1,492,000 | 1,401,000 |
| May | 41,380,000 | 45,678,000 | 38,050,000 | 37,591,000 | 1,760,000 | 1,484,000 |
| June | 33,761,000 | 46,730,000 | 34,117,000 | 39,112,000 | 2,064,000 | 1,538,000 |
| July | 41,201,000 | 49,518,000 | 38,823,000 | 39,259,000 | 1,902,000 | 1,479,000 |
| August | 40,883,000 | 47,515,000 | 33,093,000 | 37,175,000 | 1,934,000 | 1,470,000 |
| September | 36,283,000 | 53,365,000 | 35,868,000 | 39,017,000 | 2,163,000 | 1,471,000 |
| October | 39,844,000 | 55,010,000 | 35,655,000 | 38,448,000 | 2,125,000 | 1,537,000 |
| November | 32,318,000 | 50,528,000 | 32,526,000 | 36,098,000 | 1,902,000 | 1,373,000 |
| December | | | | | | |
| TOTAL | 399,883,000 | 505,994,000 | 386,693,000 | 415,339,000 | | |

| Wastewater | Total Sales 2008 Gallons | Total Treated Gallons 2008 | Total Sales 2009 Gallons | Total Treated Gallons 2009 | Precipitation 2008 | Precipitation 2009 |
|--------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------|-----------------------|
| January | 27,441,000 | 44,790,000 | 31,580,000 | 40,200,000 | 1.79 | 0.87 |
| February | 26,715,000 | 40,004,000 | 26,896,000 | 38,307,000 | 3.22 | 1.77 |
| March | 26,903,000 | 50,539,000 | 28,348,000 | 53,160,000 | 1.90 | 6.91 |
| April | 27,760,000 | 56,925,000 | 29,403,000 | 49,536,000 | 7.00 | 4.93 |
| May | 31,013,000 | 50,727,000 | 33,157,000 | 48,610,000 | 2.81 | 2.61 |
| June | 28,661,000 | 63,984,000 | 28,747,000 | 41,693,000 | 9.57 | 4.30 |
| July | 33,629,000 | 52,606,000 | 32,569,000 | 39,092,000 | 4.42 | 2.06 |
| August | 33,431,000 | 45,810,000 | 27,463,000 | 37,546,000 | 1.86 | 3.64 |
| September | 28,519,000 | 44,902,000 | 29,235,000 | 36,851,000 | 3.89 | 2.84 |
| October | 33,508,000 | 44,012,000 | 29,897,000 | 40,200,000 | 2.19 | 4.36 |
| November | 27,437,000 | 41,076,000 | 27,249,000 | 38,816,000 | 1.58 | 1.73 |
| December | | | | | | |
| TOTAL | 325,017,000 | 535,375,000 | 324,544,000 | 464,011,000 | 40.23 | 36.02 |



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

Date: January 7, 2010
To: Stoughton Utilities Committee
From: Robert P. Kardasz, P.E.
Stoughton Utilities Director
Subject: Stoughton Utilities Communications.

- December 9, 2009 WPPI Energy news release regarding net zero homes grant opportunities.
- December 10, 2009 WPPI Energy news release regarding the John and Rebecca net zero home constructed in the Stoughton Utilities service territory.
- December 16, 2009 news release regarding a residential customer survey to be conducted in the Stoughton Utilities service territory.
- December 23, 2009 letter to Stoughton Utilities staff.
- December 27, 2009 Wisconsin State Journal newspaper article regarding the net zero home.
- December 28, 2009 memorandum from WPPI Energy CEO Roy Thilly regarding developments.
- January 2010 Municipal Electric Utilities of Wisconsin (MEUW) newsletter "Live Lines" article regarding the second net-zero energy home built in Wisconsin.

Encl.

cc: Sean O Grady
Stoughton Utilities Operations Superintendent



Office 608-873-3379
Fax 608-873-4878
stoughtonutilities.com





The way energy should be

1425 Corporate Center Drive
Sun Prairie, WI 53590

P: 608.834.4500 F: 608.837.0274

www.wppienergy.org

NEWS

FOR IMMEDIATE RELEASE

December 9, 2009

Contact: Patty Schenker, (608) 834-4598

WPPI Energy announces grant opportunities for net zero energy homes

SUN PRAIRIE, WIS., December 9 – Homeowners and builders in 51 public power communities now have the opportunity to apply for funding to help build or renovate a home with net zero energy use.

A net zero energy home (NZEH) is one that produces at least as much energy as it consumes. Nonprofit power supplier WPPI Energy's GreenMax Home initiative provides grant funding to cover part of the incremental costs to build or remodel a conventional Upper Midwest home to achieve net zero energy use. Incremental costs eligible for GreenMax Home funding include the design elements and technologies directly related to reducing energy use or producing energy through renewable resources.

"Through our GreenMax Home initiative, WPPI Energy is pleased to invite energy conscious homeowners and builders in our 51 member communities to apply for funding to complete a home with net zero energy use," said Senior Vice President of Customer Services and Administration Tom Paque.

To date, two GreenMax Homes are complete in the WPPI Energy member service territories of Black River Falls, Wis. and Stoughton, Wis. In Stoughton, homeowners John and Rebecca Scheller recently moved into their new GreenMax Home and will be working with WPPI Energy to share their experiences and monitor their energy use. In Black River Falls, after five months of recorded energy use, Tom and Verona Chambers' home continues to produce more energy than the homeowners consume, putting them on track to reach their 12-month net zero energy goal.

To reach the NZEH goal, both GreenMax Homes incorporated features such as:

- Structural plumbing to reduce hot water demands and waste water
- A solar photovoltaic system
- ENERGY STAR® rated windows
- Geothermal heating and cooling

- Advanced air sealing which conserves energy and improves occupant comfort

“Helping customers save energy is the most important thing we can do to keep customer bills down, protect the environment, and defer the need for new power plants,” said Paque. “The GreenMax Home initiative demonstrates both state of the art technologies and common practices that anyone can use to save energy at home. We are pleased to celebrate the success of our first two projects, and we look forward to helping additional homeowners achieve the net zero goal.”

Proposals for the GreenMax Home initiative are due by 4 p.m. on Feb. 26, 2010. For more information, visit www.greenmaxhome.com or contact WPPI Energy Program Coordinator Kurt Pulvermacher at kpulvermacher@wppienergy.org.

###

WPPI Energy is a regional power company serving 51 customer-owned electric utilities. Through WPPI Energy, these public power utilities share resources and own generation facilities to provide reliable, affordable electricity to more than 192,000 homes and businesses in Wisconsin, Upper Michigan and Iowa. Visit online at www.wppienergy.org.

WPPI Energy member utilities:

- | | |
|--|------------------------------------|
| Alger Delta Cooperative Electric Association | Mount Horeb Utilities |
| Algoma Utilities | Muscoda Utilities |
| Baraga Electric Utility | Negaunee Electric Department |
| Black River Falls Municipal Utilities | New Glarus Light & Water |
| Boscobel Utilities | New Holstein Utilities |
| Brodhead Water & Light | New London Utilities |
| Cedarburg Light & Water Utility | New Richmond Utilities |
| City Utilities of Richland Center | Norway Power & Light |
| Columbus Water & Light | Oconomowoc Utilities |
| Crystal Falls Electric Department | Oconto Falls Municipal Utilities |
| Cuba City Light & Water | Plymouth Utilities |
| Eagle River Light & Water Utility | Prairie du Sac Utilities |
| Evansville Water & Light | Preston Municipal Electric Utility |
| Florence Utilities | Reedsburg Utility Commission |
| Gladstone Power & Light | River Falls Municipal Utilities |
| Hartford Electric | Slinger Utilities |
| Hustisford Utilities | Stoughton Utilities |
| Independence Light & Power, Telecommunications | Sturgeon Bay Utilities |
| Jefferson Utilities | Sun Prairie Water & Light |
| Juneau Utilities | Two Rivers Water & Light |
| Kaukauna Utilities | Waterloo Utilities |
| L'Anse Electric Utility | Wauwaukee Utilities |
| Lake Mills Light & Water | Waupun Utilities |
| Lodi Utilities | Westby Utilities |
| Maquoketa Municipal Electric Utility | Whitehall Electric Utility |
| Menasha Utilities | |



1425 Corporate Center Drive
Sun Prairie, WI 53590
P: 608.834.4500 F: 608.837.0274
www.wppienergy.org

NEWS

FOR IMMEDIATE RELEASE

December 10, 2009

Contact: Patty Schenker, (608) 834-4598

Stoughton homeowners occupy net zero energy home: Additional proposals now being accepted for net zero homes

STOUGHTON, WIS., December 10 – Homeowners John and Rebecca Scheller recently completed a net zero energy home (NZEH) that combines state of the art, energy efficient construction and appliances with renewable energy systems through WPPI Energy’s GreenMax Home initiative.

A NZEH is one that produces as much energy as it consumes, yielding a net zero impact on the nation’s energy supply. Through the GreenMax Home initiative, the Schellers built their home in the WPPI Energy member service territory of Stoughton Utilities and encourage others interested in reducing their carbon footprint to apply for funding to help build or renovate a home with net zero energy use.

“WPPI Energy is committed to helping customers save energy and be more efficient in their use of energy,” said Senior Vice President of Customer Services and Administration Tom Paque. “Saving energy is the most important thing we can do to keep customer bills down, protect the environment, and defer the need for new power plants.”

To date, two GreenMax Homes have been completed in the WPPI Energy member service territories of Black River Falls, Wis. and Stoughton, Wis. The Schellers worked with Shaw Building & Design, Inc. and WPPI Energy to construct their NZEH, which was finished in November 2009. The couple will collaborate with WPPI Energy and Stoughton Utilities to share their experiences and monitor their energy use. In Black River Falls, after five months of recorded energy use, Tom and Verona Chambers’ home continues to produce more energy than the homeowners consume, putting them on track to reach their 12-month net zero energy goal.

“We’re excited about our new home, and we’re looking forward to achieving net zero efficiency,” said Rebecca Scheller. “Our family and friends are amazed by all of the ‘green’ features in

our house, but they're especially impressed by how the classic design of the house would allow it to easily fit into any of their own neighborhoods.”

The Schellers used readily available building materials to demonstrate the ease of building a cost effective, highly energy efficient home. They paid careful attention to details, such as insulation and air sealing, while using standard building practices and materials comparable to most average homes today.

The couple’s attention to details will deliver energy savings for years to come. Among 11,000 homes tested through Wisconsin Energy Star® Home testing, the Schellers’ home places in the top one percentile for air tightness.

“The Schellers’ home emphasizes one of the most important goals of the GreenMax Home initiative, which is to demonstrate practical ways that anyone can save energy at home,” said Stoughton Utilities Director Robert Kardasz. “We're pleased to welcome the second GreenMax Home in the Stoughton Utilities service area and work with the Schellers to meet their net zero energy goal.”

The Schellers’ home also incorporates innovative and sustainable features, including LED lights with diming technology, two geothermal heat pumps to provide space conditioning and domestic hot water, and an onsite solar photovoltaic system.

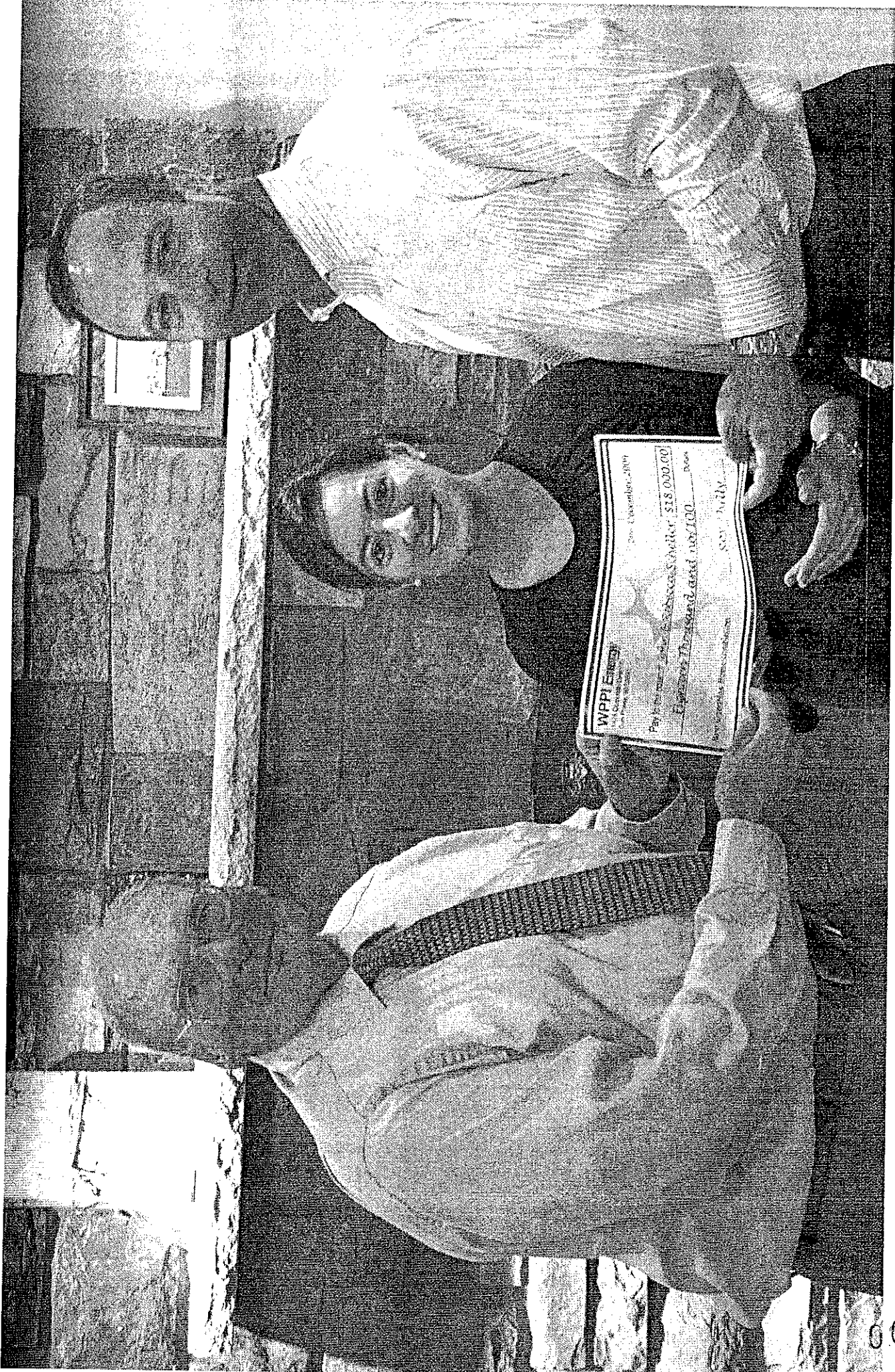
The Schellers, WPPI Energy and Stoughton Utilities anticipate holding an April 2010 open house celebration in conjunction with Earth Week. In the meantime, as a new round of GreenMax Home funding is now available in WPPI Energy member communities, the couple hopes to encourage others to consider building or renovating a NZEH.

“We look forward to continuing to be responsible stewards of our earth's resources and educating others to consider clean energy alternatives,” said Scheller.

The GreenMax Home initiative encourages residents, like the Schellers and Chambers, to incorporate energy efficient and renewable energy technologies in the design and construction of their new and existing homes. To assist with such projects, WPPI Energy is now accepting competitive proposals from energy conscious homeowners and builders in WPPI Energy member service territories to help fund up to three NZEHs. Proposals for the GreenMax Home initiative are due by 4 p.m. on Feb. 26, 2010. For more information, visit www.greenmaxhome.com.

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WPPI Energy is a regional power company serving 51 customer-owned electric utilities. Through WPPI Energy, these public power utilities share resources and own generation facilities to provide reliable, affordable electricity to more than 192,000 homes and businesses in Wisconsin, Upper Michigan and Iowa. Visit online at www.wppienergy.org.



WPPLE Energy
Pay to the order of Success Shelter \$18,000.00
Number 100
Date Nov 2014



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

News Release

Stoughton Utilities

December 16, 2009

Contact: Robert P. Kardasz, P.E., 608.877.7423

Stoughton Utilities customers to be surveyed

Residential customers of Stoughton Utilities will be randomly selected for a survey being conducted between now and the end of 2009.

On behalf of Stoughton Utilities and power supplier WPPI Energy, the Dieringer Research Group (DRG) of Brookfield, Wis., will survey customers on their attitudes and perceptions about rates, reliability, customer service, communications, energy conservation, efficiency and renewable efforts.

“As a community-owned utility, we are committed to providing our customers with excellent services,” said Robert Kardasz, Utilities Director. “I encourage anyone in our service territory receiving a call from DRG to please assist us in continuing to improve the services available to you by completing this short survey. We care what our customers think, and your feedback is essential to us.”

Stoughton Utilities is a member of WPPI Energy, a nonprofit power supplier serving 51 community-owned utilities in Wisconsin, Upper Michigan and Iowa. Results of the survey will help WPPI Energy and its members evaluate and improve the services offered by WPPI Energy and its members.

DRG will complete evening and weekend telephone interviews with electric customers in the service territories of each WPPI Energy member utility. Each interview will last 10-12 minutes.

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Office 608-873-3379
Fax 608-873-4878
stoughtonutilities.com





Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

December 23, 2009

Dear Fellow City of Stoughton Utilities Employee:

As we approach the end of 2009, it is important for all of us to reflect on your accomplishments this year:

- We moved from our temporary base in the EMS to our new administration office. Our customers, suppliers and employees all exhibited a great deal of patience during this transition.
- A controversial water and sanitary sewer project along Main Street yielded a fine streetscape. Similar high priority projects also occurred on Seventh Street and Page Street.
- Major electric reconstruction projects in Kegonsa Manor, the Rorge Addition, and along River Drive were completed.
- Our sanitary sewer slip-lining project was again completed without incident.
- Energy saving variable speed drive equipment was installed at Well No. 5, a cutting-edge energy efficient blower was installed at the Wastewater Treatment Facility, and a state-of-the-art energy efficient HVAC system went on line in our administration office.
- We received a \$632,000 American Recovery and Reinvestment Act grant and a low-interest loan for the 600,000 gallon East Water Tower Project.
- The American Transmission Company started loop-through construction at the North Electric Substation.
- Two employees joined our operations. Enecia Sabroff joined our customer services team and John Leigh joined our line crew. We continue to carry one vacant position.
- Property was purchased for our future West Electric Substation, and may potentially be used for other municipal or customer-driven development.
- The first GreenMax home in our area, and one of the first in the Midwest was constructed on our electric distribution system.
- We expanded our customer base to 8,400 electric customers, 4,800 wastewater customers and 4,800 water customers; all historic highs.
- Your attention to safe practices yielded another near-accident-free year.

2010 will be another new year of accomplishments with the construction of the East Water Tower and corresponding water mains and the North and South Electric Substation Transruptor Project. Your continued enthusiasm, and professionalism in serving our customers in 2009 will make 2010 another memorable year as well. Thank you for what you accomplish every day in public service.

Sincerely,
CITY OF STOUGHTON UTILITIES

Robert P. Kardasz, P.E.
Utilities Director



Office 608-873-3379
Fax 608-873-4878
stoughtonutilities.com



SECTION J • SUNDAY, DECEMBER 27, 2009

HOME

A little energy is all it takes

GreenMax program awards grants to build reliable, sustainable homes

By LYNH WELCH
For the State Journal

STOUGHTON — Outside, the winds howl, but with the thermostat set at 65 degrees inside John and Rebecca Scheller's new country home, it feels absolutely comfortable.

"I'm really sort of stunned," said John Scheller of the efficiency of his home's geothermal energy system. "And my wife is really shocked. She doesn't like it cold. It's really incredible how comfortable the house is and how little we notice the system running."

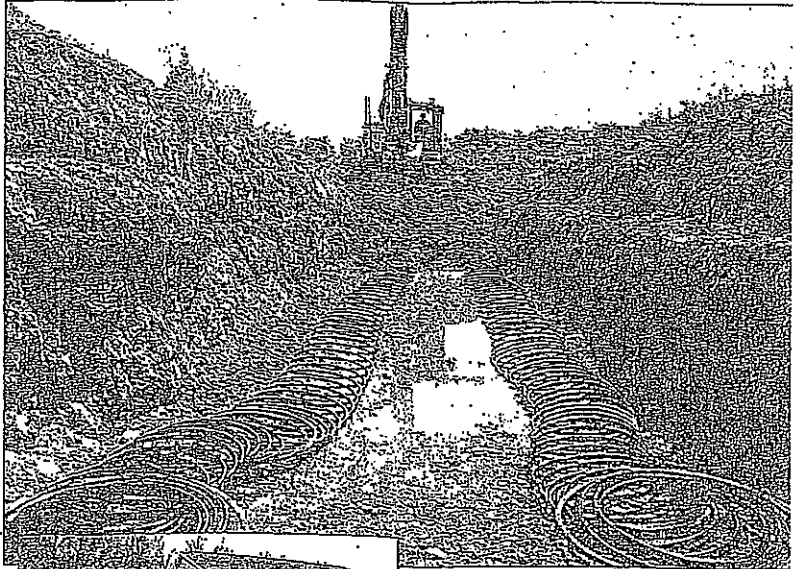
This 4,000-square-foot New England saltbox house tucked along Lake Kegonsa Road in rural Stoughton is the region's first Net Zero Energy home, also known as a GreenMax Home. Through use of energy-efficient construction techniques and renewable energy systems, a Net Zero building has the laudable goal of producing as much energy as it uses.

Shaw Building & Design Inc. in Stoughton broke ground in July on the \$600,000 house, which is part of Wisconsin Public Power Inc. Energy's GreenMax Home initiative. The program gives grants to homeowners and builders to build or remodel homes using reliable, sustainable energy systems. WPPI also offers technical assistance and measures the building's energy and environmental impacts once construction is done.

The Schellers' house, completed last month, is WPPI's second such dwelling in the program; the first was constructed in Black River Falls last year. WPPI is now accepting applications for its third round of grants with a Feb. 26 deadline from which WPPI aims to choose three projects.

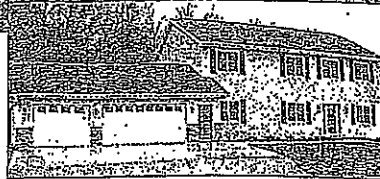
"This home, in particular, shows what average homeowners

Please see ENERGY, Page J4



Shaw Building & Design photo

Above: Buried coils with water running through them use heat from the earth to bring warmth into the house in a geothermal heating system.



WPPI photo

Left: John and Rebecca Scheller's home was built using GreenMax guidelines, which aim to make the structure as energy efficient as possible.

Energy

Continued from Page J1

can do," said WPPI spokeswoman Patty Schenker. "It promotes great energy savings which will provide a good cushion when they're into the winter time and demand is more and they consume more."

For the Schellers' project, WPPI funded \$42,000: \$18,000 when construction began, \$18,000 when construction was completed and another \$6,000 expected in a year when an analysis is done to assure the house meets energy goals. The house was able to take advantage of other incentives, too: \$17,000 from Focus on Energy and a \$24,000 federal tax credit. WPPI estimates that it cost \$99,000 to make this home a Net Zero building, instead of simply highly efficient. Of that, grants and incentives will eventually pay for \$83,000.

To achieve energy goals, this house uses a number of strategies, all of which have been chronicled in a blog on the GreenMax site put together by Jace Jontz, a project superintendent with Shaw who led the construction team.

Two large, pole-mounted solar panel arrays situated to the east of the home's front door follow the sun to generate the maximum amount of electricity. Through a renewable energy buy-back agreement with Stoughton Utilities, this 5.76-kilowatt solar system hooks into the utility's grid to sell power at \$.29 per kilowatt and buys it back at \$.09.

"This is really how Net Zero is possible," Jontz said.

A geothermal heat pump uses thermal energy from the earth to keep the house warm in winter and cool in summer. Geothermal energy also heats water through an on-demand pump system. The bathroom and kitchen have spot exhaust fans as well to eliminate moisture and contaminants directly. An energy recovery ventilator provides overall background ventilation, reducing the amount of energy needed to condition indoor air.

The south-facing house has high-efficiency Energy Star-rated windows to take most advantage of the sun, while a northern wooded lot shelters the house from wind. The simple, saltbox-style architecture provided advantages that made the building

Related links

GreenMax Home:
<http://www.greenmaxhome.com>

WPPI Energy:
<http://www.wppienergy.org>

National Association of Home Builders
National Green Building program:
<http://www.nahbgreen.org>

BIBS Insulation:
<http://www.getbibs.com>

easier to seal and insulate.

Attention to details in the insulation installation resulted in a blower door test — which determines where air leaks from the house and helps to attain ultimate energy efficiency — that exceeded even the highest expectations, Jontz said. The house uses 2-inch, R-10 insulation on the exterior of the basement walls and under the basement floor and R-5 insulation on the exterior walls. BIBS (or Blow-In-Blanket) insulation is blown into the walls' interior, plus closed-cell foam is used in the box sill framing as air sealing and insulation.

Energy data collected over six months at the Black River Falls GreenMax house shows that the building can generate two to three times more energy than it uses. But as it went into a higher consumption period last month, the house used just less than 800 kilowatts — its highest usage so far — while generating more than 500 kilowatts. According to the U.S. Energy Information Administration, an average U.S. home in 2007 used 936 kilowatts of electricity monthly.

For the Schellers, incentives were key in their decision to go GreenMax.

"Given all the recent news about green initiatives and the government credits, we were more motivated to look into this," Scheller said. "Since we were building a new house, we had a unique opportunity and good timing in terms of what was going on in the marketplace."

Jontz said in addition to meeting GreenMax construction standards this project achieved a Gold rating from the National Association of Home Builders National Green Building program. The program's four threshold levels — Bronze, Silver, Gold, and Emerald — spans entry-level green building to the most sustainable, with energy savings of 60 percent or more.

"With this project, we have made ordinary building extraordinary," Jontz said.

MEMORANDUM

TO: WPPI Energy Directors, Alternates, Representatives and Managers
CC: All WPPI Energy Staff
FROM: Roy Thilly
DATE: December 28, 2009
SUBJECT: Developments

1. **Have a Great 2010.** 2009 has been a challenging year for all. WPPI Energy (WPPI) remains in excellent financial condition, with a strong member base and a talented staff. We have been fortunate in that our average power cost to members for the year is coming in somewhat under budget, despite the dislocation in the market caused by the recession and a decline in member load of more than 10%. We would all prefer not to go through such a year again. 2010 should lead the way to recovery and we will do our best to control costs. We wish all our members a peaceful and prosperous 2010.

2. **Elm Road Disputes Resolved.** In December, Wisconsin Energy Corporation reached a comprehensive settlement with Bechtel resolving all claims of force majeure related to construction of the Elm Road units. Bechtel sought over \$500 million in arbitration based on severe weather and labor issues. The settlement value is approximately 14% of the Bechtel claim. We believe the settlement is in the best interests of all the plant owners and support it. It will increase our costs of the project by about \$5.4 million or 2.3%. The settlement resolves a substantial risk and should allow us to complete the project within our budgeted contingency. Because of the drop in prices the wholesale electricity market, the delay we have experienced has cost much less than it might have. On the flip side, test energy produced by Unit 1 and sold into the market has produced less revenue than expected.

In December, after considerable discussion, the PSC approved the settlement reached last year between the Elm Road owners, Sierra Club and Clean Wisconsin resolving all issues related to the water intake permit for the plant. This matter had been in litigation for years, with several adverse decisions by the courts and a DNR hearing examiner. While we believe that we would have ultimately prevailed, the cost of losing this litigation would have been very high. We are pleased that the PSC approved the settlement.

With these two settlements, all outstanding issues related to the Elm Road project have been resolved. Unit 1 is expected to go into service in early January, with Unit 2 being completed in the fall of 2010. Once the entire project is in service, WPPI will schedule a tour for members of this extraordinary facility.

3. **CEO Succession Plan.** The Executive Committee is in the midst of reviewing WPPI's CEO succession plan and updating it in order to proceed with a search in 2010. At its February meeting, the Executive Committee expects to approve a revised plan and process for the search, with a schedule to be provided to all staff and members. The search will commence sometime in the spring, with the objective of finding the best qualified candidate for the job by fall.

4. **Conservation and Efficiency Marketing Initiative.** As described at our December Board meeting, a major priority for 2010 will be to increase customer participation at all levels in key WPPI/member conservation and efficiency programs. We have a number of excellent programs that have been developed over the years. Now we need to focus on significantly expanding customer participation. This will be a joint effort between WPPI staff and members, with marketing plans being worked on with each member to fit its circumstances.

A very important element of this initiative will be for members to lead by example. It is very difficult to convince someone to do something, but not do it oneself. Staff will be working with members on a list of actions to be taken by members to be real leaders on conservation and efficiency in their communities.

5. **Keeping Up With Technology.** Many in the electric utility industry believe that substantial changes will be occurring over the next five years related to the electronic interface between utilities and their customers. The most important developments in the industry may occur on the customer side of the meter. Those utilities that are technologically adept will be leaders. In the future, customers will expect to receive and pay bills, and access their consumption information, on the internet. Eventually, smart meters will provide two-way communication that will allow customers significantly greater control over their consumption and costs, as well as improve customer service and distribution reliability. Utilities that are not able to provide service and information electronically on a timely basis will be perceived as behind-the-times. However, serious mistakes can be made in getting to this technology future and considerable care in decision-making will need to be exercised, particularly by smaller systems like WPPI and its members. We need to proceed deliberately, but with reasonable dispatch.

WPPI's Smart Metering Task Force did an excellent job in 2009 identifying issues and making a series of recommendations to better position members and WPPI. These recommendations were presented to the Board in December. They tie directly to our billing services, including Harris/NorthStar and our efforts to work with members that use other CIS systems. Installation of smart metering will make little sense without centralized data management software that will enable WPPI and members to use the data collected effectively. This software will be quite expensive, and cost prohibitive for most members to purchase individually. So, there is a very important role for joint action. The software will need to interface with member billing systems. The Task Force has recommended that at this point members not buy additional automatic metering reading equipment (one-way communications) and that we work hard to reduce the number of different billing systems used by members from 11 to two or three, including Harris/NorthStar. These will be important issues to discuss in our business planning process in 2010. In the meantime, members that do not have up-to-date websites, and have not moved forward to allow bill access and payment through the internet, should be looking in that direction.

6. **Financial Planning.** In early 2010, WPPI will be selecting a new financial advisor. Steve Yanisch of RBC Dain who has worked with WPPI over the last several years is retiring at the end of 2009. An RFP has been sent to a number of firms, including RBC Dain, with the objective of retaining a new advisor by the end of January. We expect to do a small borrowing in 2010 to reimburse WPPI for the cost of our building addition and renovation. This will free up funds for the Menasha transaction. We will analyze other needs and proceed either through a small bond issue or a bank loan.

7. **Menasha.** Our Board approved WPPI's purchase of the Menasha electric distribution assets and leaseback of those facilities to Menasha at our December Board meeting. Menasha's City Council also has approved the transaction. The Department of Revenue has already issued a favorable tax ruling requested as a condition of the transaction. Under the ruling, Menasha will be the "owner" of the facilities for tax purposes, allowing it to retain the payment-in-lieu-of-tax to help pay its general obligation debt related to its failed steam project. WPPI will not have to make a payment-in-lieu-of-tax to the state on the Menasha facilities. The PSC has been very helpful in quickly scheduling an expedited hearing on the transaction and related rate adjustments. The total rate increase sought by Menasha on a system-wide basis is 1.7%, about half of which is related to the transaction. Impacts on different customer classes vary.

The major task that must be accomplished for the transaction to proceed is an omnibus settlement with bondholders and steam customers. Menasha is in the midst of those negotiations.

8. **Building Grass Roots Strength.** We expect 2010 to be a very busy year legislatively. Congress will continue to debate climate change legislation and may bring back an energy bill, particularly if climate legislation is stalled. The provisions in either a climate bill, or an energy-only bill, may have a significant impact on WPPI's costs. It is very important that we are active and vigilant. We will be encouraging all members to participate in the APPA Legislative Rally in late February.

On the state level, a bill to implement a number of the recommendations of the Governor's Global Warming Task Force is expected to be introduced in early January. A number of provisions in the draft will protect WPPI and member interests. We want to retain as much flexibility as we can to meet any new renewable and conservation requirements on a combined system-wide basis, taking significant burden off individual members. The proposed bill also would modify the nuclear moratorium to allow nuclear plants to be considered as an alternative in the future.

To be successful in protecting our interests at both the state and federal level, we will be seeking to strengthen our grass roots lobbying capacity in 2010. WPPI cannot compete with the large utilities in terms of money, but we have much broader and stronger grass roots. We need to build on that strength. Dan Ebert will be focusing on this issue in 2010.

9. **Staff Reorganization.** To better distribute workload, and in recognition of the fact that we have a great deal of work in front of us to successfully implement our customer information and billing service, smart metering, data management, and other technology strategies to meet the challenges of the future, we are reorganizing some staff functions in 2010. Our Rates and Billing staff will join the Accounting and Finance department under Marty Dreischmeier. Previously, they were part of Member

Developments

December 28, 2009

Page 4

and Customer Services. Rate design and policy issues will continue to be worked on by a staff task force that includes people from various departments. This group will interface with our Rates and Delivery Service Advisory Group (RDSAG).

Because of the high workload in information services, and a need to provide sharper focus on issues, we will be supplementing our staff in this area by creating two departments under Member and Customer Services. Currently, information services work is divided informally between Information Services under Bev Lindquist and our Operations Center under Phil Hansen. Phil will be moving to Member and Customer Services as Vice President – Information Technology. Bev Lindquist, Vice President – Information Services, together with a number of her staff, will focus on member applications, including customer service information and accounting software, enhancements and support. We have a great deal to do in this area, building on the strong foundation that Bev and her group have laid through implementation of our Harris/NorthStar and Solomon Dynamics projects over the last ten years.

Phil's department will be responsible with other I.S. functions and will provide technical support throughout the company. With Phil's move from Operations, Todd Biese, currently Manager - Market Operations, will become Director – Operations under Pat Connors. Brenda Hoffmann, a Senior System Operator, will take the position of Day-Ahead Scheduler for the MISO and PJM markets. Phil has done an excellent job in organizing the Operations Center and managing the transition to the MISO market. He is ready to take on new challenges.

We believe these changes will enable WPPI to successfully implement a number of important projects in an efficient and productive manner.

Finally, Mike Malmstead has joined WPPI as the Energy Service Representative for Menasha, New London and Oconto Falls.

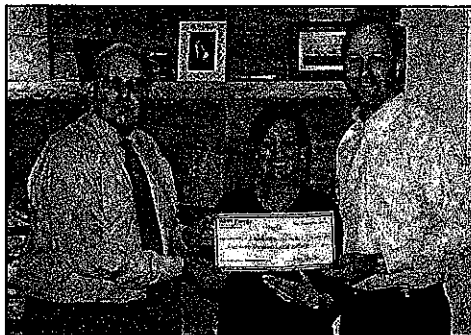
Second “Net Zero” Energy Home Built in Wisconsin

A net zero energy home (NZEH) combines state of the art energy efficient construction and appliances with renewable energy systems. A NZEH produces as much energy as it consumes, yielding a net zero impact on the nation’s energy supply. Through WPPI Energy’s GreenMax Home initiative, Stoughton homeowners John & Rebecca Scheller along with Black River Falls homeowners Tom & Verona Chambers are the first two families to occupy a NZEH.

In Stoughton, the Scheller’s home located in the Stoughton Utilities service area was just completed in November 2009. With the combined efforts of the Schellers, Shaw Building & Design, Inc. and WPPI Energy, the couple was able to use readily available building materials to create a cost effective, highly energy efficient home. This unique home incorporates innovative and sustainable features, including LED lights with dimming technology, two geothermal heat pumps and an onsite solar photovoltaic system. The Chambers’ home in Black River Falls, after five months of recorded energy use, continues to produce more energy than they consume, putting them on track to reach their 12-month net zero energy goal.

According to Stoughton Utilities Director Robert Kardasz, “The Schellers’ home emphasizes one of the most important goals of the GreenMax Home initiative, which is to demonstrate practical ways that anyone can

save energy at home. We’re pleased to welcome the second GreenMax Home in the Stoughton Utilities service area and to work with the Schellers to meet their net zero energy goal.”



John and Rebecca Scheller are shown above being congratulated by Stoughton Utilities Director Robert Kardasz upon the completion of their “net zero energy” home, the result of a WPPI Energy/ Stoughton Utilities GreenMax Home initiative. (Photos by Brian Hoops, Stoughton Utilities).

“We look forward to continuing to be responsible stewards of our earth’s resources and educating others to consider clean energy alternatives,” said Scheller.

To get a glimpse of this stylish energy efficient home, the Schellers, WPPI Energy and Stoughton Utilities anticipate holding an April 2010 open house celebration in conjunction with *Earth Week*. “WPPI Energy is committed to helping customers save energy and be more efficient in their use of energy,” said Senior Vice President of Customer Services and Administration Tom Paque. “Saving energy is the most important thing we can do to keep customer bills down, protect the environment, and defer the need for new power plants.”

WPPI Energy is now accepting competitive proposals from energy conscious homeowners and builders in WPPI Energy member service territories to help fund up to three NZEHs. For more information on NZEHs and the GreenMax Home initiative, visit ww.greemaxhome.com. Proposals for WPPI Energy’s GreenMax Home initiative are due by 4:00 p.m. on February 26, 2010.



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

Date: January 7, 2010
To: Stoughton Utilities Committee
From: Robert P. Kardasz, P.E.
Stoughton Utilities Director
Subject: Stoughton Utilities Committee 12-Month Calendar.

The following calendar is provided for information and discussion.

| | |
|----------------------|---|
| January 11, 2010 | Regular Meeting - Approve Declarations of Official Intent(s) |
| February 17, 2010 | Regular Meeting at the wastewater treatment facility - Discuss Stoughton Utilities 2009 Accomplishments |
| February 22-24, 2010 | American Public Power Association Legislative Rally in Washington, D.C. |
| March 15, 2010 | Regular Meeting - Stoughton Utilities Tax Stabilization Dividends Discussion and Approval |
| March 23, 2010 | Common Council - Accept Stoughton Utilities Tax Stabilization Dividends Recommendation |
| March 24-26, 2010 | Wisconsin Rural Water Association Annual Conference in Green Bay |
| April 19, 2010 | Regular Meeting - Stoughton Utilities 2009 Annual Audit and Management Letter Presentation - Review Drinking Water Consumer Confidence Report (CCR) - Annual Stoughton Utilities Goals Discussion and Approval - Review Wisconsin Public Service Commission Annual Electric and Water Reports |



Office 608-873-3379
Fax 608-873-4878
stoughtonutilities.com



| | |
|-----------------------|---|
| April 22, 2010 | GreenMax Home Open House on the 40 th Anniversary of Earth Day |
| April 27, 2010 | Common Council Meeting - Stoughton Utilities 2010 Annual Audit Presentation and approval |
| May 2-8, 2010 | Drinking Water Week |
| May 5, 2010 | WPPI Energy Orientation Meeting |
| May 17, 2010 | Regular Meeting - First Regular Meeting after the Common Council Reorganization Meeting - Elect Committee Chair and Vice Chair - Annual Studies Discussion and Presentation - Tour Stoughton Utilities Building |
| June 9-11, 2010 | Municipal Electric Utilities of Wisconsin (MEUW) Annual Conference in Green Bay |
| June 15, 2010 | Regular Meeting - Discussion Approve and recommend the proposed non-represented employee compensation adjustments to the Personnel Committee and the Common Council - Approve and recommend the Wastewater Compliance Maintenance Annual Report (CMAR) and Resolution to the Common Council - Stoughton Utilities Green Energy Discussion |
| June 22, 2010 | Common Council Meeting - Approve Compliance Maintenance Annual Report (CMAR) and adopt corresponding resolution |
| July 19, 2010 | Regular Meeting |
| August 16, 2010 | Regular Meeting - Tour East Electric Substation |
| September 8-9, 2010 | Municipal Electric Utilities Of Wisconsin (MEUW) Fifth Annual Lineman's Rodeo in Kaukauna |
| September 13, 2010 | Regular Meeting - Approve and Recommend the Proposed Stoughton Utilities 2011 Budget to the Common Council - Approve and recommend the Twenty-Year (2011-2030) Stoughton Utilities Capital Projects Program to the Common Council - Tour Well No. 5 and Reservoir |
| September 16-17, 2010 | WPPI Energy (WPPI) Annual Conference in Green Bay |

| | |
|-------------------|--|
| October 5, 2010 | WPPI Orientation |
| October 6-8, 2010 | Wisconsin Wastewater Operators Association (WWOA) Annual Conference in Green Bay |
| October 17, 2010 | Special Meeting - Conduct Hearings for the 2009 Tax Roll Nomination |
| October 17, 2010 | Regular Meeting |
| November 9, 2010 | Common Council Meeting - Approve 2011 Budget and Twenty-Year (2011-2030) Capital Projects Program |
| November 15, 2010 | Regular Meeting |
| December 17, 2010 | Stoughton Utilities Holiday Open House |
| December 20, 2010 | Regular Meeting |

cc: Sean O Grady
Stoughton Utilities Operations Superintendent



Stoughton Utilities Activities Reports December 2009

ADMINISTRATION – Utilities Director Robert P. Kardasz, P.E.

Seasonal activities continued on the electric and water distribution systems, the sanitary sewer collection system, and in the office where your staff continues to work with customers fulfilling their financial obligations. Electric system vegetative management, sanitary sewer flushing and televising, water main corrective work, and cold weather preparation continued. The East Water Storage Tank Foundation Project proceeded on schedule. Labor negotiations are underway.

ACCOUNTING – Kim M. Jennings, CPA

Accomplishments:

- Work order processing and closing.
- Provide data for Safe Drinking Water Loan Program for closing on Jan. 27, 2010.
- Update property insurance data for coverage in 2010.
- Begin year end audit schedules.
- Investment sales/purchases and income tracking.
- Monthly account reconciliation, reporting and billing statistics for November 2009.

In Progress:

- Plant & depreciation schedules for audit.
- Reviewing reporting requirements for ARRA funding recipients.
- Reviewing internal control procedures for billing, accounting, information systems and customer service.
- Developing financial statement report format including notes and supplemental schedules for year-end reporting.
- Monthly account reconciliation and reporting for December 2009.

CUSTOMER SERVICES AND INFORMATION TECHNOLOGIES DIVISION – Utilities
Office and Information Systems Supervisor Brian R. Hoops

Activities & Accomplishments:

- In response to the recent snowfall-related outages and the need for after-hours phone support, custom programming was completed in-house to allow any novice staff member to easily redirect the calls to any extension, reception group, or external number.
- A full rewrite was completed of our half-day holiday phone greeting system that allows any novice staff member to easily override the standard greeting with a pre-recorded 'weather' greeting.
- Brian Hoops attended a WPPI Energy information technology advisory group meeting. The next meeting has been scheduled for late January.
- Staff received a review of the various WPPI Energy and Focus on Energy programs available to our customers. Marketing strategies were discussed and a draft schedule of bill-stuffers was created.
- Staff participated in our second annual holiday open house.
- Enecia Sabroff continues to pursue residential payment deposits from customers who have shown their payments to be unreliable. To date we have collected approximately 20% of the 138 deposits totaling \$60,934 that have been requested.
- Enecia Sabroff issued 10-day disconnect notices on delinquent commercial accounts. New deposits will be required for all commercial customers that are continuously delinquent.
- Enecia Sabroff has been submitting delinquent final-billed customer accounts to our new collection agency, Professional Placement Services, LLC (PPS). PPS will continue to attempt to collect the balances owed on these accounts, and will submit the customer to the Wisconsin D.O.R. TRIP program as necessary.
- During the recent snowfall related outages, Enecia Sabroff worked throughout the day and evening answering our emergency phone line. Hundreds of calls were received throughout that time frame.
- Staff assisted with the mailing of an informational letter to all residents in the vicinity of our new water tower. Staff also assisted with the mailing of our annual holiday cards.
- Enecia Sabroff is working on a new brochure that details our payment and collection policies as well as who they can contact for payment assistance if needed.
- Enecia Sabroff continued to monitor and attempt contact with the lone occupied residence that remained disconnected. This customer has since made arrangements to pay and has been reconnected. All accounts that remain disconnected are vacant properties.
- Shannon Gunsolus completed all the necessary year-end tasks, and continues to prepare for our January audit.

- Staff processed utility billing and collections, accounts payable, payroll, daily cash deposits.

**LINE DIVISION AND PLANNING DIVISION – Utilities Operations Superintendent
Sean O Grady**

East Side Elevated Water Tank Project: Underground work proceeded on schedule.

Substation Maintenance: AC Engineering will complete our substation equipment/distribution capacitor maintenance program in January.

West Substation Property: The property was annexed to the City.

Strand and Associates: Staff continues to work with staff at Strand's office updating and automating some of our property records. This enhancement/update will facilitate the reconciliation of our property records data base to the general ledger.

Building Remodeling Project: The project is close to being completed.

CTH N Bridge Replacement Project: Our overhead electric distribution lines were re-routed and de-energized over the river to facilitate the deck replacement. This bridge has now been returned to service.

MTE: All underground projects have been completed.

RP3: Staff has received a request for additional information from the American Public Power Association (APPA) for our application submitted last month for our RP3 designation. We should hear something back from this national organization early in 2010.

Black Hawk Credit Union: Temporary electric service has been installed for construction. Staff is currently working with the developer on design and costs for extending electrical service.

441 Business Park Circle: Temporary electric service has been installed to the site for construction. Electric service requirements for this site will be similar to that of a standard residential home.

NFPA 70E: Faith Technologies is currently on site at our production wells and at our WWTP working on field verifications. When this project is completed, staff and contractors will know exactly what breaker operates what piece of equipment and will have informational stickers placed at each disconnect advising staff/contractors what PPE and staff clearance are required to work on such equipment.

Universal Silencer: Staff has had some general conversations with Universal Silencer engineers regarding their interest in developing a joint action venture installing and testing scrubber equipment on our stand-by generator at our WWTP. This equipment would reduce our carbon footprint.

Green Max Home: This home construction was completed ahead of schedule by Shaw Building and Design by approximately a month. The owners were able to move in the week before Thanks giving. An opening ceremony with all the subcontractors was held at the site and the house was tested for efficiencies by Focus on Energy. The house tested out to be extremely energy efficient and the overall design was impeccable.

WASTEWATER DIVISION – Utilities Wastewater System Supervisor Brian G. Erickson

Staff has been working on miscellaneous projects throughout the plant; replacing pipes, painting, rebuilding equipment and preventive maintenance.

2010 Sanitary Sewer Improvement Project. We have been working on this project throughout the year and are currently putting together the documents. We are looking at lining roughly 4000 feet of sanitary sewer in the Roby Rd., Page St., Madison St., West St. and Page St. area.

Air Compressor modification: We are making a few modifications to our air compressor operations to save energy costs and wear on our equipment.

Safety training on respiratory fit testing: Staff completed their yearly fit test with respirators being fitted and a class room review of the program. This training is required yearly for anyone who is required to wear a respirator.

The precipitation for the month was 3.81 inches. Total snow fall for the month was 24.3 inches

The wastewater treatment facility processed an average flow of 1.324 million gallons per day with a monthly total of 42 million gallons.

WATER DIVISION – Utilities Water System Supervisor Roger M. Thorson

Staff is busy working on year-end reports and closing out 2009 work orders.

This time of the year the change in the weather usually dictates how many water main breaks we have. In the month of December we repaired three main breaks, however only one was weather related. The other two could have happened any time of the year.

Water staff participated in a safety session onrRespirator protection.

Working on water system map upgrades and additions.

Staffing levels are also at a minimum during the month with everyone using scheduled vacation leave.

ENERGY SERVICES SECTION OF THE PLANNING DIVISION – Stoughton Utilities/WPPI Energy Services Representative Alicia Rankin

December Activities

- St. Vincent de Paul submitted a Shared Savings Program application for an energy efficient lighting upgrade.
- Stoughton Trailers' RFP application was denied due to competition from more economically competitive bids. I am working with them to pursue alternative incentive funding for the project.
- Met with Movin' Out, the housing development firm that will be working with the City on part of the redevelopment project. The project will be participating in WPPI Energy's New Construction Program.
- Completed 2010 Energy Services Action Plan.
- Met with utility personnel to review energy services and programs, new marketing program materials and customer service resources.

January Objectives

- Present \$1,000 check to schools. SU received the award, which must be donated to the schools, for achieving >5% participation in the Renewable Energy Program. That makes SU the top ranked WPPI Community for Renewable Energy participation.
- Meet with large power customers to distribute new program marketing materials.
- Meet with City personnel regarding potential energy efficiency stimulus projects that are eligible for tax credits for government-owned buildings.

Dates at Stoughton Utilities in December: 3, 10, 14, 23

SAFETY COMPLIANCE SECTION OF THE PLANNING DIVISION – Stoughton Utilities/Municipal Electric Utilities of Wisconsin Southeastern Regional Safety Coordinator Christopher Belz

Accomplishments

Training

- Completed training on the topic of Respiratory Protection
- Conducted Respiratory Fit testing

Audits/Inspections

- Audited safety training records, written programs and inspection data

Compliance/Risk Management

- Reviewed Tailboard forms
- Reviewed/filed Excavation/Trenching Forms
- Enter CE's into database
- Provided assistance setting up First Aid/CPR training
- Provided assistance setting up Hearing Audiograms
- Started revisions on Confined Space Written Program
- Completed incident investigations

- Developing incident reports
- Updated incident logs

Goals & Objectives

Training

- Complete all DCOMM regulated training topics
- Train on Confined Space Entry and Rescue

Audits/Inspections

- Inspect all Crews periodically to ensure safety compliance
- Perform facility inspections in all Stoughton Utilities facilities

Compliance/Risk Management

- Audit Energy Control Procedures in the Control of Hazardous Energy Procedure
- Review and update Stoughton Utilities Written Safety Programs

Scheduled dates MEUW SCRSC Safety Coordinator, Chris Belz, was at Stoughton Utilities: December 7, 14 and 28

Please visit us on our website at www.stoughtonutilities.com to view current events, follow project schedules, view meeting notices and minutes, review our energy conservation programs, pay your utilities bill via the internet, or to learn more about your Stoughton Utilities Electric, Wastewater and Water services.



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

Date: January 7, 2010
To: Stoughton Utilities Committee
From: Robert P. Kardasz, P.E.
Stoughton Utilities Director
Subject: Status Of Stoughton Utilities Committee December 14, 2009
Recommendations To The Stoughton Common Council.

December 22, 2009 Stoughton Common Council Meeting

- Approved the Stoughton Utilities Committee recommendation to approve the Payments Due List.
- Approved the Stoughton Utilities Committee recommendation to adopted the Resolution in support of WPPI Energy's Utility and Municipal Building Incentive Program.
- Annexed the Stoughton Utilities recently purchased electric property.

cc: Sean O Grady
Stoughton Utilities Operations Superintendent



Office 608-873-3379
Fax 608-873-4878
stoughtonutilities.com





Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

Date: January 7, 2010

To: Stoughton Utilities Committee

From: Robert P. Kardasz, P.E. - Stoughton Utilities Director
Kim M. Jennings, CPA - Stoughton Utilities Finance & Admin. Manager

Subject: Resolution Authorizing The Issuance And Sale Of Up To \$613,751 Waterworks System Revenue Bonds, Series 2010, And Providing For Other Details and Covenants With Respect Thereto, And Approval Of Related \$1,227,502 Financial Assistance Agreement, And Consideration And Acceptance Of The Engagement Letter With Quarles and Brady.

It is requested that the Stoughton Utilities Committee recommend the approval of the following documents related to the financing of the East Water Tower Project to the Stoughton Finance Committee and Stoughton Common Council on January 12, 2010:

- The adoption of the resolution authorizing the issuance and sale of up to \$613,751 Waterworks System Revenue Bonds, Series 2010, and providing for other details and covenants with respect thereto.
- The approval of the \$1,227,502 Financial Assistance Agreement between the State of Wisconsin Department of Natural Resources and Department of Administration and the City of Stoughton to award financial assistance from the Safe Drinking Water Fund Program.
- The acceptance of the Engagement Letter with Quarles and Brady, LLP for the proposed issuance of \$613,751 City of Stoughton Waterworks System Revenue Bonds, Series 2010.

Encl.

cc: Mike Forslund, P.E. - Strand Associates, Inc.
Mark Fisher, P.E. - Strand Associates, Inc.
Luann J. Alme - City Clerk/Personnel Director
Laurie Sullivan - City Finance/Economic Development Director
Sean O Grady - Stoughton Utilities Operations Superintendent
Matthew P. Dregne - City Attorney



Office 608-873-3379
Fax 608-873-4878
stoughtonutilities.com



RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ISSUANCE AND
SALE OF UP TO \$613,751 WATERWORKS SYSTEM REVENUE BONDS, SERIES 2010,
AND PROVIDING FOR OTHER DETAILS AND
COVENANTS WITH RESPECT THERETO

WHEREAS, the City of Stoughton, Dane County, Wisconsin (the "Municipality") owns and operates a waterworks system (the "System") which is operated for a public purpose as a public utility by the Municipality; and

WHEREAS, pursuant to Resolution No. R-2-03 adopted by the Common Council of the Municipality (the "Governing Body") on March 25, 2003 (the "2003 Resolution"), the Municipality has heretofore issued its Waterworks System Mortgage Revenue Bonds, dated April 1, 2003 (the "2003 Bonds"), which 2003 Bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. R-27-06 adopted by the Governing Body on November 14, 2006 (the "2006 Resolution"), the Municipality has heretofore issued its Waterworks System Mortgage Revenue Bonds, dated November 15, 2006 (the "2006 Bonds"), which 2006 Bonds are payable from the income and revenues of the System; and

WHEREAS, the 2003 Bonds and the 2006 Bonds shall be referred to collectively as the "Prior Bonds" and the 2003 Resolution and the 2006 Resolution shall be referred to collectively as the "Prior Resolutions"; 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 Safe Drinking Water Loan Program Project No. 5403-01 by the Department of Natural Resources, and as described in the Department of Natural Resources approval letter for the plans and specifications of the Project, or portions thereof, issued under Section 281.41, Wisconsin Statutes, assigned No. W-2009-0410 and dated May 14, 2009 by the DNR; and

WHEREAS, under the provisions of Chapter 66, Wisconsin Statutes any municipality may, by action of its governing body, provide for purchasing, acquiring, constructing, extending, adding to, improving, operating and managing a public utility from the proceeds of bonds, which bonds are to be payable only from the revenues received from any source by such utility, including all rentals and fees; and

WHEREAS, the Municipality deems it to be necessary, desirable and in its best interest to authorize and sell waterworks system revenue bonds of the Municipality payable solely from the revenues of the System, pursuant to the provisions of Section 66.0621, Wisconsin Statutes, to pay the cost of the Project; and

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

WHEREAS, other than the Prior Bonds, no bonds or obligations payable from the revenues of the System are now outstanding.

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 Section 66.0621, Wisconsin Statutes;
- (b) "Bond Registrar" means the Municipal Treasurer which shall act as Paying Agent for the Bonds;
- (c) "Bonds" means the \$613,751 Waterworks System Revenue Bonds, Series 2010, of the Municipality dated their date of issuance, 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 costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but shall exclude depreciation, debt service, tax equivalents and capital expenditures;
- (f) "Debt Service Fund" means the Waterworks System Revenue Bond and Interest Special Redemption Fund of the Municipality, which shall be the "special redemption fund" as such term is defined in the Act;
- (g) "Financial Assistance Agreement" means the Financial Assistance Agreement 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 State, substantially in the form attached hereto and incorporated herein by this reference;
- (h) "Fiscal Year" means the twelve-month period ending on each December 31;
- (i) "Governing Body" means the Common Council, or such other body as may hereafter be the chief legislative body of the Municipality;
- (j) "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from waterworks charges imposed by the Municipality, all payments to the Municipality under any service agreements between the Municipality and any contract users of the System, and any other monies received from any source including all rentals and fees and any special assessments levied and collected in connection with the Project;
- (k) "Municipal Treasurer" means the Treasurer of the Municipality who shall act as Bond Registrar and Paying Agent;
- (l) "Municipality" means the City of Stoughton, Dane County, Wisconsin;

(m) "Net Revenues" means the Gross Earnings of the System after deduction of Current Expenses;

(n) "Parity Bonds" means bonds payable from the revenues of the System other than the Bonds but issued on a parity and equality with the Bonds pursuant to the restrictive provisions of Section 11 of this Resolution;

(o) "Prior Bonds" means the 2003 Bonds and 2006 Bonds, collectively;

(p) "Prior Resolutions" means the 2003 Resolution and 2006 Resolution, collectively;

(q) "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 preamble hereto;

(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) "System" means the entire waterworks 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, treatment, storage and distribution of water, including all improvements and extensions thereto made by the Municipality while any of the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such waterworks system and including all appurtenances, contracts, leases, franchises, and other intangibles;

(t) "2003 Bonds" means the Municipality's Waterworks System Mortgage Revenue Bonds, dated April 1, 2003;

(u) "2003 Resolution" means Resolution No. R-2-03 adopted by the Governing Body on March 25, 2003 authorizing the issuance of the 2003 Bonds;

(v) "2006 Bonds" means the Municipality's Waterworks System Mortgage Revenue Bonds, dated November 15, 2006; and

(w) "2006 Resolution" means Resolution No. R-27-06 adopted by the Governing Body on November 14, 2006, authorizing the issuance of the 2006 Bonds.

Section 2. Authorization of the Bonds 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 credit of the income and revenue of the System up to the sum of \$613,751; and fully registered revenue bonds of the Municipality are authorized to be issued in evidence thereof and sold to the State of Wisconsin Safe Drinking Water Loan Program in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference and the Mayor and City 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 "Waterworks System Revenue Bonds, Series 2010" (the "Bonds"); shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 2.668% per annum; 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 and in the Bond form attached hereto as Exhibit A as it is from time to time adjusted by the State of Wisconsin based upon the actual draws made by the Municipality. Interest on the Bonds shall be payable commencing on May 1, 2010 and semiannually thereafter on May 1 and November 1 of each year. The Bonds shall not be subject to redemption prior to maturity except as provided in the Financial Assistance Agreement.

The schedule of maturities of the Bonds is found to be such that the amount of annual debt service payments 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 City Clerk, 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 Municipality's 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 Bond will be payable upon presentation and surrender of the Bond to the Bond Registrar. Payment of principal on the Bond (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, maintained by the Bond Registrar, on the Record Date and shall be paid by check or draft of the Municipality and mailed to such registered owner at his or its address as it appears on such registration books or at such other address may be furnished in writing by such registered owner to the Bond Registrar.

Section 5. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the 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 hereinafter created and established, 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, on a parity with the pledge granted to the holders of the Prior Bonds. Sufficient revenues are hereby pledged to said Debt Service Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Prior Bonds, the Bonds and any Parity Bonds as the same becomes 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 and interest on the Prior Bonds, the Bonds and Parity Bonds, certain funds of the System which were created by an ordinance adopted May 14, 1963 and are hereby continued to be used solely for the following respective purposes:

- (a) Waterworks System Revenue Fund (the "Revenue Fund"), into which shall be as received the Gross Earnings of the System, which money shall then be divided among the Operation and Maintenance Fund, the Debt Service Fund, the Depreciation Fund and the Surplus Fund in the amounts and in the manner set forth in Section 7 hereof and used for the purposes described below.
- (b) Waterworks System Operation and Maintenance Fund (the "Operation and Maintenance Fund"), which shall be used for the payment of Current Expenses.
- (c) Waterworks System Revenue Bond and Interest Special Redemption Fund (the "Debt Service Fund"), which shall be used for the payment of the principal of, premium, if any, and interest on the Prior Bonds, the Bonds and Parity Bonds as the same becomes due. The Bond Reserve Fund created by the Prior Resolutions for the Prior Bonds is not pledged to the payment of principal of or interest on the Bonds, and moneys in the Bond Reserve Fund shall under no circumstances be used to pay principal of or interest on the Bonds.
- (d) Waterworks System Depreciation Fund (the "Depreciation Fund"), which shall be used to provide a proper and adequate depreciation account for the System.
- (e) Surplus Fund, which shall first be used when necessary to meet requirements of the Operation and Maintenance Fund including the one month reserve, the Debt Service Fund, the Bond Reserve Fund and the Depreciation Fund. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wisconsin Statutes and money remaining thereafter may be transferred to any of the funds or accounts provided for in this section.

Section 7. Application of Revenues. After the delivery of the Bonds, the Gross Earnings of the System shall be deposited as collected in the Revenue Fund and shall be transferred monthly to the funds listed below in the following order of priority and in the manner set forth below:

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

- (b) to the Debt Service Fund, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Prior Bonds, the Bonds and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Prior Bonds, the 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), and any amounts required by the Prior Resolutions to fund the Bond Reserve Fund;
- (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; and
- (d) to the Surplus Fund, any amount remaining in the Revenue Fund after the monthly transfers required above have been completed.

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

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

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 Prior Bonds, the Bonds and any Parity Bonds 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, Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes. The other funds herein created (except the Waterworks System SDWLP Project Fund) 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), Wisconsin Statutes.

Section 9. Service to the Municipality. The reasonable cost and value of services rendered to the Municipality by the System by furnishing waterworks services for public purposes shall be charged against the Municipality and shall 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 Bond Year Net Revenues equivalent to not less than the annual principal and interest requirements on the Prior Bonds, the Bonds, any Parity Bonds and any other 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 obligations payable from revenues of the System then outstanding. However, such payment out of the tax levy shall be subject to (a) approval of the Public Service Commission, or successors to its function, if applicable, (b) yearly appropriations therefor, and (c) applicable levy limitations, if any; and 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 the obligations of the Municipality as set forth in the Financial Assistance Agreement.

Section 11. Additional Bonds. The Bonds are issued on a parity with the Prior Bonds as to the pledge of revenues of the System. No bonds or obligations payable out of the revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if the lien and pledge is junior and subordinate to that of the Bonds. Parity Bonds may be issued only under the following circumstances:

(a) Additional Parity Bonds may be issued for the purpose of completing the Project and for the purpose of financing costs of the Project which are ineligible for payment under the State of Wisconsin Safe Drinking Water Loan Program. However, such additional Parity Bonds shall be in an aggregate amount not to exceed 20% of the face amount of the Bonds; or

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

(1) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional 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, and on the bonds then to be issued, times the greater of (i) 1.10 or (ii) the highest debt service coverage ratio to be required with respect to the Additional Parity Bonds to be issued or any other obligations payable from the revenues of the System 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 bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Net Revenues for purposes of such computation shall include such additional revenues as an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

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

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

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

Section 12. Sale of Bonds. The sale of the Bonds to the State of Wisconsin Safe Drinking Water Loan Program for the purchase price of up to \$613,751 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 hereinabove provided, necessary to conclude delivery of the Bonds to said purchaser, 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, and the officers of the Municipality are authorized to prepare and submit to the State requisitions and 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 a special fund designated as "Waterworks System SDWLP Project Fund." The Waterworks System SDWLP Project Fund shall be used solely for the purpose of paying the costs of the Project as more fully described in the preamble hereof and in the Financial Assistance Agreement. Moneys in the Waterworks System SDWLP Project 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 14. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except: (a) the Municipality may, from 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 of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the 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 and any Parity Bonds are outstanding, a separate account 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 Bonds under the relevant provisions of 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 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 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 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 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 Bonds. The Municipality shall maintain or cause to be maintained records of determinations of rebate liability with respect to the Bonds for each computation date until six (6) years after the retirement of the last of the Bonds. The Municipality shall make such records available to the State of Wisconsin 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 of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the 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 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 State of Wisconsin, to provide to the State of Wisconsin Safe Drinking Water Loan Program and to such other persons or entities as directed by the State of Wisconsin such ongoing disclosure regarding the Municipality's financial condition and other matters, at such times and in such manner as the Safe Drinking Water Loan Program may require, in order that securities issued by the Municipality and the State of Wisconsin satisfy rules and regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended and as it 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. Conflicting Resolutions. All ordinances, resolutions (other than the Prior 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. In case of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control as long as any of the respective Prior Bonds are outstanding.

Passed: January 12, 2010

Approved: January 12, 2010

James S. Griffin
Mayor

Attest:

Luann J. Alme
City Clerk

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED
NO. _____

UNITED STATES OF AMERICA
STATE OF WISCONSIN
DANE COUNTY
CITY OF STOUGHTON

REGISTERED
\$ _____

WATERWORKS SYSTEM REVENUE BOND, SERIES 2010

Final
Maturity Date

May 1, 2029

Date of
Original Issue

_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

FOR VALUE RECEIVED the City of Stoughton, Dane County, Wisconsin (the "Municipality") hereby acknowledges itself to owe and 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 _____ DOLLARS (\$ _____) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2011 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 2.668% 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, 2010.

The principal amount evidenced by this Bond 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, 2011 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 Two and 668/1000ths percent (2.668%) 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 Schedule 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 Bond shall be payable only upon presentation and surrender of this Bond 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 Bond is registered at the close of business on the fifteenth day of the calendar month next preceding such interest payment date.

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

This Bond 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 Bond, 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 Bond shall be issued to the transferee in exchange therefor. The Municipality 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 integral multiple thereof.

This Bond is issued for the purpose of providing for the payment of the cost of constructing improvements to the Waterworks System of the Municipality, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted January 12, 2010, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$613,751 Waterworks System Revenue Bonds, Series 2010, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues derived from the operation of the Waterworks System of the Municipality (the "Utility"). The Bonds are issued on a parity with the Municipality's Waterworks System Mortgage Revenue Bonds, dated April 1, 2003 and Waterworks System Mortgage Revenue Bonds, dated November 15, 2006, as to the pledge of income and revenues of the Utility. This Bond does not constitute an indebtedness of said Municipality within the meaning of any constitutional or statutory debt limitation or provision.

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 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 said Municipality from the operation of its Utility 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 the signatures of its Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF STOUGHTON,
WISCONSIN

(SEAL)

By: _____
James S. Griffin
Mayor

By: _____
Luann J. Alme
City Clerk

COPY

(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 Bond and all rights thereunder, hereby irrevocably constituting and appointing

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

Dated: _____

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

Signature(s) guaranteed by

SCHEDULE A

\$613,751

CITY OF STOUGHTON, WISCONSIN
WATERWORKS SYSTEM REVENUE BONDS, SERIES 2010

| <u>Amount of Disbursement</u> | <u>Date of Disbursement</u> | <u>Series of Bonds</u> | <u>Principal Repaid</u> | <u>Principal Balance</u> |
|-------------------------------|-----------------------------|------------------------|-------------------------|--------------------------|
| _____ | _____ | _____ | _____ | _____ |
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| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

| <u>Date</u> | <u>Principal Amount</u> |
|-------------|-----------------------------|
| May 1, 2011 | \$25,224.10 |
| May 1, 2012 | 25,897.08 |
| May 1, 2013 | 26,588.02 |
| May 1, 2014 | 27,297.39 |
| May 1, 2015 | 28,025.68 |
| May 1, 2016 | 28,773.41 |
| May 1, 2017 | 29,541.08 |
| May 1, 2018 | 30,329.24 |
| May 1, 2019 | 31,138.42 |
| May 1, 2020 | 31,969.19 |
| May 1, 2021 | 32,822.13 |
| May 1, 2022 | 33,697.83 |
| May 1, 2023 | 34,596.88 |
| May 1, 2024 | 35,519.93 |
| May 1, 2025 | 36,467.60 |
| May 1, 2026 | 37,440.56 |
| May 1, 2027 | 38,439.47 |
| May 1, 2028 | 39,465.03 |
| May 1, 2029 | 40,517.96 |

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED
NO. _____

UNITED STATES OF AMERICA
STATE OF WISCONSIN
DANE COUNTY
CITY OF STOUGHTON

REGISTERED
\$ _____

WATERWORKS SYSTEM REVENUE BOND, SERIES 2010

Final
Maturity Date

Date of
Original Issue

May 1, 2029

_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

FOR VALUE RECEIVED the City of Stoughton, Dane County, Wisconsin (the "Municipality") hereby acknowledges itself to owe and 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 _____ DOLLARS (\$ _____) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2011 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 2.668% 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, 2010.

The principal amount evidenced by this Bond 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, 2011 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 Two and 668/1000ths percent (2.668%) 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 Schedule 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 Bond shall be payable only upon presentation and surrender of this Bond 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 Bond is registered at the close of business on the fifteenth day of the calendar month next preceding such interest payment date.

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

This Bond 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 Bond, 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 Bond shall be issued to the transferee in exchange therefor. The Municipality 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 integral multiple thereof.

This Bond is issued for the purpose of providing for the payment of the cost of constructing improvements to the Waterworks System of the Municipality, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted January 12, 2010, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$613,751 Waterworks System Revenue Bonds, Series 2010, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues derived from the operation of the Waterworks System of the Municipality (the "Utility"). The Bonds are issued on a parity with the Municipality's Waterworks System Mortgage Revenue Bonds, dated April 1, 2003 and Waterworks System Mortgage Revenue Bonds, dated November 15, 2006, as to the pledge of income and revenues of the Utility. This Bond does not constitute an indebtedness of said Municipality within the meaning of any constitutional or statutory debt limitation or provision.

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 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 said Municipality from the operation of its Utility 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 the signatures of its Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF STOUGHTON,
WISCONSIN

(SEAL)

By: _____
James S. Griffin
Mayor

By: _____
Luann J. Alme
City Clerk

(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 Bond and all rights thereunder, hereby irrevocably constituting and appointing

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

Dated: _____

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

Signature(s) guaranteed by

SCHEDULE A

\$613,751

CITY OF STOUGHTON, WISCONSIN
WATERWORKS SYSTEM REVENUE BONDS, SERIES 2010

| <u>Amount of Disburse- ment</u> | <u>Date of Disbursement</u> | <u>Series of Bonds</u> | <u>Principal Repaid</u> | <u>Principal Balance</u> |
|---|---------------------------------|----------------------------|-----------------------------|------------------------------|
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
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| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

| <u>Date</u> | <u>Principal Amount</u> |
|-------------|-----------------------------|
| May 1, 2011 | \$25,224.10 |
| May 1, 2012 | 25,897.08 |
| May 1, 2013 | 26,588.02 |
| May 1, 2014 | 27,297.39 |
| May 1, 2015 | 28,025.68 |
| May 1, 2016 | 28,773.41 |
| May 1, 2017 | 29,541.08 |
| May 1, 2018 | 30,329.24 |
| May 1, 2019 | 31,138.42 |
| May 1, 2020 | 31,969.19 |
| May 1, 2021 | 32,822.13 |
| May 1, 2022 | 33,697.83 |
| May 1, 2023 | 34,596.88 |
| May 1, 2024 | 35,519.93 |
| May 1, 2025 | 36,467.60 |
| May 1, 2026 | 37,440.56 |
| May 1, 2027 | 38,439.47 |
| May 1, 2028 | 39,465.03 |
| May 1, 2029 | 40,517.96 |



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor
Matthew J. Frank, Secretary

101 S. Webster St.
Box 7921
Madison, Wisconsin 53707-7921
Telephone 608-266-2621
FAX 608-267-3579
TTY Access via relay - 711

December 30, 2009

MR. ROBERT KARDASZ, DPW
CITY OF STOUGHTON
600 S. FOURTH STREET
STOUGHTON WI 53589

SUBJECT: Safe Drinking Water Loan Program, Project No. 5403-01
Construct Storage & Connecting Main, Modify SCADA
Financial Assistance Agreement – January 27, 2010

Dear Mr. Kardasz:

Your project manager prepared the following loan closing documents for your Safe Drinking Water Loan Program (SDWLP) project:

1. SDWLP Loan Closing Schedule - Attachment 1
2. Financial Assistance Agreement Summary/Distribution Sheet - Attachment 2
3. Financial Assistance Agreement (FAA)

To close the loan on January 27, 2010, we need to follow the Loan Closing Schedule (Attachment 1).

The City of Stoughton has three (3) working days upon receipt of wired SDWLP funds to:

1. Pay the project invoices identified in the SDWLP disbursement request;
2. Reimburse an internal municipal account from which eligible project costs were paid. This reimbursement must adhere to current U.S. Treasury Regulations; or
3. Disburse payments to the bank or financial institution for projects that are being refinanced.

Execution of the FAA creates a binding obligation in all respects. Any negotiation of terms and conditions or determinations must occur prior to adoption of the Municipal Obligation Resolution and execution of the enclosed document.

The Project Manager Summary Page (Exhibit F of the FAA) further explains certain assumptions and decisions affecting preparation of your FAA.

Please contact your project manager, Navin Jarugumilli, at 608-267-0490 for further assistance with execution of the FAA, Request for Disbursement (Form 8700-215) and other SDWLP closing documents.

Thank you for your interest in the Safe Drinking Water Loan Program.

Sincerely,



Mary Rose Teves, Acting Director
Bureau of Community Financial Assistance

MRT:nj

Attachments

cc: Jim Witthuhn – DG/5 (w/attachments 1 & 2)
Rebecca Speckhard, Quarles & Brady - Milwaukee (w/attachments)
Mike Forslund, Strand Associates, Inc. - Madison (w/attachments 1, 2, & Exhibits A & F)
A. Heintz – DOA/10 - Electronic Copy
Bernie Robertson - SCR/Fitchburg - Electronic Copy

ATTACHMENT #1

Safe Drinking Water Loan Program Project No. 5403-01
American Recovery and Reinvestment Act Assistance
City of Stoughton
Construct Storage & Connecting Main, Modify SCADA
Financial Assistance Agreement
Closing Schedule

By 12/30/2009:

- Department of Natural Resources (DNR) project manager distributes Financial Assistance Agreement (FAA) to Quarles & Brady and municipality for review.

By 1/6/2010:

- Quarles & Brady distributes draft Municipal Obligation Resolution and other bond documents to the City of Stoughton, Department of Administration (DOA) for review.

By 1/8/2010:

- Municipality submits Request for Disbursement (Form 8700-215) with supporting invoices for first disbursement.

By 1/12/2010:

- Municipality holds properly noticed meeting at which time:
 1. Municipal Obligation Resolution is adopted
 2. Bond/Note 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.

By 1/13/2010:

- 1. Municipality immediately returns FAA to DNR for countersigning by DNR.
 2. Municipality delivers signed & sealed Resolution & other bond/note documents to Quarles & Brady.

By 1/22/2010:

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

1/27/2010:

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

Safe Drinking Water Loan Program Project No. 5403-01
American Recovery and Reinvestment Act Assistance
City of Stoughton
Construct Storage & Connecting Main, Modify SCADA
Financial Assistance Agreement Summary/Distribution Sheet

FINANCIAL ASSISTANCE INFO

Total Project Amount \$1,353,662

Principal Forgiveness Amount \$613,751 Net SDWLP Loan Amount \$613,751

Internal Funding \$126,160

Pledge: Revenue Lien Priority: Senior Parity

Composite Interest Rate: 2.668%

DOCUMENT INFO

Anticipated Date of Municipal Obligation Resolution – 1/12/2010

CLOSING INFO

Estimated Reimbursement: \$76,606

DISTRIBUTION

Department of Natural Resources

Navin Jarugumilli
Bureau of Community Financial Assistance
101 South Webster, 2nd Floor
PO Box 7921
Madison WI 53707-7921
608-267-0490
FAX – 608-267-0496

Department of Administration

Aaron Heintz
DOA – Environmental Improvement Fund
101 East Wilson Street, 10th Floor
PO Box 7864
Madison WI 53707-7864
608-266-0739
FAX – 608-266-7645

Municipality

Mr. Robert Kardasz, Director Of Public Works
City of Stoughton
600 S. Fourth Street
Stoughton WI 53589
608-873-3379
FAX – 608-873-4878

Engineering Firm

Mr. Mike Forslund
Strand Associates, Inc.
910 West Wingra Drive
Madison WI 53715-1943
608-251-4843
FAX – 608-251-8655

Municipal Bond Counsel

Ms. Rebecca A Speckhard, Attorney
Quarles & Brady
411 East Wisconsin Avenue
Milwaukee WI 53202-4497
414-277-5000
FAX – 414-271-3552

RETURN INSTRUCTIONS

- ✓ Sign the Financial Assistance Agreement (FAA) at your municipal meeting on JANUARY 12, 2010
- ✓ Return the FAA to your DNR Project Manager. Choose a delivery method that will get the FAA to DNR within two days after your meeting date (by JANUARY 14, 2010).

Returning the FAA to DNR immediately is important. This allows your project manager enough time to obtain signatures at DOA and DNR and to provide copies to your bond counsel to include in the bond transcript prior to the loan closing.

The DNR postal address is:

NAVIN JARUGUMILLI
DEPARTMENT OF NATURAL RESOURCES - CF/2
COMMUNITY FINANCIAL ASSISTANCE
PO BOX 7921
MADISON WI 53707-7921

The DNR street address for overnight delivery services is:

NAVIN JARUGUMILLI - 2nd Floor
DEPARTMENT OF NATURAL RESOURCES
COMMUNITY FINANCIAL ASSISTANCE
101 S. WEBSTER ST.
MADISON WI 53703

--- RECOMMENDED

The general telephone number for the DNR Bureau of Community Financial Assistance is (608) 266-7555.

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 8/09

STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM
AMERICAN RECOVERY AND REINVESTMENT ACT ASSISTANCE

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF ADMINISTRATION

and

CITY OF STOUGHTON

\$1,227,502 With \$613,751 PRINCIPAL FORGIVENESS

FINANCIAL ASSISTANCE AGREEMENT

Dated as of January 27, 2010

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. 13281
Safe Drinking Water Loan Program Project No. 5403-01

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WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated January 27, 2010, between the STATE OF WISCONSIN Safe Drinking Water Loan Program (the "SDWLP"), by the Department of Natural Resources (the "DNR") and the Department of Administration (the "DOA"), acting under authority of ss. 281.59 and 281.61, Wis. Stats., as amended (the "Act"), and the City of Stoughton, a municipality within the meaning of the Act, duly organized and existing under the laws of the State of Wisconsin (the "Municipality"); and

WHEREAS, the United States, pursuant to the Federal Safe Drinking Water Act Amendments of 1996 (the "Safe Drinking Water Act"), requires each state to establish a drinking water revolving loan fund to be administered by an instrumentality of the state before the state may receive capitalization grants for eligible projects from the United States Environmental Protection Agency (the "EPA"), or any successor which may succeed to the administration of the program established by the Safe Drinking Water Act; and

WHEREAS, the State of Wisconsin has, pursuant to ss. 281.59 and 281.61, Wis. Stats., established the SDWLP to be used in part for purposes of the Safe Drinking Water Act; and

WHEREAS, the State of Wisconsin has, pursuant to s. 25.43, Wis. Stats., established a State of Wisconsin Environmental Improvement Fund which includes the SDWLP; and

WHEREAS, DNR and DOA have the joint responsibility to provide SDWLP financial assistance to municipalities for the construction of eligible drinking water projects, all as set forth in the Act; and

WHEREAS, the Municipality has submitted to DNR an application for financial assistance (the "Application") for a project (the "Project"), DNR has approved the Application, and determined the Application meets DNR criteria for Project eligibility established in applicable state statutes and regulations; and

WHEREAS, DNR has determined that the Municipality and the Project are not ineligible for financial assistance under s. 281.61(2g), Wis. Stats.; and

WHEREAS, DOA has determined the SDWLP will provide financial assistance to the Municipality by making a loan (the "Loan") pursuant to s. 281.59(9), Wis. Stats., for the purposes of that subsection and providing Principal Forgiveness; and

WHEREAS, the Municipality has pledged the security, if any, required by DOA, and the Municipality has demonstrated to the satisfaction of DOA the financial capacity to ensure sufficient revenues to operate and maintain the Project for its useful life and to pay debt service on the obligations it issues for the Project; and

WHEREAS, the Municipality certifies to the SDWLP that it has created a dedicated source of revenue, for repayment of the Municipal Obligations; and

WHEREAS, approval of facility plans or engineering reports and Plans and Specifications for the Project has been obtained by the Municipality from DNR subject to the provisions of applicable State environmental standards set forth in law, rules and regulations;

NOW, THEREFORE, in consideration of the promises and of the mutual representations, covenants and agreements herein set forth, the SDWLP and the Municipality, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:

ARTICLE I
DEFINITIONS; RULES OF INTERPRETATION

Section 1.01. Definitions The following capitalized terms as used in this FAA shall have the following meanings:

"Act" means ss. 281.59 and 281.61, Wis. Stats., as amended.

"Application" means the written application of the Municipality dated April 30, 2009, for financial assistance under the Act.

"ARRA" means the federal American Recovery and Reinvestment Act of 2009.

"Bonds" means bonds or notes issued by the State pursuant to the General Resolution, all or a portion of the proceeds of which shall be applied to make the Loan.

"Business Day" means any day on which State offices are open to conduct business.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor provisions.

"DNR" means the State of Wisconsin Department of Natural Resources and any successor entity.

"DOA" means the State of Wisconsin Department of Administration and any successor entity.

"EPA" means the United States Environmental Protection Agency or any successor entity that may succeed to the administration of the program established by the Safe Drinking Water Act.

"FAA" means this Financial Assistance Agreement.

"Final Completion" means the Project construction is complete, DNR or agents thereof have certified that the Project was constructed according to DNR approved Plans and Specifications and that the facilities are operating according to design, and DNR has completed all necessary Project closeout procedures.

"Financial Assistance" means any proceeds provided under this Financial Assistance Agreement in the form of a Loan of which part of the Loan principal will be forgiven.

"Financial Assistance Agreement" means this Financial Assistance Agreement between the SDWLP by DNR, DOA and the Municipality as the same may be amended from time to time in accordance with Section 6.04 hereof.

"General Resolution" means the Clean Water Revenue Bond General Resolution adopted by the State of Wisconsin Building Commission, as such may from time to time be amended or supplemented by Series Resolutions or Supplemental Resolutions in accordance with the terms and provisions of the General Resolution.

"Loan" means the loan or loans made by the SDWLP to the Municipality of which a portion of the principal will be forgiven pursuant to this FAA.

"Loan Disbursement Table" means the table, the form of which is included as Exhibit C hereto, with columns for inserting the following information for the portion of the Loan which is to be repaid with interest:

- (a) amount of each disbursement,
- (b) date of each disbursement,

- (c) the series of Bonds from which each disbursement is made,
- (d) principal amounts repaid,
- (e) outstanding principal balance.

"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 action 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 special obligations of the Municipality secured as to payment of principal, interest and redemption price by the pledged revenues as set forth therein;
- (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 Stoughton, a "local governmental unit" within the meaning of the Act, duly organized and existing under the laws of the State, and any successor entity.

"Parity Obligations" means the Municipality's \$520,000 Waterworks System Mortgage Revenue Bonds, dated April 1, 2003, the \$1,925,000 Waterworks System Mortgage Revenue Bonds, dated November 15, 2006, and any other obligations issued on a parity with the Municipal Obligations pursuant to the restrictive provisions of Section 11 of the Municipal Obligation Resolution.

"Plans and Specifications" means the Project design plans and specifications assigned No. W-2009-0410, approved by DNR on May 14, 2009, 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, ARRA, Regulations, and this FAA of which no repayment thereof shall be required except as may be required per the Act, ARRA, Regulations, or this FAA. The amount of principal forgiveness available for this Project as of the date of this FAA is \$613,751.

"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. 5403-01 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.

"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.

"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.

Section 1.02. Rules of Interpretation Unless the context clearly indicates to the contrary, the following rules shall apply to the context of this FAA:

- (a) Words importing the singular number shall include the plural number and vice versa, and one gender shall include all genders.
- (b) All references herein to particular articles or sections are references to articles or sections of this FAA.
- (c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this FAA nor shall they affect its meaning, construction or effect.
- (d) The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this FAA refer to the FAA in its entirety and not the particular article or section of this FAA in which they appear, and the term "hereafter" means after, and the term "heretofore" means before, the date of delivery of this FAA.
- (e) All accounting terms not otherwise defined in this FAA have the meanings assigned to them in accordance with generally accepted accounting principles, and all computations provided for herein shall be made in accordance with generally accepted accounting principles.

ARTICLE II
REPRESENTATIONS

Section 2.01. Representations of the SDWLP The SDWLP represents and warrants as follows:

- (a) The State is authorized to issue the Bonds in accordance with the Act and the General Resolution and to use the proceeds thereof to provide funds for the Financial Assistance provided to the Municipality to undertake and complete the Project.
- (b) The SDWLP has complied with the provisions of the Act and has full power and authority to execute and deliver this FAA and to consummate the transactions contemplated hereby and perform its obligations hereunder.
- (c) The SDWLP is not in violation of any of the provisions of the Constitution or laws of the State which would affect its powers referred to in the preceding paragraph (b).
- (d) Pursuant to ss. 281.59 and 281.61, Wis. Stats., the SDWLP is authorized to execute and deliver the FAA and to take actions, and make determinations that are required of the SDWLP under the terms and conditions of the FAA.
- (e) The execution and delivery by the SDWLP of this FAA and the consummation of the transactions contemplated by this FAA shall not violate any indenture, mortgage, deed of trust, note, agreement or other contract or instrument to which the State is a party or by which it is bound, or to the best of the SDWLP's knowledge, any judgment, decree, order, statute, rule or regulation applicable to the SDWLP, and all consents, approvals, authorizations and orders of governmental or regulatory authorities that are required for the consummation of the transactions contemplated thereby have been obtained.
- (f) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the knowledge of the SDWLP, threatened against or affecting the SDWLP, or to the knowledge of the SDWLP, any basis therefore, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or which, in any way, could adversely affect the validity of this FAA or any agreement or instrument to which the State is a party and which is used or contemplated for use in consummation of the transactions contemplated by each of the foregoing.
- (g) The Project is on the DNR funding list for the 2011 state fiscal year.

Section 2.02. Representations of the Municipality The Municipality represents, covenants and warrants as follows:

- (a) The Municipality possesses the legal municipal form of a city under ch. 62, Wis. Stats. The Municipality is located within the State and is a "municipality" within the meaning of the Act, duly organized and existing under the laws of the State, and has full legal right, power and authority to:
 - (1) conduct its business and own its properties,
 - (2) enter into this FAA,
 - (3) adopt the Municipal Obligation Resolution,
 - (4) issue and deliver the Municipal Obligations to the SDWLP as provided herein, and
 - (5) carry out and consummate all transactions contemplated by each of the aforesaid documents.
- (b) The Municipality is in compliance with its Water Diversion Permit (if any).

- (c) With respect to the issuance of the Municipal Obligations, the Municipality has complied with the Municipal Obligation Resolution and with all applicable laws of the State.
- (d) The governing body of the Municipality has duly approved the execution and delivery of this FAA and the issuance and delivery of the Municipal Obligations in the aggregate principal amount of \$613,751, and has authorized the taking of any and all action as may be required on the part of the Municipality and its authorized officers to carry out, give effect to and consummate the transactions contemplated by each of the foregoing.
- (e) This FAA and the Municipal Obligations have each been duly authorized, executed and delivered and constitute legal, valid and binding obligations of the Municipality, enforceable in accordance with their respective terms.
- (f) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Municipality, threatened against or affecting the Municipality, or to the knowledge of the Municipality any basis therefore:
- (1) affecting the creation, organization or existence of the Municipality or the title of its officers to their respective offices;
 - (2) seeking to prohibit, restrain or enjoin the execution of this FAA or the issuance or delivery of the Municipal Obligations;
 - (3) in any way contesting or affecting the validity or enforceability of the Municipal Obligation Resolution, the Municipal Obligations, this FAA, or any agreement or instrument relating to any of the foregoing or used or contemplated for use in the consummation of the transactions contemplated by this FAA; or
 - (4) wherein an unfavorable decision, ruling or finding could adversely affect the transactions contemplated hereby or by the Municipal Obligation Resolution or the Municipal Obligations.
- (g) The Municipality is not in any material respect in breach of or in default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any agreement or other instrument to which the Municipality is a party or by which it or any of its properties is bound, and no event has occurred that, with the passage of time, the giving of notice, or both, could constitute such a breach or default. The execution and delivery of this FAA, the issuance and delivery of the Municipal Obligations, the adoption of the Municipal Obligation Resolution and compliance with the respective provisions thereof shall not conflict with, or constitute a breach of, or default under any applicable law or administrative regulation of the State or of the United States or any applicable judgment or decree or any agreement or other instrument to which the Municipality is a party, or by which it or any of its property is bound.
- (h) The Municipal Obligations constitute validly issued, legally binding special obligations of the Municipality secured as set forth therein.
- (i) The resolutions of the Municipality accepting the Financial Assistance and the Municipal Obligation Resolution have been duly adopted by the Municipality and remain in full force and effect as of the date hereof.
- (j) The Municipality has full legal right and authority and all necessary permits, licenses and approvals (other than such permits, licenses, easements or approvals which are not, by their

nature, obtainable prior to Substantial Completion of the Project) required as of the date hereof to own the Project, to carry on its activities relating thereto, to undertake and complete the Project and to carry out and consummate all transactions contemplated by this FAA.

(k) The Municipality represents that it has not made any commitment or taken any action that shall result in a valid claim for any finders' or similar fees or commitments in respect to the issuance and sale of the Municipal Obligations and the making of the Loan under this FAA.

(l) Each of the facilities constituting a part of the Project is eligible for financing from the SDWLP and the estimated cost of the Project is equal to or in excess of the principal amount of the Municipal Obligations. The Project has satisfied the requirements of the State Environmental Review Procedures contained in the Regulations. The Project is an eligible project under s. 281.61(2), Wis. Stats. Portions of the Project that are ineligible for financing from the SDWLP are listed within the Project Manager Summary Page attached hereto as Exhibit F. The Municipality intends the Project to be and continue to be an eligible Project under the Act during the term of this FAA.

(m) All amounts shown in Exhibit A of this FAA are costs of a Project eligible for financial assistance from the SDWLP under the Act. All proceeds of any borrowing of the Municipality that have been spent and which are being refinanced with the proceeds of the Financial Assistance made hereunder have been spent on eligible Project Costs. All Project Costs are reasonable, necessary and allocable by the Municipality to the Project under generally accepted accounting principles. None of the proceeds of the Financial Assistance shall be used directly or indirectly by the Municipality as working capital or to finance inventory, as opposed to capital improvements.

(n) The Project is in compliance with all applicable federal, state and local laws and ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality. The Municipality intends to proceed with due diligence to complete the Project pursuant to Section 4.04 hereof. The Municipality has complied with and completed all requirements of DNR necessary to commence construction of the Project prior to the date hereof.

(o) The Municipality does not intend to lease the Project or enter into a long-term contract for operation of the Project except as set forth in Exhibit D.

(p) The Municipality shall not take or omit to take any action which action or omission shall in any way cause the proceeds of the Bonds to be applied in a manner contrary to that provided in the General Resolution, as the same is in force from time to time.

(q) The Municipality has not taken and shall not take any action and presently knows of no action, that any other person, firm or corporation has taken or intends to take, that would cause interest on the Municipal Obligations to be includable in the gross income of the owners of the Municipal Obligations for federal income tax purposes. The representations, certifications and statements of reasonable expectation made by the Municipality as referenced in the Municipal Obligation Counsel Opinion and No Arbitrage Certificate are hereby incorporated by this reference as though fully set forth herein.

(r) Other than (1) "preliminary expenditures" as defined in the Treas. Regs. 26 CFR 1.150-2 in an amount not exceeding 20% of the principal amount of the Municipal Obligations, or (2) a "de minimis" amount as defined in the Treas. Regs. 26 CFR 1.150-2 in an amount not exceeding the lesser of \$100,000 or 5% of the principal amount of the Municipal Obligations, all of the proceeds of the Bonds loaned to the Municipality (other than refunding proceeds, if any) shall be used for Project Costs paid by the Municipality subsequent to a date which is 60 days prior to the date on which the Municipality adopted a reimbursement resolution pursuant to Treas. Regs. 26 CFR

1.150-2 stating its intent to reimburse other funds of the Municipality used to finance the Project, or subsequent to the issuance date of the Municipal Obligations.

- (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 adopted a rate, charge or assessment schedule 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 expected or actual Substantial Completion date of the Project is October 31, 2010.
- (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 |
|------|----------------|---------------|-----------------|
| 2007 | \$ 566,897.49 | \$ 715,571.44 | \$ 1,282,468.93 |
| 2008 | \$ 590,345.20 | \$ 716,287.59 | \$ 1,306,632.79 |

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

| | | | |
|------|---------------|---------------|-----------------|
| 2009 | \$ 604,118.63 | \$ 717,716.10 | \$ 1,321,834.73 |
|------|---------------|---------------|-----------------|

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.

(bb) The Municipality submitted a water rate application to the Public Service Commission. This water rate application is for Water Rates that shall generate sufficient revenues, together with other funds available to the Municipality, to pay all costs of operating and maintaining the facilities of the Municipality's entire Water System, in accordance with this FAA. The Municipality implemented the Water Rates upon the Wisconsin Public Service Commission's approval of the rate order.

(cc) The Municipality acknowledges that it is eligible to receive Financial Assistance in the form of a Loan of \$1,227,502 with Principal Forgiveness of \$613,751 for payment of Project Costs. Note that additional Principal Forgiveness may be awarded by the SDWLP for this Project as described in Section 6.13 of this document.

ARTICLE III
LOAN PROVISIONS

Section 3.01. Loan Clauses

- (a) Subject to the conditions and in accordance with the terms of this FAA, the SDWLP hereby agrees to make the Loan and the Municipality agrees to accept the Loan. As evidence of the portion of the Loan made to the Municipality remaining subsequent to the Principal Forgiveness, the Municipality hereby agrees to sell to the SDWLP Municipal Obligations in the aggregate principal amount of \$613,751. The SDWLP shall pay for the Municipal Obligations in lawful money of the United States, which shall be disbursed as provided in this FAA.
- (b) Prior to disbursement, Loan proceeds shall be held by the SDWLP or by the Trustee for the account of the SDWLP. Earnings on undisbursed Loan proceeds shall be for the account of the SDWLP. Loan proceeds shall be disbursed only upon submission by the Municipality of disbursement requests and approval thereof as set forth in Section 3.05 hereof.
- (c) The Loan shall bear interest at the rate of two and 668/1000ths percent (2.668%) per annum, and interest shall accrue and be payable only on Loan principal amounts actually disbursed on the Municipal Obligations, from the date of disbursement until the date such amounts are repaid or forgiven.
- (d) Disbursements of Financial Assistance shall generally first be made in the form of a Loan disbursement on the Municipal Obligations which must be at least 5% of the Municipal Obligation amount or \$50,000, whichever is less, second in the form of Loan disbursements subject to Principal Forgiveness up to \$613,751 and third in the form of Loan disbursements on the Municipal Obligations. Principal Forgiveness will be applied at the time of Loan disbursement except as provided in Section 3.04(e) when additional Principal Forgiveness is available for SDWLP Loans.
- (e) The Municipal Obligation shall include the Loan Disbursement Table (Exhibit C). The actual dates of disbursements shall be reflected as part of the Municipal Obligations. DOA shall make entries as each disbursement is made and as each principal amount is repaid; the SDWLP and the Municipality agree that such entries shall be mutually binding.
- (f) Upon Final Completion of the Project, DOA may request that the Municipality issue substitute Municipal Obligations in the aggregate principal amount equal to the outstanding principal balance of the Municipal Obligations.
- (g) The Municipality shall deliver, or cause to be delivered, a Municipal Obligation Counsel Opinion to the SDWLP concurrently with the delivery of the Municipal Obligations.

Section 3.02. Municipal Obligations Amortization Principal and interest payments on the Municipal Obligations shall be due on the dates set forth in Exhibit B of this FAA. The payment amounts shown on Exhibit B are for informational purposes only and assume the full amount of the Municipal Obligations is disbursed and that the full amount of Principal Forgiveness available is applied to the Loan on January 27, 2010. It is understood that the actual amount of the Municipality's Municipal Obligations payments shall be based on the actual date and amount of disbursements on the Municipal Obligations. Notwithstanding the foregoing or anything in the Municipal Obligations, the Municipal Obligations shall be for no longer than twenty (20) years from the date of this FAA, and shall mature and be fully amortized not later than twenty (20) years after the original issue date of the Municipal Obligations. Repayment of principal on the Municipal Obligations shall begin not later than twelve (12) months after the expected or actual Substantial Completion date of the Project.

Section 3.03. Type of Municipal Obligation and Security The Municipality's obligation to meet annual debt service requirements on the Municipal Obligations shall be a revenue obligation evidenced by issuance of revenue bonds pursuant to s. 66.0621, Wis. Stats. The security for the Municipality's obligation shall be a pledge of revenues to be derived from the Municipality's Water System, and the Municipality shall agree that if revenues from the Water System are insufficient to meet annual debt service requirements, the Municipality shall purchase water services in amounts sufficient to meet annual debt service requirements as provided in and set forth in Section 9 of the Municipal Obligation Resolution. The annual revenues net of all current expenses shall be equal to not less than the annual principal and interest requirements on the Municipal Obligations, any Parity Obligations, and any other debt obligations payable from the revenues of the Water System then outstanding, times the greater of (i) 110 percent or (ii) the highest debt service coverage ratio required with respect to any Parity Obligations or any other debt obligations payable from the revenues of the Water System then outstanding. As of the date of this FAA, the required debt service coverage ratio is 130 percent; however, this percentage is subject to change as outlined in the prior sentence. The Municipal Obligations are also secured as provided in Section 3.07 hereof.

Section 3.04. Sale and Redemption of Municipal Obligations

- (a) Municipal Obligations may not be prepaid without the prior written consent of the SDWLP. The SDWLP has sole discretion to withhold such consent.
- (b) The Municipality shall pay all costs and expenses of the SDWLP in effecting the redemption of the Bonds to be redeemed with the proceeds of the prepayment of the Municipal Obligations. Such costs and expenses may include any prepayment premium applicable to the SDWLP and any investment losses incurred or sustained by the SDWLP resulting directly or indirectly from any such prepayment.
- (c) Subject to subsection (a), the Municipality may prepay the Municipal Obligations with any settlements received from any third party relating to the design or construction of the Project.
- (d) Prepayments of the Municipal Obligations shall be applied pro rata to all maturities of the Municipal Obligations.
- (e) The SDWLP may award additional Principal Forgiveness for this Project, beyond the amount shown on the cover page of this document, if the SDWLP determines that additional Principal Forgiveness funds are available. If additional Principal Forgiveness is awarded for this Project after the FAA is signed by all parties, the SDWLP will notify the Municipality in writing of the amount of the additional Principal Forgiveness available to the Municipality.

Any additional Principal Forgiveness will be provided to the Municipality on a date (or dates) to be determined solely by the SDWLP. The additional Principal Forgiveness will be applied as either a prepayment of the outstanding principal balance of the Municipal Obligation (pro rata to all maturities) or to future Loan disbursements at the discretion of the SDWLP. Any additional Principal Forgiveness awarded shall be for the benefit of this Project in accordance with the terms of this FAA, and shall comply with all of the terms of this FAA.

Section 3.05. Disbursement of Financial Assistance

- (a) Under this FAA, Financial Assistance shall be drawn in the order specified in Section 3.01(d) of this document.

(b) Each disbursement request shall be delivered to DNR. Each request must contain invoices or other evidence acceptable to DNR and DOA that Project Costs for which disbursement is requested have been incurred by the Municipality.

(c) The SDWLP, through its agents or Trustee, plans to make disbursements of Financial Assistance on a semimonthly basis, upon approval of each disbursement request by DNR and DOA. Such approval by DNR and DOA may require adjustment and corrections to the disbursement request submitted by the Municipality. The Municipality shall be notified whenever such an adjustment or correction is made by DNR or DOA.

(d) Disbursements made to the Municipality are subject to pre- and post-payment adjustments by DNR or DOA.

(1) If the Financial Assistance is not yet fully disbursed, and SDWLP funds were previously disbursed for non-eligible SDWLP funded Project Costs, the SDWLP shall make necessary adjustments to future disbursements.

(2) If the Financial Assistance is fully disbursed, including disbursements for any non-eligible SDWLP funded Project Costs, the Municipality agrees to repay to the SDWLP an amount equal to the non-eligible SDWLP funded Project Costs within 60 days of notification by DNR or DOA. The SDWLP shall then apply the amount it receives as a Loan prepayment or as a recovery of a Loan disbursement with Principal Forgiveness (if there is no outstanding Loan principal balance available to apply the recovery to).

(e) The SDWLP or its agent shall disburse Financial Assistance only to the Municipality's account by electronic transfer of funds. The Municipality hereby covenants that it shall take actions and provide information necessary to facilitate these transfers.

(f) Disbursement beyond ninety-five percent (95%) of the Financial Assistance, unless otherwise agreed to by DNR and DOA pursuant to a written request from the Municipality, may be withheld until:

(1) DNR is satisfied that the Project has been completed in accordance with the Plans and Specifications, and DNR has approved all change orders relating to the Project;

(2) The Municipality certifies to DNR its acceptance of the Project from its contractors;

(3) The Municipality certifies in writing to DNR its compliance with the ARRA wage rate and Buy American requirements. Certification must be as prescribed on Exhibit G;

(4) The Municipality shall furnish reports, provide data and such other information as SDWLP may require prior to Project closeout; and

(5) DNR certifies in writing to DOA the Municipality's compliance with all applicable requirements of this FAA.

(g) The following IRS Regulation applies to project expenditures. IRS Regulation 1.148-6(d)(1)(iii), which states, in part, "An issuer must account for the allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the project, if any, that is financed by the issue is placed in service".

Section 3.06. Remedies

(a) If the Municipality:

- (1) or any authorized representative is not complying with federal or state laws, regulations, or requirements relating to the Project, and following due notice by DNR the Project is not brought into compliance within a reasonable period of time; or
- (2) is not complying with or is in violation of any provision set forth in this FAA; or
- (3) is not in compliance with the Act or the Regulations;

then DNR may, until the Project is brought into compliance or the FAA non-compliance is cured to the satisfaction of DNR or DOA, impose one (1) or more of the following sanctions:

- (i) Progress payments or disbursements otherwise due the Municipality of up to 20% may be withheld.
- (ii) Project work may be suspended.
- (iii) DNR may request a court of appropriate jurisdiction to enter an injunction or afford other equitable or judicial relief as the court finds appropriate.
- (iv) Other administrative remedies may be pursued.

(b) If the Municipality fails to make any payment when due on the Municipal Obligations or fails to observe or perform any other covenant, condition, or agreement on its part under this FAA for a period of thirty (30) days after written notice is given to the Municipality by DNR, specifying the default and requesting that it be remedied, the SDWLP is provided remedies by law and this FAA. These remedies include, but are not limited to, the following rights:

- (1) Pursuant to s. 281.59(11)(b), Wis. Stats., DOA shall place on file a certified statement of all amounts due the SDWLP under this FAA. DOA may collect all amounts due the SDWLP by deducting those amounts from any State payments due the Municipality, or add a special charge to the amount of taxes apportioned to and levied upon the county in which the Municipality is located under s. 70.60, Wis. Stats.
- (2) The SDWLP may, without giving bond to the Municipality or anyone claiming under it, have a receiver appointed for the SDWLP's benefit of the Project and the Municipality's Water System and of the earnings, income, rents, issues and profits thereof, with such powers as the court making such appointment shall confer. The Municipality hereby irrevocably consents to such appointment.
- (3) In the case of a joint utility system, the SDWLP may bill the users of the Municipality's system directly.
- (4) The SDWLP may declare the principal amount of the Municipal Obligations immediately due and payable.
- (5) The SDWLP may enforce any right or obligation under this FAA, including the right to seek specific performance or mandamus, whether such action is at law or in equity.

(6) The SDWLP may increase the interest rate set forth in Section 3.01 hereof to the market interest rate as defined in the Act and Regulations.

Section 3.07. Security for the Municipal Obligations In accordance with the terms of the Municipal Obligation Resolution:

- (a) as security for the Municipal Obligations, the Municipality hereby pledges the revenue to be derived from the Municipality's Water Rates (which is a dedicated source of revenue); and
- ✓ (b) other than as already pledged to the outstanding Parity Obligations, the Municipality shall not pledge the revenues, except as provided in Section 11 of the Municipal Obligation Resolution, to be derived from the Municipality's Water Rates or other revenues pledged under Section 3.07(a), above, to any person other than the SDWLP, unless the revenues pledged to such other person meet the highest debt coverage ratio then applicable to the Municipality.

Section 3.08. Effective Date and Term This FAA shall become effective upon its execution and delivery by the parties hereto, shall remain in full force and effect from such date and shall expire on such date as the Municipal Obligations shall be discharged and satisfied in accordance with the provisions thereof.

ARTICLE IV
CONSTRUCTION OF THE PROJECT

Section 4.01. Insurance The Municipality agrees to maintain property and liability insurance for the Water System and Project that is reasonable in amount and coverage and that is consistent with prudent municipal insurance practices for the term of this FAA. The Municipality agrees to provide written evidence of insurance coverage to the SDWLP upon request at any time during the term of this FAA.

In the event that the Water System or Project is damaged or destroyed, the Municipality agrees to use the proceeds from its insurance coverage either to repay the Financial Assistance or to repair or replace the Water System.

Section 4.02. Construction of the Project The Municipality shall construct the Project, or cause it to be constructed, to Final Completion in accordance with the Application and the Plans and Specifications. The Municipality shall proceed with the acquisition and construction of the Project in conformity with law and with all applicable requirements of governmental authorities having jurisdiction with respect thereto, subject to such modifications of Plans and Specifications that alter the cost of the Project, use of space, scope or functional layout as may be previously approved by DNR.

Section 4.03. Performance Bonds The Municipality shall provide, or cause to be provided, performance bonds assuring the performance of the work to be performed under all construction contracts entered into with respect to the Project. All performance bonds required hereunder shall be issued by independent surety companies authorized to transact business in the State.

Section 4.04. Completion of the Project

(a) The Municipality agrees that it shall undertake and complete the Project for the purposes and in the manner set forth in this FAA and in accordance with all federal, state and local laws, ordinances and regulations applicable thereto. The Municipality shall, with all practical dispatch and in a sound and economical manner, complete or cause to be completed, the acquisition and construction of the Project, and do all other acts necessary and possible to entitle it to receive User Fees with respect to the Project at the earliest practicable time. The Municipality shall obtain all necessary approvals from any and all governmental agencies prior to construction which are requisite to the Final Completion of the Project.

(b) The Municipality shall notify DNR of the Substantial Completion of the Project. The Municipality shall cause to be prepared as-built plans for the Project at or prior to completion thereof.

(c) The Municipality shall take and institute such proceedings as shall be necessary to cause and require all contractors and material suppliers to complete their contracts diligently and in accordance with the terms of the contracts including, without limitation, the correcting of defective work.

(d) Upon Final Completion of the Project in accordance with the Plans and Specifications, the Municipality shall:

(1) certify to DNR its acceptance of the Project from its contractors, subject to claims against contractors and third parties;

(2) complete and deliver to DNR the completed Contract Utilization of Disadvantaged Business Enterprises (DBE) form attached hereto as Exhibit E of this FAA; and

- (3) obtain all required permits and authorizations from appropriate authorities, if required, for operation and use of the Project.

Section 4.05. Payment of Additional Project Costs

(a) In the event of revised eligibility determinations, cost overruns and amendments exceeding the Financial Assistance amount, the SDWLP may allocate additional financial assistance to a Project. The allocation of additional financial assistance may be in the form of a loan at less than the market interest rate, which is established pursuant to the Act and Regulations. The allocation of additional financial assistance shall depend upon availability of funds and present value subsidy, pursuant to the Act and the Regulations.

(b) In the event that this Financial Assistance is not sufficient to pay the costs of the Project in full, the Municipality shall nonetheless complete the Project and pay that portion of the Project Costs as may be in excess of available Financial Assistance, and shall not be entitled to any reimbursement therefore from the SDWLP, or the owners of any bonds, except from the proceeds of additional financing which may be provided by the SDWLP pursuant to an amended FAA or through a separate FAA.

Section 4.06. No Warranty Regarding Condition, Suitability or Cost of Project Neither the SDWLP, DOA, DNR nor the Trustee makes any warranty, either express or implied, as to the Project or its condition or that it shall be suitable for the Municipality's purposes or needs, or that the Financial Assistance shall be sufficient to pay the costs of the Project. Review or approval of engineering reports, facilities plans, Plans and Specifications, or other documents, or the inspection of Project construction by DNR does not relieve the Municipality of its responsibility to properly plan, design, build and effectively operate and maintain the Project as required by laws, regulations, permits and good management practices. DNR or its representatives are not responsible for increased costs resulting from defects in the Plans and Specifications, or other Project documents. Nothing in this section prohibits a Municipality from requiring more assurances, guarantees, or indemnity or other contractual requirements from any party performing Project work.

ARTICLE V
COVENANTS

Section 5.01. Application of Financial Assistance The Municipality shall apply the proceeds of the Financial Assistance solely for Project Costs.

Section 5.02. Operation and Maintenance After completion of the Project, the Municipality shall:

- (a) at all times operate the Project or otherwise cause the Project to be operated properly and in a sound and economical manner, including proper training of personnel;
- (b) maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept, in good repair, working order and condition; and
- (c) periodically make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Project may be properly conducted and in a manner that is consistent with the Project performance standards contained in the Application and the requirements of the Water Diversion Permit (if any). The Municipality shall not, without the approval of DNR, discontinue operation of or sell or otherwise dispose of the Water System, except for portions of the Water System sold or otherwise disposed of in the course of ordinary repair and replacement of parts so long as this FAA is outstanding.

Section 5.03. Compliance with Law At all times during construction of the Project and operation of the Water System, the Municipality shall comply with all applicable federal, state and local laws, ordinances, rules, regulations, permits, approvals and this FAA, including without limitation, the Act, the ARRA, the Regulations and the Water Diversion Permit (if any).

Section 5.04. Public Ownership The Municipality shall at all times retain ownership of the Project and Water System of which it is a part.

Section 5.05. Establishment of Project Accounts; Audits

(a) The Municipality shall maintain Project accounts in accordance with generally accepted accounting principles (GAAP) and directions issued by the SDWLP. Without any request, the Municipality shall furnish to DOA, as soon as available and in any event within one-hundred twenty (120) days after the close of each fiscal year, a copy of the audit report for such year and accompanying GAAP-based financial statements for such period, as examined and reported by such independent certified public accountants of recognized standing selected by the Municipality and reasonably satisfactory to DOA, whose reports shall indicate that the accompanying financial statements have been prepared in conformity with GAAP.

(b) The Municipality shall maintain a separate account that reflects the receipt and expenditure of all SDWLP funds for the Project. All Financial Assistance shall be credited promptly upon receipt thereof and shall be reimbursement for or expended only for Project Costs. The Municipality shall permit any authorized representative of DNR or DOA, or agents thereof, the right to review or audit all records relating to the Project or the Financial Assistance, and shall produce, or cause to be produced, all records relating to any work performed under the terms of this FAA for examination at such times as may be designated by any of them or their authorized representatives, and shall permit extracts and copies of the Project records to be made by them or their authorized representatives, and shall fulfill information requests by them or their authorized representatives.

Section 5.06. Records The Municipality shall retain all files, books, documents and records relating to construction of the Project for at least three years following the date of Final Completion of the Project, or for

longer periods if necessary due to any appeal, dispute, or litigation. All other files and records relating to the Project shall be retained so long as this FAA remains in effect. As-built plans for the Project shall be retained for the useful life of the Project.

Section 5.07. Project Areas The Municipality shall permit representatives of DNR access to the Project and related records at all reasonable times, include provisions in all contracts permitting such access during construction and operation of the Water System, and allow extracts and copies of Project records to be made by DNR representatives.

Section 5.08. Engineering Inspection The Municipality shall provide competent and adequate inspection of all Project construction, under the direction of a professional engineer licensed in the State. The Municipality shall direct such engineer to inspect work necessary for the construction of the Project and to determine whether such work has been performed in accordance with the Plans and Specifications. Any such work not in accordance with the Plans and Specifications shall be remedied, unless such noncompliance is waived by DNR.

Section 5.09. Tax Covenants

(a) The Municipality covenants and agrees that it shall not take any action or omit to take any action, which action or omission would result in the loss of the exclusion of the interest on any Municipal Obligations now or hereafter issued from gross income for purposes of federal income taxation as that status is governed by Section 103(a) of the Code or any successor provision.

(b) The Municipality shall not take any action or omit to take any action, which action or omission would cause its Municipal Obligations to be "private activity bonds" within the meaning of Section 141(a) of the Code or any successor provision.

(c) The Municipality shall not directly or indirectly use or permit the use of any proceeds of the Bonds (or amounts replaced with such proceeds) or any other funds or take any action or omit to take any action, which use or action or omission would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code or any successor provision. The Municipality hereby further covenants to ensure that all amounts actually received by such Municipality from the SDWLP are advanced to the entity submitting the invoice (or to reimburse the Municipality) to which each amount relates within three business days and that all amounts actually received by such Municipality from the SDWLP shall not be invested in any interest-bearing account.

(d) The Municipality shall not use (directly or indirectly) the proceeds of the Bonds in any manner that would constitute an "advance refunding" within the meaning of Section 149(d)(5) of the Code or any successor provision.

Section 5.10. User Fee Covenant

(a) The Municipality hereby certifies that it has adopted and shall charge User Fees with respect to the Project in accordance with applicable laws and the Act and in amounts such that revenues of the Municipality with respect to the Project shall be sufficient, together with other funds available to the Municipality for such purposes, to pay all costs of operating and maintaining the Project in accordance with this FAA and to pay all amounts due under this FAA and the Municipal Obligations.

(b) The Municipality covenants that it shall adopt and shall adequately maintain for the design life of the Project a system of User Fees with respect to the Project. The Municipality covenants that it shall, from time to time, revise and charge User Fees with respect to the Project such that the

revenues and funds described in paragraph (a) shall be sufficient to pay the costs described in paragraph (a).

Section 5.11. Notice of Impaired System The Municipality shall promptly notify DNR and DOA in the case of any material damage to or destruction of the Project or any part thereof, or actual or threatened proceedings for the purpose of taking or otherwise affecting by condemnation, eminent domain or otherwise, all or a part of the Water System, any action, suit or proceeding at law or in equity or by or before any governmental instrumentality or agency, or any other event which may impair the ability of the Municipality to construct the Project or operate the Water System or set and collect User Fees as set forth in Section 5.10.

Section 5.12. Hold Harmless The Municipality shall save, keep harmless and defend DNR and DOA, and all their officers, employees, and agents, against any and all liability claims, and costs of whatever kind and nature, for injury to or death of any person or persons and for loss or damage to any property occurring in connection with or in any way incident to or arising out of the construction, occupancy, use, service, operation, or performance of work in connection with the Project, acts, or omissions of the Municipality's employees, agents, or representatives.

Section 5.13. Nondiscrimination Covenant

(a) In connection with the Project, the Municipality agrees to comply with fair employment practices pursuant to subchapter II of ch. 111, Wis. Stats. This provision shall include, but is not limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Municipality agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provision of the nondiscrimination clause.

(b) The Municipality shall incorporate into all Project contracts which have yet to be executed the following provision: "In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant because of age, race, religion, color, handicap, sex, physical condition, developmental disability, or national origin. The contractor further agrees to comply with fair employment practices pursuant to subchapter II of ch. 111, Wis. Stats. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor further agrees to take affirmative action to ensure equal employment opportunities for persons with disabilities. The contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause."

Section 5.14. Employees The Municipality or its employees or agents are not employees or agents of the DNR or DOA for any purpose including worker's compensation.

Section 5.15. Adequate Funds The Municipality shall have sufficient funds available to repay the Municipal Obligations. The Municipality shall have sufficient funds available when construction of the Project is completed to ensure effective operation and maintenance of the Project for purposes constructed.

Section 5.16. Management The Municipality shall provide and maintain competent and adequate management, supervision, and inspection at the construction site to ensure that the completed work conforms to the Plans and Specifications. The Municipality shall furnish progress reports and such other information as DNR may require.

Section 5.17. Reimbursement Any payment of Financial Assistance to the Municipality in excess of the amount determined by final audit to be due the Municipality shall be reimbursed to DOA within 60 days after DNR or DOA provides a notice of overpayment.

Section 5.18. Unpaid User Fees The Municipality shall, to the fullest extent permitted by law, take all actions necessary to certify any unpaid User Fees to the county treasurer in order that such unpaid User Fees shall be added as a special charge to the property tax bill of the user.

Section 5.19. Rebates The Municipality agrees to pay to the SDWLP any refunds, rebates, credits, or other amounts received for Project Costs that have already been funded by the SDWLP. The SDWLP shall then apply the amount it receives as a Loan prepayment or as a recovery of a Loan disbursement with Principal Forgiveness (if there is no outstanding principal balance for the Project).

Section 5.20. Maintenance of Legal Existence

(a) Except as provided in par. (b), the Municipality shall maintain its legal existence and shall not dissolve or otherwise dispose of all or substantially all of its assets and shall not consolidate with or merge into another legal entity.

(b) A Municipality may consolidate with or merge into any other legal entity, dissolve or otherwise dispose of all of its assets or substantially all of its assets, transfer all or substantially all its assets to another legal entity (and thereafter be released of all further obligation under this FAA and the Municipal Obligations) if:

(1) the resulting, surviving or transferee legal entity is a legal entity established and duly existing under the laws of Wisconsin;

(2) such resulting, surviving or transferee legal entity is eligible to receive financial assistance under the Act;

(3) such resulting, surviving or transferee legal entity expressly assumes in writing all of the obligations of the Municipality contained in this FAA and the Municipal Obligations and any other documents the SDWLP deems reasonably necessary to protect its environmental and credit interests; and

(4) the SDWLP shall have consented in writing to such transaction, which consent may be withheld in the absolute discretion of the SDWLP.

Section 5.21. Federal Single Audit To the extent applicable, the Municipality shall comply with the audit requirements of OMB Circular A-133. The Municipality covenants that if it receives \$500,000 or more of financial assistance in a given calendar year, which originated from any federal funds, the Municipality shall commission an audit made in accordance with OMB Circular A-133, or in accordance with the federal laws and regulations governing the SDWLP.

Section 5.22. Wage Rate Requirements The Municipality represents that all laborers and mechanics employed by contractors and subcontractors funded directly by or assisted in whole or in part with funding under this Loan shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 31 of title 40, United States Code.

Section 5.23. ARRA Logo Requirement The Municipality agrees to display the ARRA Logo in a manner that informs the public that this Project is an ARRA investment.

Section 5.24. Buy American Requirements The Municipality agrees to comply with the Buy American requirements contained in the ARRA for the iron, steel, and manufactured goods used in the Project.

Section 5.25. ARRA Requirements The Municipality shall comply with the requirements of the ARRA Assurances and Certification. The Municipality shall furnish reports, provide data and such other information as the SDWLP may require.

Section 5.26. Federal Project The Municipality covenants that the Project shall comply with the Federal requirements applicable to activities supported with federal funds, a list of which is included as Exhibit H to this FAA.

ARTICLE VI
MISCELLANEOUS

Section 6.01. Notices All notices, certificates or other communications hereunder shall be sufficiently given, and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth below:

- (a) Department of Administration
Office of Capital Finance
Safe Drinking Water Loan Program
101 East Wilson Street, 10th Floor
Madison, WI 53702-0004
Or
P.O. Box 7864
Madison, WI 53707-7864

- (b) Department of Natural Resources
Bureau of Community Financial Assistance
101 South Webster Street
Madison, WI 53702-0005
Or
P.O. Box 7921
Madison, WI 53707-7921

- (c) U.S. Bank Corp Trust
Sharyl Saver EP-MN-WS3T
60 Livingston Ave
St. Paul, MN 55101-2292

- (d) City of Stoughton
600 S. Fourth Street
Stoughton WI 53589

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, by notice in writing given to the others. Any notice herein shall be delivered simultaneously to DNR and DOA.

Section 6.02. Binding Effect This FAA shall be for the benefit of, and shall be binding upon, the SDWLP and the Municipality and their respective successors and assigns.

Section 6.03. Severability In the event any provision of this FAA shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

Section 6.04. Amendments, Supplements and Modifications This FAA may be amended, supplemented or modified to provide for additional Financial Assistance for the Project by the SDWLP to the Municipality or for other purposes. All amendments, supplements and modifications shall be in writing between the SDWLP, by DNR and DOA acting under authority of the Act, and the Municipality.

Section 6.05. Execution in Counterparts This FAA may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6.06. Applicable Law This FAA shall be governed by and construed in accordance with the laws of the State, including the Act.

Section 6.07. Benefit of Financial Assistance Agreement This FAA is executed, among other reasons, to induce the purchase of the Municipal Obligations. Accordingly, all duties, covenants, obligations and agreements of the Municipality herein contained are hereby declared to be for the benefit of and are enforceable by the SDWLP, its Trustee or its authorized agent.

Section 6.08. Further Assurances The Municipality shall, at the request of DNR and DOA, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be necessary or desirable for better assuring, conveying, providing Principal Forgiveness, assigning and confirming the rights, security interests and agreements concerning Principal Forgiveness or intended to be Principal Forgiveness provided by this FAA and relating to the Municipal Obligations.

Section 6.09. Assignment of Municipal Obligations The Municipality hereby agrees that the Municipal Obligations may be sold, transferred, pledged or hypothecated to any third party without the consent of the Municipality.

Section 6.10. Covenant by Municipality as to Compliance with General Resolution The Municipality covenants and agrees that it shall comply with the provisions of the General Resolution with respect to the Municipality and that the Trustee and the owners of the Bonds shall have the power and authority provided in the General Resolution. The Municipality further agrees to aid in the furnishing to DNR, DOA or the Trustee of opinions that may be required under the General Resolution.

Section 6.11. Termination This FAA may be terminated in whole or in part pursuant to one or more of the following:

- (a) The SDWLP and the Municipality may enter into an agreement to terminate this FAA at any time. The termination agreement shall establish the effective date of termination of this FAA, the basis for settlement of termination costs, and the amount and date of payment of any sums due either party.
- (b) If the Municipality wishes to terminate all or any part of the Project work unilaterally for which Financial Assistance has been awarded, the Municipality shall promptly give written notice to DNR. If the SDWLP determines that there is a reasonable basis for the requested termination, the SDWLP may enter into a termination agreement, including provisions for FAA termination costs, effective with the date of cessation of the Project work by the Municipality. If the SDWLP determines that the Municipality has ceased work on the Project without reasonable basis, the SDWLP may unilaterally terminate Financial Assistance or rescind this FAA.

Section 6.12. Rescission The SDWLP may rescind this FAA prior to the first disbursement of any funds hereunder if it determines that:

- (a) there has been substantial non-performance of the Project work by the recipient without justification under the circumstances;
- (b) there is substantial evidence this FAA was obtained by fraud;
- (c) there is substantial evidence of gross abuse or corrupt practices in the administration of the Project;
- (d) the Municipality has failed to comply with the covenants contained in this FAA; or

(e) any of the representations of the Municipality contained in this FAA were false in any material respect.

Section 6.13. Award of Additional Principal Forgiveness The SDWLP may award additional Principal Forgiveness for this Project, beyond the amount shown on the cover page of this document; if the SDWLP determines that additional Principal Forgiveness funds are available. If additional Principal Forgiveness is awarded for this Project after the FAA is signed by all parties, the SDWLP will notify the Municipality in writing of the amount of the additional Principal Forgiveness available to the Municipality.

Any additional Principal Forgiveness will be provided to the Municipality on a date (or dates) to be determined solely by the SDWLP. The additional Principal Forgiveness will be applied as either a prepayment of the outstanding principal balance of the Municipal Obligation (pro rata to all maturities) or to future Loan disbursements at the discretion of the SDWLP. Any additional Principal Forgiveness awarded shall be for the benefit of this Project in accordance with the terms of this FAA and shall comply with all of the terms of this FAA.

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 STOUGHTON

By: _____
James S. Griffin
Mayor

Attest: _____
Luann J. Alme
Clerk

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 STOUGHTON
SDWLP Project No. 5403-01

| | Total Project Costs | Ineligible SDWLP Costs (A) | SDWLP Eligible Costs | Ineligible-ARRA Costs (Eligible under the Net SDWLP Loan) (B) | Eligible SDWLP Costs Paid With Municipal or Non-SDWLP Loan Funds (C) | Eligible Costs. Paid by Other Grant(s) | SDWLP Fundable Amount for this Project (D) | ARRA Principal Forgiveness Amount | Net SDWLP Loan Amount |
|----------------------------------|---------------------|----------------------------|----------------------|---|--|--|--|-----------------------------------|-----------------------|
| Force Account | 0 | | | | | | | | |
| Interim Financing Costs | 0 | | | | | | | | |
| Engineering Report Preparation | 0 | | | | | | | | |
| Plans/Specifications Preparation | 23,000 | | 23,000 | | | | 23,000 | | 23,000 |
| Land or Easement Acquisition | 0 | | | | | | | | |
| Engineering/Construction Mgmt. | 27,000 | 27,000 | | | | | | | |
| Construction/Equipment | 1,239,500 | 99,160 | 1,140,340 | | | | 1,140,340 | 613,751 | 526,589 |
| Contingency | 54,166 | | 54,166 | | | | 54,166 | | 54,166 |
| Miscellaneous Costs | 4,996 | | 4,996 | | | | 4,996 | | 4,996 |
| SDWLP Closing Costs | 5,000 | | 5,000 | | | | 5,000 | | 5,000 |
| TOTAL | 1,353,662 | 126,160 | 1,227,502 | | | | 1,227,502 | 613,751 | 613,751 |

A = Municipal internal funds or other grant funding will cover ineligible SDWLP costs.

B = Ineligible ARRA costs cannot be funded with the ARRA Principal Forgiveness Amount.

C = Eligible SDWLP costs paid with municipal internal funds or other non-SDWLP loan funds.

D = This amount is calculated before deducting funding provided from non-SDWLP sources.

City of Stoughton, Wisconsin

Project 5403-01 Safe Drinking Water Loan Program

Loan Closing Date:

January 27, 2010

Exhibit B-1

| <u>Payment Date</u> | <u>Principal Payment</u> | <u>Interest Rate</u> | <u>Interest Payment</u> | <u>Principal & Interest</u> | <u>Bond Year Debt Service</u> | <u>Calendar Year Debt Service</u> |
|---------------------|--------------------------|----------------------|--------------------------|---------------------------------|-------------------------------|-----------------------------------|
| 1-May-10 | | 2.668% | 4,275.66 | 4,275.66 | 4,275.66 | |
| 1-Nov-10 | | 2.668% | 8,187.44 | 8,187.44 | | 12,463.10 |
| 1-May-11 | 25,224.10 | 2.668% | 8,187.44 | 33,411.54 | 41,598.98 | |
| 1-Nov-11 | | 2.668% | 7,850.95 | 7,850.95 | | 41,262.49 |
| 1-May-12 | 25,897.08 | 2.668% | 7,850.95 | 33,748.03 | 41,598.98 | |
| 1-Nov-12 | | 2.668% | 7,505.48 | 7,505.48 | | 41,253.51 |
| 1-May-13 | 26,588.02 | 2.668% | 7,505.48 | 34,093.50 | 41,598.98 | |
| 1-Nov-13 | | 2.668% | 7,150.80 | 7,150.80 | | 41,244.30 |
| 1-May-14 | 27,297.39 | 2.668% | 7,150.80 | 34,448.19 | 41,598.99 | |
| 1-Nov-14 | | 2.668% | 6,786.65 | 6,786.65 | | 41,234.84 |
| 1-May-15 | 28,025.68 | 2.668% | 6,786.65 | 34,812.33 | 41,598.98 | |
| 1-Nov-15 | | 2.668% | 6,412.79 | 6,412.79 | | 41,225.12 |
| 1-May-16 | 28,773.41 | 2.668% | 6,412.79 | 35,186.20 | 41,598.99 | |
| 1-Nov-16 | | 2.668% | 6,028.95 | 6,028.95 | | 41,215.15 |
| 1-May-17 | 29,541.08 | 2.668% | 6,028.95 | 35,570.03 | 41,598.98 | |
| 1-Nov-17 | | 2.668% | 5,634.87 | 5,634.87 | | 41,204.90 |
| 1-May-18 | 30,329.24 | 2.668% | 5,634.87 | 35,964.11 | 41,598.98 | |
| 1-Nov-18 | | 2.668% | 5,230.28 | 5,230.28 | | 41,194.39 |
| 1-May-19 | 31,138.42 | 2.668% | 5,230.28 | 36,368.70 | 41,598.98 | |
| 1-Nov-19 | | 2.668% | 4,814.89 | 4,814.89 | | 41,183.59 |
| 1-May-20 | 31,969.19 | 2.668% | 4,814.89 | 36,784.08 | 41,598.97 | |
| 1-Nov-20 | | 2.668% | 4,388.42 | 4,388.42 | | 41,172.50 |
| 1-May-21 | 32,822.13 | 2.668% | 4,388.42 | 37,210.55 | 41,598.97 | |
| 1-Nov-21 | | 2.668% | 3,950.58 | 3,950.58 | | 41,161.13 |
| 1-May-22 | 33,697.83 | 2.668% | 3,950.58 | 37,648.41 | 41,598.99 | |
| 1-Nov-22 | | 2.668% | 3,501.05 | 3,501.05 | | 41,149.46 |
| 1-May-23 | 34,596.88 | 2.668% | 3,501.05 | 38,097.93 | 41,598.98 | |
| 1-Nov-23 | | 2.668% | 3,039.53 | 3,039.53 | | 41,137.46 |
| 1-May-24 | 35,519.93 | 2.668% | 3,039.53 | 38,559.46 | 41,598.99 | |
| 1-Nov-24 | | 2.668% | 2,565.69 | 2,565.69 | | 41,125.15 |
| 1-May-25 | 36,467.60 | 2.668% | 2,565.69 | 39,033.29 | 41,598.98 | |
| 1-Nov-25 | | 2.668% | 2,079.21 | 2,079.21 | | 41,112.50 |
| 1-May-26 | 37,440.56 | 2.668% | 2,079.21 | 39,519.77 | 41,598.98 | |
| 1-Nov-26 | | 2.668% | 1,579.76 | 1,579.76 | | 41,099.53 |
| 1-May-27 | 38,439.47 | 2.668% | 1,579.76 | 40,019.23 | 41,598.99 | |
| 1-Nov-27 | | 2.668% | 1,066.97 | 1,066.97 | | 41,086.20 |
| 1-May-28 | 39,465.03 | 2.668% | 1,066.97 | 40,532.00 | 41,598.97 | |
| 1-Nov-28 | | 2.668% | 540.51 | 540.51 | | 41,072.51 |
| 1-May-29 | 40,517.96 | 2.668% | 540.51 | 41,058.47 | 41,598.98 | 41,058.47 |
| Totals | 613,751.00 | | 180,905.30 | 794,656.30 | 794,656.30 | 794,656.30 |
| | | | Net Interest Rate | 2.6680% | | |
| | | | Bond Years | 6,780.5586 | | |
| | | | Average Life | 11.0477 | | |

The above schedule assumes full disbursement of the loan on the loan closing date.
29-Dec-09 Wisconsin Department of Administration

EXHIBIT C

FORM OF LOAN DISBURSEMENT TABLE

| <u>Amount of Disbursement</u> | <u>Date of Disbursement</u> | <u>Series of Bonds</u> | <u>Principal Repaid</u> | <u>Principal Balance</u> |
|-------------------------------|-----------------------------|------------------------|-------------------------|--------------------------|
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |
| \$ _____ | _____ | _____ | \$ _____ | \$ _____ |

EXHIBIT D

OPERATING CONTRACTS

As of the date of this FAA, the Municipality does not have any contracts with private entities or other governmental units to operate its Water System.

EXHIBIT E

ENVIRONMENTAL IMPROVEMENT FUND
CONTRACT UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES (DBE)

MANDATORY PROJECT CLOSEOUT DOCUMENT

Note: This form is authorized by s. NR 166.16(4)(b)4, Wis. Adm. Code. Receipt of this completed form by the Department is mandatory prior to receiving a final disbursement. The information printed on this form is taken from the completed Good Faith Certification Form 8700-294 and MBE/WBE/SBRA Contacts Worksheet Form 8700-294A. Any changes or additions made to the list of prime contractors and DBE subcontractors during the construction must be reflected on this form at closeout. Personal information collected on this form will be used for program administration and must be made available to requesters as required by Wisconsin Open Records Law (ss. 19.31 - 19.39, Wis. Stats).

Municipality Name: City of Stoughton Project Number: 5403-01 Loan Amount: \$1,227,502
 Project Description: Construct Storage & Connecting Main, Modify SCADA
 Did the municipality satisfy the MBE/WBE/SBRA requirements? Yes No (If no, refer to Exhibit F-Project Manager Summary Page).

| Construction/Equipment/Supplies Contracts | DBE Type | Type of Product or Service * | Contract Estimate \$ | Actual Amount Paid to MBE/WBE/SBRA Firm |
|---|--|------------------------------|----------------------|---|
| Prime: CB & I Constructors Inc | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA <input type="checkbox"/> N/A | Construction | \$1,239,500 | Municipality Completes at Project Closeout. |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Prime: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA <input type="checkbox"/> N/A | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Prime: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA <input type="checkbox"/> N/A | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Total MBE \$ | | | | |
| Total WBE \$ | | | | |
| Total SBRA \$ | | | | |

| Professional/Technical Services Contracts | DBE Type | Type of Product or Service | Contract Estimate \$ | Actual Amount Paid to MBE/WBE/SBRA Firm |
|---|--|----------------------------|----------------------|--|
| Prime: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA <input type="checkbox"/> N/A | | | Municipality Completes at Project Closeout |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Prime: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA <input type="checkbox"/> N/A | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Prime: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA <input type="checkbox"/> N/A | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Prime: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| Sub: | <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SBRA | | | |
| | | | | |
| | | | | |
| | | | Total MBE \$ _____ | |
| | | | Total WBE \$ _____ | |
| | | | Total SBRA \$ _____ | |

*Type of Product or Service examples: landscaping, trucking, supplies, equipment, paving, concrete, plumbing, electrical, excavating, testing, design, etc.

| | | |
|-------------------------------------|---------------|--------------|
| Name of Person Completing This Form | Email Address | Phone Number |
|-------------------------------------|---------------|--------------|

| Certification | |
|--|-------------|
| I certify that, to the best of my knowledge and belief, the information provided on this form is complete and correct. | |
| Name/Title of <u>Municipal Official</u> | Date Signed |
| Signature | |

EXHIBIT F

PROJECT MANAGER SUMMARY PAGE

CITY OF STOUGHTON
SDWLP Project No. 5403-01

1. Project Description: The purpose of this project is to construct new elevated storage tank, connecting main and SCADA system modifications.
2. Ineligible Costs: A total of \$126,160 is listed in the Ineligible column of the Project Budget Sheet Summary (Exhibit A) as a sanction for partial noncompliance with Disadvantaged Business Enterprise (DBE) requirements of the SDWLP. Also Engineering Construction Management services in the amount of \$27,000 are ineligible

| | | |
|-----------------|-------------------------|-----------|
| Contract 3-2009 | CB & I Constructors Inc | \$99,160 |
| ECM Contract | Strand Associates | \$27,000 |
| Total | | \$126,160 |

If the Department identifies additional ineligible Project Costs as the Project progresses, the Department will notify the Municipality.

3. Other Funding Sources: The municipality is funding \$126,160 in ineligible costs through internal funds.
4. Miscellaneous Costs: As shown in the Project Budget Sheet Summary (Exhibit A), SDWLP funding in the amount of \$4,996 is included in the Miscellaneous category for:
 - ◆ Soil Borings* - \$4,996

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 Contingency allowance of \$54,166 is five percent of the amount of uncompleted construction work.
6. DBE Good Faith Effort: Under the SDWLP, municipalities are sanctioned for failure to comply with MBE/WBE/SBRA solicitation requirements. Up to 8% of eligible construction costs or \$99,160 is declared ineligible for SDWLP funding. The municipality will pay these costs with internal funds.
7. Federal Single Audit: This project has been funded with federal funds and is subject to the Federal Single Audit requirements referenced in Section 5.21 of the FAA. If the municipality receives more than \$500,000 of money that originates from any federal source in a calendar year, then it must commission a Federal Single Audit as a part of its regular financial audit.

EXHIBIT G

BUY AMERICAN AND WAGE RATE COMPLIANCE CERTIFICATION

[To Be Prepared on Municipal Letterhead at Project Completion and Closeout]

The undersigned officials of the City of Stoughton (the "Municipality") hereby certify that, for all expenditures made for construction of DNR Project No. 5403-01 (the "Project"), the Municipality has met the requirements of the prevailing wage requirement of Davis-Bacon. The Municipality further certifies that after taking into account any global or project-specific waivers approved by an authorized agency of the Federal government, the Municipality has also fully met the Buy American requirements contained in the federal American Recovery and Reinvestment Act of 2009 for the iron, steel, and manufactured goods used in the Project.

The above certification is determined, after due and diligent investigation, to be true and accurate to the best of my knowledge.

By: _____
[Name of Highest Elected Official]

Dated as of: _____

Attest: _____
[Name of Clerk or Secretary]

Dated as of: _____

EXHIBIT H

LIST OF FEDERAL LAWS AND AUTHORITIES

Environmental Authorities

- Archeological and Historic Preservation Act, Pub. L. 93-291, as amended
- Clean Air Act, Pub. L. 95-95, as amended
- Clean Water Act, Titles III, IV and V, Pub. L. 92-500, as amended
- Coastal Barrier Resources Act, Pub. L. 97-348
- Coastal Zone Management Act, Pub. L. 92-583, as amended
- Endangered Species Act, Pub. L. 92-205, as amended
- Environmental Justice, Executive Order 12898
- Flood Plain Management, Executive Order 11988 as amended by Executive Order 12148
- Protection of Wetlands, Executive Order 11990 as amended by Executive Order 12608
- Farmland Protection Policy Act, Pub. L. 97-98
- Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended
- Magnuson-Stevens Fishery Conservation and Management Act, Pub. L. 94-265
- National Historic Preservation Act, Pub. L. 89-655, as amended
- Safe Drinking Water Act, Pub. L. 92-523, as amended
- Wild and Scenic Rivers Act, Pub. L. 90-54, as amended

Economic and Miscellaneous Authorities

- Debarment and Suspension, Executive Order 12549
- Demonstration Cities and Metropolitan Development Act, Pub. L. 89-754, as amended, and Executive Order 12372
- Drug-Free Workplace Act, Pub. L. 100-690
- New Restrictions on Lobbying, Section 319 of Pub. L. 101-121
- Prohibitions relating to violations of the Clean Water Act or Clean Air Act with respect to Federal contracts, grants, or loans under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, and Executive Order 11738
- Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended

Civil Rights, Nondiscrimination, Equal Employment Opportunity Authorities

- Age Discrimination Act, Pub. L. 94-135
- Equal Employment Opportunity, Executive Order 11246
- Section 12 of the Clean Water Act, Pub. L. 92-500
- Section 504 of the Rehabilitation Act, Pub. L. 93-112 supplemented by Executive Orders 11914 and 11250
- Title VI of the Civil Rights Act, Pub. L. 88-352

Disadvantaged Business Enterprise Authorities

Participation by Disadvantaged Business Enterprises in Procurement Under Environmental Protection Agency (EPA) Financial Assistance Agreements

RETURN INSTRUCTIONS

- ✓ Sign the Financial Assistance Agreement (FAA) at your municipal meeting on JANUARY 12, 2010.
- ✓ Return the FAA to your DNR Project Manager. Choose a delivery method that will get the FAA to DNR within two days after your meeting date (by JANUARY 14, 2010).

Returning the FAA to DNR immediately is important. This allows your project manager enough time to obtain signatures at DOA and DNR and to provide copies to your bond counsel to include in the bond transcript prior to the loan closing.

The DNR postal address is:

NAVIN JARUGUMILLI
DEPARTMENT OF NATURAL RESOURCES - CF/2
COMMUNITY FINANCIAL ASSISTANCE
PO BOX 7921
MADISON WI 53707-7921

The DNR street address for overnight delivery services is:

NAVIN JARUGUMILLI - 2nd Floor
DEPARTMENT OF NATURAL RESOURCES
COMMUNITY FINANCIAL ASSISTANCE
101 S. WEBSTER ST.
MADISON WI 53703

--- **RECOMMENDED**

The general telephone number for the DNR Bureau of Community Financial Assistance is (608) 266-7555.



411 East Wisconsin Avenue
Milwaukee, Wisconsin 53202-4497
Tel 414.277.5000
Fax 414.271.3552
www.quarles.com

Attorneys at Law in:
Phoenix and Tucson, Arizona
Naples, Florida
Chicago, Illinois
Milwaukee and Madison, Wisconsin

January 7, 2010

VIA EMAIL AND REGULAR MAIL

Ms. Luann J. Alme
City Clerk
City of Stoughton
381 East Main Street
Stoughton, WI 53589

Scope of Engagement Re: Proposed Issuance of \$613,751 City of Stoughton (the "City")
Waterworks System Revenue Bonds, Series 2010 (Safe Drinking Water Loan)

Dear Ms. Alme:

We are pleased to be working with you again as the City's bond counsel.

The purpose of this letter is to set forth the role we propose to serve and responsibilities we propose to assume as bond counsel in connection with the issuance of the above-referenced bonds (the "Bonds") by the City.

Role of Bond Counsel

Bond counsel is engaged as a recognized independent expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of municipal obligations. As bond counsel we will: examine applicable law; prepare authorizing and closing documents; consult with the parties to the transaction, including the City's financial advisor, prior to the issuance of the Bonds; review certified proceedings; and undertake such additional duties as we deem necessary to render the opinion.

Subject to the completion of proceedings to our satisfaction, we will render our opinion that:

- 1) the City has authority to issue the Bonds for the purpose in question and has followed proper procedures in doing so;
- 2) the Bonds are valid and binding obligations of the City according to their terms; and,
- 3) the interest paid on the Bonds will be excludable from gross income for federal income tax purposes (subject to certain limitations which may be expressed in the opinion).

QB9496803.1

The opinion will be executed and delivered by us in written form on the date the Bonds are exchanged for their purchase price (the "Closing") and will be based on facts and law existing as of its date. Upon delivery of the opinion, our responsibilities as bond counsel will be concluded with respect to this financing; specifically, but without implied limitation, we do not undertake (unless separately engaged) to provide any post-closing compliance services including any assistance with the City's continuing disclosure commitment, ongoing advice to the City or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be excluded from gross income for federal income tax purposes or participating in an Internal Revenue Service survey regarding or audit of the Bonds.

In rendering the opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation.

As bond counsel, we do not advocate the interests of the City or any other party to the transaction. We assume that the parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction.

Diversity of Practice; Consent to Unrelated Engagements

Because of the diversity of practice of our firm, members of our firm other than those who serve you may be asked to represent other clients who have dealings with the City regarding such matters as zoning, licensing, land division, real estate, property tax or other matters which are unrelated to our bond counsel work. Ethical requirements sometimes dictate that we obtain the City's consent to such situations even though our service to you is limited to the specialized area of bond counsel. We do not represent you in legal matters regularly, although we may be called upon for special representation occasionally, and our bond counsel work does not usually provide us information that will be disadvantageous to you in other representations. We do not believe that such representations of others would adversely affect our relationship with you, and we have found that local governments generally are agreeable to the type of unrelated representation described above. We would like to have an understanding with you that the City consents to our firm undertaking representations of this type. Your approval of this letter will serve to confirm that the City has no objection to our representation of other clients who have dealings with the City, unrelated to the borrowing and finance area or any other area in which we have agreed to serve it. If you have any questions or would like to discuss this consent further, please call us.

We also want to advise you that from time to time we represent the purchaser of the Bonds, the State of Wisconsin, and various departments and agencies of the State (collectively, the "State"). In past transactions that are not related to the issuance of the Bonds and our role as bond counsel to the City, we may have served as bond counsel or other counsel to the State. We may also be asked to represent the State in future transactions that are not related to the issuance

Ms. Luann J. Alme
January 7, 2010
Page 3

of the Bonds or our role as bond counsel to the City. We would like to have an understanding with you that the City consents to our firm undertaking representations of this type.

As bond counsel, we will not assume or undertake responsibility for the preparation of an Official Statement or other disclosure document with respect to the Bonds, nor are we responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document. However, if a disclosure document is prepared and adopted or approved by the City, we will either prepare or review any description therein of: i) Wisconsin and federal law pertinent to the validity of the Bonds and the tax treatment of interest paid thereon and (ii) our opinion.

Fees

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to the financing, and (iv) the responsibilities we assume, we estimate that our fee as bond counsel would be approximately \$6,000, including all expenses. Such fee and expenses may vary: (i) if the principal amount of Bonds actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time, expenses or responsibility. If at any time we believe that circumstances require an adjustment of our original fee estimate, we will make every attempt to consult with you. It is our understanding that the City is responsible for our fee.

If, for any reason, the financing is not consummated or is completed without the rendition of our opinion as bond counsel, we will expect to be compensated at our normal hourly rates for time actually spent, plus out-of-pocket expenses. Our fee is usually paid either at the Closing out of proceeds of the Bonds or pursuant to a statement rendered shortly thereafter. We customarily do not submit any statement until the Closing unless there is a substantial delay in completing the financing.

Limited Liability Partnership

Our firm is a limited liability partnership ("LLP"). Because we are an LLP, no partner of the firm has personal liability for any debts or liabilities of the firm except as otherwise required by law, and except that each partner can be personally liable for his or her own malpractice and for the malpractice of persons acting under his or her actual supervision and control. As an LLP we are required by our code of professional conduct to carry at least \$10,000,000 of malpractice insurance; currently, we carry coverage with limits substantially in excess of that amount. Please call me if you have any questions about our status as a limited liability partnership.

Ms. Luann J. Alme
January 7, 2010
Page 4

Conclusion and Request for Signed Copy

If the foregoing terms of this engagement are acceptable to you, please so indicate by returning the enclosed copy of this letter dated and signed by an appropriate officer, retaining the original for your files. If we do not hear from you within thirty (30) days, we will assume that these terms are acceptable to you, but we would prefer to receive a signed copy of this letter from you.

We are looking forward to working with you and the City in this regard.

Very truly yours,

QUARLES & BRADY LLP


Rebecca A. Speckhard

RAS:TAB:afirkus

Enclosures

cc: Mr. James S. Griffin (via email)
Mr. Robert Kardasz, P.E. (via email)
Ms. Kim M. Jennings, CPA (via email)
Ms. Laurie Sullivan (via email)
Matthew T. Roethe, Esq. (via email)

Accepted and Approved:

CITY OF STOUGHTON

By: _____

Its: _____
Title

Date: _____



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

Date: January 7, 2010

To: Stoughton Utilities Committee

From: Robert P. Kardasz, P.E.
Stoughton Utilities Director

Subject: Stoughton Utilities Committee Ad Hoc Governance Committee.

At the November 16, 2009 Stoughton Utilities Committee Meeting, City Attorney Matthew Dregne was requested to prepare a draft ordinance to be recommended to the Stoughton Common Council, consisting of the following:

- The Stoughton Utilities Committee be renamed the Stoughton Utilities Commission.
- The Citizen Members be appointed Officers of the City of Stoughton.

At the December 14, 2009 Stoughton Utilities Committee Meeting, the creation of an Ad Hoc Governance Committee was placed on the agenda of the January 19, 2010 Stoughton Utilities Committee Meeting. Mayor Griffin has received commitments from Citizen Member Jonathan Hajny, Alderperson Paul Lawrence, and me to join him on the Ad Hoc Committee.

cc: Matthew P. Dregne
City Attorney

Sean O Grady
Stoughton Utilities Operations Superintendent



Office 608-873-3379
Fax 608-873-4878
stoughtonutilities.com





Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

Date: January 7, 2010
To: Stoughton Utilities Committee
From: Robert P. Kardasz, P.E.
Stoughton Utilities Director
Subject: Stoughton Utilities Declarations Of Official Intent Nos. 2010-1 Through 2010-4.

In order to preserve the ability to borrow funds for these projects at a later date, it is requested that the Stoughton Utilities Committee approve:

| | |
|------------------------|--|
| Declaration No. 2010-1 | Stoughton Utilities Electric Transruptor Project for \$502,000. |
| Declaration No. 2010-2 | Stoughton Utilities Wastewater and Wastewater SCADA Enhancements Project for \$92,500. |
| Declaration No. 2009-3 | Stoughton Utilities 2010 Sanitary Sewer Slip Lining Project for \$135,000. |
| Declaration No. 2010-4 | Stoughton Utilities Electric Vegetative Management Project for \$41,000. |

Encl.

cc: Sean O Grady-Stoughton Utilities Operations Superintendent
Brian G. Erickson-Stoughton Utilities Wastewater System Supervisor
Kim M. Jennings, CPA-Stoughton Utilities Finance and Administrative Manager
Roger M. Thorson-Stoughton Utilities Water System Supervisor
Craig A. Wood-Stoughton Utilities Electric System Supervisor



Office 608-873-3379
Fax 608-873-4878
stoughtonutilities.com





Stoughton Utilities

600 South Fourth Street

P.O. Box 383

Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

NO. 2010-1

DECLARATION OF OFFICIAL INTENT

This is a Declaration of Official Intent of the City of Stoughton, Dane County, Wisconsin (the "Issuer") to reimburse an expenditure with proceeds of a borrowing or borrowings authorized by the Issuer. This Declaration is made under and pursuant to Income Tax Regulation Section 1.103-18. The undersigned has been designated as the entity authorized by the Issuer to make this Declaration of Official Intent Pursuant to a Resolution adopted on April 13, 1993. This Declaration of Official Intent is a public record maintained in the files of the Issuer and is available for public inspection pursuant to Subchapter II of Chapter 19 of the Wisconsin Statutes.

The undersigned hereby declares that it is the reasonable expectation of the Issuer to use proceeds of a borrowing or borrowings to be incurred by the Issuer to reimburse expenditures for the property, project or program or from the fund(s) / account(s) described below:

1. Project* description: Stoughton Utilities Electric Transruptor project.

(Provide a general functional description of the property, project or program for which the expenditure to be reimbursed is paid, e.g. "_____ building program*", "highway capital improvement program", "hospital equipment acquisition", "combined utility improvement program", etc.)

or

2. Identify fund(s) /account(s): _____

(Provide a general functional description of the purpose of the fund or account from which the expenditure to be reimbursed is paid, e.g. "Construction fund program" and "parks and recreation fund" and "highway fund".)



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Fax 608-873-4878

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The maximum principal amount of the borrowing or borrowings to be incurred to reimburse expenditures for the above-described purposes is reasonably expected, on the date hereof, to be \$502,000.00

The Issuer intends to reimburse itself from borrowed funds within (1) one year after the expenditure is made or (2) one year after the facility is placed in service, whichever is later.

*Each of the expenditures described must be a cost of the type that is properly chargeable to capital account (or would be so chargeable with a proper election) under general federal income tax principles. Capital expenditures include costs incurred to acquire, construct or improve land, buildings and equipment and exclude current operation expenses.

No money from sources other than the anticipated borrowing or borrowings is, or is reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Issuer with respect to the expenditure, pursuant to the budgetary and financial circumstances of the Issuer as of the date of this Declaration.

Dated this 11th Day of January, 2009.

CITY OF STOUGHTON
UTILITIES COMMITTEE

By: _____

Title: STOUGHTON UTILITIES COMMITTEE CHAIR



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

NO. 2010-2

DECLARATION OF OFFICIAL INTENT

This is a Declaration of Official Intent of the City of Stoughton, Dane County, Wisconsin (the "Issuer") to reimburse an expenditure with proceeds of a borrowing or borrowings authorized by the Issuer. This Declaration is made under and pursuant to Income Tax Regulation Section 1.103-18. The undersigned has been designated as the entity authorized by the Issuer to make this Declaration of Official Intent Pursuant to a Resolution adopted on April 13, 1993. This Declaration of Official Intent is a public record maintained in the files of the Issuer and is available for public inspection pursuant to Subchapter II of Chapter 19 of the Wisconsin Statutes.

The undersigned hereby declares that it is the reasonable expectation of the Issuer to use proceeds of a borrowing or borrowings to be incurred by the Issuer to reimburse expenditures for the property, project or program or from the fund(s) / account(s) described below:

- 1. Project* description: Stoughton Utilities Wastewater And Water SCADA Enhancements project.

(Provide a general functional description of the property, project or program for which the expenditure to be reimbursed is paid, e.g. "_____ building program*", "highway capital improvement program", "hospital equipment acquisition", "combined utility improvement program", etc.)

or

- 2. Identify fund(s) /account(s): _____

(Provide a general functional description of the purpose of the fund or account from which the expenditure to be reimbursed is paid, e.g. "Construction fund program" and "parks and recreation fund" and "highway fund".)



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Fax 608-873-4878
stoughtonutilities.com



The maximum principal amount of the borrowing or borrowings to be incurred to reimburse expenditures for the above-described purposes is reasonably expected, on the date hereof, to be \$92,500.00

The Issuer intends to reimburse itself from borrowed funds within (1) one year after the expenditure is made or (2) one year after the facility is placed in service, whichever is later.

*Each of the expenditures described must be a cost of the type that is properly chargeable to capital account (or would be so chargeable with a proper election) under general federal income tax principles. Capital expenditures include costs incurred to acquire, construct or improve land, buildings and equipment and exclude current operation expenses.

No money from sources other than the anticipated borrowing or borrowings is, or is reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Issuer with respect to the expenditure, pursuant to the budgetary and financial circumstances of the Issuer as of the date of this Declaration.

Dated this 11th Day of January, 2009.

CITY OF STOUGHTON
UTILITIES COMMITTEE

By: _____

Title: STOUGHTON UTILITIES COMMITTEE CHAIR



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

NO. 2010-3

DECLARATION OF OFFICIAL INTENT

This is a Declaration of Official Intent of the City of Stoughton, Dane County, Wisconsin (the "Issuer") to reimburse an expenditure with proceeds of a borrowing or borrowings authorized by the Issuer. This Declaration is made under and pursuant to Income Tax Regulation Section 1.103-18. The undersigned has been designated as the entity authorized by the Issuer to make this Declaration of Official Intent Pursuant to a Resolution adopted on April 13, 1993. This Declaration of Official Intent is a public record maintained in the files of the Issuer and is available for public inspection pursuant to Subchapter II of Chapter 19 of the Wisconsin Statutes.

The undersigned hereby declares that it is the reasonable expectation of the Issuer to use proceeds of a borrowing or borrowings to be incurred by the Issuer to reimburse expenditures for the property, project or program or from the fund(s) / account(s) described below:

- 1. Project* description: Stoughton Utilities 2010 Sanitary Sewer Slip Lining project.

(Provide a general functional description of the property, project or program for which the expenditure to be reimbursed is paid, e.g. "___building program*", "highway capital improvement program", "hospital equipment acquisition", "combined utility improvement program", etc.)

or

- 2. Identify fund(s) /account(s): _____

(Provide a general functional description of the purpose of the fund or account from which the expenditure to be reimbursed is paid, e.g. "Construction fund program" and "parks and recreation fund" and "highway fund".)



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Fax 608-873-4878
stoughtonutilities.com



The maximum principal amount of the borrowing or borrowings to be incurred to reimburse expenditures for the above-described purposes is reasonably expected, on the date hereof, to be \$135,000.00

The Issuer intends to reimburse itself from borrowed funds within (1) one year after the expenditure is made or (2) one year after the facility is placed in service, whichever is later.

*Each of the expenditures described must be a cost of the type that is properly chargeable to capital account (or would be so chargeable with a proper election) under general federal income tax principles. Capital expenditures include costs incurred to acquire, construct or improve land, buildings and equipment and exclude current operation expenses.

No money from sources other than the anticipated borrowing or borrowings is, or is reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Issuer with respect to the expenditure, pursuant to the budgetary and financial circumstances of the Issuer as of the date of this Declaration.

Dated this 11th Day of January, 2009.

CITY OF STOUGHTON
UTILITIES COMMITTEE

By: _____

Title: STOUGHTON UTILITIES COMMITTEE CHAIR



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

NO. 2010-4

DECLARATION OF OFFICIAL INTENT

This is a Declaration of Official Intent of the City of Stoughton, Dane County, Wisconsin (the "Issuer") to reimburse an expenditure with proceeds of a borrowing or borrowings authorized by the Issuer. This Declaration is made under and pursuant to Income Tax Regulation Section 1.103-18. The undersigned has been designated as the entity authorized by the Issuer to make this Declaration of Official Intent Pursuant to a Resolution adopted on April 13, 1993. This Declaration of Official Intent is a public record maintained in the files of the Issuer and is available for public inspection pursuant to Subchapter II of Chapter 19 of the Wisconsin Statutes.

The undersigned hereby declares that it is the reasonable expectation of the Issuer to use proceeds of a borrowing or borrowings to be incurred by the Issuer to reimburse expenditures for the property, project or program or from the fund(s) / account(s) described below:

- 1. Project* description: Stoughton Utilities Electric Vegetative Management Project.

(Provide a general functional description of the property, project or program for which the expenditure to be reimbursed is paid, e.g. "_____ building program", "highway capital improvement program", "hospital equipment acquisition", "combined utility improvement program", etc.)

OR

- 2. Identify fund(s) /account(s): _____

(Provide a general functional description of the purpose of the fund or account from which the expenditure to be reimbursed is paid, e.g. "Construction fund program" and "parks and recreation fund" and "highway fund".)



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Fax 608-873-4878
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The maximum principal amount of the borrowing or borrowings to be incurred to reimburse expenditures for the above-described purposes is reasonably expected, on the date hereof, to be \$41,000.00

The Issuer intends to reimburse itself from borrowed funds within (1) one year after the expenditure is made or (2) one year after the facility is placed in service, whichever is later.

*Each of the expenditures described must be a cost of the type that is properly chargeable to capital account (or would be so chargeable with a proper election) under general federal income tax principles. Capital expenditures include costs incurred to acquire, construct or improve land, buildings and equipment and exclude current operation expenses.

No money from sources other than the anticipated borrowing or borrowings is, or is reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Issuer with respect to the expenditure, pursuant to the budgetary and financial circumstances of the Issuer as of the date of this Declaration.

Dated this 11th Day of January, 2009.

CITY OF STOUGHTON
UTILITIES COMMITTEE

By: _____

Title: STOUGHTON UTILITIES COMMITTEE CHAIR



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

Date: January 7, 2010

To: Stoughton Utilities Committee

From: Robert P. Kardasz, P.E.
Stoughton Utilities Director

Subject: Stoughton Utilities Commitment To Community/Low Income Programs.

Mayor Griffin requested that the December 23, 2009 letter of request and the January 7, 2010 letter of response be placed on the agenda of the January 11, 2010 Stoughton Utilities Committee Meeting.

cc: Sean O Grady
Stoughton Utilities Operations Superintendent



Office 608-873-3379
Fax 608-873-4878
stoughtonutilities.com



Dane County Department of Human Services

Director – Lynn Green
1202 Northport Drive, Madison, WI 53704-2092
PHONE: (608) 242-6200 FAX: (608) 242-6293 TDD: (608) 242-6356

KATHLEEN FALK
DANE COUNTY EXECUTIVE

December 23, 2009

STOUGHTON UTILITIES

Mr. Robert Kardasz, Director
Stoughton Utilities
600 S. 4th St.
Stoughton, WI 53589

JAN 04 2010

RECEIVED
STOUGHTON, WI

Dear Mr. Kardasz:

Recently, in trying to help customers of Stoughton Utilities, I realized that I needed to be more aware and informed of policies that have been enforced by Stoughton Utilities' staff. On August 10, 2009, I met with Brian Hoops and Enecia Sabroff where they agreed to develop a handout to assist customers in helping them become aware and educated about rules and regulations, especially if they were late in paying their utility bills; thus far, a pamphlet has not been created.

To further understand Stoughton Utilities' policy for energy assistance, I am requesting the following information based on the open records law (WI Stat 19:31-39):

- In 2008, how much money was collected from utility customers in the "Commitment to Community" charge*? (*See reference below) Describe the categories for income based programs, amount spent in each category, and number of customers served in each category in **2008**;
- How much money has been collected so far in 2009 from utility customers in the "Commitment to Community" charge? Describe the categories for income based programs, amount spent so far in each category, and number of customers served so far in each category in **2009**;
- What is the current **Stoughton Utilities'** match for **State** energy assistance grants? Is it 2:1 as it was in 2006? If not, when did the change take place?

- How do customers access the Stoughton Utilities energy assistance funds? What is the application process, the eligibility criteria, and who determines eligibility?
- How many customers have experienced their electricity being turned off since the '09 moratorium? How many of those customers will no longer have heat because electricity is required to operate their furnace?
- You have recently implemented a policy of requiring security deposits from customers who have a bad payment history. What is the criteria for identifying these customers? How many have been identified? By category (not by name) describe the status of identified customers.

***Stoughton Utilities assesses a "Commitment to Community" charge each month. The utility bill states that "in accordance with WI Act 9, Stoughton Utilities operated energy efficiency, conservation and low-income programs that benefit Stoughton and our surrounding service territory. Fifty percent of the funds collected finance income-based programs such as energy assistance and home weatherization. The other 50% finances energy efficiency and conservation programs designed to reduce electric power use."**

If you have questions, please reply in the form of e-mail at: mason-boersma@co.dane.wi.us or by phone at: 608-873-2180. I so appreciate your time and effort in addressing these questions and look forward to your reply in approximately 30 days.

Sincerely,
Sharon Mason-Boersma
Sharon Mason-Boersma, MSSW
Senior Social Worker Joining Forces for Families

Cc: Mayor Jim Griffin
Stoughton Utilities Committee
Lu Ann Alme, City Clerk of Stoughton



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

January 7, 2010

Ms. Sharon Mason-Boersma, MSSW
Senior Social Worker
Dane County Department of Human Services
125 Veteran's Rd.
Stoughton, WI 53589

Dear Ms. Mason-Boersma:

Thank you for your December 23, 2009 letter which I received on January 4, 2010 regarding Stoughton Utilities procedures for collecting utilities payments. Our procedures are clarified in the enclosed "Your Bill of Rights as a Residential Gas and Electric Customer" and "Your Bill of Rights as a Residential Water Utility Customer", which were mailed to our customers on January 8, 2009 and February 9, 2009 respectively. A supplement to this information should be available for customer use in early 2010.

Regarding your specific requests, the following information is provided:

- In 2008, \$66,589 was collected from customers.
 - \$65,725 was spent on bill payment assistance.
 - \$11,726 was spent on low-income weatherization.
- In 2009, \$65,971 was collected from customers.
 - \$44,992 was spent on bill payment assistance.
 - \$14,612 was spent on low-income weatherization.
- During the 2008/09 heating season, 263 households were provided with assistance totaling \$47,138 with an average benefit of \$179. The minimum benefit was \$100.
- Thus far during the 2009/10 heating season, 110 households have been provided with assistance totaling \$13,730 with an average benefit of \$125. The minimum benefit is \$100.
- Our current energy assistance for the 2009/10 heating season is 110% of the State (WHEAP) calculated benefit. This percentage was also used during the 2008/09 heating season.
- Customers access local energy assistance funds by applying for the State (WHEAP) benefit. State approval information is provided to us for the 110% benefit calculation.



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Fax 608-873-4878
stoughtonutilities.com



- No residential electric customers have been disconnected for non-payment since the start of the November 1, 2009 moratorium.
- Residential deposits are collected from customers who fit any of the criteria listed below.
 - A utility may require a cash deposit or other guarantee as a condition of residential service if ... the utility has disconnected the customer's service within the last 12-month period for violation of the utility's filed rules or for nonpayment of a delinquent service account not currently in dispute.
 - *Wisconsin Administrative Code PSC 113.0402(4)(a)*
 - A utility may require a cash deposit or other guarantee as a condition of residential service if ... the customer has the ability to pay for the utility service but, during the cold weather disconnections rules period, had an arrears amount incurred during that period that was 80 days or more past due. The utility may request a deposit under this section even if the customer's service has not been disconnected.
 - *Wisconsin Administrative Code PSC 113.0402(4)(a)*
 - A utility may not require a cash deposit or other guarantee as a condition of new residential service unless a customer has an outstanding account balance with any Wisconsin electric utility or cooperative which accrued within the last 6 years.
 - *Wisconsin Administrative Code PSC 113.0402(1)(a)*
- Customers are exempt from a deposit if their gross quarterly income is at or below 200% of the federal income poverty guidelines. If a customer qualifies for Energy Assistance, they are exempt from a deposit.
- 75 customers have been identified as eligible for providing deposits under Wisconsin Administrative Code PSC 113.0402(4)(a). These customers received notification of the deposit requirement in November, 2009.

Your December 23, 2009 letter and this response is on the agenda of the January 11, 2010 Stoughton Utilities Committee Meeting. I am enclosing a copy of the meeting notice and encourage you to participate. If I can be of further assistance, please contact me at 877-7423 or at bkardasz@stoughtonutilities.com.

Sincerely,
STOUGHTON UTILITIES

Robert P. Kardasz, P.E.
 Stoughton Utilities Director

cc: Stoughton Utilities Committee
 Luann J. Alme - City Clerk and Personnel Director
 Sean O Grady - Stoughton Utilities Operations Superintendent
 Brian R. Hoops - Stoughton Utilities Office and Information Systems Supervisor
 Kim M. Jennings - Stoughton Utilities Finance and Administrative Manager

Bilingual Service

The Public Service Commission of Wisconsin is also able to provide customer assistance in Spanish. When calling the PSC, please ask to speak to a Spanish speaking representative.

Servicio Bilingue

En la Comision de Servicios Publicos del estado de Wisconsin (PSC) podemos asistirle en Espanol. Cuando llame a la PSC, pida hablar con un representante de habla hispana.

Safety Note

In order to prevent severe burns and unnecessary energy consumption, water heater thermostats should be set no higher than 125 degrees.

**Your
Bill of Rights
as a Residential
Gas and Electric
Utility Customer**



Public Service Commission of Wisconsin
Spring 2009

Provided To You By:



Stoughton Utilities
600 S. Fourth Street
Stoughton, Wisconsin 53589
Phone: 873-3379
www.stoughtonutilities.com

required to make a reasonable attempt to contact you by telephone or in person before the service is shut off.

If service is not shut off within 20 days after the notice is mailed, the utility must:

- Leave a new notice at the site 24 (but not more than 48) hours before the service is shut off.

Medical Problems

For extra time to make payment arrangements, the utility will delay service shut-off, or restore service if shut off, for up to 21 days if there is a medical problem or other crisis. The utility may ask for a letter about the crisis from you:

- Doctor
- Public health official
- Social service official
- Police or sheriff

It is also possible to extend the 21-day delay.

Third Party Shut-Off Notice

You can ask the utility to send a copy of your shut-off notice to a relative, guardian, or other third party.

Winter Shut-Off Rules

If there is no threat to human health or life, a utility can shut off service from November 1 - April 15. A utility can also shut off service from November 1 - April 15 if a household income is greater than 250 percent of the Federal Poverty level guidelines.

Before service can be shut off, a utility must:

- Obtain written approval from their vice president or higher executive.
 - Deliver this written approval to the PSC by 3:30 p. m. the day service is to be shut off.
 - Visit the site the next day where service has been shut off to:
1. Check customer's well-being.
 2. Tell the customer about payment plans.
 3. Tell the customer about special assistance.

These rules also apply to business and farm accounts serving residential dwellings. Before winter, a utility must attempt to contact customers whose service was shut off for nonpayment of bills. Each utility makes a special effort to turn on service before it gets cold. If you know of someone who has no heat, call your utility. You do not have to give your name. If service is not turned on in a reasonable time, call the PSC.

Have a Dispute?

First contact your utility to try to solve the problem. If you are behind on your bill, the utility may offer you an installment plan to pay your bill.

If the utility cannot solve your problem, call the PSC at 1-800-225-7729. While the PSC reviews your dispute, your service should not be shut off. However, you must still promptly pay any charge not in dispute. After the PSC completes its review, a staff member will contact you and your utility and will attempt to find an agreement that is acceptable to all parties.

The Public Service Commission of Wisconsin does not discriminate on the basis of disability in the provision of programs, services, or employment. If you are speech, hearing, or visually impaired and need assistance, call (608) 266-5481 or TTY (608) 267-1479. We will try to find another way to get the information to you in a usable form.

Fax (608) 266-3957
TTY (608) 267-1479
Consumer Affairs (800) 225-7729
General (608) 266-5481
Email PSCRECS@PSC.STATE.WI.US
Web Site <http://psc.wi.gov>
610 N. Whitney Way
PO Box 7854
Madison, Wisconsin 53707-7854
1000B (10-1-04)

YOUR BILL OF RIGHTS AS A RESIDENTIAL GAS AND ELECTRIC UTILITY CUSTOMER

The Public Service Commission of Wisconsin (PSC) prepared this brochure to let you know your rights as a gas or electric customer. It includes answers to your most common questions and concerns. If you have a question or problem with your service, first contact your utility. If your utility cannot solve the problem, call the PSC.

Energy Usage Reports

Moving? Before you buy/rent a home or an apartment, call your utility. They can give you an average of how much energy was used at the new address during the last 12 months. Or, they can tell you the largest and smallest bills for the last 12 months. There may be a charge for this service.

Personal Identification (I.D.)

Before you open an account, a utility may ask you to show I. D. Some types of valid I. D. include:

- Photo I. D. card
- Driver's license
- U. S. military card
- Current utility bills
- Bank statements
- Rental agreements
- Social service agency letter I. D.
- Employment letter I. D.

Deposits

1. If you are a **new** residential customer you may be asked to post a deposit if:
 - You did not pay an undisputed bill for the same type of service anywhere in Wisconsin during the last six years.
2. If you are a **current** residential customer, you may be asked to post a deposit if:
 - Your service was shut off during the last 12 months for non payment.
 - You falsified a service application.
 - Your payment for service from November 1 - April 15 is 80 days or more overdue and you have the ability to pay.
 - Your electric bill becomes 60 days or more past due in the first 8 months of new service.
3. You do **not** have to post a deposit if your income is below 200 percent of the Federal Poverty level guidelines.

A normal deposit is the sum of the **two** largest consecutive bills during the last 12 months:

Example:

| | |
|----------|---------------|
| January | \$225 |
| February | +\$200 |
| | \$425 deposit |

The deposit for those who are able to pay their winter heating bill but do not, is the sum of the **four** largest consecutive bills during the last 12 months:

Example:

| | |
|----------|---------------|
| December | \$200 |
| January | \$225 |
| February | \$200 |
| March | +\$150 |
| | \$775 deposit |

A utility must pay you interest on your deposit. Each year the PSC sets a new interest rate. Your deposit and any interest earned must be returned to you after you have paid your utility bills promptly for 12 months.

Monthly Bills

You will be sent a bill about every 28-31 days. To avoid a late payment charge or shut-off notice, pay your bill by the date printed on your bill.

What's on your Bill

- All bills include:
- Customer name
 - Billing address
 - Service address (if not the same as the billing address)
 - Current meter reading and date
 - Prior meter reading and date
 - Number of gas or electric units used
 - If it was an estimated reading
 - Next meter reading date
 - Number of days billed
 - Class of service
 - Amount due
 - Tax

Meter Readings

The PSC requires utilities to read your meter at least once each six months. You must allow these readings. Your utility may be willing to read your meter after hours.

If a meter reader cannot get to your meter, you will get an estimated bill. To avoid estimated readings, you can read your own meter. Ask your utility for a card to record your reading.

Late Payment Charges

- A utility can add a late payment charge if you:
- Bill is not paid by the due date printed on your bill.
- A late payment charge can be:
- A one time charge of 3 percent of current unpaid charges (minimum \$.50), OR
 - A monthly charge of up to 1 percent of the total unpaid balance (including unpaid late payment charges).

Other Charges

Some customers are able to pay their winter heating bill but do not. A utility may take legal action to collect payment from these customers and may report the unpaid bill to a credit bureau. These customers may also have to pay the utility's cost of collecting monthly payments.

Budget Payment Plans

To manage high winter gas bills or high summer electric bills, ask your utility about budget payment plans. This allows you to average estimated annual use into even monthly payments. Each six months your payment amount is readjusted to reflect your actual use. At the end of a budget year, your bill is adjusted to correct over-billing or under-billing. These payment plans are available to all residential gas and electric customers, even if in arrears.

Installment Plans for Overdue Bills

You may use an installment plan to pay what you owe your utility. This helps you pay your current bills and any overdue bills. You will be asked to make a "fair" down payment and "fair" installments. A "fair" amount is based on:

- Your ability to pay
- The size of your overdue bill
- How long your bill has been overdue
- Your payment history
- Reasons your bill is overdue
- Other important factors

Your utility may ask you to sign an installment agreement. Do not sign it unless you agree to the terms. You have the right to negotiate an installment agreement.

If you do not pay installments as agreed, the utility may shut off your service. If you do not pay, the utility does not have to renegotiate an agreement before it shuts off your service. It is up to you to let the utility know about important reasons to negotiate a new plan.

If you and a utility cannot agree on an installment plan, you can file a dispute with the PSC. While the PSC reviews your dispute, your service should not be shut off. However, you must pay all bills not in dispute.

Credit Reporting

If an account becomes due and no payment arrangements have been established between the customer and a utility, the utility may report the account to a credit bureau. It may also use the services of a collection agency to collect on the account.

Service Disconnects

- Your service can be shut off if:
- You fail to pay your bills.
 - You fail to pay installments as agreed.
 - A prior customer living at your address has an unpaid bill for the same address.
 - You fail to pay the utility's cost for collecting an overdue bill.
 - You tamper with your meter.
 - There is a safety hazard.

A utility is permitted to transfer a landlord's unpaid bill from a rental residential property to the office or home of the landlord or property manager. If the bill continues to go unpaid, service can be shut off at the landlord's or property manager's office or home.

A utility must send you a notice before your service is shut off for non-payment. This notice must include:

- Reasons for the shut-off.
- Date when service can be shut off.
- How to contact the utility about the shut off.

The notice should be mailed to your home or mailing address at least ten days before the shut-off. A notice must also be posted at the service address if it is not the same as your home or mailing address. The utility is also

Medical Problems

The utility may delay disconnection for up to 21 days if there is a medical emergency in the home. During this delay, you must work with the utility to make payment arrangements in order to continue the service on a permanent basis. The utility may require a letter regarding the medical emergency from your doctor, a public health official, a social service official, the police, or sheriff. The letter must specify the medical emergency, the need for water, and the expected duration of the emergency. The utility may grant another 21-day extension if there is evidence that you are working with the utility to establish a payment plan.

Delinquent Bills Levied As A Tax

Delinquent municipal utility bills may be levied as a tax as provided in Wis. Stat. § 66.0809(3).

Have a Dispute?

First contact your utility to try to solve the problem. If you are behind on your bill, the utility may offer you an installment plan to pay the amount owing.

If the utility cannot resolve your problem, you may contact the PSC at 1-800-225-7729 or 608-266-2001. While the PSC reviews your dispute, your service should not be disconnected. However, you must still promptly pay any charges not in dispute. After the PSC completes its review, a staff member will contact you and the utility to discuss the resolution.

Bilingual Service - Servicio Bilingue

The PSC is also able to provide customer assistance in Spanish. When calling the PSC, please ask to speak to a Spanish speaking representative.

En la Comisión de Servicios Públicos del estado de Wisconsin (PSC) podemos asistirle en Español. Cuando llame a la PSC, pida habla con un representante de habla hispana.

PUBLIC SERVICE COMMISSION

Your Bill of Rights as a Residential Water Utility Customer



Public Service Commission of Wisconsin
Spring 2009

Provided To You By:



Stoughton Utilities

600 S. Fourth Street
Stoughton, Wisconsin 53589
Phone: 873-3379
www.stoughtonutilities.com

The PSC does not discriminate on the basis of disability in the provisions of programs, services, or employment. If you are speech, hearing, or visually impaired and need assistance, call (608) 266-5481 or TTY (608) 267-1479. We will try to find another way to get the information to you in a usable form.

Public Service Commission

610 N. Whitney Way

P.O. Box 7854

Madison, WI 53707-7854

608-266-5481

TTY: 608-267-1479

Fax: 608-266-3957

<http://psc.wi.gov>

3031B (10-11-04)

YOUR BILL OF RIGHTS AS A RESIDENTIAL WATER UTILITY CUSTOMER

The Public Service Commission of Wisconsin (PSC) prepared this brochure to let you know your rights as a water customer. It includes answers to your most common questions and concerns. If you have a question or problem with your service, first contact your utility. If your utility cannot solve the problem, call the PSC.

What Is On Your Bill

All water utility bills must include:

1. Account number.
2. Billing address.
3. Service address (if not the same as the billing address).
4. Current meter reading and date.
5. Prior meter reading and date.
6. Number of units consumed.
7. Minimum and estimated bills shall be distinctly marked as such.
8. The date on which the utility bill is due.
9. The rate schedule under which the bill was computed.
10. Clear itemization of the amount of the bill for the present billing period, any unpaid balance, and any late payment charges.
11. Clear itemization of other utility charges and credits.

If the rate schedule is not included with the bill, the utility must provide a copy of the rate schedule to all customers whenever a rate change becomes effective and at least once each year.

Late Payment Charges

A utility can add a late payment charge if your bill has not been received by the utility by the due date printed on your bill.

A late payment charge can be:

1. A one-time charge of 3% of the unpaid bill (minimum of 50 cents), or
2. A monthly charge of up to 1% of the unpaid bill (including unpaid late payment charges).

A Deposit May Be Required

If you are a new residential customer, you may be asked to post a deposit if you did not pay an undisputed bill for gas, electric, or water service anywhere in Wisconsin during the last six years and your income is above 200% of federal income poverty guidelines.

If you are a current residential customer, you may be asked to post a deposit if:

- a. Your service has been disconnected within the last 12 months.
- b. You falsified a service application.

Installment Plans For Overdue Bills

You may enter into an installment plan to pay what you owe your utility. This helps you pay your current bills and any overdue bills. You will be asked to make a "reasonable down payment" and "reasonable installments."

A reasonable amount is based on:

1. The size of your overdue bill.
2. Your payment history.
3. How long your bill has been overdue.
4. Reasons your bill is overdue.
5. Other important factors such as household size, income, and necessary expenses.

Your utility may ask you to sign an installment agreement. Do not sign it unless you agree to the terms. You have the right to suggest a different payment agreement.

If you do not pay installments as agreed, the utility may disconnect your service. If you do not pay, the utility does not have to negotiate a new agreement before it disconnects your service. It is up to you to let the utility know if there have been any significant changes in your ability to pay.

If you and the utility cannot agree on an installment plan, you can file a dispute with the PSC. While the PSC investigates and attempts to resolve your dispute, your service should not be disconnected. However, you must pay all bills not in dispute.

Service Disconnections
A utility must either mail or personally deliver a notice before your service is disconnected.

This notice must include:

1. Date of notice.
2. Date when service can be disconnected.
3. Reason for the disconnection.
4. If feasible, the occupants may apply to the utility to accept responsibility for future bills and avoid disconnection of service.
5. How to contact the utility about the notice.

The notice must be mailed to your home or mailing address at least 10 days before the disconnection. If the billing address is different from the service address, notice shall be posted at the service address at least 5 days before disconnection. The utility is required to make a reasonable effort to contact you by telephone or in person before service is disconnected.

If service is not disconnected within 20 days after the notice is mailed, the utility must leave a new notice at the site not less than 24 hours or more than 48 hours prior to disconnection.

A utility may disconnect utility service without notice where a dangerous condition exists for as long as it exists.

Service may be disconnected with a written 24-hour notice for non-payment of a bill covering theft of water.

Your service **cannot** be disconnected if:

1. You fail to pay for merchandise or non-utility service.
2. You fail to pay for a different type or class of utility service.
3. There is a declared heat advisory, warning, or emergency for your area.

Your service **can** be disconnected if:

1. You fail to pay your bills, including delinquent bills from a previous address.
2. You fail to pay your installments as agreed.
3. You fail to pay required deposits.
4. You tamper with your meter.
5. There is a safety hazard.
6. You refuse or fail to allow the utility to obtain a meter reading at least once every four months where the utility bills monthly or bimonthly, or at least once every nine months where the utility bills quarterly.



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

Date: January 11, 2010

To: Stoughton Utilities Committee

From: Brian R. Hoops - Stoughton Utilities Office and Information Systems Supervisor
Robert P. Kardasz, P.E. - Stoughton Utilities Director

Subject: Stoughton Utilities Automatic Payment Program.

Mayor Griffin requested that this item be placed on the agenda of the January 11, 2010 Stoughton Utilities Committee Meeting. Upon initiating the automatic payment program back in 2000, Stoughton Utilities adopted the policy to not withdraw final balances from customers who have closed their account due to moving to a new location. This decision was based on the following criteria:

- Due to the varying due dates of final-bills which fall on all days of the month, an auto-pay file would need to be generated and reviewed daily despite the fact that most days would not have any final-billed auto-pay accounts due.
- When a customer sells their home, typically the final charges are paid at the time of the closing and we receive a mailed check from the title company. Occasionally, it takes longer than 20 days for us to receive the mailed check which would result in the customer paying the final bill once at closing and again via auto-pay. Were this to occur, staff would then need to issue and mail a refund check to the customer.
- Some landlords deduct the final balance from customer's security deposits and pay Stoughton Utilities on the customer's behalf. Occasionally, it takes longer than 20 days for us to receive the payment from the landlord which would result in the customer paying the final bill once through their security deposit and again via auto-pay. Were this to occur, staff would then need to issue and mail a refund check to the customer.
- When auto-pay customers move out of the region, they may change banks and close their existing bank account, especially if they banked at a local Stoughton only bank. Since they are no longer our customer, they may not think to contact us with their updated banking information which would result in a failed automatic withdrawal and a non-sufficient funds charge being applied to the customer's account.

A review of accounts that had final bills issued between October 1, 2009 and December 31, 2009 shows that of the 412 bills issued, only five percent were issued to customers enrolled in our auto-pay program. These 21 accounts have all been paid in full.



Office 608-873-3379
Fax 608-873-4878
stoughtonutilities.com



Active auto-pay customers receive a message on their monthly bill that clearly states "PRE-AUTHORIZED PAYMENT – DO NOT PAY" on their payment stub. All final bills issued to auto-pay customers have this message visibly blacked-out, and the bill does not indicate anywhere that the payment will be withdrawn automatically. Preaddressed payment return envelopes are included with final billing statements to prior auto-pay customers, whereas these return envelopes are not included with their regular monthly billings. In addition, a fluorescent-green sticker is attached to the final bill that states:

*"Pre-Authorized payments are not deducted for cancelled utility accounts.
Please issue a check for the balance listed on the final bill."*

Landlords that would like to ensure their past tenants have paid their final bill are recommended to contact the Stoughton Utilities office prior to releasing the tenant's security deposit. Our customer service staff can provide the status of prior tenant's balances to the landlord, who can then opt to deduct any unpaid balance from the security deposit and pay us directly. Landlords can also provide any known forwarding addresses to Stoughton Utilities staff which will assist in collection of unpaid accounts.

Robert Kardasz

From: RKardasz@ci.stoughton.local
Sent: Thursday, December 24, 2009 8:06 AM
To: Robert Kardasz
Subject: FW: Utility Billing/auto payments

From: Jim Griffin
Sent: Thursday, December 24, 2009 8:06:20 AM
To: 'Keith Comstock'; Bob Kardasz
Cc: 'Mark Halverson'; 'Brad Schroeder'; Erin Bothum
Subject: RE: Utility Billing/auto payments
Auto forwarded by a Rule

Please put this on the next Utilities agenda for discussion. Invite Keith to the meeting so he can offer his concerns.

Thank you

WORKING TOGETHER FOR A BETTER STOUGHTON

JIM GRIFFIN, MAYOR
CITY OF STOUGHTON
381 E. MAIN STREET
STOUGHTON, WI 53589
OFFICE: 608 873-6677

jgriffin@ci.stoughton.wi.us

From: Keith Comstock [mailto:clarkhtg@sbcglobal.net]
Sent: Wednesday, December 23, 2009 10:54 AM
To: Jim Griffin
Cc: 'Mark Halverson'; 'Brad Schroeder'
Subject: Utility Billing/auto payments

Good Morning Jim

I received notice from Stoughton Utilities that a couple of my tenants had requested final meter readings but have not paid their final bill. I was able to contact one of my tenants who indicated the bill should have been paid b/c they were on auto pay. I called the utility office and the gal I spoke with indicated that final bills can not be paid via auto payment. I'm sure there is an explanation but as a landlord who is potentially stuck paying the bill I'm curious why auto payers cant pay their final bill on auto pay. From my perspective once people move out their gone and it's proved very difficult to get them to pay retroactively especially if they've moved out of the area.

Keith Comstock
Clark Heating & Cooling Inc.
201 Business Park Cr.
Stoughton WI 53589
Office: 608-873-8500
Fax: 608-877-0575
www.clark-heating.com



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Needs Since 1886

Date: January 7, 2010
To: Stoughton Utilities Committee
From: Robert P. Kardasz, P.E.
Stoughton Utilities Director
Subject: Stoughton Utilities Committee Future Agenda Item(s).

This item appears on all agendas of Committees of the City of Stoughton.

cc: Sean O Grady
Stoughton Utilities Operations Superintendent



Office 608-873-3379
Fax 608-873-4878
stoughtonutilities.com

