

**THE CITY OF ASHLAND CONDUCTS THEIR MEETINGS IN PERSON at
CITY HALL COUNCIL CHAMBERS, 601 MAIN STREET WEST, ASHLAND, WI
WITH THE AVAILABILITY TO ATTEND VIRTUALLY**

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**ASHLAND CITY COUNCIL MEETING
Tuesday, October 11, 2022 – 6:00 PM
AMENDED AGENDA, posted 10-10-2022**

1. CALL TO ORDER

A. Roll Call, Moment of Silence and Pledge of Allegiance

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

A. September 22, 2022 Committee of the Whole Budget Work Session

B. September 27, 2022 City Council and Committee of the Whole Budget Meetings

4. CITIZEN PARTICIPATION PERIOD

5. MAYOR'S REPORT

A. Announcements

B. Appointments

6. OLD BUSINESS

**A. Approve a Resolution to Establish Community Gardens in the City of Ashland,
and Approve an Ordinance to Amend Chapter 47 (2015-1915) Parks and Recreation
Committee, Ashland City Ordinances (*Parks Director*) Roll**

**B. Approve to Accept a Facility Condition Assessment Proposal from Kraus-Anderson
Construction Company for a Building Facilities Master Plan, Phase 1 (*Public Works*) Roll**

C. Approve the Implementation of a Well Operation Permit Fee (*Public Works*) Roll

7. NEW BUSINESS

- A. **Approve to Accept a Proposal for Wastewater Treatment Plant Pretreatment Facilities Equipment Repair** (*Public Works*) Roll
- B. **Approve a Resolution Authorizing the Issuance and Sale of Up to \$1,716,132 Sewerage System Revenue Bonds, Series 2022B, and Providing For Other Details and Covenants With Respect Thereto, and Approval of Related \$2,466,132 Financial Assistance Agreement** (*Public Works, Finance*) Roll
- C. **Approve to Waive the Advertisement Requirement Set Forth in Chapter 194.04, Procurement of Goods and services, Ashland City Ordinances, and Approve the Purchase of Cross Connection Devices** (*Public Works*) Roll
- D. **Approve the State Municipal Agreement (SMA) Dated July 31, 2022 for the Prentice Avenue Phase 2 (USH2-6th Street East) Reconstruction Project** (*Public Works*) Roll
- E. **Approve Final Payment to Ritola Inc. for the 2022 Lead Service Lateral Replacement Project** (*Public Works*) Roll
- F. **Approve Final Payment to Northern Interstate Construction, Inc for the Waterfront Access Road Project** (*Public Works*) Roll
- G. **Approve a Development Agreement with Jeanne Aspensen for a Development Incentive to Support Buildout of a Wedding/Event Venue and Two Short-Term Rental Units at 100 Main Street West, Ashland** (*Planning*) Roll
- H. **Approve a Beaser Avenue Redevelopment Plan** (*Administration*) Roll

8. CLOSED SESSION

- A. **ENTER INTO CLOSED SESSION: PURSUANT TO SEC> 19.85(1)(g): conferring with legal counsel who either orally or in writing will advise governmental body on strategy to be adopted with respect to current to likely litigation.** (*City Attorney*) *A to Z Plumbing & Heating Inc/Z. Jablonski Notice of Claim* (Roll)
- B. **Return to Open Session** (Voice)
- C. **Report of Action Taken during Closed Session**

9. ADJOURNMENT

The City of Ashland does not discriminate on the basis of sex, race, creed, color, national origin, sexual orientation, age or disability in employment or provision of services, programs or activities.

NOTE: Upon reasonable notice, the City of Ashland will accommodate the needs of disabled individuals or individuals with limited English proficiency through auxiliary aids or services. For additional information or to request this service, contact Denise Oliphant at 715-682-7071 (not a TDD telephone number) or FAX: 715-682-7048

**MEETING MINUTES
COMMITTEE OF THE WHOLE
BUDGET WORK SESSION**

The Common Council of the City of Ashland met as the Committee of the Whole on **September 22, 2022**.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION:

The Thursday, September 22, 2022 City of Ashland Committee of the Whole Budget Work Session Meeting was called to order by Council President Eric Lindell at 6:00 PM.

1. Roll Call

PRESENT: Kevin Seefeldt, Sarah Jackson, Eric Lindell, Laura Graf, Charlie Ortman, Dick Pufall.

ABSENT: Ana Tochtermann (excused)

ALSO PRESENT: Mayor Matt MacKenzie, City Administrator Brant Kucera, City Clerk Denise Oliphant, Finance Director Julie Vaillancourt, and Treasurer Jacey Dean.

2. Approval of the Agenda

Ortman moved, seconded by Pufall to approve the agenda. The motion carried unanimously by voice vote.

3. Presentation and Discussion Regarding the 2023 Budget Development and Confirmation of Date and Time of Future Budget Work Sessions

Kucera introduced Finance Director Julie Vaillancourt to discuss the structure of the City's budget and explain the process of its development, and answer questions from Council.

Upcoming Budget Work Session dates are scheduled for October 6 and 20, with the Public Hearing for the budget approval on November 15, 2022.

4. Adjournment

Ortman moved, seconded by Seefeldt to adjourn. The motion carried unanimously by voice vote.

Respectfully Submitted,

Denise Oliphant,
City Clerk

MEETING MINUTES
ASHLAND CITY COUNCIL
Tuesday, September 27, 2022 – 6:00 PM
Ashland City Hall Council Chambers

1. CALL TO ORDER

The Tuesday, September 27, 2022 Ashland City Council meeting was called to order by Mayor Matt Mac Kenzie at 5:30 p.m.

A. Roll Call, Moment of Silence and Pledge of Allegiance

Roll call was taken, a Moment of Silence was held, and the Pledge of Allegiance was recited.

PRESENT: Kevin Seefeldt, Sarah Jackson, Ana Tochtermann, Eric Lindell, Laura Graf, Charlie Ortman, Dick Pufall

ABSENT: None.

ALSO PRESENT: Mayor Matthew MacKenzie, City Administrator Brant Kucera, City Clerk Denise Oliphant, City Attorney Tyler Wickman, Public Works Director John Butler, Parks Director Sara Hudson, Planning Assistant Mandy Lyons, Interim Planning Director Brea Grace, and other concerned citizens.

2. APPROVAL OF AGENDA

Lindell moved, seconded by Jackson to approve the agenda. MacKenzie asked to amend the agenda to remove Item 8A. The motion carried unanimously to approve the amended agenda by voice vote.

3. APPROVAL OF MINUTES

A. September 13, 2022 City Council and Committee of the Whole Meeting Minutes

Lindell moved, seconded by Seefeldt to approve the minutes. The motion carried unanimously by voice vote.

4. CITIZEN PARTICIPATION PERIOD

The Clerk read the Rules for Citizen Participation, and the following offered their comments to the Council:

Elise Kehle, Beaser Avenue, voiced her concerns regarding the statement in the newspaper saying that the City was "giving away" the Beaser Avenue property to a developer.

5. MAYOR'S REPORT

A. Announcements

MacKenzie and other staff met with the Natural Resources Board to review area projects such as the ore dock redevelopment and the Superfund Site. Northland College's 130th Celebration was well received by many last weekend. MacKenzie also met with Tom Tiffany to discuss area projects. Finally, he gave his thoughts regarding the Housing Committee versus a Housing Task Force.

B. Presentation and Possible Discussion Regarding the Established Emergency Snow Routes in the City of Ashland

MacKenzie introduced the item as a discussion started to show Councilors what the Public Works' snow removal policy entailed, and a map showing the emergency routes in place. After some discussion, it was decided that if there were more thoughts on the City's snow removal plan, this would come back to the Committee of the Whole for deeper discussion.

6. CONSENT AGENDA

A. Miscellaneous Committee Meeting Minutes

Lindell moved, seconded by Ortman approve the Consent Agenda. The motion passed unanimously by voice vote.

7. OLD BUSINESS

A. Approve Agreement for Professional Engineering Services between City of Ashland and Greeley and Hansen, LLC for Preliminary Engineering for the New Lake Superior Water Intake Project *(Public Works)* Roll

Lindell moved, seconded by Graf to approve the agreement in the amount of \$217,964.00. The motion passed unanimously by roll call vote.

8. NEW BUSINESS

A. Presentation from Millie Rounsville, Executive Director of Northwest Wisconsin Community Services Agency to Update Council on the Homeless Shelter Located at 2300 Lake Shore Drive West, Ashland *(Clerk)*

Millie Rounsville presented to Council an update as to the progress the homeless shelter has made in the past months, and plans for the future of the site. Pufall asked to correct the address of the site from East to West.

B. Approve Final Payment to Michels Corporation for the 2021 Sanitary Sewer Collection System Repairs Project *(Public Works)* Roll

Ortman moved, seconded by Pufall to approve the final payment in the amount of \$43,653.95. The motion passed unanimously by roll call vote.

C. Approve a Combined Authorizing Resolution for the Department of Natural Resources Urban Forestry Grant and Urban Forestry Catastrophic Storm Grant Programs *(Parks & Recreation)* Roll

Lindell moved, seconded by Seefeldt to approve the resolution. The motion passed unanimously by roll call vote.

D. Approve a Resolution to Issue a Conditional Use Permit (CUP) to Operate Two Short-Term Vacation Rentals at 309 Main Street East, Parcel No. 201-01340-0000, Zoned City Center. Applicant: Anna Morley and Scott Johnson (*Planning & Development*) Roll

Lindell moved, seconded by Ortman to approve the resolution. The motion passed unanimously by roll call vote.

9. ADJOURNMENT

Ortman moved, seconded by Lindell to adjourn. The motion carried unanimously by voice vote.

Respectfully Submitted,

Denise Oliphant,
City Clerk

MEETING MINUTES COMMITTEE OF THE WHOLE

The Common Council of the City of Ashland met as the Committee of the Whole on **September 27, 2022** immediately following the City Council meeting.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION:

The Tuesday, September 27, 2022 City of Ashland Committee of the Whole Meeting was called to order by Council President Eric Lindell at 7:05 pm.

1. Roll Call

PRESENT: Kevin Seefeldt, Sarah Jackson, Ana Tochtermann, Eric Lindell, Laura Graf, Charlie Ortman, Dick Pufall.

ABSENT: None.

ALSO PRESENT: Mayor Matt MacKenzie, City Administrator Brant Kucera, City Clerk Denise Oliphant, Public Works Director John Butler, Parks Director Sara Hudson, Planning Assistant Mandy Lyons, and other concerned citizens.

2. Approval of Agenda

Jackson moved, seconded by Seefeldt to approve the agenda. The motion carried unanimously by voice vote.

3. Council President's Report

Lindell attended several events recently including the Parks and Recreation Committee meeting to discuss the ore dock flag, the Plan Commission meeting to discuss the air B&B policy, and the beer garden at Pearson Park held in coordination with the Northland College celebrations. A reminder was made for the October 6, 2022 Budget Work Session. Plans to discuss the use of the ARPA funds and the Ellis Avenue reconstruction project will be planned for the October 11, 2022 Committee of the Whole meeting.

4. Administrator's Report

Kucera announced that the interviews for a planning director are complete and he's hopeful to have the position filled in the near future. Building permits are secured for the housing complex on the Timeless Timber site, and ground work has started on this 14-month project. A concept plan will be coming before Council at the October 11, 2022 meeting for the Beaser Avenue housing proposal. Kucera attended an economic development meeting with representatives from Ashland Area Development and the Bad River Tribe to discuss funding available to benefit the development of diverse businesses. He concluded that Governor Evers allocated more funds to be directed toward existing small businesses, noting that the Badger Bounce Back program has been very well accepted.

5. Discussion Items

A. **Discussion and Possible Action on Potential Housing Committee Ordinance** (*Councilor Lindell*)

Planning Assistant Mandy Lyons introduced the item. Jackson moved, seconded by Ortman to approve the draft ordinance and move it forward to the Council agenda. After much deliberation, Lindell offered to amend the motion to forward the draft ordinance to the next Committee of the Whole for further review before formal approval. Jackson and Ortman accepted this amendment, and the motion carried unanimously by voice vote.

B. **Discussion and Possible Action Regarding a Community Garden Resolution and Update to the Codification of Chapter 47** (*Parks & Recreation Director*)

Parks Director Sara Hudson introduced the item. Ortman moved, seconded by Graf to approve moving the resolution forward to the next Council meeting. The motion carried unanimously by voice vote.

C. **Discussion and Possible Action Regarding the Development of a Building Facilities Master Plan, Phase 1** (*Public Works*)

Public Works Director John Butler introduced the item. Ortman moved, seconded by Seefeldt to advance the plan for formal approval at the next Council meeting. The motion carried unanimously by voice vote.

D. **Discussion and Possible Action Regarding the Implementation of a Well Permit Operation Fee** (*Public Works*)

Butler introduced the item. Jackson moved, seconded by Graf to move this item forward to Council, allowing Public Works to charge \$50 every five years for the permit. The motion carried 6-1 by voice vote; Pufall opposed.

6. Items for Future Discussion

There were no items brought forward by Councilors.

7. Adjournment

Ortman moved, seconded by Seefeldt to adjourn. The motion carried unanimously by voice vote.

Respectfully Submitted,

Denise Oliphant,
City Clerk

SUBJECT: Appointments

RECOMMENDATION: Approval

DEPARTMENT OF ORIGIN: Mayor

CLEARANCES: Mayor

EXHIBITS:

EXPENDITURES REQUIRED: NA

AMOUNT BUDGETED:

**APPROPRIATION
REQUIRED:** NA

**TREASURER'S
CERTIFICATE:** NA

COMPLIANCE WITH ORD. 51: Section 51.26 (b) of Chapter 51, Ashland City Ordinances, permit the Mayor and/or Clerk to schedule items directly for Council action when a timely decision is needed by the City. The City Clerk has chosen to direct this item directly to Council pursuant to the authority granted to her in Chapter 51, Ashland City Ordinances.

STATEMENT OF CONFORMANCE WITH COMPREHENSIVE PLAN:

SUMMARY STATEMENT:

The Mayor is requesting Council's approval of the following appointment:

Public Works Committee

Robert Klamerus, term to expire September 30, 2027

SUBJECT: Approve a Resolution to Establish Community Gardens in the City of Ashland, and Approve an Ordinance to Amend Chapter 47 (2015-1915) Parks and Recreation Committee, Ashland City Ordinances (*Parks Director*) Roll

RECOMMENDATION: Approval

DEPARTMENT OF ORIGIN: Parks & Recreation

CLEARANCES: Approved Unanimously by Committee of the Whole, 9-27-2022

EXHIBITS:

1.	Proposed Resolution
2.	Proposed Ordinance

EXPENDITURES REQUIRED: NA

AMOUNT BUDGETED:

**APPROPRIATION
REQUIRED:** NA

**TREASURER'S
CERTIFICATE:** NA

COMPLIANCE WITH ORD. 51:

STATEMENT OF CONFORMANCE WITH COMPREHENSIVE PLAN:

SUMMARY STATEMENT:

The Beaser Community Garden was created in 2007 by community members, UWEX and the City of Ashland who donated the use of the land. Since that time, a dedicated group of volunteers has managed the garden. City staff, with the help of garden volunteers and the parks and recreation committee, have drafted a resolution formalizing the Beaser Community Garden in Beaser Park as a Community Garden and thus supporting community gardens in the City of Ashland. The resolution also sets the groundwork to create a policy on community garden creation, expansion and management, including the planting of orchards.

City staff is also seeking approval to update the Codication of Ordinance Chapter 47: Parks and Recreation Committee to increase membership by one to include a representative from the Ashland Community Garden.

The formalization and update of Chapter 47 will allow the City to assist in financial management of the garden, relieving a burden on garden managers.

At the September 27, 2022 Committee of the Whole meeting, Council approved unanimously to forward the resolution and ordinance amendment for formal approval.

RESOLUTION No. 17698

RESOLUTION TO ESTABLISH COMMUNITY GARDENS IN THE CITY OF ASHLAND

STATEMENT OF PURPOSE: The purpose of this resolution is to adopt a community gardens policy for City of Ashland. The resolution reflects the City of Ashland's support for community gardens as a valuable resource and the City's commitment to collaborate with the community, non-profit organizations, and other stakeholders to encourage and preserve community gardens on public.

WHEREAS, community gardens make a significant contribution to the civic and cultural life of communities and create gathering places that bring people together across boundaries of age and ethnicity; and

WHEREAS, community gardens provide access to healthy, culturally specific food for people of all economic backgrounds, allowing residents to improve nutrition and lower food costs; and

WHEREAS, community gardens serve as a tool to fight obesity by positively contributing to the physical activity of participants, increasing access to nutritional foods, and serving as an important environmental and health educational tool; and

WHEREAS, community gardeners and their children eat healthier, more nutrient-rich diets than do non-gardening families; and

WHEREAS, community gardens provide positive attributes as urban green spaces: they beautify areas, build a sense of community among neighbors, abate criminal activity, and prevent trash accumulation, dumping, and littering; and

WHEREAS, community gardens contribute to the preservation, access to, and use of open space, vacant lots, and public parks; and

WHEREAS, community gardens empower residents to become more active in their communities, cultivating cross cultural and intergenerational volunteers and leaders who come together to preserve open space and create gardens for the benefit of present and future generations; and

WHEREAS, the Beaser Community Garden was created in 2007 in Beaser Park by community members to meet the needs of the community.

NOW, THEREFORE, BE IT RESOLVED, that the City will establish policies and procedures to ensure the success of community gardens, supports the creation and expansion of sustainable community gardens and recognizes the Beaser Community Garden as the first community garden in the City of Ashland.

1. The City supports community gardens as a valuable resource and commits to encouraging and preserving community gardens on public and private land.
2. That in order to encourage and protect community gardens on private and public land the Ashland City Council directs the Park and Recreation Department/Committee, along with other key staff as selected, to develop a City of Ashland Community Garden Policy.
3. The City will work with non-profit organizations and community members to identify land suitable for community gardens.
4. The City will allow the use of public property, where appropriate, for new community garden sites, such as undeveloped parcels, road rights of way, marginal park land, and adjacent greenway land and will include community gardens as a desired use of public property.

5. The City will provide information on who to contact and what to consider for starting a community garden on public property.
6. The City will incorporate the Community Garden Policy into City's Comprehensive Plan to encourage and preserve community gardens.
7. The City will publish the Community Garden Policy, a comprehensive inventory of public community gardens, application procedure, and community garden map on the City website.
8. The City will promote cooperation and consistency in the implementation of the Community Garden Policy through communication and collaboration among departments and agencies,
9. The City recognizes the economic, environmental and social value of community gardens and will attempt to provide budgetary support for the coordination of a community garden program.
10. The City will review all future policies to assess their impact on community gardens and ensure that these policies promote community gardens and do not create unnecessary obstacles or burdens on community gardens.
11. The City will review all future policies to assess their impact on community gardens and ensure that these policies promote community gardens and do not create unnecessary obstacles or burdens on community gardens.
12. The City directs the City of Ashland Parks and Recreation Committee/Department to evaluate the implementation of the Community Garden Policy on an annual basis and present the evaluation to the City Council one year from adoption of this resolution and every 3 years thereafter.

PASSED: October 11, 2022

Councilperson

ATTEST:

Denise Oliphant, City Clerk

Matthew MacKenzie, Mayor

APPROVED AS TO FORM:

Tyler Wickman, City Attorney

Sequential Ordinance No. 2022-1968
Chapter No. 47 (2019-1915)

ORDINANCE TO AMEND CHAPTER 47 (2019-1915) PARKS AND RECREATION COMMITTEE, ASHLAND CITY ORDINANCES.

An ordinance adopted by the Common Council for the City of Ashland at a regular meeting of October 11, 2022, for the purpose of amending Chapter 47 (2019-1915) Parks and Recreation Committee, Ashland City Ordinances.

Section I

47.01 Purpose. *The second paragraph will be amended to read:*

The Parks and Recreation Committee will also serve as the Tree Management Advisory Committee which shall serve in an advisory capacity to the City of Ashland. The Parks and Recreation Committee shall study and make recommendations regarding recreation issues affecting Ashland community members; create policy and serve in an advisory role for the City of Ashland Community Garden(s) and; advise the City on all matters pertaining to tree and landscape planting, maintenance, and removal in the City of Ashland; and undertake such projects as requested by the City's governing body.

Section II

47.02(a) Membership and Organization. *shall be amended to read as follows:*

(a) The Ashland Parks and Recreation Committee (PRC) shall be composed of eight (8) members appointed by the Mayor and confirmed by the Common Council to serve terms commencing on May 1st.

- (1) Seven (7) members of the Committee shall be citizens of the City of Ashland (or work in the City of Ashland) and serve staggered three year terms. The Mayor shall appoint and Council approve members at the reorganizational meeting of the Common Council. No less than two of the seven members of the committee will have knowledge/background in forestry and/or natural resources. No less than two of the seven members of the committee will have knowledge/background in horticulture/agriculture/gardening.
- (2) The Mayor shall appoint, and the Council shall confirm one (1) member of the Common Council to serve on the Committee; the Council appointment shall be appointed annually at the reorganizational meeting of the Council and shall serve by virtue of his/her seat on the Council.
- (3) Of the initial citizen appointments:
 - (A) Two (2) shall be for three (3) years.
 - (B) Two (2) shall be for two (2) years.
 - (C) Two (2) shall be for (1) year.

(D) One (1) shall serve as the community garden representative appointed annually

(4) Following the initial citizen appointments, each successive appointment shall be for a three year term.

(5) Members shall serve until their successors have been appointed

(6) The Community Garden Representative must be a current Community Garden Gardener at a City of Ashland Community Garden

Section III:

Effective Date of Ordinance: This ordinance shall take effect upon passage and publication

PASSED: October 11, 2022
PUBLISHED: October 18, 2022

ATTEST:

Denise Oliphant, City Clerk

Councilperson

Matthew MacKenzie, Mayor

APPROVED AS TO FORM:

Tyler W. Wickman, City Attorney

SUBJECT: Approve to Accept a Facility Condition Assessment Proposal from Kraus-Anderson Construction Company for a Building Facilities Master Plan, Phase 1 (*Public Works*) Roll

RECOMMENDATION: Approval

DEPARTMENT OF ORIGIN: Public Works

CLEARANCES: Public Works Director

EXHIBITS:

1.	Kraus-Anderson Construction Company - City of Ashland Facility Condition Assessment Proposal - 9-20-22
2.	Strategic Plan- Infrastructure
3.	Strategic Result: City Buildings

EXPENDITURES REQUIRED: Expenditures Required- \$24,900

AMOUNT BUDGETED: Amount Budgeted- \$25,000 Fund 450 Building & Facilities

APPROPRIATION REQUIRED: NA

TREASURER'S CERTIFICATE: The Treasurer's Office has certified on October 4, 2022 that Kraus-Anderson Construction Company is in compliance with the provisions of Ordinance 923.10 Ashland City Ordinances.

COMPLIANCE WITH ORD. 51:

STATEMENT OF CONFORMANCE WITH COMPREHENSIVE PLAN:

SUMMARY STATEMENT:

As part of the 2022 Capital Budget, the Council approved the expenditure of \$25,000 for professional services necessary for the development of a Building and Facilities Master Plan. These funds will not be sufficient to complete an entire Master Plan, so the work planned for 2022 is referred to as Phase 1. The Council approved Strategic Plan includes a strategic result that this focused on Buildings and Facilities, "By 2026, taxpayers and City employees will have access to and work in City buildings and facilities that project the historical character of the City, generate lower operating costs and have extended life spans."

Master planning is necessary for the effective management of all types of infrastructure. The first step is an inventory of assets. For buildings, this is complex as city buildings are composed of a variety of facilities, including but not limited to the actual structure, heating, ventilation and cooling systems (HVAC), electrical and security features, plumbing, elevators, and other systems. Staff have completed this at a basic level but professional services are needed to assist in assessing the condition and prioritizing the repairs based on the factors like condition, desired level of service and impact on the above referenced strategic result. This subsequent step in the master planning process informs the need for capital improvements to buildings and

facilities, which will assist staff and Council in the planning, budgeting and implementation of the capital expenditures necessary.

Based on the portion of the strategic result that focuses on "project(ing) the historical character of the City", staff has focused Phase 1 on City Hall. Additional funds for Phase 2 will be requested as part of a future City capital budget. The completed Master Plan will include all City Buildings and Facilities supported by the General Fund, with the exception of the Library which has completed its own capital planning.

A selection committee of the City Administrator, the Building and Facilities Foreman and a member of the Ashland Fire Department evaluated the qualifications of Kraus-Anderson Construction Company, Cedar Corporation, Short Elliot and Hendrickson (SEH) and Meyer Group. The committee selected Kraus-Anderson based on their qualifications and expertise in completing similar efforts for other municipalities.

Staff is requesting that Council approve a professional services agreement with Kraus-Anderson Construction to begin work on phase I of a Building Facilities Master Plan.



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Facility Condition Assessment Proposal- City of Ashland, WI- V2

September 20, 2022

OBJECTIVE

The City of Ashland has selected Kraus-Anderson in regards to a solicitation for building master planning request for qualification. Following the selection of Kraus-Anderson, the City of Ashland has scaled back the initial plans for the building planning efforts. The revised request is to perform a facility condition assessment only on one (1) of the facilities. The focus will be on the following facility:

- City Hall- 601 Main St W, Ashland, WI 54806 ~ 15,000 SF

In addition, the City of Ashland has requested assistance for developing plans to improve the employee breakroom in City Hall. This allowance will be high-level schematics, cost estimating services, respond to building code questions and produce high-level exhibits.

SCOPE OF WORK

Kraus-Anderson, in combination with LHB, will provide the City of Ashland a Facility Condition Assessment for City Hall. As a part of this effort, KA and LHB will review all implications regarding the historic preservation of this facility.

By following Kraus-Anderson Facility Condition Assessment process, City of Ashland would benefit for the following reasons:

1. Understand the current status and condition of the various facilities
2. Identify costs associated with all facility needs
3. Develop a short-term/long-term maintenance and construction needs into a Ten (10) year plan for the facility
4. Calculate a Facility Condition Index (FCI) that will assist in determining proper next steps for the facility
5. Provide high-level schematics, pre-construction estimating for improvements for the employee breakroom.

Facilities Conditions Assessment

Our facility conditions assessment will provide the City of Ashland a comprehensive review of the facility inclusive of the following:

- Complete site interviews of key facility personnel currently managing and maintaining the facility- gather all pertinent information regarding the facilities and surrounding properties
- Complete a non-destructive, visual inspection, detailed site visit to review the property and existing building systems conditions inclusive of the following disciplines and areas:
 - *02-Site Work:* Site lighting, transformer, parking lots, storm water, curb, green space, playgrounds, etc.
 - *03- Building Structure:* Non-engineering review of structure- identify points of concern
 - *04- Foundation/Slab-on-Grade:* Basements, loading docks, slabs, etc.
 - *05- Exterior Enclosure:* Façades, exterior walls, exterior doors, windows, building penetrations
 - *06- Roofs:* Roof review, roof drainage, flashing, coping, etc.
 - *07- Interior Construction:* interior walls and doors, ceiling tile, flooring, rooms, kitchen, restrooms, specialty areas (common spaces, offices, conference rooms, media centers, etc.)
 - *08- FF&E:* Office equipment (desks, conference room tables, etc.), common areas, lockers, facility associated items
 - *09- Special Construction:* Server rooms/data centers, etc.
 - *10- Conveyance:* Elevators, escalators, chair lifts, etc.
 - *11- Fire Protection:* Protection, detection, panels
 - *12- Plumbing Systems:* Water Heaters, softeners, sumps, sewer, etc.
 - *13- HVAC:* Heating, Ventilation, cooling, boilers, AHU's, etc.
 - *14- Controls:* DDC, Pneumatic, Lighting
 - *15- Electrical:* Switchgear, Generators, ATS, lighting

- 16- A/V: Communications
- 17- Technology, Electronic Safety/Security: LV systems, IT, Card Access, DAS, Cameras
- Identify all deferred maintenance and upcoming facility expenditures and digitize the findings into a consolidated and detailed report
- Itemize and prioritize deferred maintenance and facility expenditure items and develop a comprehensive deferred maintenance list for the facilities
- Identify cost estimates associated with either repair, replacement or upgrades that coincide with each identified depreciable asset item that will either be a deferred maintenance item or upcoming facility expenditure
- Analyze and consolidate cost estimate information and provide summary cost information on a 10-year plan basis
- Present and review itemized Master Plan and list of prioritization recommendations and review with key facility personnel and decision makers
- Develop assessment report content
- Present and review assessment report and Master Plan with City Council and/or departments
- Modify/update final facilities master plan report based on City input and prioritization direction

In addition to the reporting of the existing facilities conditions, Kraus-Anderson will provide recommendations around the following items:

- Sustainability recommendations
- Energy efficiency recommendations and possible cost savings
- Safety and security upgrades
- Code compliance/ADA regulations

In addition, Kraus-Anderson will provide high-level analysis and recommendations of potential identification of harmful materials and possible indoor air-quality concerns. Detailed testing of these will need to be verified by third-party consultants (not included in this initial phase).

Conceptual Planning and Estimation Services

Combined with our LHB team, Kraus-Anderson will provide high-level schematics for a revised employee breakroom, inclusive of exhibits and estimates for the improvements for the City Hall employee breakroom.

PROJECT APPROACH & WORK PLAN

Kraus-Anderson's Facility Assessment Service follows a detailed delivery assurance process to maintain quality of the Facility Condition Assessments provided for our customers. Independent of the amount of information available, our team will provide a thorough and comprehensive review of the facilities and property, organize the gathered information and previously, and present of the results of the facility condition assessment. All information will be digitized and consolidated to an online accessible portal. All information will be easily accessible and available for download.

Define Phase (Project initiation)

- Project proposal development and understanding of client goals and objectives
- Project Award and Setup
- Internal Kickoff Meeting
- External Kickoff Meeting
 - Introduce team members
 - Identify key stakeholders
 - Identify and gather existing key documentation of site that has not been provided
 - Review proposed timelines and project schedule

Collect Phase

- Site observation and walkthroughs (digitally documenting site walkthrough)
- Review existing documentation
- Interview with key personnel and stakeholders– identify key site dates, information about site, critical information, anecdotal information that may be useful to understanding status of equipment/materials/condition, transfer of knowledge
- Complete inventory of all reviewed systems and assets
- Digitize information gathered from site interview, walkthroughs, site visits, etc.

Develop Phase

- Development of comprehensive facility expenditures and deferred maintenance list on a 10-year basis
- Prioritize facility maintenance needs, energy efficiency, code compliance, ADA issues identified
- Estimate costs associated with facility improvements and upcoming expenditures
- Develop phasing considerations for various projects that should be completed simultaneously or in conjunction
- Incorporate previously completed assessments and estimated costs and confirm pricing for those items

Refine Phase

- Collaboratively work with owner through:
 - Concepts for facility maintenance items, site improvements and remediation concepts
 - Iterative prioritization process and criticality of items
 - Potential costs savings for completing projects simultaneously
 - Full understanding of remediation of costs
 - Presentation of data to executive committees
- Identify and understand the results of the data via the Facility Condition Index (FCI) measurement of the reviewed properties

Present Phase

- Provide executive summary of findings and ownership recommendations
- Provide concepts and prioritization of remediation items
- Provide estimation consolidate budgets on a 10-year plan, inclusive of cost escalation/inflation
- Provide full digitized package of site plans, concepts, results, estimates, 10-year plan and final report

PROJECT DELIVERABLES

At the conclusion of the project, the City of Ashland will be presented with access to KA's portal inclusive of the following:

Name	Description
Executive report- Facility Condition Assessment Report	Summary of the key findings from site visits, including client personnel interviewed, developed exhibits, consolidation of deferred maintenance estimates, charts, tables, etc.
Digitized Site Report	Report of facility information, site walkthrough, and deferred maintenance findings and site photography
Facility Expenditures and Maintenance Financial Plan– “Site Prioritization and Estimation Tool”	Detailed 10-year plan which includes the following items, prioritize and categories by condition, criticality, replacement timing, resolution and funding mechanisms including the following:

	• Capital and deferred maintenance/facility deficiency items identified • Project identification and phasing considerations • Equipment and Materials lifetime expectancy • ADA/Code Compliance considerations • Safety and security considerations • Energy efficiency considerations • Cost estimates based upon real-time market data from KA's current construction cost database
Facility Condition Index	Following the IFMA standard for Facility measurement, the FCI score informs clients on the status of their overall facility and assists with strategy on level of investment required moving forward.
Site Interview Information	Documentation of the anecdotal information available about the various facilities, document timeframes and phasing of the building, and current issues the facility teams are dealing with in regards to the facility.
Meetings and Agendas	Inclusive of the kickoff meeting agenda and other regular meetings where information is gathered.
High-level Schematics and Estimates	Provide exhibit level drawings and pre-construction estimates for improvements to the City Hall Breakroom.

*Deliverables will be provided via Kraus-Anderson's online portal and accessible and downloadable for up to one (1) year from date of initiation of project.

SCHEDULE

We estimate the work for the Facilities Condition Assessment to require 5-6 weeks from initial meeting to final deliverable (depending on availability of site visits and site information delivery).

FEE

We propose to furnish all labor, material, workmen's compensation, all liability insurance, and to pay all state, federal and local taxes to provide this assessment for a time and materials fee of **\$24,900.**

EXCLUSIONS

The following is a list of potential (but not required) reimbursable available at your requests, but not included in the base scope of services.

- Geotechnical observation (soil borings)
- Site Survey
- Detailed demographic study (third-party consultant)
- Bulk printing of reports and findings

CLIENT RESPONSIBILITIES

In order to deliver a successful project, the Client agrees to provide the following information in order to support this engagement.

- Designate a single point of contact (SPOC) who will be responsible for:
 - Identify, schedule and confirm availability of Client subject matter experts, facilities staff, end-users and management for onsite interviews and meetings.
 - Provide access to the facility as needed
- Provide documentation on an as-needed basis throughout the project, such as: drawings, diagrams, inventories, current cost data, and various reports.

- Ensure client interviews and review meetings are attended in order to avoid project delays and costs.
- Provide information, decisions and approvals within three (3) working days of request or otherwise agreed upon.

ACCEPTANCE

This proposal will be deemed accepted as the Work Order for the Project upon receipt of a signed original or copy thereof. If this proposal correctly states our agreement, please sign below:

In witness whereof, the parties hereto have caused their duly authorized representatives to enter into this agreement effective as of the date set forth below.

CITY OF ASHLAND

By: _____

Date: / /

KRAUS-ANDERSON

By: _____

Date: / /

PROJECT ASSUMPTIONS

- The purpose of this project is to define current facilities conditions, provide framework for space planning efforts and strategy, not to execute the strategy. The actual execution is expected to be a follow on engagement to be discussed upon the presentation of the strategy and approval by the Client.
- The scope of work was proposed solely to meet the needs of KA's Client.
- KA's evaluations and opinions of cost estimates are only as of the date the walk-through performed, documentation reviewed and interviews conducted. KA does not guarantee any cost estimates provided as part of the facilities assessment.
- Conditions at a property and the estimated costs to remedy them can change significantly over a relatively short period of time due to levels of maintenance, wear and tear, acts of nature and other factors.
- KA shall not be liable for any unintended usage of this report by another party.
- No facility assessment can wholly eliminate uncertainty regarding the potential for physical deficiencies and the performance of a property's building.
- There is an inherent subjective nature of opinions as to such issues as original workmanship, quality of original installation, and estimating the remaining useful life of any given component or system.
- KA's facility assessment was designed to reduce, but not eliminate the uncertainty regarding the potential for component or system failure, within reasonable limits of time and cost, and no warranty is expressed or implied regarding the design, operation or safety of any building system or component by KA's performance of the facility assessment.
- The facility assessment is intended to be a non-intrusive assessment.
- No destructive testing will be completed and concealed areas, such as inside, plenums, behind walls or within machinery, were not accessed (unless specifically noted)
- KA makes no representations regarding exterior insulation and finishing systems (EIFS), curtain walls or other building skin conditions that would not be readily observable and, therefore, outside the scope of this assignment (unless specifically included).
- The facility assessment does not constitute a design, regulatory or code compliance audit of the building systems that may be present at the Property.
- KA is not performing the facilities assessment in the capacity of a design professional. Where any changes or repairs to existing building systems are contemplated, Client agrees to retain the services of a licensed design professional to evaluate/design any such changes or repairs.
- KA's fee for the facilities assessment includes a reasonable allowance for risk. Client agrees that KA's aggregate liability for all claims arising from the facilities assessment will not exceed the fee paid to KA or \$50,000, whichever is greater, and Client agrees to indemnify KA from any liability in excess of such amount.
- Testing, measuring, or preparing calculations for any system or component to determine adequacy, capacity, or compliance with any standard is outside the scope of work.
- Information in this report, concerning past and current physical concerns, maintenance and replacement activities, and condition of spaces not observed or viewable, is from sources deemed to be reliable, including, but not limited to interviews with property owners, operators and tenants, interviews with municipal agencies and vendors; however, no representation or warranty is made as to the accuracy thereof.
- KA will have no ongoing obligation to obtain and include information that was not reasonably ascertainable, practically reviewable or provided to KA in a reasonable timeframe to formulate an opinion and complete the assessment by the agreed upon due date.

- While the general environmental setting of the property is described, this assessment is not intended to be a formal flood plain or wetland determination, and no warranty with respect thereto is expressed or implied.
- Any fungi or mold reference included in the final report does not constitute a professional mold inspection and is not based upon any sampling, testing and/or abatement.
- KA merely notes the visual presence or absence of fungi or mold while in the course of preparing this report.

INFRASTRUCTURE

By 2022, pedestrians and cyclists will experience safe passage crossing the highway to reach the lakeside.

By 2023, City of Ashland residents and visitors will experience consistent, reliable and affordable high-speed internet access throughout the City.

By 2022, City of Ashland residents and businesses will have access to reliable and reasonably priced City water, sewer, stormwater and streets through the development and implementation of a 20-year repair and replacement plan, supported by budget plans on 5-year increments.

By 2024, City of Ashland residents and visitors will experience improved access to and from Ashland via Lake Superior through the installation of a commercial boat access point at the Marina and additional recreational access points along the shore.

By 2026, Taxpayers and City employees will have access to and work in City buildings and facilities that project the historical character of the City, generate lower operating costs, and have extended life spans.

Strategic Result: City Buildings

By 2026, Taxpayers and City employees will have access to and work in City buildings and facilities that project the historical character of the City, generate lower operating costs, and have extended life spans.

Facilities Master Plan

- Assess all City buildings and facilities to create a Schedule of Replacements, Renovations and Remodels
 - Public Works, Planning, Parks, 2023
- Xcel – request to do Energy Audits of all City buildings
 - Public Works, 2023
- Master Plan to include future needs and plans
 - Public Works, Planning, 2023

Action Step #1	Develop Bldg Priorities for Master Plan Ph 1 & Ph 2	3/15/2022
Action Step #2	RFQ for Bldg Facilities Master Plan Ph 1	4/1/2022
Action Step #2	Explore Xcel Energy Incentives for Energy Svgs	12/31/2022
Action Step #3	Complete Bldg Facilities Master Plan Ph 1	12/31/2022
Action Step #4	Funding for Bldg Facilities Master Plan Ph 2	12/31/2022
Action Step #5	RFQ for Bldg Facilities Master Plan Ph 2	4/1/2023
Action Step #6	Energy Audits of All City Buildings	12/31/2023
Action Step #7	Complete Bldg Facilities Master Plan Ph 2	6/1/2024

Lower Operating Costs

- Establish definitions of Operating Costs (Dan 2022)
- Establish baseline of operating costs for each City building and facility (Dan 2022)
- Establish accounting structure and procedures for tracking operating costs by building and facility (Dan, Julie 2023)
- Develop and implement staff education program re lowering operating costs

Action Step #1	Review Budget Book(s) info on Facilities budget (line item costs)	3/15/2022
Action Step #2	Review alternate City budgets for their definitions	6/1/2022
Action Step #3	Submit Facilities Operating Costs Definitions to City Administrator	12/31/2022
Action Step #4	Review 5 yrs prior budgets to ID typ operating costs (key bldgs)	6/1/2023
Action Step #5	Review existing accounting structure w/ Finance	9/1/2023
Action Step #6	Suggest changes in existing accounting structure to City Administrator	3/1/2024
Action Step #7	Develop staff education program	9/1/2024
Action Step #8	Implement staff education program	1/1/2025

Extend the Life Spans of City Buildings and Facilities

- Establish an ongoing lists and cost of deferred maintenance items by building and facility. Leverage Facilities Master Plan. (Dan 2023)
- Establish life span standards for new buildings and major renovations (PW, Planning, Parks 2023)

Action Step #1	Dan compile list of existing deferred maintenance needs	4/1/2022
Action Step #2	Develop list of maintenance needs from Master Plan Ph 1	3/1/2023
Action Step #3	Develop list of maintenance needs from Master Plan Ph 2	9/1/2024
Action Step #4	Establish list of asset classes requiring list span (roof, HVAC)	6/1/2024
Action Step #5	Establish asset life spans for each asset class	6/1/2025

Project Historic Character in City Buildings

Develop and present to Council a policy decision, which is consistent with “Authentic Ashland”, to ensure that City buildings are built, renovated, or remodeled so the historic character of the City is prioritized.

Required Resources

- \$ - funding for Master Plan Ph 1 (2022 budget)
- \$ - funding for Xcel Energy audits (if necessary)
- \$ - funding for Master Plan Ph 2 (2023 budget)
- \$ - funding for energy efficiency svgs projects (ongoing, future yrs)
- Finance staff time to review facilities accounting system
- Finance staff time to review asset life spans (overlap w/ GASB reporting)
- Facilities/Streets time for energy efficiency projects

Performance Measures

- % reduction in energy consumption for key City bldgs
- \$ amounts spent on Facilities needs (compared to years prior to 2022)

SUBJECT: Approve the Implementation of a Well Operation Permit Fee (*Public Works*) Roll

RECOMMENDATION: Approval

DEPARTMENT OF ORIGIN: Public Works

CLEARANCES: Approved by Committee of the Whole 6-1, September 27, 2022

EXHIBITS:

1.	Public Works Meeting Minutes, July 14, 2022
2.	Permit Fee Recommendation

EXPENDITURES REQUIRED: NA

AMOUNT BUDGETED:

**APPROPRIATION
REQUIRED:** NA

**TREASURER'S
CERTIFICATE:** NA

COMPLIANCE WITH ORD. 51:

STATEMENT OF CONFORMANCE WITH COMPREHENSIVE PLAN:

SUMMARY STATEMENT:

At the May 31, 2022 meeting, the City Council approved the final changes to ordinance 705 Water Utility Rules, Rates, and Regulations. The changes addressed a requirement from the WI Department of Natural Resources (WI DNR) that privately owned individual water supply wells within the service area of the municipal water system be issued a periodic permit for operation. The permit will be issued every 5 years.

At the recommendation of staff, the ordinance changes included implementation of a fee for the well operation permit. At the July 14, 2022 Public Works Committee (PWC) meeting, the committee recommended that the fee be set at \$50. As the permit is only issued every 5 years, this effectively amounts to \$10 per year.

The recommendation by the PWC was based on a comprehensive review of the well permit fees administered by other communities, analysis of the revenue lost by the Water Utility by permitting individual wells within the municipal water system service area, and an estimation of the staff time required to administer the permits.

Staff requested at the September 27, 2022 meeting, that Council review the recommendation by the PWC to allow for approval of the \$50 well permit operation fee as part of the 2023 budget process, which included the annual review and approval of the comprehensive fee schedule. This was approved to be moved forward for formal Council approval, 6-1 by voice vote.

This fee will be included in the Comprehensive Fee Schedule proposed changes for 2023, which will be brought to Council on October 25, 2022, and take effect on January 1, 2023.

July 14 Meeting Minutes

Roll Call – Phil Sorensen, Ed Calhan, Anne Chartier, Eric Lindell, John Butler – PW Director, David Garrington – Admin Manager, Absent – Bill Kurtz

Approval of Previous Minutes – Phil Sorensen moves to approve minutes, Ed Calhan seconds, motion carries

Citizen Participation – None (Brian Chapman will discuss project related details)

Unfinished Business

1. 2023 Ore Dock Access Road Project – tried to figure out what we wanted to do regardless of cost, then make a recommendation on what to do based on costs. \$3.3 million. Cost came in a lot more than anticipated. \$1 million in grants
 - a. Stuntz Ave/US2 Connection – Looked at 2 alternatives discussed with DOT, 1 was double turn lane in center of US 2, other was dedicated left turn lane going N and S. Left turn would provide enough length in tapers while having a normal intersection out of Stuntz. Because of the tapers there is enough of a sight distance for pulling out of Stuntz, the highway would be widened on either side of the intersection. Looking for a recommendation on where to focus the funds and grant dollars as it pertains to this project, there are underground needs that need to be addressed (Utility). The committee wants more information on costs for Utility work and access to grant dollars to address all needs. Cedar and John will repackage the estimates and break costs down more to pick and choose what would go into the project.
 - b. Stormwater Treatment Level of Service – asking for recommendation on the treatment of storm water, which is pretty non-existent at this point. The treatment devices (storm water outfalls) recommended for the ore dock access road project would require more man power and more dollars than the City has to throw at it (suck up trash and large debris through a sump system which would need to be cleaned out regularly). should we install treatment devices in order to treat storm water differently than we do now (in other words, we don't) Recommend to look at these things separately as it pertains to the project and come back with more information

New Business

1. Well Operation Permit – initially recommended \$50 fee every 5 years to operate a private well. Brought forth fees from other municipalities, which cover a range. The suggested fee covers most of the admin fee and revenue that's lost from residents being on private water and not getting it from the City. The fee could go higher to cover, around \$100 every 5 years to cover lost revenue. To be clear the State is requiring a permit but not a fee. Phil Sorensen motions to charge \$50 for a well permit, Anne Chartier seconds, motion carries
2. Update on 6th W – John spoke to City attorney about project. The project is in litigation and details cannot be discussed. Will bring forward information as it is gathered.
3. Trail Paving Schedule – Angelo Luppino will start the project next week but has not been forthcoming about schedule. PW is trying to get a schedule together in order to alert the public

PERMIT FEE RECOMMENDATION

Time Breakdown for Permit System

Task	Alloted Time	Staff	Total:
Preparing Notices	1	Megan	\$ 29.00
Sending Notices	1.5	Megan+Postage	\$ 64.30
Receiving Notices	20	Megan	\$ 580.00
Reviewing Documentation	40	John	\$ 2,436.00
Notification of Findings	10	Megan+Postage	\$ 310.80
Update Permit Trackings	5	Megan	\$ 145.00
Misc Tasks	15	Megan & John	\$ 1,348.50
Follow Ups			
Council Meetings			

Task costs calculated at John and Megan hourly rates

40 Total Residential Operating Wells
5 Years for Renewals

Can be Changed-To Review Annually as Wells Are Abandoned

Can be Changed-To Review Annually as Wells Are Abandoned

\$ 10,195.20 Annual Volume Sales Lost from Wells

(4 Units/Month)*12*\$5.31/Unit*Total Operating Wells

\$ 5,832.00 Annual Fixed Sales Lost from Wells

(\$12.15/Flat*12)*Total Operating Wells*Years for Renewals

\$ 4,913.60 Total Permit Operating Expense

\$ 20,940.80 Total Expense+Lost Revenue

\$ 104.70 Recommended Fee Revenue + Operating

Total Overcome/Total Operating Wells/Years for Renewals

\$ 80.14 Recommended Fee Revenue Only

\$ 24.57 Recommended Fee Operating Only

SUBJECT: Approve to Accept a Proposal for Wastewater Treatment Plant Pretreatment Facilities Equipment Repair (*Public Works*) Roll

RECOMMENDATION: Approval

DEPARTMENT OF ORIGIN: Public Works

CLEARANCES: City Attorney
Public Works Director

EXHIBITS:

1.	Huber Technology bid
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EXPENDITURES REQUIRED: Not to Exceed \$50,000.00

AMOUNT BUDGETED: -\$0-

APPROPRIATION REQUIRED: \$ 50,000.00 - Fund 690 Wastewater Utility Equipment Replacement Fund (Not to Exceed)

TREASURER'S CERTIFICATE: The Treasurer's Office will certify the lowest responsible bidder's compliance with the provisions of Ordinance 923.10 Ashland City Ordinances prior to the Council Meeting.

COMPLIANCE WITH ORD. 51: The Mayor and/or Clerk has consented to placement of this agenda item on the Council agenda as timely action is needed.

STATEMENT OF CONFORMANCE WITH COMPREHENSIVE PLAN: The proposed work conforms to the goals and community values identified in the City of Ashland's Comprehensive Plan.

SUMMARY STATEMENT:

In September 2021, several components at the wastewater treatment plant (WWTP) failed. The recent focus on collection system repairs to reduce infiltration and inflow (I&I) within the sewer system has resulted in a lack of attention to preventative replacement of WWTP components. The WWTP was constructed in 1992 and many components have been relied upon for daily operation ever since. Due to the criticality of these WWTP components and the ongoing potential risk for sewage overflows due to any disruption in WWTP operations, the Council approved a declaration of an emergency related to the purchase of equipment and services for the WWTP repairs because the time spent on obtaining bids would threaten health, safety, and the environment.

The first step in the WWTP process is pretreatment, which consists of the removal of grits, rags and solids from the waste stream. A mechanical screen, called the step screen, used in this process failed in Summer 2021, resulting in a large sewer backup within the WWTP. Staff were able to restore partial functionality of the step screen and to utilize a back-up screen, called the bar screen, during the time that the step screen was out of service.

Staff initially determined that the step screen required replacement in order to ensure full functionality, so a replacement screen was ordered in October 2021. Due to supply chain issues, the new step screen has just recently arrived in July 2022 .

In February 2022, Council approved an agreement with Short, Elliot, Hendrickson (SEH) for preliminary design and pursuit of WI Department of Natural Resources (WI DNR) funding for future WWTP upgrades. Plans for the future upgrades include the incorporation of redundant pretreatment components so that the WWTP is not interrupted due to failure of a single component. Utility staff, in coordination with SEH, have determined that the existing step screen can be refurbished as opposed to requiring replacement. In addition, the reburbished step screen can be installed in parallel with the new step screen when the future WWTP upgrades are constructed. The configuration of the two step screens will provide the necessary redundancy and allow for the elimination of the bar screen, which will afford more efficient use of space at the WWTP, as well as multiple operational and efficiency improvements.

Public Works staff developed a contract package for the step screen repair that was advertised on September 24 and October 1, with bids being opened on Monday October 10 . Details on the bids received and staff's recommendation on entering into an agreement with the lowest responsible bidder will be provided at the October 11, 2022 Council meeting, along with a copy of the bid from the lowest responsible bidder. Council action is requested at this meeting so that the repairs can be scheduled in a timely manner.

Billing Address

Ashland City WI
2020 6th St. East
chgreen@coawi.org
Ashland, WI 54806
UNITED STATES

Delivery Address

Ashland City WI
2020 6th Street East
Ashland, WI 54806
UNITED STATES

OFFER:**71011671 / V1**

Your Reference:

Ashland, WI (281315)

Your Reference:

Date printed:

8/24/22

Our Reference:

Cedric Anthony

Phone:

+1-704-990-2408

Email:

Cedric.Anthony@hhusa.net

Customer No.:

124706

All parts in stock unless otherwise indicated below.

Customer is responsible for the following prior to Huber's technician arrival:

(1)Removal of Huber machine from channel,

(2)Pressure washing of machine, and

(3)Providing lifting equipment.

Failure to do so will result in additional charges of \$1,000 per day Huber is onsite.

Pos	Quantity	Unit	Item Description	Price USD	Total USD Tax (%)
Step Screen Parts					
10/1	15.00	pcs	281315-294101 Feste Lamelle SSF 3000 e=3 t=2 **lead time 5-6 weeks**	461.00	6,915.00 0%
20/1	15.00	pcs	281315-294102 Bewegl. Lamelle SSF 3000 t=2 **lead time 5-6 weeks**	530.30	7,954.50 0%
30/1	30.00	pcs	505308 lamella doubling SSF/3 t2 L252 W122 H3	25.71	771.30 0%
40/1	124.00	pair	505223 spacer SS#3 t2 T2,8-2,9	2.58	319.92 0%
50/1	3.00	pcs	700500 flange bearing RVFW 40 S	109.29	327.87 0%
60/1	4.00	pcs	708376 countersunk screw DIN 7991 M10x 25	1.48	5.92 0%
70/1	4.00	pcs	702838 hexagon nut DIN 934 M10	0.65	2.60 0%

HUBER Technology, Inc.

1009 Airline Parkway • Denver, NC 28037

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Pos	Quantity	Unit	Item	Description	Price USD	Total USD	Tax (%)
80/1	4.00	pcs	702425	washer DIN 125 A10.5	0.46	1.84	0%
90/1	8.00	pcs	702683	hexagon bolt DIN 933 M12x 40	2.07	16.56	0%
100/1	8.00	pcs	702839	hexagon nut DIN 934 M12	1.20	9.60	0%
110/1	8.00	pcs	702426	washer DIN 125 A13.0	0.64	5.12	0%
120/1	2.00	pcs	710132	retaining ring DIN 471 40x1.75	18.24	36.48	0%
130/1	2.00	pcs	505254	eccenter SSF 90x50x138.5 d40h7	617.18	1,234.36	0%
140/1	2.00	pcs	703021	feather key DIN 6885 A10x 8x 50	9.01	18.02	0%
150/1	2.00	pcs	702682	hexagon bolt DIN 933 M12x 35	3.29	6.58	0%
160/1	1.00	pcs	703071	proximity switch M18 IP68 t<40 XS618B1MAL2	239.09	239.09	0%
170/1	8.00	pcs	302867	elbow lever with bush 300x 88x10 H15 b040	576.03	4,608.24	0%
180/1	12.00	pcs	505460	shaft D 40f9/25h9 L40.8 DE28LC	174.86	2,098.32	0%
190/1	28.00	pcs	505337	sleeve 10.5/ 20.0x 31	12.73	356.44	0%
200/1	20.00	pcs	702819	hexagon bolt DIN 933 M10x 45	2.89	57.80	0%
210/1	16.00	pcs	702665	hexagon bolt DIN 933 M10x 20	2.32	37.12	0%
220/1	8.00	pcs	505458	plate 150x 60x 6 2xb07	54.00	432.00	0%
230/1	21.00	pcs	702664	hexagon bolt DIN 933 M 8x 90	2.81	59.01	0%
240/1	42.00	pcs	702837	hexagon nut DIN 934 M 8	0.44	18.48	0%
250/1	21.00	pcs	702424	washer DIN 125 A 8.4	0.32	6.72	0%
260/1	16.00	pcs	506091	ring 50/ 70x18.2	10.40	166.40	0%
270/1	16.00	pcs	703074		0.23	3.68	0%

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Pos	Quantity	Unit	Item Description	Price USD	Total USD Tax (%)
			countersunk screw DIN 7991 M 6x 25		0%
280/1	16.00	pcs	702990	0.29	4.64
			hexagon nut DIN 985 M 6		0%
290/1	16.00	pcs	702423	0.25	4.00
			washer DIN 125 A 6,4		0%
			WAP Parts		
300/1	1.00	pcs	506921	492.46	492.46
			screw flight WP 1971001 RH d 80,5 D197 P100 t10		0%
310/1	6.00	pcs	501813	284.30	1,705.80
			wear bar 30/ 6x 320		0%
320/1	30.00	pcs	706938	1.23	36.90
			cap screw DIN 912 M10x 12		0%
330/1	30.00	pcs	706695	0.61	18.30
			sealing ring 10,5/18,0x1,50		0%
340/1	1.00	pcs	702012	30.86	30.86
			flat jet nozzle JCQ2310 3/8" 60° 3 bar: 31 l/min		0%
350/1	3.20	m	703533	27.02	86.46
			edge protection profile s 8 t2,0-5,0		0%
360/1	1.00	pcs	10118447	1,290.30	1,290.30
			WAP1-4 Bearing/Seal Kit		0%
370/1	24.00	pcs	702502	1.58	37.92
			set screw DIN 914 M 8x 8		0%
380/1	3.00	wdg	704093	83.58	250.74
			strip brush D 222 d 170 d0,60 W 8 h10 BL16 H26		0%
390/1	32.00	HOURL	40001	155.00	4,960.00
			Labor Tech		0%
400/1	22.00	HOURL	40003	145.00	3,190.00
			Travel Time		0%
410/1	1.00	pcs	10000002	800.00	800.00
			Flight		0%
410/2	4.00	pcs	10000002	125.00	500.00
			Hotel		0%
410/3	5.00	pcs	10000002	100.00	500.00
			Car Rental		0%
410/4	5.00	pcs	10000002	65.00	325.00
			Per Diem		0%
410/5	1.00	pcs	10000002	200.00	200.00
			Misc.		0%
410/6	1.00	pcs	10000002	1,200.00	1,200.00

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HUBER Technology, Inc.

Pos	Quantity	Unit	Item	Description	Price USD	Total USD
			Freight			
			Parts			
			Gang Box			
						0%

41,342.35	USD	Total net
0.00	USD	Including Sales Tax
41,342.35	USD	Total gross

The quotation is subject to national or international export control regulations and embargoes or any other export restrictions.

Valid for 30 days
Delivery: prepaid and add
Payment terms: Net 30 days

Best regards

Cedric Anthony
Huber Technology, Inc.

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Aftermarket Sales & Service Rates 2022

Field Service Base Rates

Continental U.S., Mexico and Canada..... \$155.00 per hour
Outside Continental U.S., Mexico and Canada..... \$232.50 per hour

Training

Product Training..... \$155.00 per hour

Travel

Travel (time)..... \$145.00 per hour
Mileage..... \$0.58 per mile

Manufacturing/Engineering Services in house

Services include failure analysis of returned hardware..... \$145.00 per hour

Premium Rates

Overtime rate (in excess of 8 hours per day)..... \$232.50 per hour
Standby rate..... Applicable base rate
Double time rate (Sunday, Holiday, or in excess of 12 hours)..... \$310.00 per hour

Expenses

Travel and accommodations..... Actual cost
Per Diem..... Business Rate Plan 1.. \$64.00 per day
High Cost Area Rate 2.. \$74.00 per day
Service Truck Rate \$80.00 per day
Materials, Equipment Rental, Supplies..... Actual cost plus 20%
Laboratory testing..... Actual cost plus 20%

Fees

Visa, work permits, taxes, user fees or special assessments, etc..... Actual cost

Cancellation Charges

Prior to departure for travel expenses incurred (i.e. airline / change fees)..... Actual cost

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Aftermarket Sales & Service Rates 2022

Field service Base Rate. Rates are calculated from the day the Service Specialist departs Huber Technology, Huntersville, North Carolina until the day the Service Specialist returns to Huber Technology, Inc., Huntersville, North Carolina. Rates include weekends and holidays. If a Service Specialist is required to travel from any other location, including Germany the rates are calculated from when the Service Specialist departs the home office until the day the Service Specialist returns to the home office.

Travel. Time includes transportation to and from the airport, security clearance, time between flight changes, driving time and local travel to and from worksite. Travel time in excess of eight (8) hours may be billed at the premium rate.

Double Time. Any Sunday or Recognized Huber Technology, Inc. Holiday, and may decline, work in excess of twelve (12) hours. The overtime charge shall be at the base rate plus a one hundred percent (100%) premium.

Recognized Huber Technology, Inc. Holidays. New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday after Thanksgiving Day, Christmas Eve and Christmas Day.

Expenses. The customer is responsible for all expenses associated with service work. All travel expenses including airfare, taxi, mileage for personal or company owned vehicles or any other chauffeured vehicle, living accommodations and meals will be invoiced. Invoices will include a cost break-down. Copies of receipts will not be furnished unless specifically requested. Original receipts cannot be provided. Receipts for under \$25.00 cannot be provided. Use of personal or company owned vehicles will be invoice at the rate set by IRS mileage regulations.

Payments. All field service invoices are in U.S. Currency and all payments must be in U.S. Dollars. Payment is due NET 30 DAYS from the date of invoice.

Purchase Orders. A purchase order is required BEFORE any field service work. Per Huber Technology, Inc.'s Terms and Conditions of Sale, Huber Technology, Inc. warrants Field Service work performed at site. "Breach of Warranty" claims do not entitle the customer to refuse payment for field service work. HUBER TECHNOLOGY, INC. MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, WITH REGARD TO THE DESIGN, SALE, MERCHANTABILITY OR FITNESS OF THE GOODS FOR A PARTICULAR PURPOSE OR USE EXCEPT AS EXPRESSLY SET FORTH IN HUBER TECHNOLOGY, INC.'S TERMS AND CONDITIONS. HUBER TECHNOLOGY, INC. IS NOT SUBJECT TO ANY OTHER WARRANTIES, TORT CLAIMS INCLUDING NEGLIGENCE AND STRICT LIABILITY, OR ANY OTHER THEORIES OF LAW. HUBER TECHNOLOGY, INC. IS UNDER NO EVENTUAL LIABILITY FOR ANY SPECIFIC, INDIRECT, INCIDENTAL OR CONSEQUENTIAL LOSS, DAMAGES, EXPENSE, INJURY, DISMEMBERMENT, OR DEATH OF ANY KIND WHATSOEVER.

SCHEDULING - 10 Working Days Notice. Request for field service should be made in writing (letter, fax or e-mail) to Huber Technology, Inc. at least ten (10) working days prior to the date for which services are requested. Confirmation of the service will be conveyed verbally by Huber Technology, Inc.

Insurance. All Huber Technology, Inc. Service Specialists are insured. Liability insurance certificates may be provided upon request by the customer in order to allow for sufficient time for document processing, the request must be made at least seven (7) working days prior to the date of services.

Huber Technology, Inc. can not offer fixed lump sum contracts for Field Service activities. The duration of site visitation is neither under our direct control nor influence, and as such we can only provide estimates of time on-site to affect the required service actions. Field service published rates and terms are valid through December 2022

Huber Technology, Inc.
1009 Altie Parkway • Denver, NC 28037
Phone (704) 949-1010 • Fax (704) 949-1020 • huber@hbusa.net • www.huber-technology.com

A member of the HUBER Group

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Warranty and Returns Policy & Instructions

Huber Technology, Inc. ("Huber") warrants any **original** Huber part (mechanical or electrical) for a period of:
A. Twelve (12) months from the date of purchase and only when part(s) are installed by a Huber factory trained technician. Should the part(s) fail within the warranty period, a replacement shall be supplied at no cost to the owner ("Replacement Part")

1. Only valid if the product is operated in accordance with the manufacturer's instructions.
 2. The replacement part(s) must not be modified or changed in anyway.
 3. The replacement part(s) must be installed by a qualified person to the manufacturer's specifications
- Or

B. Three (3) months from the date of purchase and/or installed by a non-Huber factory trained technician.

1. Only valid if the product is operated in accordance with the manufacturer's instructions
2. The replacement part(s) must not be modified or changed in anyway.
3. The replacement part(s) must be installed by a qualified person to the manufacturer's specifications

This warranty does not apply to any damage or defect arising out of any of the following circumstances:

- Part(s) needing repair or replacement due to events or circumstances outside of normal use and operation of the equipment.
- Part(s) or components damaged due to power surges, short circuits, loss of power, lightning strikes, fire or water damage, vandalism, theft, or any other causes outside of normal use and operation of the equipment or that would normally be covered by casualty insurance on the equipment.
- Damage or defects caused by neglect, incorrect application, abuse, or by accidental damage of the parts or components.
- Repair or replacement of part(s) or components due to improper or negligent operation of the equipment.
- Damage or defects to the part(s), component(s), or equipment caused by the attempted repair by an unauthorized or unqualified person.

All Huber parts warranties are non-transferable, and cannot be sold, assigned or transferred in any other way.

This warranty of **original** Huber Service parts does not include the labor to remove the defective part nor the labor to install the new part. **All labor costs associated with the replacement of the part is the responsibility of the owner.** The request for assistance of a certified Huber technician is available upon the issuance of a purchase order by the owner. The fee for the assistance of a Huber technician includes labor (billed at prevailing Huber Field Service Base Rates) plus associated expenses for travel to and from the jobsite.

Return of New Wear or Spare Parts:

- Any original Huber part(s) returned to Huber after a purchase order has been submitted is subject to a flat twenty percent (20%) restocking fee for each part returned.
- The customer has up to thirty (30) days to return a part from the purchase order submittal date to Huber.

Returns will not be accepted past thirty (30) days.

- Part(s) must be new and never installed. Any indication of wear or installation, at Huber's sole discretion, may result in the part(s) being shipped back to owner, at the owner's cost, and no credit shall be issued.

• Exception:

The owner may exchange, without a restocking fee, if the incorrect part(s) is delivered and/or sold to the



HUBER Technology, Inc.

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owner by a Huber team member. Huber will ship the correct part(s) to the owner expeditiously. A refund will be issued to the owner upon Huber's receipt of the incorrect part(s).

warehouse.

The customer may return, without a restocking fee, any original Huber part(s) if said part(s) was sold as part of a complete rebuild and the Huber technician concluded the part(s) were not needed. The customer has thirty (30) days from the date the service was completed. After thirty (30) days have expired, the normal Huber restocking fee shall apply.

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Warranty and Returns Policy & Instructions

Return of Damaged / Defective Items

- In the event of a damaged or defective part, the return process can often be expedited by providing a digital image of the damage or defect (along with a clear description of the problem) in an email to the Huber Aftermarket Team ("Aftermarket Team") at the following email address: returns@hhusa.net. The phone and fax numbers for Aftermarket Team are: 704.990.2045; Fax: 704.896.2830. Huber reserves the right to inspect in person even if a digital image is provided as outlined above.
- If the damage or defect **cannot be verified over the phone or via email** contact, the item may be required to be returned to Huber Technology, Inc. for inspection before a determination can be made as to the state of the product.
- The Aftermarket Team will validate the warranty claim for the defective part.
- If the Aftermarket Team determines that the part is under warranty and should be replaced, the Aftermarket Team will provide a Return Merchandise Authorization ("RMA") number and a shipping address to the Customer for the return of the defective part.
- The Customer shall ship the part to the specified address with the RMA number listed on the outside of the package.
- When the warranty part has been repaired (or replaced) by Huber, the part will be shipped to the "ship-to" address included in the RMA information provided by the Customer.

Return shipping cost

- ONLY in the event that an incorrect part is sold to the Customer by a Huber team member, will Huber pay for shipping. The Customer will be provided with a prepaid return shipping label.
- UNDER ALL OTHER CIRCUMSTANCES, the Customer returning the part(s) is responsible for any freight costs incurred for returning the part(s).
- UNDER NO CIRCUMSTANCE will Huber reimburse (or provide credit) for return shipping costs incurred by the Customer.

How to Request an RMA (Return Merchandise Authorization)

Contact the Huber Technology Aftermarket Sales Team and request a Return Merchandise Authorization ("RMA") number.

- Completely fill out the RMA form.
- Include the completed RMA form in the package along with the item(s) to be returned.
- Write the RMA number conspicuously on the outside of the package to ensure proper routing upon receipt by the Aftermarket Team.
- Ship the package to:

o o Huber Technology, Inc.
Aftermarket Sales and Service
1009 Airlie Parkway
Denver, NC 28037
Phone: 704.874.8237 Fax 704.896.2830 Email: service@hhusa.net

SUBJECT: Approve a Resolution Authorizing the Issuance and Sale of Up to \$1,716,132 Sewerage System Revenue Bonds, Series 2022B, and Providing For Other Details and Covenants With Respect Thereto, and Approval of Related \$2,466,132 Financial Assistance Agreement (*Public Works, Finance*) Roll

RECOMMENDATION: Approval

DEPARTMENT OF ORIGIN: Public Works

CLEARANCES: Finance Director
Public Works Director

EXHIBITS:

1.	Proposed Resolution
2.	Financial Assistance Agreement, October 26, 2022

EXPENDITURES REQUIRED: \$0

AMOUNT BUDGETED: \$0

**APPROPRIATION
REQUIRED:** \$0

**TREASURER'S
CERTIFICATE:** N/A

COMPLIANCE WITH ORD. 51: The Mayor and/or Clerk has consented to placement of this agenda item on the Council agenda as timely action is needed.

STATEMENT OF CONFORMANCE WITH COMPREHENSIVE PLAN: The proposed revenue bonds conform to the goals and community values identified in the City of Ashland's Comprehensive Plan.

SUMMARY STATEMENT:

The approval of the accompanying resolution is required to obtain the financing needed to pay for the 2022 Sanitary Sewer Collection System Repair Project, previously authorized by the Council at the April 19, 2022 meeting, and the 2022 Sanitary Sewer Replacement, previously authorized at the July 26, 2022 meeting. Work on both projects began in Fall 2022.

At the April 28, 2022 meeting, the Council approved a contract with Short, Elliot, and Hendrickson (SEH) that included professional services necessary to allow the project to be eligible for the WDNR Clean Water Loan Program (CWLP), a funding program established to provide support for municipal wastewater projects, with priority given to low income communities. The CWLP provides funds at reduced interest rates and allows for principal forgiveness.

Based upon the WDNR's approval of the City's funding application last summer, Council awarded a contract

in the amount of \$1,112,626.50 to Insituform Technologies for the repair project, and a contract in the amount of \$914,641.35 for the replacement project. Contract contingencies and fees for SEH's services related to project design, construction management, and CWLP administration services have resulted in a total project budget of \$2,466,132. The City has received principal forgiveness on \$750,000 in project costs, leaving the remaining \$1,716,132 to be financed via the sale of revenue bonds. The interest rate paid on the bonds will be at the CWLP subsidized rate of 1.353 percent and the balance will be amortized over a 30-year period.

Council approval is requested of the required resolution authorizing the issuance of Sewerage System Revenue Bonds and the accompanying Financial Assistance Agreement for the financing of the 2022 Sanitary Sewer Collection System Repair Project and the 2022 Sanitary Sewer Replacement Project.

Repayment of this debt will not require a rate increase in the Wastewater Utility. However, staff has completed a projection of long term needs, which indicates that future rate increases will be necessary to fund additional projects and operations.

RESOLUTION NO. 17699

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$1,716,132 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2022B, AND PROVIDING FOR OTHER DETAILS AND COVENANTS WITH RESPECT THERETO, AND APPROVAL OF RELATED \$2,466,132 FINANCIAL ASSISTANCE AGREEMENT

WHEREAS, the City of Ashland, Ashland and Bayfield Counties, Wisconsin (the "Municipality") owns and operates a sewerage system (the "System") which is operated for a public purpose as a public utility by the Municipality; and

WHEREAS, pursuant to Resolution No. 17143 adopted by the Governing Body on December 9, 2014 (the "2014 Resolution"), the Municipality has heretofore issued its Sewerage System Revenue Bonds, Series 2014, dated December 23, 2014 (the "2014 Bonds") which 2014 Bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. 17317 adopted by the Governing Body on November 15, 2016 (the "2016 Resolution"), the Municipality has heretofore issued its Sewerage System Revenue Bonds, Series 2016, dated December 14, 2016 (the "2016 Bonds") which 2016 Bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. 17453 adopted by the Governing Body on July 31, 2018 (the "2018 Resolution"), the Municipality has heretofore issued its Sewerage System Mortgage Revenue Bonds, dated August 10, 2018 (the "2018 Bonds") which 2018 Bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. 17670 adopted by the Governing Body on February 8, 2022 (the "2022 Resolution"), the Municipality has heretofore issued its Sewerage System Revenue Bonds, Series 2022, dated February 23, 2022 (the "2022 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, the 2014 Bonds, the 2016 Bonds, the 2018 Bonds and the 2022 Bonds shall collectively be referred to as the "Prior Bonds"; and

WHEREAS, the 2014 Resolution, the 2016 Resolution, the 2018 Resolution and the 2022 Resolution shall collectively be referred to 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 Clean Water Fund Program Project No. 4525-18 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. S-2021-0813 and dated January 14, 2022 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 sewerage 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 \$1,716,132 Sewerage System Revenue Bonds, Series 2022B, 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 Debt Service 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 sewerage charges imposed by the Municipality, all payments to the Municipality under any wastewater treatment 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, any tax incremental district revenues appropriated by the Governing Body to the System, 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 Ashland, Ashland and Bayfield Counties, 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 2014 Bonds, the 2016 Bonds, the 2018 Bonds and the 2022 Bonds, collectively;

(p) "Prior Resolutions" means the 2014 Resolution, the 2016 Resolution, the 2018 Resolution and the 2022 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 sewerage system of the Municipality specifically including that portion of the Project owned by the Municipality and including all property of every nature now or hereafter owned by the Municipality for the collection, transmission, treatment and disposal of domestic and industrial sewerage and waste, including all improvements and extensions thereto made by the Municipality while any of the 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 sewerage system and including all appurtenances, contracts, leases, franchises, and other intangibles;

(t) "2014 Bonds" means the Municipality's Sewerage System Revenue Bonds, Series 2014, dated December 23, 2014;

(u) "2014 Resolution" means Resolution No. 17143 adopted by the Governing Body on December 9, 2014 authorizing the issuance of the 2014 Bonds;

(v) "2016 Bonds" means the Municipality's Sewerage System Revenue Bonds, Series 2016, dated December 14, 2016;

(w) "2016 Resolution" means Resolution No. 17317 adopted by the Governing Body on November 15, 2016 authorizing the issuance of the 2016 Bonds;

(x) "2018 Bonds" means the Municipality's Sewerage System Mortgage Revenue Bonds, dated August 10, 2018;

(y) "2018 Resolution" means Resolution No. 17453 adopted by the Governing Body on July 31, 2018 authorizing the issuance of the 2018 Bonds;

(z) "2022 Bonds" means the Municipality's Sewerage System Revenue Bonds, Series 2022, dated February 23, 2022; and

(aa) "2022 Resolution" means Resolution No. 17670 adopted by the Governing Body on February 8, 2022 authorizing the issuance of the 2022 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 \$1,716,132; and fully registered revenue bonds of the Municipality are authorized to be issued in evidence thereof and sold to the State of Wisconsin Clean Water Fund Program in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference and the 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 "Sewerage System Revenue Bonds, Series 2022B" (the "Bonds"); shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 1.353% 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, 2023 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 and established by a resolution adopted on September 29, 1998, continued by the Prior Resolutions and are hereby continued and shall be used solely for the following respective purposes:

- (a) Revenue Fund, into which shall be deposited 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 Reserve Account 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) Operation and Maintenance Fund, which shall be used for the payment of Current Expenses.
- (c) 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.
- (d) Reserve Account, established by the 2018 Resolution for the 2018 Bonds (the "Reserve Account"). The Reserve Account is not pledged to the payment of the principal of or interest on the Bonds and monies on deposit therein shall under no circumstances be used for that purpose.
- (e) Surplus Fund, which shall first be used whenever necessary to pay principal of, premium, if any, or interest on the Prior Bonds, the Bonds and Parity Bonds when

the Debt Service Fund, including the Reserve Account shall be insufficient for such purpose, and thereafter shall be disbursed as follows: (i) at any time, to remedy any deficiency in any of the Funds provided in this Section 6 hereof; and (ii) money thereafter remaining in the Surplus Fund at the end of any Fiscal Year may be transferred to any of the funds or accounts created herein or to reimburse the general fund of the Municipality for advances made by the Municipality to the System.

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 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);
- (c) to the Reserve Account, any amount required by the 2018 Resolution or a future resolution authorizing the issuance of Parity Bonds to fund the Reserve Account; 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 Reserve Account 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, and the amounts deposited in the Reserve

Account shall be sufficient to fund the Reserve Account for the 2018 Bonds and any Parity Bonds secured thereby.

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 Sewerage System CWFP 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 sewerage 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 Fiscal 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 Clean Water Fund 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 a registered municipal advisor, 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 Clean Water Fund Program for the purchase price of up to \$1,716,132 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 "Sewerage System CWFP Project Fund." The Sewerage System CWFP 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 Sewerage System CWFP 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 time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and (b) this Resolution may be amended, in any respect, with a written consent of the owners of not less than two-thirds (2/3) of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the Municipality; provided, however, that no amendment shall permit any change in the pledge of revenues derived from the System or the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 15. Defeasance. When all Bonds have been discharged, all pledges, covenants and other rights granted to the owners thereof by this Resolution shall cease. The Municipality may discharge all Bonds due on any date by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest 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 Clean Water Fund 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 Clean Water Fund 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.

Approved: October 11, 2022

Aldersperson

ATTEST:

Denise Oliphant, City Clerk

Matt MacKenzie, Mayor

APPROVED AS TO FORM:

Tyler W Wickman, City Attorney

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED
NO. _____

UNITED STATES OF AMERICA
STATE OF WISCONSIN
ASHLAND AND BAYFIELD
CITY OF ASHLAND

REGISTERED
\$ _____
COUNTIES

SEWERAGE SYSTEM REVENUE BOND, SERIES 2022B

Final
Maturity Date

May 1, 2052

Date of
Original Issue

_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN CLEAN WATER FUND PROGRAM

FOR VALUE RECEIVED the City of Ashland, Ashland and Bayfield Counties, 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, 2024 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 1.353% 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, 2023.

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, 2024 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 One and 353/1000ths percent (1.353%) 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.

This Bond shall not be redeemable prior to its 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 Sewerage System of the Municipality, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted October 11, 2022, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$1,716,132 Sewerage System Revenue Bonds, Series 2022B, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues of the Sewerage System of the Municipality (the "Utility"). The Bonds are issued on a parity with the Municipality's Sewerage System Revenue Bonds, Series 2014, dated December 23, 2014, Sewerage System Revenue Bonds, Series 2016, dated December 14, 2016, Sewerage System Mortgage Revenue Bonds, dated August 10, 2018 and Sewerage System Revenue Bonds, Series 2022, dated February 23, 2022, 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 ASHLAND,
WISCONSIN

(SEAL)

By: _____
Matthew MacKenzie
Mayor

By: _____
Denise Oliphant
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

\$1,716,132

CITY OF ASHLAND, WISCONSIN
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2022B

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

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Principal Amount</u>
May 1, 2024	\$48,718.99
May 1, 2025	49,378.16
May 1, 2026	50,046.24
May 1, 2027	50,723.37
May 1, 2028	51,409.65
May 1, 2029	52,105.23
May 1, 2030	52,810.21
May 1, 2031	53,524.73
May 1, 2032	54,248.92
May 1, 2033	54,982.91
May 1, 2034	55,726.83
May 1, 2035	56,480.81
May 1, 2036	57,245.00
May 1, 2037	58,019.52
May 1, 2038	58,804.53
May 1, 2039	59,600.15
May 1, 2040	60,406.54
May 1, 2041	61,223.84
May 1, 2042	62,052.20
May 1, 2043	62,891.77
May 1, 2044	63,742.70
May 1, 2045	64,605.13
May 1, 2046	65,479.24
May 1, 2047	66,365.18
May 1, 2048	67,263.10
May 1, 2049	68,173.17
May 1, 2050	69,095.55
May 1, 2051	70,030.41
May 1, 2052	70,977.92

State of Wisconsin
Department of Natural Resources
Bureau of Community Financial Assistance
101 South Webster Street, 2nd Floor
PO Box 7921
Madison, Wisconsin 53707-7921

Financial Assistance Agreement
Clean Water Fund Program
Form 8700-214A rev 03/21

STATE OF WISCONSIN CLEAN WATER FUND PROGRAM
FINANCIAL ASSISTANCE AGREEMENT WITH PRINCIPAL FORGIVENESS

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF ADMINISTRATION

and

CITY OF ASHLAND

\$2,466,132 With up to \$750,000 PRINCIPAL FORGIVENESS

FINANCIAL ASSISTANCE AGREEMENT

Dated as of October 26, 2022

This constitutes a **Financial Assistance Agreement** under the State of Wisconsin's Clean Water Fund Program. This agreement is awarded pursuant to ss. 281.58 and 281.59, Wis. Stats. The purpose of this agreement is to award financial assistance from the Clean Water Fund 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, the State of Wisconsin Department of Natural Resources, and the 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 Clean Water Fund Program.

Municipal Identification No. 02201
Clean Water Fund Program Project No. 4525-18

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EXHIBIT G	FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION

WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated October 26, 2022, between the STATE OF WISCONSIN Clean Water Fund Program (the "CWFP"), by the Department of Natural Resources (the "DNR") and the Department of Administration (the "DOA"), acting under authority of ss. 281.58 and 281.59, Wis. Stats., as amended (the "Statute"), and the City of Ashland, a municipality within the meaning of the Statute, duly organized and existing under the laws of the State of Wisconsin (the "Municipality"); and

WHEREAS, the United States, pursuant to the Federal Water Quality Act of 1987 (the "Water Quality Act"), requires each state to establish a water pollution control revolving 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 Title VI of the Water Quality Act; and

WHEREAS, the State of Wisconsin, pursuant to the Statute, established the CWFP to be used in part for purposes of the Water Quality Act; and

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

WHEREAS, DNR and DOA have the joint responsibility to provide CWFP financial assistance to municipalities for the construction of eligible wastewater pollution abatement projects, all as set forth in the Statute; and

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

WHEREAS, DNR determined that the Municipality and the Project are eligible for financial assistance pursuant to s. 281.58(7)(b), Wis. Stats.; and

WHEREAS, DOA determined the CWFP will provide financial assistance to the Municipality by making a loan (the "Loan") under s. 281.59(9), Wis. Stats., for the purposes of that subsection, and providing principal forgiveness; and

WHEREAS, the Municipality pledged the security, if any, required by DOA, and the Municipality 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 CWFP that it has created a dedicated source of revenue, which may constitute taxes levied by the Municipality for repayment of the Municipal Obligations; and

WHEREAS, the Municipality obtained DNR approval of facility plans or engineering reports and plans and specifications for the Project, 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 CWFP and the Municipality, each binding itself, its successors, and its 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 the Federal Water Pollution Control Act, 33 U.S. Code §§1250 et seq., as amended.

"American Iron and Steel" means the requirements contained in section 608 of the Act.

"Application" means the written application of the Municipality dated September 30, 2021, for financial assistance under the Statute.

"Bonds" means bonds or notes issued by the State pursuant to the Program 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.

"CWFP" means the State of Wisconsin Clean Water Fund Program, established pursuant to the Statute, and managed and administered by DNR and DOA.

"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 Title VI of the Water Quality Act.

"FAA" means this Financial Assistance Agreement.

"Fees and Charges" means the costs and expenses of DNR and DOA in administering the CWFP.

"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 CWFP by DNR, DOA, and the Municipality, as the same may be amended from time to time in accordance with Section 6.04 hereof.

"Loan" means the loan or loans made by the CWFP 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, and
- (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) this FAA and the performance by the Municipality of its obligations thereunder have been duly authorized by all necessary actions by the governing body of the Municipality, and this 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 CWFP;
- (c) each of this 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 CWFP, 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 the City of Ashland, a "municipality" within the meaning of the Statute, duly organized and existing under the laws of the State, and any successor entity.

"Parallel Cost Percentage" means the proportion of Project Costs eligible for below-market-rate financing relative to the total Project Costs eligible for CWFP financing.

"Parity Obligations" means the Municipality's \$592,610 Sewerage System Revenue Bonds, Series 2014, dated December 23, 2014; its \$274,826 Sewerage System Revenue Bonds, Series 2016, dated December 14, 2016; its \$960,000 Sewerage System Mortgage Revenue Bonds, dated August 10, 2018; its \$623,081 Sewerage System Revenue Bonds, Series 2022, dated February 23, 2022; 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. S-2021-0813, approved by DNR on January 14, 2022, 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 pursuant to the Act, Regulations, and this FAA of which no repayment thereof shall be required except as may be required pursuant to the Act, Statute, Regulations, or this FAA. The amount of principal forgiveness available for this Project as of the date of this FAA is \$750,000. The applicable percentage of general principal forgiveness for this Project, as shown on the Final Funding List, is 55%.

"Program Resolution" means the Amended and Restated Program Resolution for State of Wisconsin Environmental Improvement Fund Revenue Obligations adopted by the State of Wisconsin Building Commission, as such may from time to time be further amended or supplemented by Supplemental Resolutions in accordance with the terms and provisions of the Program Resolution.

"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 CWFP Project No. 4525-18 by DNR, described in the Project Manager Summary Page (Exhibit F), and further described in the DNR approval letter 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 CWFP under the Statute, 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 the Act; chs. NR 108, NR 110, NR 150, NR 151, NR 162, and NR 216, 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.

"SDWLP" means the State of Wisconsin Safe Drinking Water Loan Program, established pursuant to ss. 281.59 and 281.61, Wis. Stats.

"Servicing Fee" means any servicing fee that may be imposed by DNR and DOA pursuant to s. 281.58(9)(d), Wis. Stats., which shall cover the estimated costs of reviewing and acting upon the Application and servicing this FAA, and which the Municipality is obligated to pay as set forth in Section 3.04 hereof.

"Sewer Use Ordinance" means the ordinance (or other legislative enactments) meeting the requirements of the Regulations and enacted and enforced in each jurisdiction served by the Project.

"Sewerage System" means the entire sewerage system of the Municipality, specifically including that portion of the Project owned by the Municipality and including all property of every nature now or hereafter owned by the Municipality for the collection, transmission, treatment, and disposal of domestic and industrial sewerage and waste.

"State" means the State of Wisconsin.

"Statute" means ss. 281.58 and 281.59, Wis. Stats., as amended.

"Substantial Completion" means the date on which construction of the Project is sufficiently complete in accordance with the contract documents so that the owner can occupy and utilize the Project for its intended use.

"Supplemental Resolution" shall have the meaning set forth in the Program Resolution.

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

"User Charge System" means a system of charges meeting the requirements of s. NR 162.08, Wis. Adm. Code.

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

"Water Quality Act" means the federal Water Quality Act of 1987, as amended.

"WPDES Permit" means a Wisconsin Pollutant Discharge Elimination System permit issued under ch. 283, Wis. Stats.

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 this FAA in its entirety and not the particular article or section of this FAA in which they appear. 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 CWFP The CWFP represents and warrants as follows:

- (a) The State is authorized to issue the Bonds in accordance with the Statute and the Program 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 CWFP has complied with the provisions of the Statute and has full power and authority to execute and deliver this FAA, consummate the transactions contemplated hereby, and perform its obligations hereunder.
- (c) The CWFP 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 the Statute, the CWFP is authorized to execute and deliver this FAA and to take actions and make determinations that are required of the CWFP under the terms and conditions of this FAA.
- (e) The execution and delivery by the CWFP 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 CWFP's knowledge, any judgment, decree, order, statute, rule, or regulation applicable to the CWFP; 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) To the knowledge of the CWFP, there is no action, suit, proceeding, or investigation at law or in equity, before or by any court, public board, or body, threatened against, pending, or affecting the CWFP, or, to the knowledge of the CWFP, any basis therefor, 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.

Section 2.02. Representations of the Municipality The Municipality represents and warrants as of the date of this FAA, and, with respect to paragraphs (n), (s), and (u), covenants throughout the term of this FAA, 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 Statute, 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 CWFP as provided herein, and
 - (5) carry out and consummate all transactions contemplated by each of the aforesaid documents.
- (b) The Municipality's Project is a project that is necessary to prevent the applicant from significantly exceeding an effluent limitation contained in its WPDES Permit (compliance maintenance).

(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 \$1,716,132 and 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) To the knowledge of the Municipality, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, threatened against, pending, or affecting the Municipality, or, to the knowledge of the Municipality, any basis therefor:

(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, 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, 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, easements, and approvals (other than such permits, licenses, easements, or approvals that are not by their nature obtainable prior to Substantial Completion of the Project) required as of the date

hereof to own the Project, carry on its activities relating thereto, undertake and complete the Project, and 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) The Project is eligible under s. 281.58(7), Wis. Stats., for financing from the CWFP, and the Project Costs are 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 (SERP) contained in the Regulations. Portions of the Project that are ineligible for financing from the CWFP are listed within the Project Manager Summary Page attached hereto as Exhibit F. The Municipality intends the Project to be eligible under the Statute throughout 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 CWFP under the Statute. All proceeds of any borrowing of the Municipality that have been spent and 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 and shall remain 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 has complied with and completed all requirements of DNR necessary to commence construction of the Project prior to the date hereof. The Municipality intends to proceed with due diligence to complete the Project pursuant to Section 4.04 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 Program Resolution.

(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 used in Treas. Regs. 26 CFR 1.150-2 in an amount not exceeding 20% of the principal amount of the Municipal Obligations, or (2) 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 and shall continue to satisfy all the applicable requirements in s. 281.58, Wis. Stats., and ch. NR 162, 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 and shall remain in substantial compliance with all applicable conditions, requirements, and terms of any financial assistance previously awarded through the federal construction grants program, the Wisconsin Fund construction grants program, the CWFP, or the SDWLP.

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

(w) The Municipality represents that it submitted to DNR a bid tabulation for the Project with a recommendation to DNR for review and concurrence. The expected Substantial Completion date of the Project is August 11, 2023.

(x) The Municipality acknowledges that s. 281.59(11)(b), Wis. Stats., and the Program Resolution provide that, if the Municipality fails to repay the Loan when due, the State shall recover amounts due the CWFP by deducting those amounts from any State payments due the Municipality. State aids information is available on: the Wisconsin Department of Revenue's website at <https://www.revenue.wi.gov/Pages/Report/Shared-Revenue-Estimates.aspx>, and the Wisconsin Department of Transportation's website at <https://wisconsin.gov/Pages/doing-bus/local-gov/astnce-pgms/highway/gta.aspx>.

The Municipality acknowledges that s. 70.60, Wis. Stats., and the Program Resolution provide that, if the Municipality fails to repay the Loan when due, the State shall recover amounts due the CWFP 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 Sewerage System or, in the case of a joint utility system, to bill the users of the Municipality's Sewerage 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 acknowledges that it is eligible to receive Financial Assistance in the form of a Loan of \$2,466,132 with Principal Forgiveness of \$750,000 for payment of Project Costs.

ARTICLE III
LOAN PROVISIONS

Section 3.01. Loan Clauses

- (a) Subject to the conditions and in accordance with the terms of this FAA, the CWFP 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 CWFP Municipal Obligations in the aggregate principal amount of \$1,716,132. The CWFP 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 CWFP or by the Trustee for the account of the CWFP. Earnings on undisbursed Loan proceeds shall be for the account of the CWFP. Loan proceeds shall be disbursed only upon submission by the Municipality of disbursement requests and approval thereof as set forth in Section 3.06 hereof.
- (c) The Loan shall bear interest at the rate of one and 353/1000ths percent (1.353%) 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 be made: first, 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 that include the applicable percentage of Principal Forgiveness up to \$750,000; and third, if the Principal Forgiveness cap has been reached, in the form of Loan disbursements on the Municipal Obligations. Principal Forgiveness will be applied at the time of Loan disbursement.
- (e) The Municipal Obligations 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 CWFP 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 CWFP 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 October 26, 2022. It is understood that the actual amounts of the Municipality's Municipal Obligations payments shall be based on the actual dates and amounts of disbursements on the Municipal Obligations. Notwithstanding the foregoing or anything in the Municipal Obligations, the Municipal Obligations shall be for no longer than thirty (30) years from the date of this FAA and shall mature and be fully amortized not later than thirty (30) 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 Sewerage System, and the Municipality shall agree that, if revenues from the Sewerage System are insufficient to meet annual debt service requirements, the Municipality shall purchase sewerage 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 Sewerage 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 Sewerage System then outstanding. As of the date of this FAA, the required debt service coverage ratio is 110 percent; however, this percentage is subject to change as outlined in the prior sentence. The Municipal Obligations are also secured as provided in Section 3.08 hereof.

Section 3.04. Other Amounts Payable The Municipality hereby expressly agrees to pay to the CWFP:

- (a) such Servicing Fee as the CWFP may impose pursuant to s. 281.58(9)(d), Wis. Stats., which shall be payable in semiannual installments on each interest payment date; such a Servicing Fee shall be imposed upon the Municipality after approval of a future Biennial Finance Plan by the State of Wisconsin Building Commission which contains a Servicing Fee requirement, schedule, and amount; and
- (b) the Municipality's allocable share of the Fees and Charges as such costs are incurred. Allocable share shall mean the proportionate share of the Fees and Charges based on the outstanding principal of the Loan.

Amounts paid by the Municipality pursuant to this Section 3.04 shall be deposited in the Equity Fund established pursuant to the Program Resolution.

Section 3.05. Sale and Redemption of Municipal Obligations

- (a) Municipal Obligations may not be prepaid without the prior written consent of the CWFP. The CWFP has sole discretion to withhold such consent.
- (b) The Municipality shall pay all costs and expenses of the CWFP 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 CWFP and any investment losses incurred or sustained by the CWFP 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.

Section 3.06. 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 CWFP, 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 CWFP funds were previously disbursed for costs not eligible for CWFP funding or not eligible under this FAA, the CWFP shall make necessary adjustments to future disbursements.

(2) If the Financial Assistance is fully disbursed, including disbursements for any costs not eligible for CWFP funding or not eligible under this FAA, the Municipality agrees to repay to the CWFP an amount equal to the non-eligible costs within 60 days of notification by DNR or DOA. The CWFP 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 which the recovery may be applied).

(e) The CWFP 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, DNR has approved all change orders relating to the Project, and DNR has determined that the Project is in compliance with the Municipality's WPDES Permit;

(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 applicable federal requirements (certification must be as prescribed on Exhibit G); and

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

(g) Treas. Regs. 26 CFR § 1.148-6(d)(1)(iii) applies to project expenditures. It 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 3.07. 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 Statute 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 CWFP 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 CWFP under this FAA. DOA may collect all amounts due the CWFP by deducting those amounts from any State payments due the Municipality or adding 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) Pursuant to s. NR 162.18(1), Wis. Adm. Code, DNR may: declare the unpaid Loan balance due and immediately payable; increase the interest rate on the unpaid balance of the Loan to the market interest rate in effect on the date this FAA was executed; or immediately terminate this FAA and disburse no additional funds, if the Loan has not been fully disbursed.

(3) The CWFP may, without giving bond to the Municipality or anyone claiming under it, have a receiver appointed for the CWFP's benefit of the Project and the Municipality's Sewerage 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.

(4) In the case of a joint utility system, the CWFP may bill the users of the Municipality's system directly.

(5) The CWFP 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.

Section 3.08. 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 Sewerage System (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 User Charge System or other revenues pledged under Section 3.08(a) above, to any person other than the CWFP, unless the revenues pledged to such other person meet the highest debt coverage ratio then applicable to the Municipality.

Section 3.09. 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 Sewerage 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 CWFP upon request at any time during the term of this FAA.

In the event the Sewerage 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 Sewerage 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, Project 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;
- (3) prepare and deliver to DNR the completed Federal Requirements Compliance Certification attached hereto as Exhibit G of this FAA;

(4) obtain all required permits and authorizations from appropriate authorities for operation and use of the Project; and

(5) submit to DNR a completed Operation and Maintenance Manual Certification Checklist form to be provided by DNR or obtained from DNR's website.

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 CWFP may allocate additional financial assistance to the 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 Statute and Regulations. The allocation of additional financial assistance shall depend upon availability of funds, pursuant to the Statute and the Regulations.

(b) In the event 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 CWFP, or the owners of any Bonds, except from the proceeds of additional financing which may be provided by the CWFP pursuant to an amendment of this FAA or through a separate financial assistance agreement.

Section 4.06. No Warranty Regarding Condition, Suitability, or Cost of Project Neither the CWFP, 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 to Project Costs.

Section 5.02. Operation and Maintenance; Equipment Replacement Fund

(a) After completion of the Project, the Municipality shall:

- (1) 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;
- (2) maintain, preserve, and keep the Project or cause the Project to be maintained, preserved, and kept in good repair, working order, and condition; and
- (3) 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 in a manner that is consistent with the requirements of the WPDES Permit.

(b) So long as the Loan is outstanding, the Municipality shall not, without the approval of DNR, discontinue operation of, sell, or otherwise dispose of the Sewerage System or Project, except for portions of the Sewerage System sold or otherwise disposed of in the course of ordinary repair and replacement of parts.

(c) The Municipality shall establish an equipment replacement fund according to s. NR 162.08, Wis. Adm. Code, and maintain the equipment replacement fund as a separate fund of the Municipality. All User Fees or other revenues specifically collected for the equipment replacement fund shall be deposited into the equipment replacement fund and used for replacement and major repair of equipment necessary for the operation of the Sewerage System, or for unexpected, unbudgeted costs incurred for continuing effective operations of the Sewerage System. Annual deposits shall be made to the equipment replacement fund in amounts sufficient to meet the equipment replacement itemized schedule developed by the Municipality or the percentage schedule option. The Project Manager Summary Page (Exhibit F) shall specify the required annual deposit or required minimum balance/percentage.

Section 5.03. Compliance with Law At all times during construction of the Project and operation of the Sewerage System, the Municipality shall comply with all applicable federal, state, and local laws, ordinances, rules, regulations, permits, and approvals, and with this FAA, including, without limitation, the Statute, the Regulations, and the WPDES Permit.

Section 5.04. Public Ownership The Municipality shall at all times retain ownership of the Project and the Sewerage 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), including standards relating to the reporting of infrastructure assets and directions issued by the CWFP. Without any request the Municipality shall furnish to DOA as soon as available, and in any event within one hundred eighty (180) 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 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 and include standards relating to the reporting of infrastructure assets.

(b) The Municipality shall maintain a separate account that reflects the receipt and expenditure of all CWFP 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; 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; permit extracts and copies of the Project records to be made by any of them; and fulfill information requests by any of them.

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 Sewerage 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 by 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 CWFP are advanced within three Business Days to the entity submitting the invoice (or to reimburse the Municipality) to which each amount relates, and that all amounts actually received by such Municipality from the CWFP 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)(2) of the Code or any successor provision. Without limiting the foregoing, any proceeds of the Bonds used to repay

interim or other prior financing of Project Costs will be applied within three (3) Business Days of receipt of the proceeds to the payment of principal of such financing.

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 Statute 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 in accordance with s. NR 162.08, Wis. Adm. Code. The Municipality covenants that it shall review the User Charge System at least every two years and shall 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; any actual or threatened proceedings for the purpose of taking or otherwise affecting by condemnation, eminent domain, or otherwise, all or a part of the Sewerage 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 Sewerage 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, 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, the Sewerage System, or 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 the following provision into all Project contracts which have yet to be executed: "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 with the Plans and Specifications. The Municipality shall furnish progress reports and such other information as DNR may require.

Section 5.17. Reimbursement Any disbursement 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 stating the amount of excess funds disbursed.

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 will be added as a special charge to the property tax bill of the user.

Section 5.19. Sewer Use Ordinance The Municipality shall comply with the provisions of the Sewer Use Ordinance, as certified in the Application. The Municipality covenants that it shall comply with and enforce all provisions of the Sewer Use Ordinance, as established pursuant to the Statute and Regulations.

Section 5.20. Rebates The Municipality agrees to pay to the CWFP any refunds, rebates, credits, or other amounts received for Project Costs for which disbursement of funds has already been made by the CWFP. The CWFP 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 for the Project).

Section 5.21. 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, or transfer all or substantially all of 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 Statute;

(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 CWFP deems reasonably necessary to protect its environmental and credit interests; and

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

Section 5.22. Wage Rate Requirements The Municipality represents that it shall comply with Section 513 of the Federal Water Pollution Control Act (33 USC 1372), which requires that all laborers and mechanics employed by contractors and subcontractors funded directly by or assisted in whole or in part with funding under the 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. American Iron and Steel The Municipality agrees to comply with requirements for use of American Iron and Steel contained in section 608 of the Act for products used in the Project which are made primarily of iron and/or steel.

Section 5.24. Federal Single Audit At the time of signing of this FAA, the funds awarded to the Municipality for this Project are not considered to be subject to federal single audit requirements, but such consideration may change subsequent to this FAA if any changes are made to federal single audit requirements applicable to municipalities.

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
CLEAN WATER FUND PROGRAM
101 EAST WILSON STREET 10TH FLOOR
MADISON WI 53702-0004
OR
PO BOX 7864
MADISON WI 53707-7864
- (b) DEPARTMENT OF NATURAL RESOURCES
BUREAU OF COMMUNITY FINANCIAL ASSISTANCE
101 SOUTH WEBSTER STREET CF/2
MADISON WI 53702-0005
OR
PO BOX 7921
MADISON WI 53707-7921
- (c) US BANK CORP TRUST
MATTHEW HAMILTON EP-MN-WS3T
60 LIVINGSTON AVENUE
ST PAUL MN 55101-2292
- (d) CITY OF ASHLAND
601 MAIN STREET WEST
ASHLAND WI 54806

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 CWFP 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 CWFP to the Municipality or for other purposes. All amendments, supplements, and modifications shall be in writing between the CWFP (by DNR and DOA acting under authority of the Statute) 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 Statute.

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 CWFP, the Trustee, or their authorized agents.

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, and providing Principal Forgiveness; and 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 Program Resolution The Municipality covenants and agrees that it shall comply with the provisions of the Program 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 Program Resolution. The Municipality further agrees to aid in the furnishing to DNR, DOA, or the Trustee of opinions that may be required under the Program 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 CWFP 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 unilaterally terminate all or any part of the Project work for which Financial Assistance has been awarded, the Municipality shall promptly give written notice to DNR. If the CWFP determines that there is a reasonable basis for the requested termination, the CWFP 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 CWFP determines that the Municipality has ceased work on the Project without reasonable basis, the CWFP may unilaterally terminate Financial Assistance or rescind this FAA.

Section 6.12. Rescission The CWFP 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.

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

CITY OF ASHLAND

By: _____
Matthew MacKenzie
Mayor

Attest: _____
Denise Oliphant
City 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

CITY OF ASHLAND
CWFP Project No. 4525-18

	Total Project Costs	Ineligible	CWFP Loan #4525-18
Force Account	0	0	0
Interim Financing Costs	0	0	0
Preliminary Engineering	111,750	0	111,750
Land or Easement Acquisition	0	0	0
Engineering/Construction Mgmt.	210,750	0	210,750
Construction/Equipment	2,027,268	0	2,027,268
Contingency	101,364	0	101,364
Miscellaneous Costs	5,000	0	5,000
Closing Costs	10,000	0	10,000
Total	\$2,466,132	\$0	\$2,466,132
General Principal Forgiveness (A)	\$750,000		
Loan at 1.353%	\$1,716,132		

A = Principal Forgiveness is calculated and awarded up to 55% of the eligible CWFP Total Award Amount for this Project.

EXHIBIT B

LOAN AMORTIZATION SCHEDULE

INTEREST RATES AND PRINCIPAL REPAYMENT SCHEDULE

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 Sewerage 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 162.14(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 DBE Subcontractor Utilization Form (EPA Form 6100-4). 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 (s. 19.31 – 19.39, Wis. Stats.).

Municipality Name: City of Ashland	Project Number: 4525-18	Loan/Grant Amount: \$2,466,132
Project Description: Rehab/Replace Sanitary Sewer - Districts 2, 3, 4, 11 & 12		
Did the municipality satisfy the DBE requirements? ☒ Yes ☐ No (If no, refer to Project Manager Summary Page of this FAA.)		

Construction/Equipment/Supplies Contracts	Indicate DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to DBE Firm
				Municipality Completes at Project Closeout
Prime: Insituform Technologies USA, LLC	☐ MBE ☐ WBE ☐ Other ☒ N/A	Construction	1,112,626	
Sub:	☐ MBE ☐ WBE ☐ Other			
Sub:	☐ MBE ☐ WBE ☐ Other			
Sub:	☐ MBE ☐ WBE ☐ Other			
Sub:	☐ MBE ☐ WBE ☐ Other			
Sub:	☐ MBE ☐ WBE ☐ Other			
Prime: Ritola, Inc.	☐ MBE ☐ WBE ☐ Other ☒ N/A	Construction	914,641	
Sub: Mavo Concrete Sawing Services, Inc.	☐ MBE ☒ WBE ☐ Other	Construction	1,685	
Sub:	☐ MBE ☐ WBE ☐ Other			
Sub:	☐ MBE ☐ WBE ☐ Other			
Sub:	☐ MBE ☐ WBE ☐ Other			
Sub:	☐ MBE ☐ WBE ☐ Other			
Prime:	☐ MBE ☐ WBE ☐ Other ☐ N/A			
Sub:	☐ MBE ☐ WBE ☐ Other			
Sub:	☐ MBE ☐ WBE ☐ Other			
Sub:	☐ MBE ☐ WBE ☐ Other			
Sub:	☐ MBE ☐ WBE ☐ Other			
Sub:	☐ MBE ☐ WBE ☐ Other			
				Total MBE \$ _____
				Total WBE \$ _____
				Total Other \$ _____

Professional/Technical Services Contracts	Indicate DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to DBE Firm
				Municipality Completes at Project Closeout
Prime: Short Elliott Hendrickson Inc.	☐ MBE ☐ WBE ☐ Other X N/A	Engineering	332,500	
Sub:	☐ MBE ☐ WBE ☐ Other			
Sub:	☐ MBE ☐ WBE ☐ Other			
Prime:	☐ MBE ☐ WBE ☐ Other ☐ N/A			
Sub:	☐ MBE ☐ WBE ☐ Other			
Sub:	☐ MBE ☐ WBE ☐ Other			
Prime:	☐ MBE ☐ WBE ☐ Other ☐ N/A			
Sub:	☐ MBE ☐ WBE ☐ Other			
Sub:	☐ MBE ☐ WBE ☐ Other			
				Total MBE \$ _____
				Total WBE \$ _____
				Total Other \$ _____

*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 Municipal Official	Signature	Date Signed

EXHIBIT F

PROJECT MANAGER SUMMARY PAGE

CITY OF ASHLAND
CWFP Project No. 4525-18

1. **Project Description:** The Project is third in a series of City of Ashland sanitary sewer collection system pipe repair projects. There are two construction contracts included in the Project. The first contract uses the no-dig pipe repair method fully structural Class IV cured in place pipe lining (CIPP) to decrease the amount of ground water inflow and infiltration entering sewer pipes in Districts 2, 3, 4, 11, and 12. Pipes were chosen for repair by the city after consideration of data from its previously completed closed circuit television pipe inspections.

The second contract replaces sanitary sewer in two locations:

- Vaughn Avenue includes the replacement of 18-inch sanitary sewer in commercial roadway, along with intersecting 8-inch sewer in adjacent alley with service connections. Includes asphalt street repair, with most curb and sidewalk to remain.
 - Alley located between 6th Avenue West and Vaughn Avenue, from 10th Street West to south end includes replacement of 8-inch sanitary sewer, manholes, and services in alley corridor, with repair of gravel alley surface and intersecting asphalt streets.
2. **Ineligible Costs:** No ineligible costs were identified in the review of this Project. If the DNR identifies ineligible costs as the Project progresses, the DNR will notify the Municipality.
 3. **Loan Term:** The Project has a documented average useful life of 30 years or greater, and therefore is eligible for a 30-year Loan term. The Municipality has elected the 30-year Loan term.
 4. **Miscellaneous Costs:** As shown in the Project Budget Sheet (Exhibit A), CWFP funding in the amount of \$5,000 is included in the Miscellaneous category for legal fees incurred to prepare the legal opinion on land ownership. This includes reviewing land ownership and easement documentation.
 5. **Contingency Allowance:** The contingency allowance of \$101,364 is five percent of the amount of uncompleted construction work. The Municipality must obtain CME approval of change orders prior to requesting reimbursement.
 6. **Equipment Replacement Fund:** The Municipality shall establish an equipment replacement fund according to s. NR 162.08, Wis. Adm. Code, and maintain the equipment replacement fund as a separate fund of the Municipality. Annual deposits shall be made to the equipment replacement fund in amounts sufficient to meet the equipment replacement schedule developed by the Municipality. Based on review of the equipment replacement fund information in the CWFP application, the annual deposit is estimated at \$183,809.
 7. **DBE Good Faith Effort:** The City of Ashland made a good faith effort to solicit DBE participation for this Project by publishing advertisements for both construction contracts that encouraged DBEs to apply. Each prime contractor, Insituform Technologies USA, LLC and Ritola, Inc., made good faith efforts to solicit DBE participation by directly contacting DBEs on the WisDOT UCP and documenting those contacts. One DBE is expected to be utilized. DBE utilization details can be found in Exhibit E.
 8. **Green Project Reserve:** No GPR elements were identified during the review of this Project.
 9. **American Iron and Steel:** This Project is subject to the use of American Iron and Steel (AIS) requirements of section 608 of the Act.
 10. **Principal Forgiveness:** The Project qualifies for 45% general Principal Forgiveness. In addition, the Project is located in a Green Tier Legacy Community, making an additional 10% general Principal Forgiveness available for a total of 55%. The amount of general Principal Forgiveness available for this Project as of the date of this FAA is \$750,000. All disbursements will be processed at 55% Principal Forgiveness, up to the maximum of \$750,000.

EXHIBIT G

FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION

[Prepare on Municipal Letterhead at Project Completion and Closeout]

The undersigned officials of the City of Ashland (the "Municipality") hereby certify that, for all expenditures made for construction of DNR Project No. 4525-18 (the "Project"), the Municipality has met the prevailing wage rate requirements of the Davis-Bacon Act.

The Municipality further certifies that, after taking into account any national or project-specific waivers approved by the U.S. Environmental Protection Agency, DNR Project No. 4525-18 has met the requirements for the use of American Iron and Steel contained in section 608 of the Federal Water Pollution Control Act, as amended.

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

By: _____
[Name of Municipal Official or
Authorized Representative]
[Title]

Dated as of: _____

Attest: _____
[Name of Clerk or Secretary]
[Title]

Dated as of: _____

SUBJECT: Approve to Waive the Advertisement Requirement Set Forth in Chapter 194.04, Procurement of Goods and services, Ashland City Ordinances, and Approve the Purchase of Cross Connection Devices (*Public Works*) Roll

RECOMMENDATION: Approval

DEPARTMENT OF ORIGIN: Public Works

CLEARANCES: City Administrator
Public Works Director

EXHIBITS:

EXPENDITURES REQUIRED: \$71,717.00 - Cross Connection Devices

AMOUNT BUDGETED: \$10,500 - Fund 680 (2023 Revenue Bonds)

APPROPRIATION REQUIRED: \$61,217.00 Fund 680 (2023 Revenue Bonds)

TREASURER'S CERTIFICATE: The Treasurer's Office has certified on October 4, 2022, that Hydro Corp is in compliance with the provisions of Ordinance 923.10 Ashland City Ordinances.

COMPLIANCE WITH ORD. 51: As discussed and approved at the June 14, 2022 Council meeting.

STATEMENT OF CONFORMANCE WITH COMPREHENSIVE PLAN: The proposed construction conforms to the goals and community values identified in the City of Ashland's Comprehensive Plan.

SUMMARY STATEMENT:

At the June 14, 2022 meeting, the City Council approved entering into a professional services agreement with HydroCorp Inc. for meter change out services. The scope of HydroCorp's services includes the installation of new water meters, establishment of a meter inventory, and the completion of cross connection inspections for both the drinking water and wastewater systems.

Through the 2021 Sanitary Survey, the Wisconsin Department of Natural Resources (WI DNR) identified the need for the City to address residential cross connection control throughout the water system. Residential properties are considered to be at low risk in terms of contaminating the public water supply due to a cross connection, but the WI DNR still requires water utilities to complete periodic inspections. Scheduled appointments for water meter changeouts offer an efficient opportunity to meet this requirement. By completing residential cross connection inspections concurrent with water meter changeouts and providing necessary cross connection devices at the time of inspection, the City of Ashland Water Utility can receive a waiver for future residential inspections. Residential cross connection inspections would only be required at the time of the next water meter changeout, which would be 20 years. This offers significant savings in staff

time that can be directed toward other maintenance activities that more directly impact water quality/reliability, such as water main flushing and valve exercising.

This approach is consistent with successful residential cross connection programs implemented in other cities, such as the City of Milwaukee, as the provision of the cross connection control devices at the time of inspection eliminates the need for follow-up measures. Since most backflow prevention measures were not taken in residential home construction until after 1980, and based on a 2018 Northland study that assessed the age of homes in Ashland, it is anticipated that HydroCorp will encounter residential cross connection risks during the inspections.

As a result, the agenda bill for HydroCorp's services identifies \$10,500 in funds budgeted for cross connection devices and states that the Utility will provide devices to customers free of charge during cross connection inspections. Initially, City staff had planned only for the provision of one cross connection device on outdoor hose bibs.

After further discussion with HydroCorp and the WI DNR, City staff is recommending that the scope of providing cross connection devices be expanded to include indoor sinks with threaded connections on the faucet, in addition to outdoor hose bibs. Further investigation into supply availability and sizing of necessary devices concluded that it would be most efficient to allow HydroCorp to supply the devices to be provided.

Since the initial investigation by City staff, the price of cross connection devices has increased and HydroCorp's previous experience on other projects has better informed the quantity of cross connection control devices necessary. Rather than a single cross connection device for outdoor hose bibs, it is recommended to anticipate provision of two cross connection control devices for outdoor hose bibs and one cross connection device for indoor utility sinks for each home.

Council approval of an additional \$61,217 in funds is requested in order to allow for the provision of residential cross connection control devices in coordination with the water meter changeout project in order to allow for regulatory compliance and protection of the public water supply.

The total cost of the cross connection control devices is as follows:

5,500 outside hose bibs X \$9.99/ea	= \$54,945
2,800 indoor utility sinks x \$5.99/ea	= <u>\$16,722</u>
TOTAL COST	\$71,717

SUBJECT: Approve the State Municipal Agreement (SMA) Dated July 31, 2022 for the Prentice Avenue Phase 2 (USH2-6th Street East) Reconstruction Project (*Public Works*) Roll

RECOMMENDATION: Approval

DEPARTMENT OF ORIGIN: Public Works

CLEARANCES: City Administrator

EXHIBITS:

1.	State/Municipal Agreement, July 31, 2022: Prentice Avenue
2.	Functional Classification Map
3.	Approved Project List 2022-2027 STP Urban Projects

EXPENDITURES REQUIRED: \$1,633,895 Current Estimate of Prentice Avenue Reconstruction Project Scheduled for 2026

AMOUNT BUDGETED: To be budgeted for in the future (Design-2023 Construction-2026)

\$1,098,011 WI DOT Surface Transportation Program
 \$ 274,504 Fund 470 Streets, Sidewalk, Stormwater
\$ 261,380 Fund 680 Water Utility
\$1,633,895 Total Project Cost

APPROPRIATION REQUIRED: \$38,000- Fund 470 Streets, Sidewalk, Stormwater (2023 Budget)

TREASURER'S CERTIFICATE: N/A

COMPLIANCE WITH ORD. 51: The Mayor and/or Clerk has consented to placement of this agenda item on the Council agenda as timely action is needed.

STATEMENT OF CONFORMANCE WITH COMPREHENSIVE PLAN: N/A

SUMMARY STATEMENT:

The Wisconsin Department of Transportation (WI DOT) receives federal funds that are allocated throughout the state to construct improvements to certain roads eligible for federal aid. These funds are allocated through the WI DOT Surface Transportation Program (STP) and roads must meet certain criteria for functional classification in order to be eligible for STP funds.

The City Council approved functional classification designations at the October 22, 2019 meeting. The approved resolution and the map of functionally classified roadways are attached. Prentice Avenue was prioritized as the only functionally classified North-South roadway between Ellis Avenue and the Bay City Creek ravine.

The project would be a full reconstruction of the road, including granular subbase, gravel base, asphalt pavement, sidewalks, storm sewer, and water main. Prentice Avenue is a through street from 11th Street to US Highway 2. The project segment, from US Highway 2 to 6th Street, is a typical residential neighborhood with densely packed housing but also provides N-S access to the City of Ashland off interstate highway US2. City Ordinance 504 designates Prentice Avenue between US2 and 11th Street as a through highway in the interest of public safety and pursuant to 349.07 of Wisconsin Statutes. The City has received DOT funding to reconstruct Prentice Avenue from 6th Street to 11th Street in 2024, but without additional funding, the impact of the project will be diminished as the majority of traffic is generated off US2 as opposed to 11th Street. There are 21 adjacent homes within the five-block project length. The road surface has a PASER value ranging from 2-4 with surface deficiencies including alligator cracking, block cracking, patches in poor condition, general pavement cracking throughout, and potholes. The last full reconstruction was done circa 1960 and the last resurfacing was done in 1987. The existing concrete curbs have asphalt overlay pavement covering 70% of the curb face. This reduces the carrying capacity of storm water. Several curb sections are sunken or heaved, causing water ponding. There are several utility trenches that are in poor condition as a result of the four different water main breaks since 2000. Continuing breaks will further erode pavement conditions.

Non-Participating Separately Funded Items:

The existing six-inch water main running the full length of the project is 133 years old, installed in 1886. Water mains of this age are responsible for 80% of all breaks in the City, causing disruption of water service and introducing potential contamination for many residents when a break occurs. The water main also appears to be shallow in depth as there are locations where the pipe has heaved the asphalt pavement. Installation of the storm sewer pipes and structures are believed to be circa 1960.

The total estimated project cost is \$1.63 million, with the WI DOT providing \$1.098 million for roadway construction. The City will be responsible for a 20% match of roadway construction costs, totaling \$274,504. In addition, the WI DOT considers costs associated with water and wastewater infrastructure to be non-participating work, so the City will replace the existing water main ahead of the road construction at an estimated cost of \$261,380.

The DOT project schedule will require the design to begin in state Fiscal Year 2023 so an appropriation of \$38,500 for the City's share of design costs is requested as part of the 2023 budget.

The Public Works Department recommends approval of the July 31, 2022 SMA in order to utilize the grant funding and allow the project to be scheduled for 2026 construction.



**STATE/MUNICIPAL AGREEMENT
FOR A STATE- LET STP-URBAN
PROJECT**

Program Name: STP-Urban

Population Group: 5,000 – 20,000

Sub-program #: 206

Cycle: 2022-2027

Date: July 31, 2022

I.D.: 8995-00-15/16

Road Name: Prentice Avenue

Limits: Lake Shore Drive to 6th Street E

County: Ashland

Roadway Length: .34 miles

Functional Classification: Major Collector

Project Sponsor: City of Ashland

State Fiscal Year of Construction: 2026

State Fiscal Year of Design: 2023

The signatory, **City of Ashland**, hereinafter called the Municipality, through its undersigned duly authorized officers or officials, hereby requests the State of Wisconsin Department of Transportation, hereinafter called the State, to initiate and effect the highway or street improvement hereinafter described.

The authority for the Municipality to enter into this agreement with the State is provided by Sections 86.25(1), (2), and (3) and Section 66.0301 of the Statutes.

NEEDS AND ESTIMATE SUMMARY:

All components of the project must be defined in the environmental document if any portion of the project is federally funded. The Municipality agrees to complete all participating and any non-participating work included in this improvement consistent with the environmental document. No work on final engineering and design may occur prior to approval of the environmental document.

Existing Facility - Describe and give reason for request: **The roadway segment is a typical residential neighborhood with densely packed housing and also provides N-S access to the City of Ashland off USH 2. The existing facility is a two-lane urban cross-section with asphalt pavement in very poor condition with a pavement rating of 2. The existing pavement has alligator cracking, block cracking, patches in poor condition, general pavement cracking throughout, and potholes. It was last improved in 1987. There are 2-ft shoulders with curb and gutter. The existing concrete curbs have asphalt overlay pavement covering 70% of the curb face which reduces carrying capacity of storm water. Several sections of the curb are sunken or heaved causing water ponding. There is currently sidewalk on both sides of the street and no existing bicycle accommodations. Several utility trenches are in poor condition as a result of multiple water main breaks.**

Proposed Improvement - Nature of work: **The proposed improvement is a full reconstruction of the road including granular subbase, gravel base, asphalt pavement, sidewalks, storm sewer, and water main. The improvement would be a two-lane urban cross section 1795 feet in length with moderate grading. The new pavement type would be hot mix asphalt 33 feet wide and the new shoulder type would be concrete 1.5 feet wide. New 5-foot sidewalks and new curb and gutter will be constructed, along with standard lighting. The project will also include permanent and temporary signing. No right-of-way acquisition is required.**

Describe non-participating work included in the project and other work necessary to completely finish the project that will be undertaken independently by the Municipality. Please note that non-participating components of a project/contract are considered part of the overall project and will be subject to applicable federal requirements: **The existing water main and storm sewer will be replaced. A nominal amount (\$500) has been added for maintenance and repair of haul roads.**

The Municipality agrees to the following **2022-2027 STP-Urban** project funding conditions:

Project ID 8995-00-15 design costs are funded with up to 80% federal funding up to a funding limit of \$152,331.00. The Municipality agrees to provide the remaining 20% and any funds in excess of the \$152,331.00 federal funding limit. Project ID 8995-00-16 construction costs are funded with up to 80% federal funding up to a funding limit of \$945,680.00. The Municipality agrees to provide the remaining 20% and any funds in excess of the \$945,680.00 federal funding limit. Non-participating costs are 100% the responsibility of the Municipality. Any work performed by the Municipality prior to federal authorization is not eligible for federal funding. The Municipality will be notified by the State that the project is authorized and available for charging.

This project is currently scheduled in State Fiscal Year **2026**. Sunset date: **June 30, 2031**

Sunset Date is determined based on the date a project is scheduled to be authorized. Sunset date is calculated as six years from the beginning of the state fiscal year (SFY) in which a project is initially scheduled.

Extensions may be available upon approval of a written request by or on behalf of the Municipality to State. The written request shall explain the reasons for project implementation delay and revised timeline for project completion.

The dollar amounts shown in the Summary of Costs Table below are estimates. The final Municipal share is dependent on the final federal participation, and actual costs will be used in the final division of cost for billing and reimbursement. In no event shall federal funding exceed the estimate of \$1,098,011 in the Summary of Costs Table, unless such increase is approved in writing by the State through the State's Change Management Policy prior to the Municipality incurring the increased costs.

SUMMARY OF COSTS					
PHASE	Total Est. Cost	Federal Funds	%	Municipal Funds	%
ID 8995-00-15					
Design	\$175,414	\$140,331	80%	\$35,083	20% + BAL
State Review	\$15,000	\$12,000	80%	\$3,000	20% + BAL
	\$190,414	\$152,331		\$38,083	
ID 8995-00-16					
Participating Construction	\$1,066,653	\$853,322	80%	\$213,331	20% + BAL
Non-Participating Construction	\$261,830	\$0	0%	\$261,830	100%
Construction Engineering	\$102,524	\$82,019		\$20,505	
State Review	\$12,923	\$10,338	80%	\$2,585	20% + BAL
	\$1,443,930	\$945,680		\$498,250	
Total Est. Cost Distribution	\$1,634,344	\$1,098,011	N/A	\$536,333	N/A

*Design ID# 8995-00-15 federal funding is limited to \$152,331.00.

*Construction ID# 8995-00-16 federal funding is limited to \$945,680.00

This request is subject to the terms and conditions that follow and is made by the undersigned under proper authority to make such request for the designated Municipality and upon signature by the State and delivery to the Municipality shall constitute agreement between the Municipality and the State. No term or provision of neither the State/Municipal Agreement nor any of its attachments may be changed, waived or terminated orally but only by an instrument in writing executed by both parties to the State/Municipal Agreement.

Signatures certify the content has not been altered by the municipality.
Signed for and in behalf of: **City of Ashland** (please sign in blue ink.)

Name	Title	Date
------	-------	------

Signed for and in behalf of the State:

Name	Title	Date
------	-------	------

GENERAL TERMS AND CONDITIONS:

1. All projects must be in an approved Transportation Improvement Program (TIP) or State Transportation Improvement Program (STIP) prior to requesting authorization.
2. Work prior to federal authorization is ineligible for federal funding.
3. The Municipality, throughout the entire project, commits to comply with and promote all applicable federal and state laws and regulations that include, but are not limited to, the following:
 - a. Environmental requirements, including but not limited to those set forth in the 23 U.S.C. 139 and National Environmental Policy Act (42 U.S.C. 4321 et seq.)
 - b. Equal protection guaranteed under the U.S. Constitution, WI Constitution, Title VI of the Civil Rights Act and Wis. Stat. 16.765. The municipality agrees to comply with and promote applicable Federal and State laws, Executive Orders, regulations, and implementing requirements intended to provide for the fair and equitable treatment of individuals and the fair and equitable delivery of services to the public. In addition the Municipality agrees not to engage in any illegal discrimination in violation of applicable Federal or State laws and regulations. This includes but is not limited to Title VI of the Civil Rights Act of 1964 which provides that "no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." The Municipality agrees that public funds, which are collected in a nondiscriminatory manner, should not be used in ways that subsidize, promote, or perpetuate illegal discrimination based on prohibited factors such as race, color, national origin, sex, age, physical or mental disability, sexual orientation, or retaliation.
 - c. Prevailing wage requirements, including but not limited to 23 U.S.C 113.
 - d. Buy America Provision and its equivalent state statutes, set forth in 23 U.S.C. 313 and Wis. Stat. 16.754.
 - e. Competitive bidding and confidentiality requirements set forth in 23 U.S.C 112 and Wis. Stat. 84.06. This includes the sharing of financial data prior to the conclusion of the competitive bid period.
 - f. All applicable Disadvantaged Business Enterprise (DBE) requirements that the State specifies.
 - g. Federal statutes that govern the Surface Transportation Program (STP), including but not limited to 23 U.S.C. 133.
 - h. General requirements for administering federal and state aids set forth in Wis. Stat. 84.03.

STATE RESPONSIBILITIES AND REQUIREMENTS:

4. Funding of each project phase is subject to inclusion in Wisconsin's approved 2022-2027 STP-Urban program. Federal funding will be limited to participation in the costs of the following items, as applicable to the project:
 - a. The grading, base, pavement, and curb and gutter, sidewalk, and replacement of disturbed driveways in kind.
 - b. The substructure, superstructure, grading, base, pavement, and other related bridge and approach items.
 - c. Storm sewer mains necessary for the surface water drainage.
 - d. Catch basins and inlets for surface water drainage of the improvement, with connections to the storm sewer main.
 - e. Construction engineering incident to inspection and supervision of actual construction work (except for inspection, staking, and testing of sanitary sewer and water main).
 - f. Signing and pavement marking.
 - g. New installations or alteration of street lighting and traffic signals or devices.
 - h. Landscaping.
 - i. Preliminary engineering and design.
 - j. Consultant and state review services.
5. The work will be administered by the State and may include items not eligible for federal participation.
6. As the work progresses, the State will bill the Municipality for work completed that is not chargeable to federal/state funds. Upon completion of the project, a final audit will be made to determine the final division of costs subject to funding limits in the Summary of Costs Table. If reviews or audits show any of the work to be ineligible for federal/state funding, the Municipality will be responsible for any withdrawn costs associated with the ineligible work.

MUNICIPAL RESPONSIBILITIES AND REQUIREMENTS:

7. Work necessary to complete the 2022-2027 STP-Urban improvement project to be financed entirely by the Municipality or other utility or facility owner includes the items listed below.
 - a. New installations of or alteration of sanitary sewers and connections, water, gas, electric, telephone, telegraph, fire or police alarm facilities, parking meters, and similar utilities.
 - b. Damages to abutting property after project completion due to change in street or sidewalk widths, grades or drainage.
 - c. Detour routes and haul roads. The municipality is responsible for determining the detour route.
 - d. Conditioning, if required and maintenance of detour routes.
 - e. Repair of damages to roads or streets caused by reason of their use in hauling materials incident to the improvement.
 - f. All work related to underground storage tanks and contaminated soils.

- g. Street and bridge width in excess of standards, in accordance with the current WisDOT Facilities Development Manual (FDM).
 - h. Real estate for the improvement.
 - i. Other 100% Municipality funded items: Water Main and Storm Sewer Replacement
8. The construction of the subject improvement will be in accordance with the appropriate standards unless an exception to standards is granted by State prior to construction. The entire cost of the construction project, not constructed to standards, will be the responsibility of the Municipality unless such exception is granted.
 9. Work to be performed by the Municipality without federal funding participation necessary to ensure a complete improvement acceptable to the Federal Highway Administration and/or the State may be done in a manner at the election of the Municipality but must be coordinated with all other work undertaken during construction.
 10. The Municipality is responsible for financing administrative expenses related to Municipal project responsibilities.
 11. The Municipality will include in all contracts executed by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in Wis. Stat. 51.01 (5), sexual orientation as defined in Wis. Stat. 111.32 (13m), or national origin.
 12. The Municipality will pay to the State all costs incurred by the State in connection with the improvement that exceed federal/state financing commitments or are ineligible for federal/state financing. To guarantee the Municipality's foregoing agreements to pay the State, the Municipality, through its above duly authorized officers or officials, agrees and authorizes the State to set off and withhold the required reimbursement amount as determined by the State from any moneys otherwise due and payable by the State to the Municipality.
 13. In accordance with the State's sunset policy for Local Bridge Program projects, the subject 2022-2027 STP improvement must be constructed and in final acceptance within six years from the beginning of the state fiscal year (SFY) in which a project is initially scheduled. Extensions may be available upon approval of a written request by or on behalf of the Municipality to State. The written request shall explain the reasons for project implementation delay and revised timeline for project completion.
 14. If the Municipality should withdraw the project, it will reimburse the State for any costs incurred on behalf of the project.
 15. The Municipality will at its own cost and expense:
 - a. Maintain all portions of the project that lie within its jurisdiction (to include, but not limited to, cleaning storm sewers, removing debris from sumps or inlets, and regular maintenance of the catch basins, curb and gutter, sidewalks and parking lanes [including snow and ice removal]) for such maintenance in a manner consistent with reasonable industry standards, and will make ample provision for such maintenance each year.
 - b. Regulate [or prohibit] parking at all times in the vicinity of the proposed improvements during their construction.
 - c. Regulate [or prohibit] all parking at locations where and when the pavement area usually occupied by parked vehicles will be needed to carry active traffic in the street.
 - d. Assume general responsibility for all public information and public relations for the project and to make fitting announcement to the press and such outlets as would generally alert the affected property owners and the community of the nature, extent, and timing of the project and arrangements for handling traffic within and around the project.

- e. Provide complete plans, specifications, and estimates to State upon request.
- f. Provide relocation orders and real estate plats to State upon request.
- g. Use the *WisDOT Utility Accommodation Policy* unless it adopts a policy, which has equal or more restrictive controls.
- h. Provide maintenance and energy for lighting.
- i. Provide proper care and maintenance of all landscaping elements of the project including replacement of any plant materials damaged by disease, drought, vandalism or other cause.

16. It is further agreed by the Municipality that:

- a. The Municipality assumes full responsibility for the design, installation, testing and operation of any sanitary sewer and water main infrastructure within the improvement project and relieves the state and all of its employees from liability for all suits, actions, or claims resulting from the sanitary sewer and water main construction under this agreement.
- b. The Municipality assumes full responsibility for the plans and special provisions provided by their designer or anyone hired, contracted or otherwise engaged by the Municipality. The Municipality is responsible for any expense or cost resulting from any error or omission in such plans or special provisions. The Municipality will reimburse State if State incurs any cost or expense in order to correct or otherwise remedy such error or omission or consequences of such error or omission.
- c. The Municipality will be 100% responsible for all costs associated with utility issues involving the Contractor, including costs related to utility delays.
- d. All signs and traffic control devices and other protective structures erected on or in connection with the project including such of these as are installed at the sole cost and expense of the Municipality or by others, will be in conformity with such *Manual of Uniform Traffic Control Devices* as may be adopted by the American Association of State Highway and Transportation Officials, approved by the State, and concurred in by the Federal Highway Administration.
- e. The right-of-way available or provided for the project will be held and maintained inviolate for public highway or street purposes. Those signs prohibited under federal aid highway regulations, posters, billboards, roadside stands, or other private installations prohibited by federal or state highway regulations will not be permitted within the right-of-way limits of the project. The Municipality, within its jurisdictional limits, will remove or cause to be removed from the right-of-way of the project all private installations of whatever nature which may be or cause an obstruction or interfere with the free flow of traffic, or which may be or cause a hazard to traffic, or which impair the usefulness of the project and all other encroachments which may be required to be removed by the State at its own election or at the request of the Federal Highway Administration, and that no such installations will be permitted to be erected or maintained in the future.
- f. The Municipality is responsible for any damage caused by legally hauled loads, including permitted oversize and overweight loads. The contractor is responsible for any damage caused to haul roads if the contractor does not obey size and weight laws, use properly equipped and maintained vehicles, and does not prevent spilling of materials onto the haul road (*WisDOT Standard Specifications* 618.1, 108.7, 107.8). The local maintaining authority can impose special or seasonal weight limitations as defined in Wis. Stat. 349.16, but this should not be used for the sole purpose of preventing hauling on the road.

The bid item 618.0100 Maintenance and Repair of Haul Roads (project) is ineligible for federal funding on local program projects as per the State/Municipal Agreement. The repair of damages as a result of hauling materials for the project is the responsibility of the Municipality as specified in the State/Municipal Agreement Terms and Conditions under "Municipal Responsibilities and Requirements."

LEGAL RELATIONSHIPS:

17. The State shall not be liable to the Municipality for damages or delays resulting from work by third parties. The State also shall be exempt from liability to the Municipality for damages or delays resulting from injunctions or other restraining orders obtained by third parties.
18. The State will not be liable to any third party for injuries or damages resulting from work under or for the Project. The Municipality and the Municipality's surety shall indemnify and save harmless the State, its officers and employees, from all suits, actions or claims of any character brought because of any injuries or damages received or sustained by any person, persons or property on account of the operations of the Municipality and its sureties; or on account of or in consequence of any neglect in safeguarding the work; or because of any act or omission, neglect or misconduct of the Municipality or its sureties; or because of any claims or amounts recovered for any infringement by the Municipality and its sureties of patent, trademark or copyright; or from any claims or amounts arising or recovered under the Worker's Compensation Act, relating to the employees of the Municipality and its sureties; or any other law, ordinance, order or decree relating to the Municipality's operations.
19. Contract modification: This State/Municipal Agreement can only modified by written instruments duly executed by both parties. No term or provision of either this State/Municipal Agreement or any of its attachments may be changed, waived or terminated orally.
20. Binding effects: All terms of this State/Municipal Agreement shall be binding upon and inure to the benefits of the legal representatives, successors and executors. No rights under this State/Municipal Agreement may be transferred to a third party. This State/Municipal Agreement creates no third-party enforcement rights.
21. Choice of law and forum: This State/Municipal Agreement shall be interpreted and enforced in accordance with the laws of the State of Wisconsin. The Parties hereby expressly agree that the terms contained herein and in any deed executed pursuant to this State/Municipal Agreement are enforceable by an action in the Circuit Court of Dane County, Wisconsin.

PROJECT FUNDING CONDITIONS

22. Non-appropriation of funds: With respect to any payment required to be made by the State under this State/Municipal Agreement, the parties acknowledge the State's authority to make such payment is contingent upon appropriation of funds and required legislative approval sufficient for such purpose by the Legislature. If such funds are not so appropriated, either the Municipality or the State may terminate this State/Municipal Agreement after providing written notice not less than thirty (30) days before termination.
23. Maintenance of records: During the term of performance of this State/Municipal Agreement, and for a period not less than three years from the date of final payment to the Municipality, records and accounts pertaining to the performance of this State/Municipal Agreement are to be kept available for inspection and audit by representatives of the State. The State reserves the right to audit and inspect such records and accounts at any time. The Municipality shall provide appropriate accommodations for such audit and inspection.

In the event that any litigation, claim or audit is initiated prior to the expiration of said records maintenance period, the records shall be retained until such litigation, claim or audit involving the records is complete.

24. The Municipality agrees to the following 2022-2027 STP-Urban project funding conditions:
 - a. ID 8995-00-15: Design is funded with 80% federal funding up to a funding limit of \$ 152,331.00 when the Municipality agrees to provide the remaining 20% and any funds in excess of the \$152,331.00 federal funding limit. This phase includes plan development, management consultant review, and state review. The work includes project review, approval of required reports and documents and processing the final Plan, Specification & Estimate (PS&E) document for award of the contract. Costs for this phase include an estimated amount for state review activities, to be funded 80% with federal funding and 20% by the Municipality.

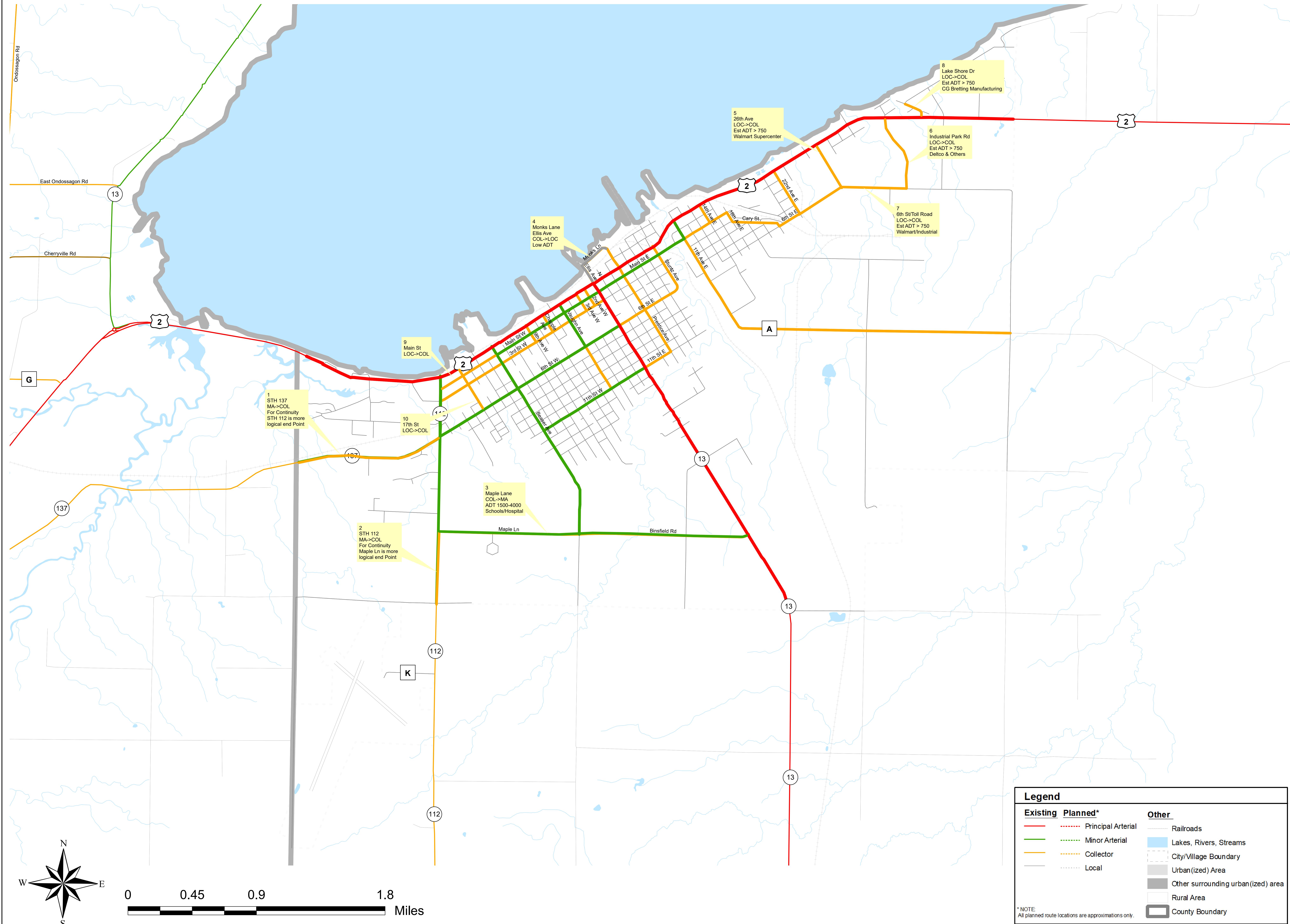
b. ID 8995-00-16: Construction:

- i. Costs for Roadway Construction are funded with 80% federal funding up to a funding limit of \$945,680.00, when the Municipality agrees to provide the remaining 20%, and any funds in excess of the \$945,680 federal funding limit.
- ii. Non-participating costs for watermain & sanitary sewer and maintenance and repair of haul roads are funded 100% by the Municipality. Costs include construction delivery.
- iii. Costs for this phase include an estimated amount for state review activities, to be funded 80% with federal funding and 20% by the Municipality.

[End of Document]

ASHLAND
Functional Classification - DRAFT

ASHLAND



Legend

Existing	Planned*	Other
		Railroads
		Lakes, Rivers, Streams
		City/Village Boundary
		Urban (ized) Area
		Other surrounding urban (ized) area
		Rural Area
		County Boundary

* NOTE:
All planned route locations are approximations only.

2022-2027 STP-URBAN 5,000 TO 20,000 PROGRAM
APPROVAL PROJECT LIST without costs

Region:	Project id:	Entitlement holder:	Route type	Project title:	Project limits:	Functional type:
			/Route name:			
NC	6995-07-71	MARSHFIELD (C, MARSHFIELD-HEWITT UA)	LOCAL STREET	CITY OF MARSHFIELD, W. 5TH STREET	S. OAK AVENUE TO S. CHESTNUT AVENUE	CONSTRUCTION
NW	8995-00-15	ASHLAND (C, ASHLAND UA)	LOCAL STREET	CITY OF ASHLAND, PRENTICE AVENENUE	LAKE SHORE DRIVE TO 6TH STREET E	DESIGN
NW	8995-00-16	ASHLAND (C, ASHLAND UA)	LOCAL STREET	CITY OF ASHLAND, PRENTICE AVENENUE	LAKE SHORE DRIVE TO 6TH STREET E	CONSTRUCTION
SW	6995-04-74	BEAVER DAM (C, BEAVER DAM UA)	LOCAL STREET	CITY OF BEAVER DAM, MADISON STREET	CHATHAM STREET TO ROWELL STREET	CONSTRUCTION

2022-2027 STP-URBAN 20,000 TO 50,000 PROGRAM
APPROVAL PROJECT LIST without costs

Region:	Project id:	Entitlement holder:	Route type	Project title:	Project limits:	Functional type:
			/Route name:			
NC	6998-13-71	STEVENS POINT URBAN GROUP	LOCAL STREET	CITY OF STEVENS POINT, POST ROAD/CHURCH STREET	SOUTH CITY LIMITS TO MICHIGAN AVENUE	CONSTRUCTION

SUBJECT: Approve Final Payment to Ritola Inc. for the 2022 Lead Service Lateral Replacement Project (*Public Works*) Roll

RECOMMENDATION: Approval

DEPARTMENT OF ORIGIN: Public Works

CLEARANCES: Public Works Director

EXHIBITS:

1.	Application for Payment No. 3 - Final Payment
----	---

EXPENDITURES REQUIRED: \$ 13,953.32 Final Work Completed & Retainage Due

\$114,175.00 Final Project Cost (Including Final Payment Due)

AMOUNT BUDGETED: \$199,945.50 Total Project Budget - WI DNR Private Lead Service Lateral Replacement Program (FY 2022)

APPROPRIATION REQUIRED: N/A

TREASURER'S CERTIFICATE: N/A

COMPLIANCE WITH ORD. 51:

STATEMENT OF CONFORMANCE WITH COMPREHENSIVE PLAN: The completed construction project conforms to the goals and community values identified in the City of Ashland's Comprehensive Plan.

SUMMARY STATEMENT:

At the March 8, 2022 City Council meeting, the Council approved entering into an agreement with Ritola, Inc for the 2022 Lead Service Lateral (LSL) Replacement Project.

Work completed under this project included replacement of LSLs associated with drinking water service at 33 locations. Some of the locations were associated with replacement of public watermain and others were scattered throughout the City. The work included installation of underground piping and associated restoration.

Change Orders 1 and 2 totaled \$1,487.50, and provided compensation for excavation activities initiated by the contractor in cases where it was determined that the existing water service lateral was already constructed with lead free materials. These change orders had previously been approved by City staff in accordance with City Ordinance 194.

In addition, the final project cost is less than the amount budgeted due to variances in estimated versus actual quantities of construction items and the removal of a number of properties from the project due to the

confirmation, via site inspection or City records, that the existing water service lateral was already constructed with lead free materials.

The Public Works Department recommends approval of the final payment of \$13,953.32 due to Ritola Inc. for the 2022 Lead Service Lateral (LSL) Replacement Project.

APPLICATION FOR PAYMENT NO.

PR3

To: CITY OF ASHLAND (Owner)

From: RITOLA, INC (Contractor)

Project: 2022 PRIVATE LEAD SERVICE LATERAL PROJECT 246-54980-213

For Work Period: From: August 1, 2022 Thru: September 1, 2022

246-54980-213 \$114,175.00

246-22100-0000 \$0.00

1.	Original Contract Price:	\$199,945.50
2.	a) Net change by Change Orders and Written Amendments (+ or -)	\$1,487.50
	b) Net change by Quantity Variances (+ or -)	\$0.00
3.	Current Contract Price (Line 1 plus Line 2):	\$201,433.00
4.	Total completed and stored to date:	\$114,175.00
5.	Retainage (per Agreement):	
	0.00% of completed Work:	\$0.00
	0.0% of stored material:	\$0.00
	Total Retainage:	\$0.00
6.	Total completed and stored to date less retainage (Line 4 minus Line 5):	\$114,175.00
7.	Less previous Payments:	\$100,221.68
8.	DUE THIS APPLICATION (6 MINUS 7):	\$13,953.32

Accompanying Documents:
Itemization of Quantities

CONTRACTOR'S Certification:

The undersigned CONTRACTOR certifies that (1) all previous progress payments received from OWNER on account of Work done under the Contract referred to above have been applied on account to discharge CONTRACTOR's legitimate obligations incurred in connection with Work covered by prior Applications for Payment; (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to OWNER at time of payment free and clear of all Liens, security interests and encumbrances (except such as are covered by a Bond acceptable to OWNER indemnifying OWNER against any such Lien, security interest or encumbrance); and (3) all Work covered by this Application for Payment is in accordance with the Contract Documents and not defective.

Dated _____

By: Kent Ritola

Payment of the above AMOUNT DUE THIS APPLICATION is recommended.

Dated _____

By: John Butler, Public Works Director

Dated _____

By: Brant Kucera, City Administrator

Dated _____

By: Jacey Dean, Comptroller

Dated _____

By: Denise Oliphant, City Clerk

SUBJECT: Approve Final Payment to Northern Interstate Construction, Inc for the Waterfront Access Road Project (*Public Works*) Roll

RECOMMENDATION: Approval

DEPARTMENT OF ORIGIN: Public Works

CLEARANCES: City Administrator
Public Works Director

EXHIBITS:

1.	Contractor's Application for Payment No. (Final)
----	--

EXPENDITURES REQUIRED: \$ 74,616.98 Final Work Completed, Retainage Due & Dispute Resolution

\$ 708,343.73 Fund 470 Street Improvements
\$ 264,949.54 Fund 680 Water Utility
\$ 158,969.73 Fund 690 Wastewater Utility
\$ 1,132,263.00 Final Project Cost (Including Final Payment Due)

AMOUNT BUDGETED: \$ 762,838.17 Fund 470 Street Improvements
\$ 251,536.99 Fund 680 Water Utility
\$ 170,643.36 Fund 690 Wastewater Utility
\$1,185,018.50 Total

APPROPRIATION REQUIRED: \$ 13,412.55 Fund 680 Water Utility

TREASURER'S CERTIFICATE: N/A

COMPLIANCE WITH ORD. 51: The Mayor and/or Clerk has consented to placement of this agenda item on the Council agenda as timely action is needed.

STATEMENT OF CONFORMANCE WITH COMPREHENSIVE PLAN: The completed construction conforms to the goals and community values identified in the City of Ashland's Comprehensive Plan.

SUMMARY STATEMENT:

The Public Works Department recommends approval of the final payment to Northern Intersate Construction for the Waterfront Access Road Project.

The project was substantially completed in Fall 2021 and the City has agreed to accept the project as is in order to achieve final completion.

☐ Owner ☐ Engineer
☐ Contractor ☐ Funding Agency

Contractor's Application for Payment No. 5 (Final)

Application Period: 8/1/2022 - 10/6/2022		Application Date: 10/6/2022
To (Owner): City of Ashland	From (Contractor): Northern Interstate Construction	Via (Engineer): Cedar Corporation
Project: Waterfront Access Road Reconstruction	Contract:	
Owner's Contract No: 470202102	Contractor's Project No: 210305	Engineer's Project No: A2920-0014

Application For Payment Change Order Summary

Approved Change Orders		
Number	Additions	Deductions
1	\$74,753.50	
2	\$52,810.00	
3	\$5,757.00	
4	\$9,241.00	
5	\$8,905.68	
TOTALS	\$151,467.18	
NET CHANGE BY CHANGE ORDERS	\$151,467.18	

1. ORIGINAL CONTRACT PRICE.....	\$	\$903,058.05
2. Net change by Change Orders.....	\$	\$151,467.18
3. Current Contract Price (Line 1 ± 2).....	\$	\$1,054,525.23
4. TOTAL COMPLETED AND STORED TO DATE (Column I total on Progress Estimates).....	\$	\$1,132,263.00
5. RETAINAGE:		
a. 5% X Work Completed.....	\$	
b. 5% X Stored Material.....	\$	
c. Total Retainage (Line 5.a + Line 5.b).....	\$	
6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5.c).....	\$	\$1,132,263.00
7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application).....	\$	\$1,057,646.02
8. AMOUNT DUE THIS APPLICATION.....	\$	\$74,616.98

Contractor's Certification

The undersigned Contractor certifies, to the best of its knowledge, the following:

- (1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;
- (2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all Liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such Liens, security interest, or encumbrances); and
- (3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor Signature

By: _____ Date: _____

Payment of: \$ 74,616.98
(Line 8 or other - attach explanation of the other amount)

is recommended by: _____ (Engineer) _____ (Date)

Payment of: \$ 74,616.98
(Line 8 or other - attach explanation of the other amount)

is approved by: _____ (Owner) _____ (Date)

Approved by: _____ Funding or Financing Entity (if applicable) _____ (Date)

SUBJECT: Approve a Development Agreement with Jeanne Aspensen for a Development Incentive to Support Buildout of a Wedding/Event Venue and Two Short-Term Rental Units at 100 Main Street West, Ashland (*Planning*) Roll

RECOMMENDATION: Approval

DEPARTMENT OF ORIGIN: Planning & Development

CLEARANCES: Administrator

EXHIBITS:

EXPENDITURES REQUIRED: \$50,000 - ARPA funding designated for Small Business Assistance Grants

AMOUNT BUDGETED: \$100,000 - Council approved ARPA funding designated for Small Business Assistance Grants (passed March 29, 2022)

**APPROPRIATION
REQUIRED:** \$0

**TREASURER'S
CERTIFICATE:** The Treasurer's Office has certified on 10/03/22, that Jeanne Aspensen and Union Boutique are in compliance with the provisions of Ordinance 923.10 Ashland City Ordinances.

COMPLIANCE WITH ORD. 51:

STATEMENT OF CONFORMANCE WITH COMPREHENSIVE PLAN: The proposed development conforms to the goals and community values identified in the City of Ashland's Comprehensive Plan. The Comp Plan encourages the City to invest in programs that promote downtown revitalization and economic development which is authentic to Ashland's character. Adaptive reuse of the building at 100 Main St W as proposed in this Development Agreement will create a new use in a currently vacant space, diversify the downtown business mix, establish a large event space in a historic building in the downtown, and create two additional short-term rental units for wedding guests and tourists.

The Union Bank project is a premier example of adaptive reuse and mixed-use development, both of which are identified in Ashland's Comprehensive Plan as priorities for downtown development. The building has a unique layout due to its original, historic use as a bank, and as such required incredible creativity and vision to see its potential as a beautiful, vibrant commercial space. As a historic resource listed on the State and National Registers of Historic places and located on a highly visible intersection in the heart of Ashland, this adaptive reuse project truly reflects and embraces the community's desire for diversified retail offerings while remaining authentic to Ashland's history and paying homage to the Union Bank's former use.

Additionally, City Council set the goal to "Make Downtown a Destination" in the City's Strategic Plan. An essential part of developing a downtown destination is the creation of a good first impression through distinguished community gateways. Downtown gateways create a "sense of place" and arrival. They can also

promote a sense of group pride among the merchants downtown, helping to foster group cooperation with beautification and marketing, further encouraging downtown business and property owners to invest in their building facades and curb appeal. Downtown gateways should always be attractive and reflect the ambiance of the town, promoting a feeling that you have arrived at a special destination. The Union Bank is a landmark historic building that sits on one of the most highly visible gateways into Ashland's downtown, the Ellis Ave entrance. As an anchor historic building, the Union Boutique and Union event space are critical community partners in the City's mission to revitalize the downtown and create a community gateway on Ellis and Main.

SUMMARY STATEMENT:

On March 29, 2022, City Council approved the allocation of \$100,000 of ARPA funding for Small Business Assistance Grants.

In an effort to support downtown development efforts, the City of Ashland applied for, and was awarded, a \$125,000 Community Development Investment (CDI) grant on behalf of local developer, Jeanne Aspenson (owner of The Union Boutique and the former Union Bank Building at 100 Main St W). The CDI grant requires a 1:1 funding match. Due to the high cost of property acquisition, which is not an eligible cost, and the increased cost of labor and materials due to the COVID-19 pandemic, the project has a funding gap of \$50,000. The developer is requesting a grant of \$50,000 to meet the CDI grant match requirements and help with the cost of the building renovations.

The funds awarded will go directly to the adaptive reuse of the former Union Bank building for the purposes of adding a wedding/event venue on the second floor, and the addition of two short-term rental units for out-of-town event guests and tourists alike. The \$50,000 contribution from the City of Ashland's ARPA funding will be used toward construction costs, including building renovations and fixtures, electrical and plumbing work, elevator repair, and the installation of a commercial walk-in cooler.

The Development Agreement continues to be reviewed by the City Attorney and will be made available to the Council prior to the meeting.

SUBJECT: Approve a Beaser Avenue Redevelopment Plan (*Administration*) Roll**RECOMMENDATION:** Approval**DEPARTMENT OF ORIGIN:** Planning & Development**CLEARANCES:** Administration**EXHIBITS:**

1.	Beaser Avenue Redevelopment by Bayfront LLC
2.	City of Ashland Request for Proposals, Beaser Avenue Development June 2022

EXPENDITURES REQUIRED:**AMOUNT BUDGETED:****APPROPRIATION
REQUIRED:****TREASURER'S
CERTIFICATE:** NA**COMPLIANCE WITH ORD. 51:****STATEMENT OF CONFORMANCE WITH COMPREHENSIVE PLAN:****SUMMARY STATEMENT:**

In July 2022 the City released an RFP for the redevelopment of the Beaser Avenue property. We received one proposal from Bayfront LLC. As a part of the RFP process proposals have to be reviewed by the Ashland Housing Committee, the Planning and Zoning Commission and City Council before formal negotiations with the potential developer can begin.

Both of the aforementioned committee and commission have reviewed the plan and I am now bringing this item to City Council for input. Any items of concern identified during this review process will be incorporated into negotiations and any development agreement. Please review the attached RFP and response in order to determine what, if any, modifications you would like to see incorporated into the negotiation process.

BAYFRONT LLC

BEASER AVENUE REDEVELOPMENT

FOR SUSTAINABLE DEVELOPMENT SERVICES

City of Ashland
601 Main Street W,
Ashland, WI 54806

August 5th, 2022

Point of Contact:

Scott Bretting, Sole Owner

Direct: 715.292.1085

66785 Bay Front Road,
Ashland, WI 54806

BAYFRONT LLC

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C Project Experience

Related Project Experience

Work Samples

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E Design Description

Narrative

Concept Plan

Proposed Schedule

F Financial Investment

BAYFRONT LLC

Brant Kucera, City Administrator
City of Ashland
601 Main Street West
Ashland, WI 54806

August 5th, 2022

RE: City of Ashland Beaser Avenue Redevelopment Request for Proposals

Dear Brant,

Bayfront LLC is pleased to present the following response to the Request for Proposals for a 4.5 acre, publicly-owned property located on the west-central side of Ashland, in close proximity to the downtown district. In seeking to complement the surrounding neighborhood and help the city attain the sustainable vision set forth in its Comprehensive Plan for the Beaser Avenue Redevelopment Site, Bayfront LLC proposes mixed uses to facilitate an appropriate density of urban infill development. This would include moving or rebuilding 6 single family homes with garages, moving a tri-plex (3-unit apartment) with the addition of a 3 stall garage, moving and enhancing the River Rock Motel to be an 8-unit efficiency apartment with an 8 stall garage, and building 2 new, multi-family apartment units each with a garage.

Bayfront LLC is an Ashland based and locally owned Company. Established in 2002 with the purchase of property 1114 Lakeshore Drive West, the former site of Ashland Produce, we have been gaining knowledge, experience, and local support for 20 years. Bayfront owns most the property west of 11th Avenue West and east of Beaser Avenue, south of Lakeshore Drive West and north of Main Street West, approximately 3.066 Acres. The proximity and opportunity to work on additional property in Ashland is exciting for Bayfront LLC.

We are grateful for the opportunity to provide this proposal for your consideration. We have tried to supply as much information as possible. Please do not hesitate to contact us if you have any questions, need clarifications or if we can provide additional information. We look forward to the possible opportunity to work with you.

Sincerely,

Point of Contact:

Scott Bretting, Sole Owner

Direct: 715.292.1085

66785 Bay Front Road,
Ashland, WI 54806

BAYFRONT LLC

SECTION B: FIRM INTRODUCTION

Bayfront LLC is an Ashland based and locally owned Company. Bayfront owns most the property west of 11th Avenue West and east of Beaser Avenue, south of Lakeshore Drive West and north of Main Street West, approximately 3.066 Acres. Bayfront LLC started in 2002 when it purchased the property at 1114 Lakeshore Drive West, the former site of Ashland Produce and before that it was a gas station.

Bayfront LLC completely gutted the existing structure at 1114, updating all of the electrical, plumbing, heating and Air conditioning system along with all new surfaces and opening, IE: doors and windows. Also, Bayfront has removed the existing fuel tanks partnered with the Wisconsin DNR with the use of the Petroleum Environmental Cleanup Fund Award (PECFA) program.

Since 2002 Bayfront LLC has purchased more than 8 other adjoining properties and have remove blighted buildings or has gone to the extent of completely gutted the existing structure, updating all of the electrical, plumbing, heating and Air conditioning system along with all new surfaces and openings, IE: doors, windows, and siding or stonework

The sole owner of Bayfront LLC is Scott Bretting, phone number is 715-292-1085, home office is 66758 Bay Front Road, Ashland, WI.

Office located in:
Ashland, Wisconsin

We specialize in:

- Realizing Visions
- Renovating
- Teamwork
- Making Property Profitable

Market Experience:
Commercial, Industrial,
Residential, Historic Adaptive
Reuse, Senior Housing



River Rock Inn, Ashland, WI



River Rock Bait Shop, Ashland, WI

BAYFRONT LLC

SECTION C: PROJECT EXPERIENCE



1215 Main Street West is the Triplex. It has been through a Focus on Energy Audit, received all new siding, windows and doors, added insulation in the walls and attic, updated electrical and a new furnace with air-conditioning in all three apartments. A forever (non-wood) deck and stair system on the 1st and 2nd story apartments was also added.



115 12th Ave West is a single-family home with all new siding, some windows and doors, added insulation in the walls and attic and updated electrical. A Mini-split Air-Conditioning system and a new deck on the north-east front entrance were also added.



1109 Main Street West is a single-family home that went through a Focus on Energy Audit, all new siding, windows and doors, added insulation in the walls and attic and updated electrical.



1110 Lake Shore Drive West is presently a business office. It will be moved and converted back to a single-family residential home.

In 2003 Improvements made by Bayfront, LLC were as follows: new siding, windows, doors, complete interior renovation, all new electrical, all new plumbing including furnace and air-conditioning and a new roof structure.



1123 Main Street West is a single-family home that went through a Focus on Energy Audit, received new electrical, all new windows and doors, added insulation in the walls and attic and a new furnace.

BAYFRONT LLC

RIVER ROCK INN



Ashland, Wisconsin

Project Details:

This project was a renovation of an existing motel and bait shop - simple, but notably updated. It's prime location along the main drag and adjacent to Lake Superior allows it to show off the stone veneer exterior and makes it the perfect place to stop and rest or buy local bait.



BAYFRONT LLC

SECTION D: COMMUNITY REFERENCES

Gary Ellefson, Chairman of the Board and CEO Northern State Bank
Phone: 715.682.2872

John Beirl, President Northern State Bank
Phone: 715.682.2872

Jay Emmert, Coldwell Banker Reality
Phone: 715.292.0107

SECTION E: DESIGN DESCRIPTION

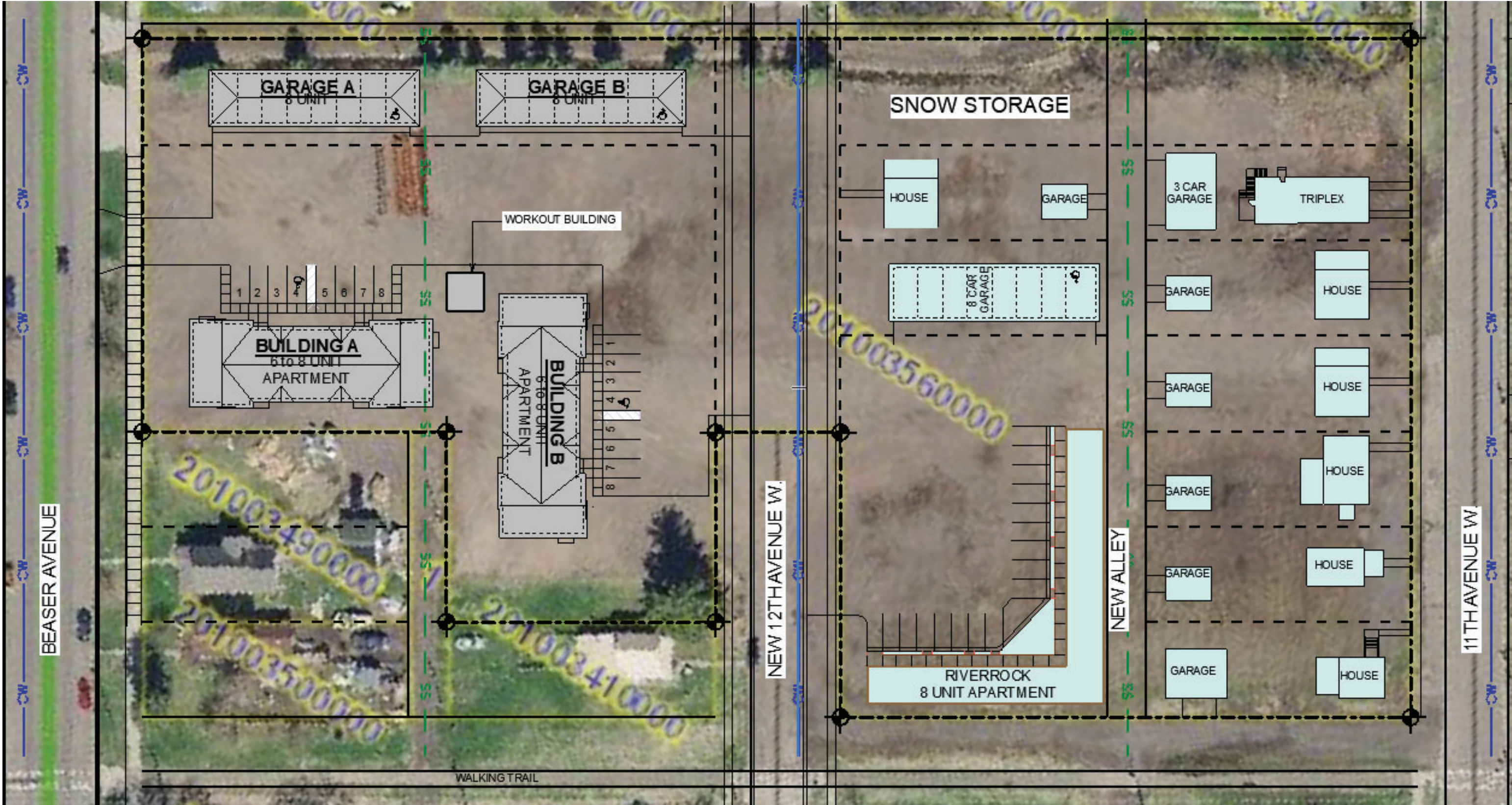
With the site being located along the primary Beaser Avenue Corridor and direct access to a variety of amenities, the proposed housing types would be built to offer options for a mix of ages and incomes.

Six (6) single family relocated or newly constructed homes with garages would be typical 2 to 3 bedroom units with a 2 car garage and be marketed for short term rental or sold to prospective buyers. These homes would serve medium to upper income families, or single and married couples. The tri-plex (3-unit apartment) with a new 3-stall garage would be relocated from its present location of 1215 Main Street West and would serve medium to upper income families, or single and married couples. The former River Rock Motel would be moved from its current location of 1200 Lake Shore Drive West and be renovated to create an 8-unit efficiency apartment building with a new 8-stall garage. All units will include all utilities, TV Wi-Fi heat/gas, and electricity. They will be fully furnished and will have a weekly cleaning service included. The units will serve various single and married couples and be marketed towards minimum of 30 day stays. The two (2) new, multi-family apartment units with garages would be six (6) or eight (8) unit one (1) and two (2) bedroom apartments. They would be marketed towards medium to upper income families, or single and married couples, and would be available on a month to month rental basis.

Being a housing hub for all members of the community in every capacity will bring people together, enhance character and provide further connections reaching beyond this specific neighborhood. Aesthetics will be designed to integrate this site into it's rich context. Finally, the development plan proposes that the grid street network is compatible and complete with the building blocks for a walkable, neighborly and well-connected community.

BAYFRONT LLC

CONCEPT PLAN



BAYFRONT LLC

PROPOSED SCHEDULE

RFP Due August 5th		August 2022	MILESTONE DATES
Contract Executed		September 2022	Execute Contract by end of October
Zoning & Site Plan Approvals		October 2022	Preliminary Site Plan by end of November
Pre-Design/Schematic Design Phase		November 2022	Complete Final Design/Obtain Required Permits by Winter 2023
Design Development Phase		December 2022	Start Construction by Spring 2023
Construction Documents Phase Complete Final Design Drawings Acquire Permits/Plan Approvals			Complete Construction by
		WINTER 2023	Project Closeout Winter 2024
		SPRING 2023	*All timelines can be adjusted as required to meet project requirements
Construction Administration Phase Site Preparation Construction Project Close-out		SUMMER 2023	*Proposed timeline subject to change based on client needs, jurisdiction review, permit approvals, etc.
		FALL 2023	
		WINTER 2024	

BAYFRONT LLC

SECTION F: ANTICIPATED FINANCIAL INVESTMENT

Phase I:

A) Move and relocate existing structures.

Total estimated investment of \$480,000.00

B) Remodel and renovate Existing structure. New garage structures, landscape, black top

Total estimated investment of \$620,000.00

Phase II:

Build two new multifamily apartment complexes.

Total estimated investment of \$3,000,000.00

*All investment will be covered by a Line Credit committed currently by Northern State Bank of Ashland, see attached letter.

We would ask that the land be given to the developer at no cost to return the property to the City Tax Roll. We would also like to utilize city Tax Incentive District (TIF District) to partially fund the project, and would be asking the city to build 12th Ave. and rebuild 11th Ave as well as the alley between 11th and 12th Ave.

BAYFRONT LLC



NORTHERN STATE BANK

321 Main Street West • P.O. Box 617
Ashland, Wisconsin 54806
715/682-2772 • Fax 715/682-8826
www.nsbashland.com

August 4, 2022

Commitment Letter for Scott L. Bretting to develop the Roffers site on Beaser Avenue.

To Whom It May Concern:

Scott L. Bretting has been a valued customer of Northern State Bank for decades. We are keenly aware of Mr. Bretting's plans / proposal in response to the City of Ashland's request for proposals to develop the old Roffers Construction site on Beaser Avenue.

Northern State Bank commits to Scott L. Bretting to finance up to Four Million Dollars (\$4,000,000.00) towards completion of his plans / proposal to develop the old Roffers Construction site on Beaser Avenue, subject to customary loan underwriting due diligence.

Thank you for seriously considering Mr. Bretting's plans / proposal. He has the financial ability to complete this project.

If you have questions regarding this Northern State Bank financial commitment, please contact me.

Respectfully submitted,


John H. Beirl
President / CLO



401 Ellis Ave.
Ashland, WI 54806
715/685-2721

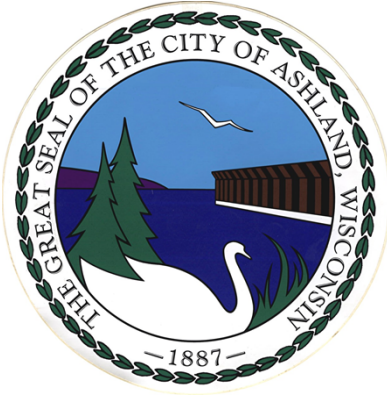
103 N. Main St.
Mellen, WI 54546
715/274-2421

85 N. Grant St.
Glidden, WI 54527
715/264-2421

200 W. Michigan St.
Butternut, WI 54514
715/769-3541

226 W. Bayfield St.
Washburn, WI 54891
715/373-0417

213 N. Main St.
Aurora, MN 55705
218/229-2234



City of Ashland
REQUEST FOR PROPOSALS

RFP #22-XX

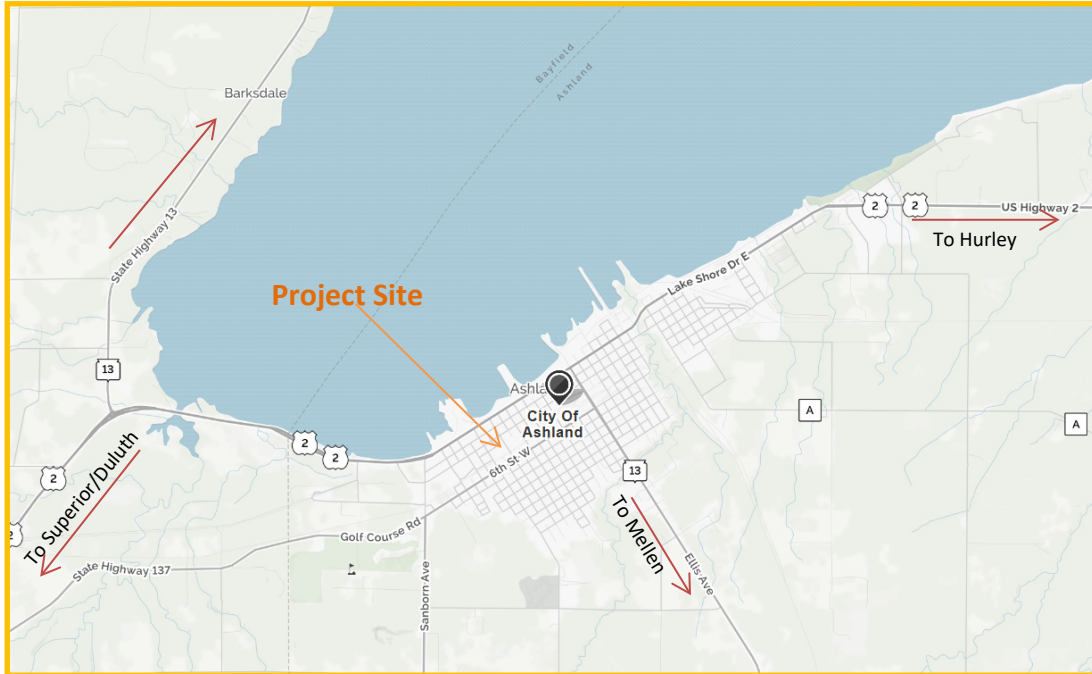
**Beaser Avenue
Redevelopment**

July 1, 2022

The City of Ashland, Wisconsin will be receiving proposals for the above noted project until 4 PM, Friday, August 5, 2022. Proposals must be submitted in electronic format (email or flash drive preferred) with three (3) printed hard copies mailed or delivered to:

City of Ashland
Attn: Brant Kucera, City Administrator
601 Main Street West
Ashland, Wisconsin 54806
Email: bkucera@coawi.org

The City of Ashland reserves the right to reject any and all proposals not judged to be in the best interest of the City.



REQUEST FOR PROPOSALS Beaser Avenue Redevelopment RFP #22-XX

Date of Request: July 1, 2022

Project Title: Beaser Avenue Redevelopment

Submittal Due: 4 PM Local Time, Friday, August 5, 2022. There will not be a public opening for this RFP.

Late Proposals: Any proposal received by the City after the exact time and date specified will not be considered.

Submittal Format: Three (3) Paper Copies and One (1) Electronic File (email or flash drive) of the proposal are to be submitted for evaluation by the City. *Label submittal: Beaser Avenue Redevelopment*

Submit to: City of Ashland
Attn: Brant Kucera, City Administrator
601 Main Street West
Ashland, Wisconsin 54806
bkucera@coawi.org

Withdrawal:

Proposals may be withdrawn by written notice received at any time prior to the proposal closing date and time. Proposals may also be withdrawn in person by an officer or by a representative of the firm, provided that the representative signs a receipt for return of the proposal.

INTRODUCTION

PROJECT SUMMARY

The City of Ashland, Wisconsin, seeks competitive development proposals from qualified developers to help the City attain the sustainable vision set forth in its Comprehensive Plan for the Beaser Avenue Redevelopment Site. The Beaser Avenue Redevelopment area is comprised of approximately 4.5 acres of publicly-owned property located on the west-central side of Ashland, in close proximity to the downtown district. The site is located along a primary corridor Beaser Avenue, which provides direct access to Memorial Medical Center and associated medical clinics, Northwood Technical College, Ashland High School, and Ashland Elementary School, is immediately adjacent to trail amenities, and is in close proximity to Lake Superior. The City is seeking a developer to deliver a project that complements the surrounding neighborhood and is successful in the marketplace.

REDEVELOPMENT PROJECT GOALS

The City of Ashland's goals for this urban infill development site include the following:

1. Facilitate an appropriate density of urban infill development;
2. To provide housing that meets the diverse needs of the City, offering options for a mix of ages and incomes;
3. To provide a development that is sustainable, including environmentally sensitive, energy efficient, and considers existing infrastructure;
4. Design approach that integrates the development with the surrounding neighborhood area, enhances community character, and provides connectivity; and
5. That considers mixed uses by establishing/allowing for neighborhood commercial or other complimentary uses.

TENTATIVE PROJECT SCHEDULE

RFP Release Date	July 1, 2022
Proposals Due	August 5, 2022
Evaluation Period by Housing Committee	August 2022
Interviews	August 22 – August 26, 2022
Selection by Housing Committee	September 2022
City of Ashland Plan Commission Meeting	September 2022
City of Ashland Common Council Meeting	September 2022
City staff & Developer Negotiate Sales Contract and Development Agreement	September/October 2022
Zoning items/site planning approvals	Summer/Fall 2022
Construction begins	Anticipated Spring 2023

BACKGROUND

THE CITY

Ashland is a small city with an outstanding collection of natural, cultural and historical assets. The economy of this regional economic hub is driven by a diverse mix of manufacturing, educational, medical, professional services, locally-owned retail, and tourism-related services. These assets, coupled with the varied economic base, give the city a foundation for a vibrant future that draws, retains, and nurtures people from diverse backgrounds because of the lifestyle and economic activities it offers. Ashland's location on the shores of Chequamegon Bay, in the heart of an outdoor recreational paradise centering on Lake Superior, defines the community of 8,000. Ashland utilizes the waterfront with a marina, walking/biking trails, parks, three beaches, boat launches, a pier and a vision for development of a nearly 2,000 foot ore dock base into a unique civic space. Historical influences shaping the present include educational institutions that reflect a commitment to ecology and place, including Northland College and Northwood Technical College; a downtown filled with history and creativity, with numerous historical architectural landmarks, an historic district on the National Register, and a growing tradition of local public art; and a grid street network that provides the building blocks for a walkable, neighborly and well-connected community.

The City of Ashland completed a Housing Market Study of the City in March, 2018 (copy of study attached). The report identifies various housing deficiencies in the City which need to be met, including: affordable housing, new market rate rentals (2-3 bedrooms), and housing to serve the aging population (senior, assisted).

PROPERTY DESCRIPTION

Property Summary

The Beaser Avenue Redevelopment Area consists of a 4.5 acre parcel (see attached map). The property was vacated approximately fourteen years ago, deemed a brownfield, and environmental remediation efforts commenced to allow for the redevelopment of the site to uses more compatible with the surrounding, well-established residential neighborhood. The site is bound by Beaser Avenue on the west (and single-family homes), 11th Avenue East on the east (the site of the new Ashland Police Department and existing single-family residential), single-family residential homes to the north and single-family residential homes and the 5th Street Corridor Trail to the south. Final environmental remediation activities were completed during the fall of 2016. The site has obtained closure from the Wisconsin Department of Natural Resources with continuing obligations for a small area of residual soil contamination located along the southern property boundary. The Final Case Closure letter is attached, along with a map that identifies the location of the residual soil contamination.

Beaser Avenue Redevelopment Site
Ashland, Wisconsin



Property Ownership

The property is owned by the City of Ashland. *The City will work with the selected developer to achieve any proposed subdivision of the property and/or dedication of desired right-of-way that may be necessary to carry out the proposed development.*

Zoning & Comprehensive Plan

The property is currently zoned Mixed Residential/Commercial (MRC), and continues to be identified for mixed residential/commercial use in the City of Ashland's draft comprehensive plan, *Authentic Ashland 2035*. It may be desirable to develop the site as a Planned Unit Development utilizing Traditional Neighborhood Design principles. This approach would allow for greater flexibility in site layout and design, and would help in achieving the desired project goals. A map identifying the zoning of the surrounding area is attached.

Authentic Ashland 2035 identifies some creative concepts the City would consider in the disposition and development of the subject property to help achieve overall community goals. The associated pages from the Comprehensive Plan are attached for review and consideration, and provide examples of unique development options that may be considered for the site.

Public Infrastructure and Utilities

The Beaser Avenue Redevelopment Site is served by existing street and utility infrastructure, and utilization of the existing infrastructure is encouraged to the extent possible. New street infrastructure should be minimal and limited to the extension of existing streets/alleys to connect the development to the existing residential areas on the north and south sides, continuing the traditional grid-pattern development. The arrangement of existing utilities is depicted on the following map, including streets, alleys, water, sanitary and storm sewer.

Existing Utility Locations



PROPOSAL FORMAT AND REQUIREMENTS

Proposals that do not address the items listed in this Request for Proposals may be considered incomplete and may be deemed non-responsive by the City of Ashland at its sole discretion. It is the responsibility of the consultants submitting proposals to determine the actual efforts required to complete the project. Interested entities should submit a proposal that includes the following:

- 1) A cover letter indicating your interest in the project and identifying why the firm is uniquely qualified for this project.
- 2) A brief description of the firm including its structure, capabilities, length of time in business, and experience with similar projects. Provide the name, address, phone number and email address of the key contact person. Also identify any proposed subcontractors.
- 3) Provide information about relevant completed development projects undertaken with concentration on those comparable in scale, nature, process and function to this project. Provide the name, email address, and phone number of at least two community references.
- 4) Project Description: Provide a brief narrative describing what is proposed for construction, including as applicable: number of housing units, unit sizes, bedroom mix, for sale/rent, approximately sale/lease rates, incomes served, ages served. Include estimated timetable for construction and phasing plan. Also identify any commercial/institutional uses proposed and explain. Explain how the proposed project will achieve the desired project goals. Include approximate development costs anticipated to complete the project.
- 5) Identify the proposed purchase price for the land.
- 6) Concept plan: Submit a ***conceptual*** site plan showing initial ideas for site layout, uses, streets, access drives, parking, utilities/infrastructure, stormwater, landscaping and other features. Also provide conceptual elevations and floor plans.
- 7) Identify the anticipated financial investment required for the development (broken down by phases if applicable). Also provide a statement of Developer's financial ability.
- 8) If any responding firm wishes to subcontract any portion of this project, the information contained in item 3 should also be provided for the subcontractor.

SUBMITTAL REQUIREMENTS

Proposals must be received by 4 PM Local Time, Friday, August 5, 2022. The submittal must include three (3) paper copies and one (1) Electronic File (email/pdf or flash drive). ***Label submittal: Beaser Avenue Redevelopment.***

Submit to: City of Ashland
Attn: Brant Kucera, City Administrator
601 Main Street West
Ashland, Wisconsin 54806
bkucera@coawi.org

EVALUATION AND SELECTION PROCESS

The City of Ashland Housing Committee will evaluate proposals and make a recommendation to the City Plan Commission and Council for award based on a variety of factors, such as:

- Overall Concept Plan proposed and satisfaction of goals for the project area
- Extent to which proposed development maximizes the use of the site and provides for taxable value
- Qualifications and Experience of the firm and key personnel
- Demonstrated relevant experience in similar development projects and positive references

- Estimated level of investment and financial capability of developer
- Anticipated project timeframe for completion/phasing

The City's Housing Committee will evaluate the proposals received and conduct any desired interviews. The Housing Committee will then recommend one proposal to the Plan Commission, which will then make a final recommendation to the Common Council. If interviews are desired by the Housing Committee, firms will be given ample time to prepare.

RIGHTS RESERVED by the CITY OF ASHLAND

This Request for Proposals does not commit the City to enter into a contract, nor does it obligate the City to pay for any costs incurred in preparation and submission of proposals in anticipation of a contract.

The City of Ashland reserves the right to:

- Make the selection based on its sole discretion
- Reject any and all proposals without prejudice
- Issue subsequent Requests for Proposal
- Postpone opening for its own convenience
- Remedy technical errors in the Request of Proposal process
- Approve or disapprove the use of particular sub-consultants
- Negotiate with any, all, or none of the Proposers
- Solicit best and final offers from all or some of the Proposers
- Accept other than the lowest offer
- Waive informalities and irregularities in the proposal
- Request clarification of the information submitted
- Request additional information

INQUIRIES

Questions regarding this RFP must be in writing and sent via the U.S. Mail or e-mail to Brant Kucera (bkucera@coawi.org) up to ten (10) days before the proposal is due. After this date questions involving the content or intent of the proposal will not be answered. All questions will be responded to in writing, provided to all parties requesting an RFP for which the City has contact information, and treated as an addendum to the proposal packet.

PROPOSER RESPONSIBILITY

Interested proposers have the responsibility of understanding what is required by this solicitation. The City shall not be held responsible for any firm's lack of understanding. This solicitation contains a brief description of the project site. The City makes no representations as to the conditions of the project site and no employee or any other representative of the City of Ashland has authority to make any oral or written representations as to the conditions of the project site. Proposers are responsible to assure delivery prior to the deadline. Do not assume that a guarantee by a mailing service will ensure that the proposal is received by the deadline.

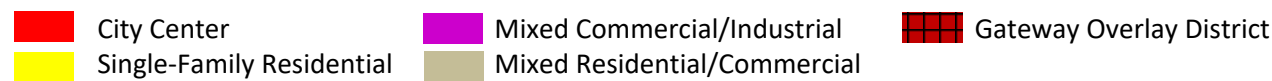
CONTRACT

No contract shall be in effect until the City executes a signed contract agreement.

Additional Information

1. City of Ashland Housing Market Study, March 2018
2. Final Case Closure Letter and Map of Residual Soil Contamination
3. Existing Zoning Map of Surrounding Area
4. Excerpts from Authentic Ashland 2035 Comprehensive Plan Regarding Site Disposition
5. Vicinity Map

Existing Zoning
Beaser Avenue Redevelopment Site & Surrounding Area



Beaser Avenue Redevelopment Site – Area Vicinity Map
City of Ashland, WI



RESOLUTION NO. 17700

RESOLUTION TO FORMALLY AUTHORIZE THE CITY OF ASHLAND TO SEEK A TEMPORARY RESTRAINING ORDER AND INJUNCTION ON ITS BEHALF AND TO AUTHORIZE SIGNATURE FOR PETITION

WHEREAS, pursuant to Wisconsin Statute §813.125, a “person” may file a Petition for a Harassment Restraining Order, which includes a request for a temporary restraining order and an injunction, against another person and the City of Ashland may be defined as such a person; and,

WHEREAS, the City of Ashland previously discussed the filing of a Petition Harassment Restraining Order on May 31, 2022, during closed session based upon litigation it intended to become involved, against Zygmund Jablonski Jr.; and

WHEREAS, the City filed a Petition in Ashland County Case No. 2022CV76, which included a request for a Temporary Restraining Order and Injunction, on September 15, 2022, signed by its Public Works Director John Butler as the City representative most familiar with direct knowledge of the pattern of conduct concerning the factual allegations supporting the Petition and its request; and

WHEREAS, a hearing was held on the City’s Petition in Ashland County Case No. 2022CV76 on October 7, 2022, where Judge Anthony Stella dismissed the City’s Petition based upon the Court’s decision that the City must authorize the filing of a Petition by a formal vote and authorize Public Works Director John Butler to sign the Petition for the City.

NOW THEREFORE BE IT RESOLVED that the Common Council for the City of Ashland hereby formally authorizes the filing of a Petition for a Temporary Restraining Order and Injunction against Zygmund Jablonski, Jr. based upon the previously referenced Petition and prior instances of Mr. Jablonski’s conduct towards the City and its employees, primarily Public Works Director John Butler; and

AND BE IT FURTHER RESOLVED that the City of Ashland’s Public Works Director John Butler is authorized to sign the Petition on the City’s behalf as the person most familiar with the pattern of conduct of Zygmund Jablonski forming the basis for said Petition for Temporary Restraining Order and Injunction.

PASSED: October 11, 2022

Councilperson

ATTEST: _____

Denise Oliphant, City Clerk

Matthew MacKenzie, Mayor

APPROVED AS TO FORM

Tyler Wickman, City Attorney