

RESOLUTION NO. _____

RESOLUTION AMENDING RESOLUTION NOS. 2007-10, 24-2009, 10-2011
TO SEPARATE THE PLEDGE OF WATER SYSTEM REVENUES
AND SEWERAGE SYSTEM REVENUES

WHEREAS, the City of Gillett, Oconto County, Wisconsin (the "City") owns and operates a Water System and a Sewerage System (collectively, the "Systems") which Systems are operated for a public purpose as separate public utilities by the City;

WHEREAS, the City heretofore has issued bonds to the State of Wisconsin (the "State") Safe Drinking Water Loan Program and its Clean Water Fund Loan Program and pledged the revenues of both the Systems to secure the repayment of the following bonds:

(i) the Water and Sewerage System Revenue Bonds, Series 2007, dated April 25, 2007 (the "2007 Bonds") which 2007 Bonds were issued pursuant to Resolution No. 2007-10 adopted on April 12, 2007 (the "2007 Resolution"),

(ii) the Water and Sewerage System Revenue Bonds, Series 2009, dated September 23, 2009 (the "2009 Bonds") which 2009 Bonds were issued pursuant to Resolution No. 24-2009 adopted on September 3, 2009 (the "2009 Resolution"), and

(iii) the Water and Sewerage System Revenue Bonds, Series 2011, dated May 25, 2011 (the "2011 Bonds" and collectively with the 2007 Bonds and the 2009 Bonds shall be referred to as the "Prior Bonds") which 2011 Bonds were issued pursuant to Resolution No. 10-2011 adopted on May 12, 2011 (the "2011 Resolution" and collectively with the 2007 Resolution and 2009 Resolution shall be referred to as the "Prior Resolutions");

WHEREAS, the City intends to issue Water System Mortgage Revenue Bonds (the "Future Water Bonds") and Sewerage System Mortgage Revenue Bonds (the "Future Sewerage Bonds") (collectively, the "Future Bonds") to the United States of America, Rural Development ("USDA") for the purpose of financing additions, extensions and improvements to the City's Systems;

WHEREAS, USDA requires that only Water System revenues be pledged to the Future Water Bonds and only Sewerage System revenues be pledged to the Future Sewerage Bonds;

WHEREAS, as a result of the USDA requirement that the Future Bonds be secured by the corresponding system's separate pledge of revenues, the City may issue the Future Bonds on a parity with the Prior Bonds only if the pledge of revenues with respect to each of the Prior Bonds is separated;

WHEREAS, pursuant to Section 14 of each of the Prior Resolutions, the Prior Resolutions may be amended to permit a change in the pledge of the revenues to each bond issue only with written consent of the owner of each bond;

WHEREAS, the City has requested, and received, written consent from the State, in the forms attached as Exhibit A hereto and incorporated herein by this reference, as owner of all of the outstanding Prior Bonds, to amend each of the Prior Resolutions for the purpose of separating the revenues pledged to each bond issue; and

WHEREAS, it is the finding of the City that it is in the best interest of the City to amend the Prior Resolutions to pledge only revenues of the Water System to the 2007 Bonds and the 2009 Bonds and pledge only revenues of the Sewerage System to the 2011 Bonds;

NOW, THEREFORE, be it resolved by the Common Council of the City that:

Section 1. Amendment to the 2007 Resolution. The 2007 Resolution is hereby amended to remove the pledge of Sewerage System revenues so that the 2007 Bonds authorized thereby are payable from and secured solely by the income and revenues of the Water System. In particular:

(a) Section 1(j) of the 2007 Resolution is stricken in its entirety and is hereby amended to read as follows:

(j) "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from water charges imposed by the Municipality, all payments to the Municipality under any service agreements between the Municipality and any contract users of the System, and any other monies received from any source including all rentals and fees and any special assessments levied and collected in connection with the Project;

(b) Section 1 (t) of the 2007 Resolution is stricken in its entirety and is hereby amended to read as follows:

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

(c) Section 6 of the 2007 Resolution shall be amended to remove "Sewerage System" from the name of each fund.

(d) Each reference to "Operation and Maintenance Funds" and to "Depreciation Funds" in the 2007 Resolution is stricken and hereby amended to read "Operation and Maintenance Fund" and "Depreciation Fund."

(e) The first sentence of Section 9 of the 2007 Resolution is hereby stricken in its entirety and amended to read as follows:

"The reasonable cost and value of services rendered to the Municipality by the System by furnishing water services for public purposes shall be charged against the Municipality and shall be paid in quarterly 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."

Except as expressly amended by this Resolution, the 2007 Resolution shall remain in full force and effect.

Section 2. Amendment to the 2009 Resolution. The 2009 Resolution is hereby amended to remove the pledge of sewerage system revenues so that the 2009 Bonds authorized thereby are payable from and secured by the income and revenues of solely the water system. In particular:

(a) Section 1(k) of the 2009 Resolution is stricken in its entirety and is hereby amended to read as follows:

(k) "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from water charges imposed by the Municipality, all payments to the Municipality under any service agreements between the Municipality and any contract users of the System, and any other monies received from any source including all rentals and fees and any special assessments levied and collected in connection with the Project;

(b) Section 1 (r) of the 2009 Resolution is stricken in its entirety and is hereby amended to read as follows:

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

(c) Section 6 of the 2009 Resolution shall be amended to remove "Sewerage System" from the name of each fund.

(d) Each reference to "Operation and Maintenance Funds" and to "Depreciation Funds" in the 2009 Resolution is stricken and hereby amended to read "Operation and Maintenance Fund" and "Depreciation Fund."

(e) The first sentence of Section 9 of 2009 Resolution is hereby stricken in its entirety and amended to read as follows:

"The reasonable cost and value of services rendered to the Municipality by the System by furnishing water services for public purposes shall be charged against the

Municipality and shall be paid in quarterly 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."

Except as expressly amended by this Resolution, the 2009 Resolution shall remain in full force and effect.

Section 3. Amendment to the 2011 Resolution. The 2011 Resolution is hereby amended to remove the pledge of water system revenues so that the 2011 Bonds authorized thereby are payable from and secured solely by the income and revenues of the sewerage system. In particular:

(a) Section 1(j) of the 2011 Resolution is stricken in its entirety and is hereby amended to read as follows:

(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 and any special assessments levied and collected in connection with the Project;

(b) Section 1 (s) of the 2011 Resolution is stricken in its entirety and is hereby amended to read as follows:

(t) "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.

(c) Section 6 of the 2011 Resolution shall be amended to remove "Water System" from the name of each fund and to remove references to the 2007 Bonds, the 2009 Bonds, the Prior Bonds and any other definition that includes such bonds.

(d) Each reference to "Operation and Maintenance Funds" and to "Depreciation Funds" in the 2011 Resolution is stricken and hereby amended to read "Operation and Maintenance Fund" and "Depreciation Fund."

(e) The first sentence of Section 9 of 2011 Resolution is hereby stricken in its entirety and amended to read as follows:

"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 quarterly 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."

(f) All references to the 2007 Bonds and the 2009 Bonds (collectively, the "Prior Bonds") in the 2011 Resolution, including references to the 2011 Bonds being issued and payable on a parity with the Prior Bonds, are hereby stricken in their entirety. As of the date hereof, the 2011 Bonds will no longer be payable on a parity with the Prior Bonds because the 2011 Bonds will be secured solely by revenues of the Sewerage System and the Prior Bonds will be secured solely by revenues of the Water System.

Except as expressly amended by this Resolution, the 2011 Resolution shall remain in full force and effect.

Section 4. Conflicting Resolutions. All ordinances, resolutions, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed.

Section 5. Effective Date. This Resolution shall take effect as of the date hereof.

Adopted, approved and recorded March 1, 2018.

Nanette Mohr
Acting Mayor

ATTEST:

Kim Gruetzmacher
City Clerk

(SEAL)

EXHIBIT A

State Consent

(See attached)



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Scott Walker, Governor
Scott A. Neitzel, Secretary
Waylon Hurlburt, Division Administrator

City of Gillett Water and Sewerage System Revenue Bonds, 2007 and 2009
Consent to Remove Pledge of Sewer Utility Revenues

WHEREAS, pursuant to Resolution No. 2007-10 adopted on April 12, 2007 (the "2007 Resolution"), the City of Gillett, Wisconsin (the "Municipality") has heretofore issued its Water and Sewerage System Revenue Bonds, Series 2007, dated April 25, 2007 (the "2007 Bonds") to the State of Wisconsin Safe Drinking Water Loan Program (the "State"); and

WHEREAS, pursuant to Resolution No. 24-2009 adopted on September 3, 2009 (the "2009 Resolution"), the Municipality has heretofore issued its Water and Sewerage System Revenue Bonds, Series 2009, dated September 23, 2009 (the "2009 Bonds") to the State; and

WHEREAS, pursuant to Resolution No. 10-2011 adopted on May 12, 2011 (the "2011 Resolution"), the Municipality has heretofore issued its Water and Sewerage System Revenue Bonds, Series 2011, dated May 25, 2011 (the "2011 Bonds") to the State of Wisconsin Clean Water Fund Program; and

WHEREAS, the Municipality has pledged the income and revenues of its Water System and Sewerage System (collectively, the "Combined Systems") for payment of the principal of and interest on the 2007 Bonds, 2009 Bonds and the 2011 Bonds (collectively, the "Outstanding Obligations"); and

WHEREAS, the Common Council of the Municipality has determined that it is necessary and desirable to separate the pledge of the income and revenues of the Combined Systems with respect to the Outstanding Obligations; and

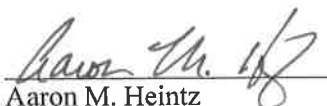
WHEREAS, the Common Council of the Municipality has asked the State's consent to amend the 2007 Resolution and 2009 Resolution (collectively, the "SDW Resolutions") so that the SDW Resolutions, which currently pledge revenues of the water utility and sewer utility to the 2007 Bonds and 2009 Bonds, would no longer pledge any revenues of the sewer utility to the 2007 Bonds and 2009 Bonds (collectively, the "SDW Bonds"), and so that the SDW Bonds would be payable from and secured by the income and revenues of only the water utility; and

WHEREAS, the Municipality represents to the State that the projected income and revenues of the water utility alone will be sufficient to pay the principal of and interest on the SDW Bonds when due.

NOW, THEREFORE, the State, as sole registered owner of all of the SDW Bonds, consents to the amendment of each SDW Resolution as set forth in the attached amending Resolution to provide that sewer utility income and revenues will no longer be pledged to or secure the SDW Bonds, and consents to the adoption of the attached amending Resolution by the Common Council of the Municipality. This consent shall apply only in connection with the SDW Bonds and shall be effective only upon the occurrence of the events described in the amending Resolution, and shall not extend to any other bonds or prejudice any rights or remedies whatever that the State may have with respect to any other bonds.

Dated as of February 5, 2018

State of Wisconsin Safe Drinking Water Loan Program

By: 
Aaron M. Heintz
Finance Programs Administrator

ACCEPTED by:
City of Gillett, Wisconsin

By: _____
Nanette Mohr
Acting Mayor

Attest: _____
Kim Gruetzmacher
City Clerk/Treasurer



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Scott Walker, Governor
Scott A. Neitzel, Secretary
Waylon Hurlburt, Division Administrator

City of Gillett Water and Sewerage System Revenue Bonds, 2011
Consent to Remove Pledge of Water Utility Revenues

WHEREAS, pursuant to Resolution No. 2007-10 adopted on April 12, 2007 (the "2007 Resolution"), the City of Gillett, Wisconsin (the "Municipality") has heretofore issued its Water and Sewerage System Revenue Bonds, Series 2007, dated April 25, 2007 (the "2007 Bonds") to the State of Wisconsin Safe Drinking Water Loan Program; and

WHEREAS, pursuant to Resolution No. 24-2009 adopted on September 3, 2009 (the "2009 Resolution"), the Municipality has heretofore issued its Water and Sewerage System Revenue Bonds, Series 2009, dated September 23, 2009 (the "2009 Bonds") to the State of Wisconsin Safe Drinking Water Loan Program; and

WHEREAS, pursuant to Resolution No. 10-2011 adopted on May 12, 2011 (the "2011 Resolution"), the Municipality has heretofore issued its Water and Sewerage System Revenue Bonds, Series 2011, dated May 25, 2011 (the "2011 Bonds") to the State of Wisconsin Clean Water Fund Program (the "State"); and

WHEREAS, the Municipality has pledged the income and revenues of its Water System and Sewerage System (collectively, the "Combined Systems") for payment of the principal of and interest on the 2007 Bonds, 2009 Bonds and the 2011 Bonds (collectively, the "Outstanding Obligations"); and

WHEREAS, the Common Council of the Municipality has determined that it is necessary and desirable to separate the pledge of the income and revenues of the Combined Systems with respect to the Outstanding Obligations; and

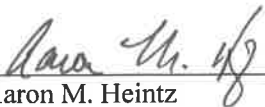
WHEREAS, the Common Council of the Municipality has asked the State's consent to amend the 2011 Resolution so that the 2011 Resolution, which currently pledges revenues of the water utility and sewer utility to the 2011 Bonds, would no longer pledge any revenues of the water utility to the 2011 Bonds, and so that the 2011 Bonds would be payable from and secured by the income and revenues of only the sewer utility; and

WHEREAS, the Municipality represents to the State that the projected income and revenues of the sewer utility alone will be sufficient to pay the principal of and interest on the 2011 Bonds when due.

NOW, THEREFORE, the State, as sole registered owner of all of the 2011 Bonds, consents to the amendment of the 2011 Resolution as set forth in the attached amending Resolution to provide that water utility income and revenues will no longer be pledged to or secure the 2011 Bonds, and consents to the adoption of the attached amending Resolution by the Common Council of the Municipality. This consent shall apply only in connection with the 2011 Bonds and shall be effective only upon the occurrence of the events described in the amending Resolution, and shall not extend to any other bonds or prejudice any rights or remedies whatever that the State may have with respect to any other bonds.

Dated as of February 5, 2018

State of Wisconsin Clean Water Fund Program

By: 
Aaron M. Heintz
Finance Programs Administrator

ACCEPTED by:
City of Gillett, Wisconsin

By: _____
Nanette Mohr
Acting Mayor

Attest: _____
Kim Gruetzmacher
City Clerk/Treasurer