

**CITY OF STEVENS POINT  
SPECIAL COMMON COUNCIL MEETING**

**Stevens Point Water Department  
300 Bliss Ave**

**July 5, 2011  
5:00 P.M.**

1. Roll Call.
2. Consideration and Possible Action on Resolution Authorizing the Sale and Issuance of Up To \$11,062,597 Taxable Water System Revenue Bonds, Series 2011; and Providing for Other Details and Covenants with Respect Thereto.
3. Consideration and Possible Action on Resolution Opposing Assembly Bill 182 which Prohibits Municipal Water Departments from Collecting Unpaid Water / Sewer Bills Using the Property Tax Roll.
4. Adjournment.

Any person who has special needs while attending this meeting or needs agenda materials for this meeting should contact the City Clerk as soon as possible to ensure that reasonable accommodation can be made. The City Clerk can be reached by telephone at (715) 346-1569, TDD #346-1556, or by mail at 1515 Strongs Avenue, Stevens Point, WI 54481.

Copies of ordinances, resolutions, reports and minutes of the committee meetings are on file at the office of the City Clerk for inspection during the regular business hours from 7:30 A.M. to 4:00 P.M.

**RESOLUTION AUTHORIZING THE SALE AND ISSUANCE OF UP TO  
\$11,062,597 TAXABLE WATER SYSTEM REVENUE BONDS, SERIES 2011;  
AND PROVIDING FOR OTHER DETAILS  
AND COVENANTS WITH RESPECT THERETO**

WHEREAS, the City of Stevens Point, Wisconsin (the “**Municipality**”) owns and operates a water system (the “**System**”) which is operated for a public purpose as a public utility by the Municipality; and

WHEREAS, certain improvements to the System are necessary to meet the needs of the Municipality and the residents thereof, consisting of the construction of a drinking water treatment plant, a raw water pumping station, and water mains (the “**Project**”), which Project has been assigned Safe Drinking Water Loan Program Project No. 4915-03 by the State of Wisconsin Department of Natural Resources (the “**Department of Natural Resources**”), and as defined in Department of Natural Resources approval letter for the plans and specifications, or portions thereof, issued under Wis. Stat. Section 281.41; dated November 19, 2010, and assigned number W-2010-0375; and

WHEREAS, under the provisions of Section 66.0621 of the Wisconsin Statutes, as amended (the “**Act**”), any municipality may, by action of its governing body, provide for purchasing, acquiring, constructing, extending, adding to, improving, operating or managing a public utility from the proceeds of municipal obligations, including revenue bonds, which bonds shall be secured by a pledge of the revenues of the public utility to the owners of the bonds; and

WHEREAS, there are no outstanding obligations payable from the income and revenues derived from the operation of the System.

WHEREAS, the Municipality deems it to be necessary, desirable and in its best interest to sell and issue its \$11,062,597 Taxable Water System Revenue Bonds, Series 2011 (the “**Bonds**”) payable solely from the revenues of the System, pursuant to the provisions of the Act, to pay the cost of the Project; and

WHEREAS, in accordance with Section 66.0621(4)(a)2 of the Wisconsin Statutes and this resolution, (i) interest on the Bonds will be payable at least annually, and (ii) payment of principal on the Bonds will commence not later than 3 years after the date of issuance of the Bonds; and

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

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 of the Wisconsin Statutes;
- (b) “**Bond Registrar**” means the Municipal Treasurer, who shall act as registrar and paying agent for the Bonds;
- (c) “**Bonds**” means the Municipality’s \$11,062,597 Taxable Water System Revenue Bonds, Series 2011, 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 fund created and established under Section 6 of this resolution for payment of the Bonds and any Parity Bonds, which fund 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 SDWLP, substantially in the form presented to the Governing Body and incorporated herein by reference;
- (h) “**Fiscal Year**” means the twelve-month period ending on each December 31;
- (i) “**Governing Body**” means the Municipality’s 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 water charges imposed by the Municipality, all payments to the Municipality under any water service agreements between the Municipality and any contract users of the System, and any other monies received from any source including all rentals and fees and any special assessments levied and collected in connection with the Project;
- (k) “**Municipal Treasurer**” means the Treasurer of the Municipality;
- (l) “**Municipality**” means the City of Stevens Point, 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) “**Project**” means the Project described in the preamble to this Resolution, all elements of which are to be owned and operated by the Municipality as part of the System as described in the preamble hereto;

(p) “**Record Date**” means the close of business on the fifteenth day of the calendar month next preceding any principal or interest payment date;

(q) “**SDWLP**” means the State of Wisconsin Safe Drinking Water Loan Program, which is the purchaser of the Bonds; and

(r) “**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 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 constituting part of or used or useful in connection with such water system and including all appurtenances, contracts, leases, franchises, and other intangibles.

**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 \$11,062,597; and fully registered revenue bonds of the Municipality are authorized to be issued in evidence thereof and sold to the SDWLP in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference. The Mayor and the 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 “Taxable Water System Revenue Bonds, Series 2011”; shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 2.20% per annum; calculated on the basis of a 360-day year made up of twelve 30-day months; shall be issued in denominations of \$0.01 or any integral multiple thereof; and shall mature on the dates and in the amounts as set forth in Exhibit B-1 of the Financial Assistance Agreement and in the form of Bond attached hereto as Exhibit A. Interest on the Bonds shall be payable commencing on November 1, 2011 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 the Clerk of the Municipality, 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 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 Bonds will be payable upon presentation and surrender of the Bonds to the Bond Registrar. Payment of principal on the Bonds (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 (the “**Register**”), maintained by the Bond Registrar, on the Record Date and shall be paid by electronic transfer or by check of the Municipality and sent by first class mail to such registered owner at his/her or its address as it appears on the Register or at such other address may be furnished in writing by such registered owner to the Bond Registrar.

Each Bond is transferable only upon the Register at the office of the Bond Registrar, by the registered owner in person or its duly authorized attorney, upon surrender of the Bond, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Bond Registrar, 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 each 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.

**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. Sufficient revenues of the System are hereby pledged to the Debt Service Fund and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the 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 Bonds and Parity Bonds, certain funds of the System are hereby created and established which shall be used solely for the following respective purposes:

- (a) Water System Revenue Fund, into which shall be deposited as received the entire Gross Earnings of the System (the “**Revenue Fund**”), which money shall then be divided among the Operation and Maintenance Fund, the Debt Service Fund, the Depreciation Fund, and the Surplus Fund in the amounts and in the manner set forth in Section 7 hereof and used for the purposes described below.
- (b) Water System Operation and Maintenance Fund, which shall be used for the payment of Current Expenses (the “**Operation and Maintenance Fund**”).
- (c) Water System Debt Service Fund, which shall be used for the payment of the principal of, premium, if any, and interest on the Bonds and any Parity Bonds as the same becomes due (the “**Debt Service Fund**”).
- (d) Water System Depreciation Fund, which may be expended for repairs, replacements, new construction, extensions or additions to the System (the “**Depreciation Fund**”). Any money on deposit in the Depreciation Fund not required during the current Fiscal Year for purposes of the Depreciation Fund, may be transferred to the Surplus Fund.
- (e) Water System Surplus Fund, which shall first be used whenever necessary to pay principal of, premium, if any, or interest on the Bonds and Parity Bonds when the Debt Service Fund 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; 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, or for any other lawful purpose (the “**Surplus Fund**”).
- (f) 2011 Water System SDWLP Project Fund, which shall be used for the purpose of paying the costs of the Project as described in Section 13 hereof.

## **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, an amount equal to the estimated Current Expenses for such month and for the following month (after giving affect 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 Bonds and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Bonds and any Parity Bonds coming due during such Bond Year (after giving affect to available amounts in said fund from accrued interest, any premium or any other source);
- (c) to the Depreciation Fund, an amount determined by the Governing Body to be sufficient to provide a proper and adequate depreciation account for the System;
- (d) to the Surplus Fund, any amount remaining in the Revenue Fund after the monthly transfers required above have been completed.

Transfers from the Revenue Fund to the Operation and Maintenance Fund, the Debt Service Fund, the Depreciation Fund and the Surplus Fund shall be made monthly not later than the tenth day of each month, and such transfer shall be applicable to monies on deposit in the Revenue Fund as of the last day of the month preceding. Any other transfers and deposits to any Fund required or permitted by subsection (a) through (c) of this Section 7, 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 Bonds and any Parity Bonds as the same accrues and the principal thereof as the same matures.

### **Section 8. Deposits and Investments.**

The Debt Service Fund shall be kept apart from monies in the other funds and accounts and the same shall be used for no purpose other than the prompt payment of principal of and interest on 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 of the Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m) of the Wisconsin Statutes. The other funds herein created (except the 2011 Water System SDWLP Project Fund) may be combined in a single account in a public depository selected in the manner set forth above and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m) of the Wisconsin Statutes.

**Section 9. Service to the Municipality.**

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, to the extent permitted by law, 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 Bonds, any Parity Bonds, and any other debt 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 debt obligations payable from the 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; but 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 as set forth in the Financial Assistance Agreement.

**Section 11. Additional Bonds.**

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 SDWLP. 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 then to be

issued or on any debt obligations payable from the revenues of the System then outstanding. Should an increase in permanent rates and charges, including those made to the Municipality, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Net Revenues for purposes of such computation shall include such additional revenues as an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

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

(3) The additional Parity 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 Parity 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 SDWLP Program for the purchase price of up to \$11,062,597, 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 herein above provided, necessary to conclude delivery of the Bonds to the SDWLP, 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.

**Section 13. Application of Bond Proceeds.**

The proceeds of the sale of the Bonds shall be deposited by the Municipality into the “**2011 Water System SDWLP Project Fund**” created and established under Section 6 hereof. The 2011 Water System SDWLP Project Fund shall be used solely for the purpose of paying the costs of the Project (including capitalized interest, if any, on the Bonds) as more fully described in the preamble hereof and in the Financial Assistance Agreement. Moneys in the 2011 Water System SDWLP Project Fund shall be disbursed within three (3) business days of their receipt from the State of Wisconsin and shall not be invested in any interest-bearing account.

**Section 14. Amendment to Resolution.**

After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except: (a) the Municipality may, from

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

**Section 15. Defeasance.**

When all Bonds have been discharged, all pledges, covenants and other rights granted to the owners thereof by this Resolution shall cease. The Municipality may discharge all Bonds due on any date by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest by the U.S. Government, or by a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said 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. No Rebate Fund; Bonds Exempt from Rebate.**

The Bonds are being issued as taxable bonds. Accordingly, the Bonds are not subject to the rebate requirements of the Internal Revenue Code of 1986, as amended (the "Code").

**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, 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 SDWLP, to provide to the SDWLP and to such other persons or entities as directed by the SDWLP, such ongoing disclosure regarding the Municipality's financial condition and other matters, at such times and in such manner as the SDWLP may require, in order that securities issued by the Municipality and the SDWLP satisfy rules and regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended or may be amended from time to time imposed on brokers and dealers of municipal securities before the brokers and dealers may buy, sell, or recommend the purchase of such securities.

**Section 19. Publication of Notice.**

The Clerk of the Municipality must publish notice that the Municipality has agreed to sell the Bonds. The notice must be published promptly after the adoption of this resolution in the Municipality's official newspaper as a class 1 notice under Chapter 985 of the Wisconsin Statutes. The notice must be in substantially the form shown in Exhibit B. The Clerk must obtain proof, in affidavit form, of the publication, and must compare the notice as published with the attached form to make sure that no mistake was made in publication.

**Section 20. Conflicting Resolutions.**

All ordinances, resolutions, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed, and this Resolution shall be in effect from and after its passage.

Passed: July 5, 2011

Approved: July \_\_, 2011

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Andrew J. Halvorson  
Mayor

Attest:

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John Moe  
Clerk

**Exhibit A**

(Form of Bond)

REGISTERED  
No. R-1

UNITED STATES OF AMERICA  
STATE OF WISCONSIN  
CITY OF STEVENS POINT

REGISTERED  
\$11,062,597

TAXABLE WATER SYSTEM REVENUE BONDS, SERIES 2011

<u>Final Maturity Date</u>	<u>Date of Original Issue</u>
May 1, 2031	July 13, 2011

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

PRINCIPAL AMOUNT: ELEVEN MILLION SIXTY-TWO THOUSAND FIVE HUNDRED NINETY-SEVEN DOLLARS

KNOW ALL MEN BY THESE PRESENTS that the City of Stevens Point, Wisconsin, (the “**Municipality**”) hereby acknowledges itself to owe and for value received promises to pay to the registered owner shown above, or registered assigns, solely from the fund hereinafter specified, the principal sum of an amount not to exceed \$11,062,597 (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2013 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 2.20% 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 November 1, 2011.

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, 2013 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 2.20% 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 dated on or before the applicable payment date and sent by first class mail from the office of the Municipal Treasurer to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month next preceding such interest payment date.

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

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

This Bond is issued for the purpose of providing for the payment of the cost of constructing improvements to the Water System of the Municipality, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted July 5, 2011, and entitled: "Resolution Authorizing the Sale and Issuance of up to \$11,062,597 Taxable Water System Revenue Bonds, Series 2011 and Providing for Other Details and Covenants with Respect Thereto", and is payable only from the income and revenues derived from the operation of the water system of the Municipality (the "**System**"). 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 procedures 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 System 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 Clerk, and its corporate seal (or a true facsimile thereof) to be impressed (or imprinted) hereon, all as of the date of original issue specified above.

CITY OF STEVENS POINT, WISCONSIN

[SEAL]

By: \_\_\_\_\_  
Andrew J. Halvorson, Mayor

By: \_\_\_\_\_  
John Moe, Clerk

**ASSIGNMENT**

For value received, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF ASSIGNEE

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(Please Print or Type Name and Address of Assignee)

the within-mentioned Bond and all rights thereunder and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney-in-fact, to transfer the same on the books of the registry in the office of the Bond Registrar, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed

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NOTICE: Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Bond Registrar, which requirements include membership or participation in the Securities Transfer Association Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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Note: The signature to this assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or change whatsoever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation, or anyone in a representative capacity, proof of such person’s authority to act must accompany this Bond.



**SCHEDULE A (continued)**

**PRINCIPAL REPAYMENT SCHEDULE**

<u>Date</u>	<u>Principal Amount</u>
May 1, 2013	\$475,296.74
May 1, 2014	485,753.27
May 1, 2015	496,439.85
May 1, 2016	507,361.52
May 1, 2017	518,523.48
May 1, 2018	529,930.99
May 1, 2019	541,589.47
May 1, 2020	553,504.44
May 1, 2021	565,681.54
May 1, 2022	578,126.53
May 1, 2023	590,845.32
May 1, 2024	603,843.92
May 1, 2025	617,128.48
May 1, 2026	630,705.31
May 1, 2027	644,580.82
May 1, 2028	658,761.60
May 1, 2029	673,254.36
May 1, 2030	688,065.95
May 1, 2031	703,203.41

**EXHIBIT B**

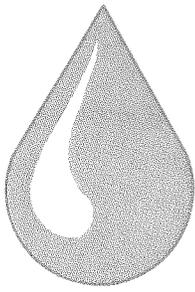
NOTICE TO THE ELECTORS OF THE  
CITY OF STEVENS POINT, WISCONSIN  
RELATING TO TAXABLE WATER SYSTEM REVENUE BOND SALE

On July 5, 2011, pursuant to Section 66.0621 of the Wisconsin Statutes, a resolution was offered, read, approved and adopted whereby the City of Stevens Point, Wisconsin authorized the borrowing of money and entered into a contract to sell taxable water system revenue bonds in the face amount of \$11,062,597. It is anticipated that the closing of this bond financing will be held on or about July 13, 2011. A copy of all proceedings had to date with respect to the authorization and sale of said bonds is on file and may be examined in the office of the City Clerk at 1515 Strongs Avenue, Stevens Point, Wisconsin between the hours of 7:30 a.m. and 4:00 p.m. on weekdays.

This notice is given pursuant to Section 893.77 of the Wisconsin Statutes, which provides that an action or proceeding to contest the validity of such financing, for other than constitutional reasons, must be commenced within 30 days after the date of publication of this notice.

Publication Date: July \_\_, 2011

/s/ John Moe  
City Clerk



CITY OF  
WONDERFUL  
WATER

STEVENS POINT  
**WATER  
AND  
SEWAGE TREATMENT**  
DEPARTMENTS

June 27, 2011

To: Stevens Point Common Council Members

From: Director Halverson

Assembly Bill 182 was introduced on June 13, 2011.

The bill would prohibit a municipal utility that provides electric or water service to a rental dwelling unit from placing delinquent utility bills on the property tax rolls. In order to be exempt from current collection practice, a property owner would only have to provide the municipal utility with written notification of the name and address of the property owner, as well as the tenant who is responsible for paying for the service. The municipal utility could request a copy of the rental or lease agreement in which the tenant assumes responsibility for payment of utility charges. But the utility may not use the property tax method to collect delinquent utility charges even if the property owner fails or refuses to provide the utility with a copy of the rental or lease agreement showing the tenant is assuming responsibility for payment of the utility charges.

We have worked with landlords in the past and for those that have provided us with copies of contracts or leases, we do bill the tenants directly. Unfortunately, there are still those who do not pay and the taxing ability allows us to collect from the landlords as the property owners and helps us to keep rates level for all of the people who do pay their bills.

Landlords could include the utilities in their rent and pay the water bills but some don't want to be bothered with it.

The bill is sponsored by Representatives Jacque, Litjens, Ballweg, Bies, Krug, Le Mahieu, Nygren, Thiesfeldt and Weininger.

The Water Department would appreciate your support through opposition to this legislation through the resolution presented for action.

Thank you.



## 2011 ASSEMBLY BILL 182

June 13, 2011 – Introduced by Representatives JACQUE, LITJENS, BALLWEG, BIES, KRUG, LEMAHIEU, NYGREN, THIESFELDT and WEININGER. Referred to Committee on Energy and Utilities.

1     **AN ACT to repeal** 66.0809 (5) (b) 1. and 2. and 66.0809 (5) (c) and (d); **to**  
2     **renumber and amend** 66.0809 (5) (b) (intro.); **to amend** 565.30 (5r) (b); and  
3     **to create** 800.09 (1m) of the statutes; **relating to:** assignment of income,  
4     prizes, and earnings to pay a municipal court judgment and prohibiting  
5     municipal electric or water utilities from collecting certain utility arrearages  
6     from owners of rental properties as property liens.

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### ***Analysis by the Legislative Reference Bureau***

Under current law, if a person fails to pay a judgment ordered by a municipal court, the court may do any of the following:

1. Defer any payment of the judgment for a period of time.
2. Allow the person to pay the judgment by making installment payments.
3. Order the person to perform community service work in lieu of paying the judgment.
4. Suspend the person's driving privileges until the judgment is paid, including taking possession of the person's license to drive.

This bill provides the court with another option by allowing the court to issue an order assigning not more than 25 percent of the person's earnings, worker's compensation, pension, and other money due to the person, including lottery prizes, to pay an unpaid judgment.

Under current law, a municipal utility may collect arrearages for utility service provided to lots or parcels of real estate by providing, on October 15, a written notice

**ASSEMBLY BILL 182**

of payment due to the owner or occupant of the real estate. The notice must specify the amount of the arrearage and any penalty and must state the following: 1) that, if payment is not received by November 1, an additional penalty will be assessed; and 2) that, if payment is not received by November 15, the arrearage amount and any penalties will become a lien on the property that will be collected as a tax on the property.

Also under current law, if a municipal utility provides electric or water service to a rental dwelling unit, the municipal utility may use the arrearage collection procedure described above only if the municipal utility follows certain additional procedures for notifying both the owner and the tenant about any payments that are past due. In addition, the municipal utility may use the arrearage collection procedure only if the owner of the rental property provides the municipal utility with written notification of the name and address of the owner, as well as of the tenant who is responsible for paying for the service. Also, if requested by the municipal utility, the owner must provide the municipal utility with a copy of the rental or lease agreement in which the tenant assumes responsibility for payment of utility charges.

This bill prohibits a municipal utility that provides electric or water service to a rental dwelling unit from using the arrearage collection procedure described above, but only if the owner has provided the municipal utility with written notification of the name and address of the owner, as well as of the tenant who is responsible for paying for the service. A municipal utility may also request a copy of the rental or lease agreement in which the tenant assumes responsibility for payment of utility charges. However, after the owner has provided written notice of the owner's and tenant's names and addresses, the municipal utility may not use the arrearage collection procedure.

For further information see the *local* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 66.0809 (5) (b) (intro.) of the statutes is renumbered 66.0809 (5) (b)  
2 and amended to read:

3           66.0809 (5) (b) If this subsection applies, a municipal public utility may not use  
4 sub. (3) to collect arrearages incurred after the owner of a rental dwelling unit has  
5 provided the utility with written notice under par. (a) ~~only if the municipality~~  
6 ~~complies with at least one of the following: 2. and 3.~~

7           **SECTION 2.** 66.0809 (5) (b) 1. and 2. of the statutes are repealed.

**ASSEMBLY BILL 182**

1           **SECTION 3.** 66.0809 (5) (c) and (d) of the statutes are repealed.

2           **SECTION 4.** 565.30 (5r) (b) of the statutes is amended to read:

3           565.30 **(5r)** (b) Subject to par. (c), if the administrator receives a notice under  
4 s. 778.30 (2) (a), ~~800.09 (1) (e)~~, or 973.05 (5) (a) of the assignment of lottery prizes  
5 under s. 778.30 (1) (c), ~~800.09 (1) (e)~~, or 973.05 (4) (c) and determines that the person  
6 subject to the assignment is a winner or assignee of a lottery prize that is payable in  
7 installments, the administrator shall withhold the amount of the judgment that is  
8 the basis of the assignment from the next installment payment. The administrator  
9 shall submit the withheld amount to the court that issued the assignment. At the  
10 time of the submittal, the administrator shall charge the administrative expenses  
11 related to that withholding and submittal to the winner or assignee of the lottery  
12 prize and withhold those expenses from the balance of the installment payment. The  
13 administrator shall notify the winner or assignee of the reason that the amount is  
14 withheld from the installment payment. If the initial installment payment is  
15 insufficient to pay the judgment and administrative expenses, the administrator  
16 shall withhold and submit to the court an amount from any additional installment  
17 payments until the judgment and administrative expenses are paid in full and the  
18 assignment is no longer in effect. The administrative expenses received by the  
19 department shall be credited to the appropriation under s. 20.566 (1) (h).

20           **SECTION 5.** 800.09 (1m) of the statutes is created to read:

21           800.09 **(1m)** (a) In this subsection, “employer” includes the state and the  
22 political subdivisions of the state.

23           (b) The court may issue an order assigning not more than 25 percent of the  
24 defendant’s commissions, earnings, salaries, wages, pension benefits, benefits under  
25 ch. 102, and other money due or to be due in the future, but not including lottery

**ASSEMBLY BILL 182**

1 prizes, to the municipal court for payment of the unpaid restitution, forfeiture, costs,  
2 fees, or surcharges.

3 (c) Upon entry of the assignment under par. (b), unless the court finds that  
4 income withholding is likely to cause the defendant irreparable harm, the court shall  
5 provide notice of the assignment by regular mail to the last-known address of the  
6 person from whom the defendant receives or will receive money. If the municipal  
7 court does not receive the money from the person notified, the court shall provide  
8 notice of the assignment to any other person from whom the defendant receives or  
9 will receive money. Notice of an assignment under par. (b) shall inform the intended  
10 recipient that, if a prior assignment under par. (b) or s. 778.30 (1) or 973.05 (4) has  
11 been received relating to the same defendant, the recipient is required to notify the  
12 municipal court that sent the subsequent notice of assignment that another  
13 assignment has already been received. A notice of assignment shall include a form  
14 permitting the recipient to designate on the form that another assignment has  
15 already been received.

16 (d) Notice under this subsection may be a notice of the court, a copy of the  
17 executed assignment or a copy of that part of the court order that directs payment.

18 (e) For each payment made under the assignment under par. (b), the person  
19 from whom the defendant under the order receives money shall receive an amount  
20 equal to the person's necessary disbursements, not to exceed \$3, which shall be  
21 deducted from the money to be paid to the defendant.

22 (f) A person who receives notice of the assignment under this subsection shall  
23 withhold the amount specified in the notice from any money that person pays to the  
24 defendant later than one week after receipt of the notice of assignment. Within 5  
25 days after the day on which the person pays money to the defendant, the person shall

**ASSEMBLY BILL 182**

1 send the amount withheld to the municipal court of the jurisdiction providing notice.  
2 If the person has already received a notice of an assignment under this subsection  
3 or s. 778.30 (2) or 973.05 (5), the person shall retain the later assignment and  
4 withhold the amount specified in that assignment after the last of any prior  
5 assignments is paid in full. Within 10 days of receipt of the later notice, the person  
6 shall notify the municipal court that sent the notice that the person has received a  
7 prior notice of an assignment under par. (b). Section 241.09 does not apply to  
8 assignments under this subsection.

9 (g) If after receipt of notice of assignment under this subsection the person from  
10 whom the defendant receives money fails to withhold the money or send the money  
11 to the municipal court as provided in this subsection, the person may be proceeded  
12 against under the principal action under s. 800.12 for contempt of court or may be  
13 proceeded against under ch. 778 and be required to forfeit not less than \$50 nor more  
14 than an amount, if the amount exceeds \$50, that is equal to 1 percent of the amount  
15 not withheld or sent.

16 (h) If an employer who receives notice of an assignment under this subsection  
17 fails to notify the municipal court within 10 days after an employee is terminated or  
18 otherwise temporarily or permanently leaves the employer's employment, the  
19 employer may be proceeded against under the principal action under s. 800.12 for  
20 contempt of court.

21 (i) Compliance by the person from whom the defendant receives money with  
22 the order operates as a discharge of the person's liability to the defendant as to that  
23 portion of the defendant's commissions, earnings, salaries, wages, benefits, or other  
24 money so affected.

**ASSEMBLY BILL 182**

1 (j) No employer may use an assignment under par. (b) as a basis for the denial  
2 of employment to a defendant, the discharge of an employee, or any disciplinary  
3 action against an employee. An employer who denies employment or discharges or  
4 disciplines an employee in violation of this paragraph may be subject to a forfeiture  
5 of not more than \$500 and may be required to make full restitution to the aggrieved  
6 person, including reinstatement and back pay. Restitution shall be in accordance  
7 with s. 973.20. An aggrieved person may apply to the district attorney or to the  
8 department of workforce development for enforcement of this paragraph.

9 (k) 1. In this paragraph, “payroll period” has the meaning given in s. 71.63 (5).

10 2. If after an assignment is in effect the defendant’s employer changes its  
11 payroll period, or the defendant changes employers and the new employer’s payroll  
12 period is different from the former employer’s payroll period, the municipal court  
13 may amend the withholding assignment or order so that the withholding frequency  
14 corresponds to the new payroll period and the amounts to be withheld reflect the  
15 adjustment to the withholding frequency.

16 (L) The municipal court shall provide notice of the amended withholding  
17 assignment or order under par. (k) by regular mail to the defendant’s employer and  
18 to the defendant.

19 **SECTION 6. Initial applicability.**

20 (1) The repeal of section 66.0809 (5) (b) 1. and 2. and (5) (c) of the statutes and  
21 the renumbering and amendment of section 66.0809 (5) (b) (intro.) of the statutes  
22 first apply to arrearages incurred on the effective date of this subsection.

23 (2) The treatment of sections 565.30 (5r) (b) and 800.09 (1m) of the statutes first  
24 applies to judgments entered on the effective date of this subsection.



**RESOLUTION OPPOSING ASSEMBLY BILL 182**

**WHEREAS**, the City of Stevens Point has been well served by a community-owned, locally controlled, water utility for almost 90 years; and

**WHEREAS**, the City of Stevens Point, Water Department has consistently provided low-cost, reliable water to our residents, business industries, and public entities; and

**WHEREAS**, Assembly Bill 182 would prohibit the City of Stevens Point, Water Department from collecting unpaid municipal water bills using the property tax roll; and

**WHEREAS**, since municipal utility is supported by the residents and businesses of the community, any costs not absorbed for uncollectible bills through traditional ratemaking and payments for service, must be directly borne by other utility customers.

**WHEREAS**, we fully support current statutory authority ('66.0809) that allows for the placement of unpaid municipal utility bills on the property tax roll and believe that the existing authority is reasonable to all parties involved; current law being the result of a 15 year old compromise between the landlords and the municipal utilities;

**NOW, THEREFORE BE IT RESOLVED** that the City of Stevens Point Common Council opposes Assembly Bill 182 since it would shift property owner costs to other utility customers, increasing their utility bills; and

**BE IT FURTHER RESOLVED** that we ask the Wisconsin Legislature to oppose Assembly Bill 182 and instead support the current statutory authority in this regard; and

**BE IT FURTHER RESOLVED** that copies of this resolution will be sent to our State Legislators and Governor Scott Walker.

APPROVED: \_\_\_\_\_  
Andrew J. Halverson, Mayor

ATTEST: \_\_\_\_\_  
John Moe, City Clerk

Dated:  
Adopted:  
Published: