CITY OF STOUGHTON
FINANCE DEPARTMENT
207 S Forrest, Stoughton, WI 53589

(608) 873-6677 www.ci.stoughton.wi.us

Date: June 17, 2021

To: Finance Committee

From: Jamin Friedl

Subject: Lead Service Line Replacement Declaration of Official Intent – 2021-1

On March 23, 2021 the City approved Resolution R-39-2021 declaring the Stoughton Utilities' official intent to borrow funds to reimburse itself for costs incurred in relation to the 2021 Lead Service Line Replacement Project. The City's engineering firm is finalizing the application materials for the Safe Drinking Water Loan intended to be used as the reimbursement tool and they recently recommend using the following resolution to supplement R-39-2021. While both resolutions appear to achieve the same objective, the City's engineering firm believes it will be in our best interest to follow the prescribed template from the DNR/DOA. This is to avoid any last minute challenges should the DNR/DOA determine the City's original declaration of intent resolution is not sufficient for some reason.

This is a time sensitive issue due to the fact that the SDWL application is due on June 30th.

Respectfully,

Jamin Friedl

CITY OF STOUGHTON, 207 S FORREST STREET, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL

Resolution declaring official intent to reimburse expenditures from proceeds of borrowing

Committee Action: Finance Committee Approved X-0 on June 22, 2021

Fiscal Impact: Not-to-Exceed $5,886,271

File Number:	R - -2021	**Date Introduced:**	June 22, 2021

WHEREAS, the City of Stoughton, Wisconsin (the "Municipality") plans to undertake the Lead Service Replacement Project (the "Project"); and

WHEREAS, the Municipality expects to finance the Project on a long-term basis by issuing tax-exempt bonds or promissory notes (the "Bonds"); and

WHEREAS, because the Bonds will not be issued prior to the start of the Project, the Municipality must provide interim financing to cover costs of the Project incurred prior to receipt of the Bonds; and

WHEREAS, it is necessary, desirable and in the best interests of the Municipality to advance moneys from its funds on hand on an interim basis to pay the costs of the Project until the Bonds are issued.

NOW, THEREFORE, BE IT RESOLVED by the Municipality that this Resolution supplements the original Resolution R-39-2021 dated March 23, 2021.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Municipality, that:

Section 1. Expenditure of Funds. The Municipality shall make expenditures as needed from its funds on hand to pay the costs of the Project until Bond proceeds become available.

Section 2. Declaration of Official Intent. The Municipality hereby officially declares its intent under Treas. Regs. Section 1.150-2 to reimburse said expenditures with proceeds of the Bonds, the principal amount of which is not expected to exceed $5,886,271.

Section 3. Unavailability of Long-Term Funds. No funds for payment of the Project from sources other than the Bonds are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the Municipality pursuant to its budget or financial policies.

Section 4. Public Availability of Official Intent Resolution. This Resolution shall be made available for public inspection at the City of Stoughton's office within 30 days after its approval in compliance with applicable State law governing the availability of records of official acts including Subchapter II of Chapter 19, and shall remain available for public inspection until the Bonds are issued.

Section 5. Effective Date. This Resolution shall be effective upon its adoption and approval.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Mayor Tim Swadley Date

ATTEST:

_____

_____

_____

Council Action: _____ ☐ **Override** **Vote** _____

CITY OF STOUGHTON, 207 S FORREST STREET, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL

Resolution to approve the City of Stoughton Utilities' Committee Declaration of Intent to Borrow 2021-1

Committee Action: Finance Committee Approved 5-0 on 3/23/21

Fiscal Impact: Not-to-Exceed $5,886,271

File Number:	R-39-2021	**Date Introduced:**	March 23, 2021

WHEREAS, the City of Stoughton Utilities wish to preserve the ability to borrow funds for the 2021 Lead Water Service Replacement Project ("Project") at a later date; and

WHEREAS, this declaration states that it is the reasonable expectation of the City of Stoughton Utilities to use proceeds of a future borrowing or borrowings for reimbursement of expenditures related to the Project.

BE IT RESOLVED by the Common Council of the City of Stoughton that the attached City of Stoughton Utilities' Committee Declaration of Intent to Borrow 2021-1 is deemed valid and necessary to complete the 2021 Lead Water Service Replacement Project.

Council Action: ☑ **Adopted** ☐ **Failed** **Vote** 12-0

Mayoral Action: ☑ **Accept** ☐ **Veto**

Tim Swadley 3-23-21

Mayor Tim Swadley Date

Council Action: _____ ☐ **Override** **Vote** _____

Stoughton Utilities

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

Serving Electric, Water & Wastewater Since 1886

Date: March 18, 2021

To: Stoughton Utilities Committee

From: Jamin T. Friedl, CPA
City of Stoughton Finance Director

Jill M. Weiss, P.E.
Stoughton Utilities Director

Subject: Declaration of Official Intent 2021-1

In order to preserve the ability to borrow funds for these equipment replacements later, it is requested that the Utilities Committee approve:

Declaration No. 2021-1 $5,886,271.00

2021 Lead Water Service Replacements Contract 4-2021, including but not limited to engineering, legal, construction, property restoration, and other incidental expenses associated with the replacement of public and private lead water service lines, full or in part, from the water main to the water meter.

Stoughton Utilities

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

Serving Electric, Water & Wastewater Since 1886

NO. 2021 - 1
DECLARATION OF OFFICIAL INTENT

This is a Declaration of Official Intent of the City of Stoughton, Dane County, Wisconsin (the "Issuer") to reimburse an expenditure with proceeds of a borrowing or borrowings authorized by the Issuer. This Declaration is made under and pursuant to Treas. Reg. Section 1.150-2. The undersigned has been designated as the entity authorized by the Issuer to make this Declaration of Official Intent Pursuant to a Resolution adopted on April 13, 1993. This Declaration of Official Intent is a public record maintained in the files of the Issuer and is available for public inspection pursuant to Subchapter II of Chapter 19 of the Wisconsin Statutes.

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

1. Project* description:

   2021 Lead Water Service Replacements Contract 4-2021, including but not limited to engineering, legal, construction, property restoration, and other incidental expenses associated with the replacement of public and private lead water service lines, full or in part, from the water main to the water meter.

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

   or

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

   7450 - Water

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

The maximum principal amount of the borrowing or borrowings to be incurred to reimburse expenditures for the above-described purposes is reasonably expected, on the date hereof, to be $5,886,271.00.

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

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

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

Dated this 22nd Day of March, 2021.

CITY OF STOUGHTON
UTILITIES COMMITTEE

By: _____

Title: Stoughton Utilities Committee Chairperson