

Safe Drinking Water Fund Program

DRAFT Certification Worksheet

Date of Analysis
Municipality Name

7/16/2025
City of Watertown

Financial Review Notes as of 07/16/2025

1. Net revenue appears **sufficient** for this debt service on this project.
2. City of Watertown has not provided a reimbursement resolution for this project.
3. The City of Watertown has a number of outstanding water revenue bonds. The pledge for the new bonds will be water system revenue. New bonds will be senior-parity and tax-exempt.
4. In FAA definitions, Parity Obligations means the Municipality's \$5,880,000 Water System Revenue Bonds, dated April 23, 2012; its \$945,000 Water System Revenue Refunding Bonds, dated March 1, 2017; its \$10,757,910 Water System Revenue Bonds, Series 2017B, dated May 10, 2017; 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.
6. The City of Watertown states that a customer generates more than five percent of system revenue. No special agreement exists.

Project Manager	Kate Laja-Brennan
DOA Contact	Amy Johnson
Primary Project Number	5439-99
Additional Project	n/a
Additional Project	n/a
Substantial Completion Date	10/31/2027
Muni Meeting Date	
Project was on funding list for State Fiscal Year	2025

Proposed Loan Amount	2,863,161
Principal Forgiveness	318,129
Disadvantaged Status	Not disadvantaged
Assumed Interest Rate	0.250%
Loan Term	20

DOA Capital Finance Office

This analysis is only as of the date indicated. This worksheet will be updated and may change as DOA reviews finances, ability to pay, etc.

City of Watertown - DEBT COVERAGE CALCULATION

Water Revenue

7/16/2025

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	bakertilly 2022	bakertilly 2023	bakertilly 2024
<u>Water System Revenues</u>			
Sales of water	5,649,819	5,596,056	5,466,920
Other operating revenue	-	-	-
Interest and dividend income	28,991	306,790	388,383
reserved	-	-	-
reserved	-	-	-
reserved	-	-	-
reserved	-	-	-
reserved	-	-	-
Total Gross Earnings	5,678,810	5,902,846	5,855,303
<u>Water System Expenses</u>			
Operation & maintenance	2,104,648	2,120,902	1,781,712
PSC Tax	46,891	43,117	42,383
reserved	-	-	-
reserved	-	-	-
reserved	-	-	-
reserved	-	-	-
reserved	-	-	-
Total Current Expenses	2,151,539	2,164,019	1,824,095
Net Revenues	\$ 3,527,271	\$ 3,738,827	\$ 4,031,208

	2032 Max Debt Servic Prin & Int	Required Debt Cover
<u>Sewer Revenue Debt Issues</u>		
\$5,880,000, CM 2012, Series N/A	137,363	125%
\$945,000, CM 2017, Series N/A	0	125%
\$10,757,910, SDW 5439-02, Series 2001	630,199	125%
\$2,863,161, SDW 5439-99, Series 2025	162,672	125%
Reserved	0	
Max Annual Debt Service	930,234	

Net Revenues / Max Annual Debt Service = \$ 4,031,208 / \$ 930,234 = 433% debt coverage ratio

Net Revenues must be at least \$1,162,793 (930,234 x 125%) to meet Debt Coverage Test

Net Revenues Excess or (Shortfall) 2,868,415

ANNUAL DEBT SERVICE SCHEDULE

Maximum Debt Service is Shaded

7/16/2025

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		CM 2012	CM 2017	SDW 5439-02	SDW 5439-99		
		Water Revenue	Water Revenue	Water Revenue	Water Revenue		
		\$5,880,000	\$945,000	\$10,757,910	\$2,863,161		
		N/A	N/A	Closed Out	Footnote 1		
		Series N/A	Series N/A	Series 2001	Series 2025	Annual	Debt Service
		<u>Dated 4/23/12</u>	<u>Dated 3/1/17</u>	<u>Dated 5/10/2017</u>	<u>Dated 9/24/2025</u>	Total	
Year							
1	2025	13,944	3,150	63,344	-	80,438	
2	2026	136,238	109,725	630,759	7,894	884,615	
3	2027	132,938	106,575	630,670	7,158	877,340	
4	2028	134,419	-	630,579	162,674	927,672	
5	2029	135,600	-	630,487	162,674	928,761	
6	2030	136,463	-	630,393	162,673	929,529	
7	2031	137,000	-	630,297	162,673	929,970	
8	2032	137,363	-	630,199	162,672	930,234	MAX Annual
9	2033	-	-	630,100	162,672	792,772	
10	2034	-	-	629,999	162,671	792,670	
11	2035	-	-	629,895	162,671	792,566	
12	2036	-	-	629,790	162,670	792,461	
13	2037	-	-	629,683	162,670	792,353	
14	2038	-	-	-	162,669	162,669	
15	2039	-	-	-	162,669	162,669	
16	2040	-	-	-	162,668	162,668	
17	2041	-	-	-	162,668	162,668	
18	2042	-	-	-	162,667	162,667	
19	2043	-	-	-	162,667	162,667	
20	2044	-	-	-	162,666	162,666	
21	2045	-	-	-	162,666	162,666	
22	2046	-	-	-	-	-	
23	2047	-	-	-	-	-	
24	2048	-	-	-	-	-	
25	2049	-	-	-	-	-	
26	2050	-	-	-	-	-	
27	2051	-	-	-	-	-	
28	2052	-	-	-	-	-	
29	2053	-	-	-	-	-	
30	2054	-	-	-	-	-	
31	2055	-	-	-	-	-	
32	2056	-	-	-	-	-	
33	2057	-	-	-	-	-	
34	2058	-	-	-	-	-	
35	2059	-	-	-	-	-	
36	2060	-	-	-	-	-	
37	2061	-	-	-	-	-	
38	2062	-	-	-	-	-	
39	2063	-	-	-	-	-	
40	2064	-	-	-	-	-	
41	2065	-	-	-	-	-	
Total		963,963	219,450	7,626,194	2,943,115	11,752,722	
						TRUE	Check with Amort

¹ See Exhibit B in FAA for details on amortization schedule.

City of Watertown, Wisconsin**Exhibit B**

Project 5439-99 Safe Drinking Water Fund Program

Loan Closing Date:

September 24, 2025

Payment Date	Principal Payment	Interest Rate	Interest Payment	Principal & Interest	Bond Year Debt Service	Calendar Year Debt Service
1-May-26	0.00	0.250%	4,314.62	4,314.62	4,314.62	0.00
1-Nov-26	0.00	0.250%	3,578.95	3,578.95	0.00	7,893.57
1-May-27	0.00	0.250%	3,578.95	3,578.95	7,157.90	0.00
1-Nov-27	0.00	0.250%	3,578.95	3,578.95	0.00	7,157.90
1-May-28	155,711.10	0.250%	3,578.95	159,290.05	162,869.00	0.00
1-Nov-28	0.00	0.250%	3,384.31	3,384.31	0.00	162,674.36
1-May-29	156,100.38	0.250%	3,384.31	159,484.69	162,869.00	0.00
1-Nov-29	0.00	0.250%	3,189.19	3,189.19	0.00	162,673.88
1-May-30	156,490.63	0.250%	3,189.19	159,679.82	162,869.01	0.00
1-Nov-30	0.00	0.250%	2,993.57	2,993.57	0.00	162,673.39
1-May-31	156,881.86	0.250%	2,993.57	159,875.43	162,869.00	0.00
1-Nov-31	0.00	0.250%	2,797.47	2,797.47	0.00	162,672.90
1-May-32	157,274.06	0.250%	2,797.47	160,071.53	162,869.00	0.00
1-Nov-32	0.00	0.250%	2,600.88	2,600.88	0.00	162,672.41
1-May-33	157,667.25	0.250%	2,600.88	160,268.13	162,869.01	0.00
1-Nov-33	0.00	0.250%	2,403.79	2,403.79	0.00	162,671.92
1-May-34	158,061.42	0.250%	2,403.79	160,465.21	162,869.00	0.00
1-Nov-34	0.00	0.250%	2,206.22	2,206.22	0.00	162,671.43
1-May-35	158,456.57	0.250%	2,206.22	160,662.79	162,869.01	0.00
1-Nov-35	0.00	0.250%	2,008.15	2,008.15	0.00	162,670.94
1-May-36	158,852.71	0.250%	2,008.15	160,860.86	162,869.01	0.00
1-Nov-36	0.00	0.250%	1,809.58	1,809.58	0.00	162,670.44
1-May-37	159,249.85	0.250%	1,809.58	161,059.43	162,869.01	0.00
1-Nov-37	0.00	0.250%	1,610.52	1,610.52	0.00	162,669.95
1-May-38	159,647.97	0.250%	1,610.52	161,258.49	162,869.01	0.00
1-Nov-38	0.00	0.250%	1,410.96	1,410.96	0.00	162,669.45
1-May-39	160,047.09	0.250%	1,410.96	161,458.05	162,869.01	0.00
1-Nov-39	0.00	0.250%	1,210.90	1,210.90	0.00	162,668.95
1-May-40	160,447.21	0.250%	1,210.90	161,658.11	162,869.01	0.00
1-Nov-40	0.00	0.250%	1,010.34	1,010.34	0.00	162,668.45
1-May-41	160,848.33	0.250%	1,010.34	161,858.67	162,869.01	0.00
1-Nov-41	0.00	0.250%	809.28	809.28	0.00	162,667.95
1-May-42	161,250.44	0.250%	809.28	162,059.72	162,869.00	0.00
1-Nov-42	0.00	0.250%	607.72	607.72	0.00	162,667.44
1-May-43	161,653.57	0.250%	607.72	162,261.29	162,869.01	0.00
1-Nov-43	0.00	0.250%	405.65	405.65	0.00	162,666.94
1-May-44	162,057.71	0.250%	405.65	162,463.36	162,869.01	0.00
1-Nov-44	0.00	0.250%	203.08	203.08	0.00	162,666.44
1-May-45	162,462.85	0.250%	203.08	162,665.93	162,869.01	162,665.93
Totals	2,863,161.00		79,953.64	2,943,114.64	2,943,114.64	2,943,114.64

Net Interest Rate 0.2500%
Bond Years 31,981.4610
Average Life 11.1700

The above schedule assumes full disbursement of the loan on the loan closing date.

16-Jul-25 Wisconsin Department of Administration