



August 26, 2025

PETER HARTZ, WATER SYSTEM MANAGER
CITY OF WATERTOWN
106 JONES STREET
PO BOX 477
WATERTOWN WI 53094

SUBJECT: Safe Drinking Water Loan Program, Project No. 5439-99
BIL SFY25 LSL Program-- System-wide (Public Side)
Financial Assistance Agreement - September 24, 2025

Dear Peter Hartz:

Your project manager prepared the following documents for your Safe Drinking Water Loan Program (SDWLP) loan closing:

1. SDWLP Loan Closing Schedule - Attachment 1
2. Financial Assistance Agreement Summary/Distribution Sheet - Attachment 2
3. Financial Assistance Agreement (FAA)

To close the loan on September 24, 2025, we need to follow the Loan Closing Schedule (Attachment 1).

The City of Watertown has three (3) working days upon receipt of wired SDWLP funds to do one or more of the following:

1. Pay the project invoices identified in the SDWLP disbursement request.
2. Reimburse an internal municipal account from which eligible project costs were paid. This reimbursement must adhere to current U.S. Treasury Regulations.
3. Disburse payments to the bank or financial institution for projects that are being refinanced.

Execution of the FAA creates a binding obligation in all respects. Any negotiation of terms and conditions or determinations must occur prior to adoption of the Municipal Obligation Resolution and execution of the enclosed FAA document.

The Project Manager Summary Page (Exhibit F of the FAA) further explains certain assumptions and decisions affecting preparation of your FAA.

Please contact your project manager, Kate Leja-Brennan, at 608-261-7434, for assistance with execution of the FAA, Request for Disbursement (Form 8700-366), or other SDWLP documents.

Thank you for your interest in the Safe Drinking Water Loan Program.

Sincerely,

Becky Scott, Section Manager
Environmental Loans Section
Bureau of Community Financial Assistance

Electronic Copies: Jacob Lichter, Quarles & Brady LLP - Milwaukee
Justin Bilskemper, Strand Associates, Inc., Madison
Capital Finance Office - DOA/10

ATTACHMENT #1

Safe Drinking Water Loan Program Project No. 5439-99
City of Watertown
BIL SFY25 LSL Program-- System-wide (Public Side)
Financial Assistance Agreement – Closing Schedule

By August 12, 2025:

- Department of Natural Resources (DNR) project manager distributes Financial Assistance Agreement (FAA) to Department of Administration (DOA) for review.

By August 26, 2025:

- Quarles & Brady LLP distributes draft Municipal Obligation Resolution and other bond documents to the City of Watertown and DOA for review. Project manager sends FAA to municipality.

On September 2, 2025:

- Municipality holds properly noticed meeting at which time:
 1. Municipal Obligation Resolution is adopted.
 2. Bond related documents are signed by municipal officials.
 3. DNR FAA (printed single sided) is signed by municipal officials.

*NOTE: Most documents must be signed by Highest Elected Official & Clerk/Secretary and some documents must have municipal seal applied. **Do not sign any Exhibits.***

By September 3, 2025, VIA OVERNIGHT DELIVERY:

- 1. Municipality scans FAA signature page and sends via e-mail to Quarles & Brady LLP and Kate Leja-Brennan.
 2. Municipality returns signed paper FAA via overnight delivery to Quarles & Brady LLP.
 3. Municipality delivers signed & sealed Resolution & other bond documents via overnight delivery to Quarles & Brady LLP.

By September 22, 2025:

- Quarles & Brady LLP sends original signed and sealed Bond R-1 and emails a copy of the fully executed bond transcript to DOA.

September 24, 2025:

- Loan Closing Day. Quarles & Brady LLP contacts municipality and DOA to confirm that closing may proceed, and DOA wire transfers the first disbursement to municipal bank account.

ATTACHMENT #2

Safe Drinking Water Loan Program Project No. 5439-99
City of Watertown
BIL SFY25 LSL Program-- System-wide (Public Side)
Financial Assistance Agreement Summary
Distribution Sheet

LOAN INFO

Total Project Amount: \$8,161,372

Principal Forgiveness Amount: \$318,129

Net SDWLP Loan Amount: \$2,863,161

SDWLP 5439-07: \$1,096,125

SDWLP 5439-08: \$1,903,384

SDWLP 5439-09: \$1,980,573

Pledge: Taxable Water System Revenue Lien Priority: Senior Parity

Federal Equivalency Project: ☒ Yes ☐ No

Composite Interest Rate: 0.250% Loan Term: 20 Years

DOCUMENT INFO

Date of Municipal Obligation Resolution – September 2, 2025

CLOSING INFO

Refinancing: None

Date of Refinancing: N/A

Estimated First Disbursement: N/A

MUNICIPAL INFO

Municipal ID: 28291

Substantial Completion Date: October 1, 2027

DISTRIBUTION**Department of Natural Resources**

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Municipality

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Department of Administration

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Engineering Firm

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Municipal Bond Counsel

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