

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
CITY OF RACINE, RACINE WATER UTILITY
AND
VILLAGE OF MOUNT PLEASANT
RELATING TO IMPACTS ON PUBLIC SERVICES ASSOCIATED WITH
VILLAGE OF MOUNT PLEASANT TAX INCREMENT DISTRICT NO. 5**

This Intergovernmental Agreement ("Agreement") is entered into by and between the City of Racine, Racine County, Wisconsin, a Wisconsin municipal corporation (the "City"), the Racine Water Utility, a department of the City and also a municipal public utility governed by the Racine Waterworks Commission (the "Racine Utility"), and the Village of Mount Pleasant, Racine County, Wisconsin, a Wisconsin municipal corporation (the "Village") (collectively the "Parties"), as of the 1st day of November, 2018.

RECITALS

WHEREAS, on December 1, 2017, the Village entered into a Development Agreement (the "Foxconn Development Agreement") with SIO International Wisconsin, Inc., a Wisconsin corporation, FEWI Development Corporation, a Wisconsin corporation and AFE, Inc., a Wisconsin corporation (collectively, "Foxconn"), wherein the Village agreed to assist in the establishment and operation of facilities on approximately 2,900 acres in the Village to enable private investment to construct and equip a manufacturing facility and related improvements (the "Foxconn Project"); and

WHEREAS, the Village has created Tax Increment District No. 5 ("TID 5"), an approximate 3,900 acre industrial TID in the Village, to provide public infrastructure, land acquisition and other permitted activities needed to enable and facilitate the construction and operation of the Foxconn Project, as well as additional industrial development by supply chain vendors to Foxconn and also other businesses (the "TID 5 Service Area"); and

WHEREAS, the Village is obligated, under the terms of the Foxconn Development Agreement and Project Plan for TID 5, to provide and pay for certain public improvements required to support and serve the needs of the Foxconn Project and TID 5, including construction of facilities needed to provide municipal water service; and

WHEREAS, the Parties entered into an Intergovernmental Retail Water Service Agreement dated May 24, 2004 (the "2004 Retail Water Agreement"), establishing terms and conditions for providing retail water service to the Village; and

WHEREAS, the 2004 Retail Water Agreement requires that City, through the Racine Utility, be responsible for designing, constructing, installing or otherwise providing all Regional

water facilities which, in the reasonable judgment of the Racine Utility, are necessary or desirable to provide Regional retail water service to the Village and, based on the foregoing recitations, to now include the needs of the TID 5 Service Area; and

WHEREAS, Section 4 of the 2004 Retail Water Agreement provides a methodology providing that the Racine Utility would ordinarily be responsible to pay for that portion of the costs that are defined as "Deficiency Costs"; and

WHEREAS, the 2004 Retail Water Agreement further also provides:

"Notwithstanding this Section 4 or any other provisions of this Agreement, the City and the Racine Utility shall not be required to provide any Regional Water Facilities pursuant to this Agreement if and to the extent that the City and the Racine Utility are legally prohibited from financing the provision of such facilities. If, however, the Village can and is willing to finance such facilities, the Parties shall use their best efforts to amend this Agreement in a mutually satisfactory manner to accomplish the provision of such facilities"; and

WHEREAS, the Parties acknowledge that the City and the Racine Utility would not be able for many years, to undertake projects to expand Regional Water Facilities or address existing deficiencies in the Regional Water Facilities which now, due to the size and scope of the Foxconn Project, must be designed and constructed, in order to provide retail water service for the entire TID 5 Service Area; and

WHEREAS, the Village is willing to provide certain project costs to expand Regional Water Facilities, in order to provide water service to the TID 5 Service Area, without any contribution or reimbursement from the City, as a Contribution In Aid of Construction (CIAC), in accordance with PSC regulations and as set forth in this Agreement; and

WHEREAS, the Racine Utility has the capability to finance and pay the Deficiency Costs, without any increase in the rates charged for retail water consumption, provided that the Village provides a guarantee of future water revenue in an amount sufficient to allow the Racine Utility to pay the full amounts of the Deficiency Costs and interest thereon, under the terms of this Agreement; and

WHEREAS, the Racine Utility has represented that, pursuant to the 2004 Retail Water Agreement, there remains \$5,191,131 of principal, plus interest of \$676,850, totaling \$5,867,981, to be recovered over the remaining life of said Agreement through the collection of Residential Equivalent Connection Fees ("REC"), from property owners in the City, the Village and the Village of Sturtevant; and

WHEREAS, anticipated increases in development in the area based upon the economic development within TID 5, resulting in a substantial number of new connections will permit a substantial reduction in REC fees; and

WHEREAS, it is anticipated by the City and the Village that, upon the development of the TID 5 Service Area, the level of transit service to the Village will increase; and

WHEREAS, it is anticipated by the City and the Village that upon the development of the TID 5 Service Area, the level of City Public Safety Services benefitting the Village will increase, requiring more efficient use of both City and Village Public Safety Services; and

WHEREAS, it is recognized by the City and the Village that the historic annexation of properties to the City and the incorporation of the Village has resulted in areas of haphazard borders, creation of isolated portions of the respective municipalities and confusion among the residents of the communities, leading to inefficiencies in the delivery of necessary services; and

WHEREAS, the Parties recognize that, because of the needs of the TID 5 Service Area and other needs, the Racine Wastewater Treatment Facility will require an expansion and upgrade in the near future and that the current facility cannot be expanded within the City. A potential area available for expansion is located on adjacent lands within the Village, currently owned by City and CNH.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual provisions of this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties hereby agree as follows:

A. Term. The term of this Agreement shall commence on January 1, 2019 and shall be in effect for the remaining life of TID 5, which shall end on or before November 13, 2047.

B. Retail Water Service to TID 5 Service Area.

1. **Current Needs.** The Village has submitted a written request to the Racine Utility for the design and construction for the expansion of water facilities to serve the TID 5 Service Area. The Racine Utility has, based upon the retail water service demands and the desired timing, size, number and location of the additional water facilities requested by the Village, prepared a general system design detailing the future growth water mains and required additions to the existing utility infrastructure, including upgrading booster pumping stations, constructing new booster stations, additional elevated tank storage and other improvements necessary to serve the TID 5 Service Area (the "TID 5 Project"). The current TID 5

Service Area Design Plan is attached hereto as Exhibit A. It is recognized and understood that revisions to the current design plan are likely, and the Parties shall cooperate in all efforts related to necessary revisions.

2. Anticipated Project Costs. The costs for completing the work described in Exhibit A are set forth in Exhibit B attached hereto (the "Project Costs"). It is understood by and between the Parties that the Project Costs may require amendment from time to time in the future, by change orders, and the Parties shall cooperate in all efforts related to necessary amendments and change orders.
3. Cost Allocation of Project Costs. The Village shall be responsible to pay for all Project Costs for the TID 5 Project, less those costs of the components designed to remedy existing deficiencies in the Racine Water System, including any related debt service costs ("Deficiency Costs"). The current estimate of the Deficiency Costs is set forth in Exhibit B. The Racine Utility shall pay for all Deficiency Costs.
4. Guaranteed Water Revenue. In order that sufficient revenue will be generated and available to meet Racine Utility's obligation to pay the Deficiency Costs without any increase in the rates charged for retail water consumption, the Village agrees that it will, for the remaining life of TID 5, pay any annual shortfall in water sales revenue necessary to provide the revenue required to pay such debt service. The Deficiency Cost Payment Schedule is contained in Exhibit C. The Required Incremental Water Revenue is contained in Exhibit D. The following are the assumptions, estimates and relevant terms of the Village revenue guarantee:
 - a) Deficiency Costs are \$26,800,000.
 - b) The Racine Utility will pay the Deficiency Costs from funds obtained by issuing bonds at an estimated rate of 4%, with a 125% debt coverage ratio.
 - c) The Racine Utility has represented that base (current) annual water sales revenue is \$22,020,885 (the "Base Revenue"), which is based on the base (current) volume ("Base Volume") of 4,929,753,000 gallons. The estimated Required Water Revenue to meet both current volume levels and to fund Deficiency Costs annually is set forth in Exhibit D.

- d) Each year, commencing with 2019, the total annual water revenue from all Racine Utility users for the prior year shall be determined. The Racine Utility shall provide the Village with an accounting of the total annual water revenue ("Water Sales Report") on or before January 31, annually, commencing January 31, 2020.
 - e) In the event revenue is equal to, or greater than, Base Revenue, but less than Required Water Revenue, creating a "Shortfall", the Village shall pay to the Racine Utility the amount of the Shortfall within 30 days of receipt of the Water Sales Report. In the event revenue is less than Base Revenue, the Shortfall shall be only the difference between Base Revenue and Required Water Revenue.
 - f) If the Village has paid any Shortfall(s) during the term of this Agreement, and in any ensuing year(s) during the term of this Agreement the Racine Utility collects water sales revenue in excess of the Required Water Revenue, Racine Utility shall reimburse the Village annually the difference between revenue received and Required Water Revenue, up to the cumulative amount of Shortfall(s) previously paid, within 30 days of issuance of the Water Sales Report.
5. Billing of Costs. The TID 5 Project is planned to be constructed in segments, as depicted in Exhibit A. During construction of each Segment, the Village shall be billed periodically for its portion of the Project Costs, within 10 days of Racine Utility staff approval of each invoice. Racine Utility shall provide the Village an itemized breakdown of all costs billed to the Village. The Village shall reimburse the Racine Utility within 30 days of receipt of the Racine Utility's invoice unless Village has an objection to a component of the costs billed. Any such objection must be provided to Racine Utility within 30 days of receipt of the Racine Utility's invoice. The Parties shall jointly work to eliminate any objection. Each Party shall act to minimize the financial risk of the other.
6. Residential Equivalent Connection Fees ("REC"). Payment of the principal balance of \$5,191,131, plus interest of \$676,850, totaling \$5,867,981 to retire debt previously incurred for water facilities ("Debt"), through payment of REC fees, currently requires a REC fee of Three Thousand Six Hundred Twenty-Three Dollars (\$3,623). In order to reduce REC fees in the City, Village and Village of Sturtevant to Five Hundred Dollars (\$500), it is agreed as follows:

- a) The Village, through TID 5, shall deposit \$5,867,981 into a separate TID 5 bank account ("Account") which shall be used exclusively to retire the Debt as set forth on Exhibit E, by payment to the Racine Utility in accordance with this Agreement.
- b) Racine Utility shall advise Village in writing, at least ten (10) days before any scheduled Debt payment is due, of the amount needed for such Debt payment and, upon receipt of funds from Village, shall timely pay the scheduled Debt payment, and so advise Village.
- c) In consideration for the contributions and guaranties by the Village and TID 5 related to retirement of the Debt, there shall be no REC fees in TID 5.
- d) Racine Utility shall collect all REC fees, which shall remain at Five Hundred Dollars (\$500) until Debt is fully paid and, when received, shall pay monthly into the Account, the collected REC fees.
- e) When the Debt is fully paid, the Account may be closed, with any remaining balance to be paid to the Village.
- f) Any additional debt incurred between the date of this Agreement and June 1, 2019 related to the Debt, and any new debt associated with construction of new regional water facilities other than the TID 5 Project, shall be governed by the terms of the 2004 Retail Water Agreement, as amended.

C. Racine Area Public Transit. The City and Village have historically shared the cost of regional transit service, pursuant to a cost allocation model that was intended to calculate the appropriate share according to the following formula (the "Shared Cost Formula"):

$$\frac{\text{(Unit of Service within Municipality} \times \text{Average Cost of Service)}}{\text{Revenue Generated within Municipality)}.$$

Annually, the Village has contributed a set amount of the estimated future Village portion of the cost of service. Currently, that amount is approximately \$238,000. It is agreed that the allocation based upon the Shared Cost Formula should be modified in recognition that the Foxconn Development, together with other development in TID 5, is likely to generate increased Village participation in regional transit use, and to provide for a fair and equitable method for future cost allocation, the parties agree to the following:

- 1. During the term of this Agreement, the Village shall pay, to the City on or before January 31 (commencing in 2019) the following:
 - a) For 2019, the total sum of Three Hundred Forty Thousand Dollars (\$340,000).

- b) For 2020 and thereafter, during the term of this Agreement, the sum to be paid will be determined based upon the annual report of the Racine Area Public Transit Use for the preceding year.
- 2. The Village agrees to cooperate with the Racine Area Transit Commission with respect to use of right of way to accommodate future or technologically advanced methods of providing transit services, including but not limited to designation of or installation of additional travel lanes and integration and application of modern technologies and management strategies in the Village's surface transportation system, and shall not unreasonably refuse a City request for such improvements by the City within Village right-of-way, for this purpose.
- 3. During the term of this Agreement, the Village agrees not to enter into any other regional transportation service with any other entity, unless mutually agreed to by and between the Village and City.
- 4. The City agrees that it will reconstitute the Racine Area Public Transit Commission structure, pursuant to Wis. Stat. s 66.1021, to allow for nine Commission members, with two being Village appointees.

D. Racine Public Safety Services. It is anticipated that, upon the development of the Foxconn Project and other developments in TID 5, the level of City Public Safety Services benefitting the Village will increase. Accordingly, the Village shall pay to the City each year during the term of this Agreement, the sum of One Hundred Fifty Thousand Dollars (\$150,000), on or before December 31, commencing in 2019.

E. Boundary Study Commission. The historical annexation of properties to the City and the incorporation of the Village has resulted in areas of haphazard borders, creation of isolated portions of the respective municipalities and confusion among some residents of the communities leading to inefficiencies in the delivery of necessary services. To address these issues and attempt to create orderly, harmonious and homogenous boundaries, the Parties hereby create a Boundary Study Committee. The Committee shall consist of three City appointees and three Village appointees. The Committee shall meet at least two times per year, commencing in 2019. The Committee shall be charged with assessing the respective boundaries of the Village and City and making recommendations for border adjustments to promote good planning principles, taking into account all relevant factors including, but not limited to, transportation patterns and amenities (sidewalks, pathways, etc.), providing public services, proximity to essential services of each municipality and neighborhood characteristics.

F. City Parcel and CNH Parcel. The Racine Wastewater Treatment Facility provides wastewater treatment services to the Village and others. The Village has requested that

the City begin Facilities studies related to an expansion and upgrade to the Treatment Facility to accommodate growth within the Village, including growth anticipated in TID 5. The Treatment Facility cannot be expanded within the City, and the only area for expansion is located on adjacent lands within the Village (the "City Parcel" and the "CNH Parcel") depicted on Exhibit F, attached hereto. It is agreed that, in the event the City acquires the CNH Parcel and owns fee simple title to the same, upon written request by the City, the Village shall voluntarily detach the City Parcel and the CNH Parcel and City shall attach the City Parcel and the CNH Parcel to the City.

G. Amendment. This Agreement may be amended only by written agreement, duly executed by the Parties.

H. Severability. If any clause, provision, or section of this Agreement be declared invalid by any Court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining provisions.

I. Binding Agreement. This Agreement is binding upon the Parties hereto and their respective successors and assigns.

J. Counterparts. This Agreement may be executed in one or more counterparts which, when taken together, shall constitute one and the same document.

[SIGNATURE PAGES TO FOLLOW]

Signed by the City of Racine this 29th day of October, 2018.

CITY OF RACINE

By: Cory Mason
Cory Mason, Mayor

ATTEST:

By: Tara Coolidge
Tara Coolidge, Acting City Clerk

APPROVED AS TO FORM:

By: Nicole J. Larsen for
Scott Letteney, City Attorney


By: David Brown for
David Brown, City Finance Director

Signed by the City of Racine Water Utility this 29th day of October, 2018.

RACINE WATER UTILITY

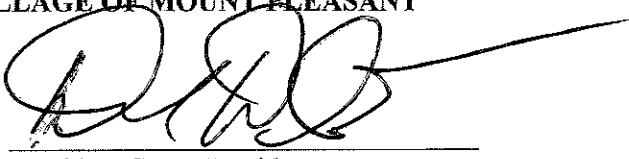
By: 
Kathleen DeMatthew, Commission President

ATTEST:

By: 
Keith Haas, General Manager

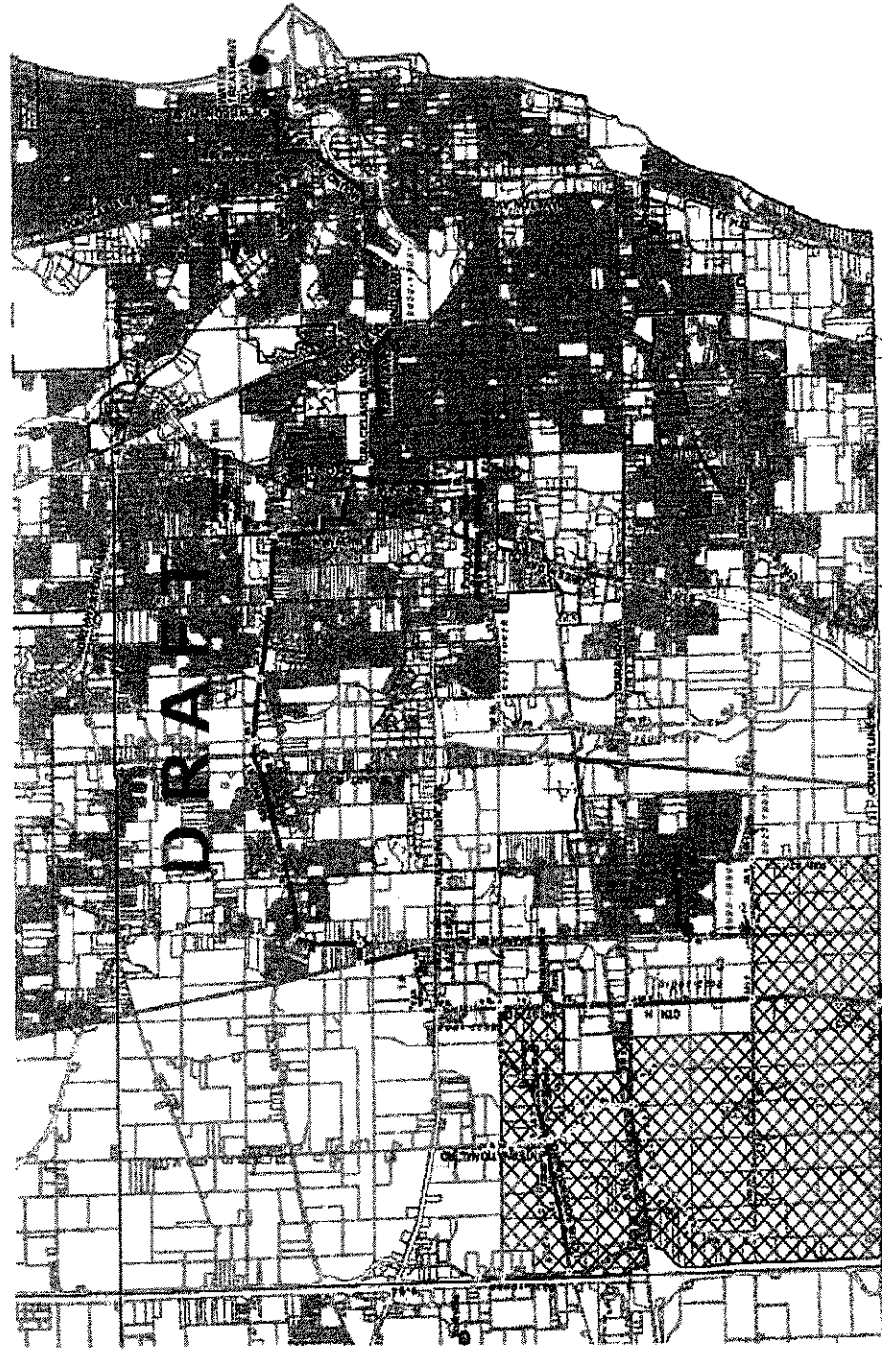
Signed by the Village of Mount Pleasant this 29 day of October, 2018.

VILLAGE OF MOUNT PLEASANT

By: 
David DeGroot, President

ATTEST:

By: 
Stephanie Kohlhausen, Clerk

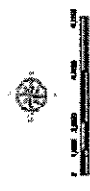


PRELIMINARY WATER
TRANSMISSION MAIN
ALIGNMENT TO SERVE
5.8 MGD FOXCONN &
3.28 MGD BUSINESS PARK

RACINE WATER UTILITIES
RACINE COUNTY, WISCONSIN

Legend

- | | |
|--|--------------------------------|
| | High Capacity Valve |
| | Improved Sewer Lines |
| | Proposed Curb |
| | Proposed Pavement |
| | Proposed Storm Sanitary |
| | Proposed Pump Station |
| | Existing Elevated Tank |
| | Existing Water Mains |
| | Submittal/Construction Details |
| | Mount Placement (MS) |
| | Call Dimensions |



Ruekert • Mielke

Date: July 31, 2018
1-418.1

Project
Racine Water Utilities
2018 Capital Improvement Plan
2018 Water System Study

EXHIBIT A

DRAFT
AFTER COM PEER REVIEW

Racine Water Utility
Preliminary Proposed Water Main Improvements - Alternative 1-B.1 Ultimate Build-Out without Yorville
Water Main Improvement Shes Adjusted 4/6/2018
7/13/2018
Final Fee Charge and Deficiency/Future Growth Allocations

Project Number	Improvement Number	Water Main Diameter (Inches)	Water Main Length (Feet)	Area (Rural-Urban-Suburban)	Estimated Unit Cost (\$/Foot)	Estimated Cost (\$)	Municipality / Front Fee Charge	Readjusted Cost	Pressure Zone	Deficiency/Future Growth Allocation	Utility / Deficiency Percentage	Utility / Deficiency Share	Growth Percentage	Growth Share	Read Area Share of Growth	Childs Share of Growth	Status
CTH H 24																	
1.1	79.2	24	3,380		\$ 1,461.31	\$ 4,941,313		\$ 4,941,313					100.00%	\$ 1,461,313	\$ 4,941,313	\$ 4,941,313	Construction
1.1	100.3	24	5,380		\$ 1,461.31	\$ 7,861,313		\$ 7,861,313					100.00%	\$ 1,461,313	\$ 7,861,313	\$ 7,861,313	Construction
1.1	100.6	24	5,200		\$ 1,461.31	\$ 7,607,156		\$ 7,607,156					100.00%	\$ 1,461,313	\$ 7,607,156	\$ 7,607,156	Construction
1.1	79.0A	36	300		\$ 1,461.31	\$ 438,393		\$ 438,393					100.00%	\$ 1,461,313	\$ 438,393	\$ 438,393	Construction
SE Postage Road 14																	
1.2	47.1, 48.4, 47.2	20	3,000		\$ 1,461.31	\$ 4,383,930		\$ 4,383,930					100.00%	\$ 1,461,313	\$ 4,383,930	\$ 4,383,930	Construction
1.2	47.1	20	3,000		\$ 1,461.31	\$ 4,383,930		\$ 4,383,930					100.00%	\$ 1,461,313	\$ 4,383,930	\$ 4,383,930	Construction
Intersected Drive 10																	
1.3	41.1, 41.2	16	3,200		\$ 1,461.31	\$ 4,696,208		\$ 4,696,208					100.00%	\$ 1,461,313	\$ 4,696,208	\$ 4,696,208	Construction
1.3	41.2	16	3,000		\$ 1,461.31	\$ 4,383,930		\$ 4,383,930					100.00%	\$ 1,461,313	\$ 4,383,930	\$ 4,383,930	Construction
Burns Road 10																	
1.3	100.7	24	2,500		\$ 1,461.31	\$ 3,653,275		\$ 3,653,275					100.00%	\$ 1,461,313	\$ 3,653,275	\$ 3,653,275	Construction
1.3	23.7	24	2,500		\$ 1,461.31	\$ 3,653,275		\$ 3,653,275					100.00%	\$ 1,461,313	\$ 3,653,275	\$ 3,653,275	Construction
1.3	23.8	24	2,500		\$ 1,461.31	\$ 3,653,275		\$ 3,653,275					100.00%	\$ 1,461,313	\$ 3,653,275	\$ 3,653,275	Construction
1.3	23.9, 24.1, 10	24	2,400		\$ 1,461.31	\$ 3,507,156		\$ 3,507,156					100.00%	\$ 1,461,313	\$ 3,507,156	\$ 3,507,156	Construction
1.3	100.1	36	2,400		\$ 1,461.31	\$ 3,507,156		\$ 3,507,156					100.00%	\$ 1,461,313	\$ 3,507,156	\$ 3,507,156	Construction
Weymouth Valley Way																	
1.5	100.1	24	5,200		\$ 1,461.31	\$ 7,607,812		\$ 7,607,812					100.00%	\$ 1,461,313	\$ 7,607,812	\$ 7,607,812	Authorized
1.5	100.2	24	5,200		\$ 1,461.31	\$ 7,607,812		\$ 7,607,812					100.00%	\$ 1,461,313	\$ 7,607,812	\$ 7,607,812	Authorized
STH 21																	
1.6	51.1	24	2,400		\$ 1,461.31	\$ 3,507,156		\$ 3,507,156					100.00%	\$ 1,461,313	\$ 3,507,156	\$ 3,507,156	Authorized
1.6	51.2	16	2,800		\$ 1,461.31	\$ 4,096,116		\$ 4,096,116					100.00%	\$ 1,461,313	\$ 4,096,116	\$ 4,096,116	Authorized
1.6	51.3	16	2,800		\$ 1,461.31	\$ 4,096,116		\$ 4,096,116					100.00%	\$ 1,461,313	\$ 4,096,116	\$ 4,096,116	Authorized
Lewis Sycamore Road																	
1.7	48.1	16	4,100		\$ 1,461.31	\$ 5,991,396		\$ 5,991,396					100.00%	\$ 1,461,313	\$ 5,991,396	\$ 5,991,396	Authorized
1.7	48.2	20	4,100		\$ 1,461.31	\$ 5,991,396		\$ 5,991,396					100.00%	\$ 1,461,313	\$ 5,991,396	\$ 5,991,396	Authorized
1.7	49.3	24	4,000		\$ 1,461.31	\$ 5,845,526		\$ 5,845,526					100.00%	\$ 1,461,313	\$ 5,845,526	\$ 5,845,526	Authorized
933 Vine Truck and Connection																	
1.8	79.3	24	400		\$ 1,461.31	\$ 584,526		\$ 584,526					100.00%	\$ 1,461,313	\$ 584,526	\$ 584,526	Authorized
1.8	79.3	24	400		\$ 1,461.31	\$ 584,526		\$ 584,526					100.00%	\$ 1,461,313	\$ 584,526	\$ 584,526	Authorized
933 Pressure Zone Elevated Truck																	
1.9	79.3	24	400		\$ 1,461.31	\$ 584,526		\$ 584,526					100.00%	\$ 1,461,313	\$ 584,526	\$ 584,526	Authorized
1.9	79.3	24	400		\$ 1,461.31	\$ 584,526		\$ 584,526					100.00%	\$ 1,461,313	\$ 584,526	\$ 584,526	Authorized
933 20 Parallel Gravel Improvements																	
1.9	79.3	24	400		\$ 1,461.31	\$ 584,526		\$ 584,526					100.00%	\$ 1,461,313	\$ 584,526	\$ 584,526	Authorized
1.9	79.3	24	400		\$ 1,461.31	\$ 584,526		\$ 584,526					100.00%	\$ 1,461,313	\$ 584,526	\$ 584,526	Authorized
West Road																	
1.9	79.3	36	2,300		\$ 1,461.31	\$ 3,363,018		\$ 3,363,018					100.00%	\$ 1,461,313	\$ 3,363,018	\$ 3,363,018	Authorized
1.9	79.1	24	2,900		\$ 1,461.31	\$ 4,239,804		\$ 4,239,804					100.00%	\$ 1,461,313	\$ 4,239,804	\$ 4,239,804	Authorized
1.9	79.1	24	2,900		\$ 1,461.31	\$ 4,239,804		\$ 4,239,804					100.00%	\$ 1,461,313	\$ 4,239,804	\$ 4,239,804	Authorized
1.9	79.0A	36	1,600		\$ 1,461.31	\$ 2,338,116		\$ 2,338,116					100.00%	\$ 1,461,313	\$ 2,338,116	\$ 2,338,116	Authorized
1.9	79.0A	36	1,600		\$ 1,461.31	\$ 2,338,116		\$ 2,338,116					100.00%	\$ 1,461,313	\$ 2,338,116	\$ 2,338,116	Authorized

Exhibit C

Deficiency Cost Payment Schedule

Issuance date 3/1/2019
Principal amount 26,800,000
Coupon rate 4.0%
Revenue debt coverage ratio 125%

Date	Days per Year	Principal	Coupon	Semiannual Interest	Semiannual Principal and Interest	Annual Total	Total including debt coverage
3/1/2019	365	-	-	-	-	-	-
9/1/2019	365	-	-	536,000	536,000	536,000	670,000
3/1/2020	366	-	-	536,000	536,000	-	-
9/1/2020	366	-	-	536,000	536,000	1,072,000	1,340,000
3/1/2021	365	-	-	536,000	536,000	-	-
9/1/2021	365	-	-	536,000	536,000	1,072,000	1,340,000
3/1/2022	365	500,000	4.0%	536,000	1,036,000	-	-
9/1/2022	365	-	-	526,000	526,000	1,562,000	1,952,500
3/1/2023	365	500,000	4.0%	526,000	1,026,000	-	-
9/1/2023	365	-	-	516,000	516,000	1,542,000	1,927,500
3/1/2024	366	500,000	4.0%	516,000	1,016,000	-	-
9/1/2024	366	-	-	506,000	506,000	1,522,000	1,902,500
3/1/2025	365	1,500,000	4.0%	506,000	2,006,000	-	-
9/1/2025	365	-	-	476,000	476,000	2,482,000	3,102,500
3/1/2026	365	1,500,000	4.0%	476,000	1,976,000	-	-
9/1/2026	365	-	-	446,000	446,000	2,422,000	3,027,500
3/1/2027	365	1,600,000	4.0%	446,000	2,046,000	-	-
9/1/2027	365	-	-	414,000	414,000	2,460,000	3,075,000
3/1/2028	366	1,650,000	4.0%	414,000	2,064,000	-	-
9/1/2028	366	-	-	381,000	381,000	2,445,000	3,056,250
3/1/2029	365	1,650,000	4.0%	381,000	2,031,000	-	-
9/1/2029	365	-	-	348,000	348,000	2,379,000	2,973,750
3/1/2030	365	1,700,000	4.0%	348,000	2,048,000	-	-
9/1/2030	365	-	-	314,000	314,000	2,362,000	2,952,500
3/1/2031	365	1,700,000	4.0%	314,000	2,014,000	-	-
9/1/2031	365	-	-	280,000	280,000	2,294,000	2,867,500
3/1/2032	366	1,700,000	4.0%	280,000	1,980,000	-	-
9/1/2032	366	-	-	246,000	246,000	2,226,000	2,782,500
3/1/2033	365	1,700,000	4.0%	246,000	1,946,000	-	-
9/1/2033	365	-	-	212,000	212,000	2,158,000	2,697,500
3/1/2034	365	1,700,000	4.0%	212,000	1,912,000	-	-
9/1/2034	365	-	-	178,000	178,000	2,090,000	2,612,500
3/1/2035	365	1,700,000	4.0%	178,000	1,878,000	-	-
9/1/2035	365	-	-	144,000	144,000	2,022,000	2,527,500
3/1/2036	366	1,700,000	4.0%	144,000	1,844,000	-	-
9/1/2036	366	-	-	110,000	110,000	1,954,000	2,442,500
3/1/2037	365	1,800,000	4.0%	110,000	1,910,000	-	-
9/1/2037	365	-	-	74,000	74,000	1,984,000	2,480,000
3/1/2038	365	1,800,000	4.0%	74,000	1,874,000	-	-
9/1/2038	365	-	-	38,000	38,000	1,912,000	2,390,000
3/1/2039	365	1,900,000	4.0%	38,000	1,938,000	1,938,000	2,422,500
Total		26,800,000					

EXHIBIT C

Water Agreement

Exhibit D

Example 1

Requirements			Projections	Shortfall	
Year	Base Revenue	Required Incremental Revenue	Estimated Projected Incremental Revenue	Shortfall	Total Shortfall
2019	\$ 20,020,885	\$ 670,000	\$ -	\$ (670,000)	\$ (670,000)
2020	\$ 20,020,885	\$ 1,340,000	\$ -	\$ (1,340,000)	\$ (2,010,000)
2021	\$ 20,020,885	\$ 1,340,000	\$ -	\$ (1,340,000)	\$ (3,350,000)
2022	\$ 20,020,885	\$ 1,952,500	\$ -	\$ (1,952,500)	\$ (5,302,500)
2023	\$ 20,020,885	\$ 1,927,500	\$ 1,377,824	\$ (549,676)	\$ (5,852,176)
2024	\$ 20,020,885	\$ 1,902,500	\$ 1,670,824	\$ (231,676)	\$ (6,083,853)
2025	\$ 20,020,885	\$ 3,102,500	\$ 1,963,824	\$ (1,138,676)	\$ (7,222,529)
2026	\$ 20,020,885	\$ 3,027,500	\$ 2,256,824	\$ (770,676)	\$ (7,993,205)
2027	\$ 20,020,885	\$ 3,075,000	\$ 2,549,824	\$ (525,176)	\$ (8,518,381)
2028	\$ 20,020,885	\$ 3,056,250	\$ 2,842,824	\$ (213,426)	\$ (8,731,808)
2029	\$ 20,020,885	\$ 2,973,750	\$ 3,135,824	\$ 162,074	\$ (8,569,734)
2030	\$ 20,020,885	\$ 2,952,500	\$ 3,428,824	\$ 476,324	\$ (8,093,410)
2031	\$ 20,020,885	\$ 2,867,500	\$ 3,721,824	\$ 854,324	\$ (7,239,087)
2032	\$ 20,020,885	\$ 2,782,500	\$ 4,014,824	\$ 1,232,324	\$ (6,006,763)
2033	\$ 20,020,885	\$ 2,697,500	\$ 4,307,824	\$ 1,610,324	\$ (4,396,439)
2034	\$ 20,020,885	\$ 2,612,500	\$ 4,600,824	\$ 1,988,324	\$ (2,408,115)
2035	\$ 20,020,885	\$ 2,527,500	\$ 4,893,824	\$ 2,366,324	\$ (41,792)
2036	\$ 20,020,885	\$ 2,442,500	\$ 5,186,824	\$ 2,744,324	\$ -
2037	\$ 20,020,885	\$ 2,480,000	\$ 5,479,824	\$ 2,999,824	
2038	\$ 20,020,885	\$ 2,390,000	\$ 5,772,824	\$ 3,382,824	
2039	\$ 20,020,885	\$ 2,422,500	\$ 6,065,824	\$ 3,643,324	

EXHIBIT D

Page 1

Water Agreement

Exhibit D

Example 2

Requirements			Projections	Shortfall	
Year	Base Revenue	Required Incremental Revenue	Estimated Projected Incremental Revenue	Shortfall	Total Shortfall
2019	\$ 20,020,885	\$ 670,000	\$ -	\$ (670,000)	\$ (670,000)
2020	\$ 20,020,885	\$ 1,340,000	\$ -	\$ (1,340,000)	\$ (2,010,000)
2021	\$ 20,020,885	\$ 1,340,000	\$ -	\$ (1,340,000)	\$ (3,350,000)
2022	\$ 20,020,885	\$ 1,952,500	\$ -	\$ (1,952,500)	\$ (5,302,500)
2023	\$ 20,020,885	\$ 1,927,500	\$ 4,600,824	\$ 2,673,324	\$ (2,629,176)
2024	\$ 20,020,885	\$ 1,942,366	\$ 4,395,324	\$ 2,991,324	\$ -
2025	\$ 20,020,885	\$ 3,102,500	\$ 5,186,824	\$ 2,084,324	
2026	\$ 20,020,885	\$ 3,027,500	\$ 5,479,824	\$ 2,452,324	
2027	\$ 20,020,885	\$ 3,075,000	\$ 5,772,824	\$ 2,697,824	
2028	\$ 20,020,885	\$ 3,056,250	\$ 6,065,824	\$ 3,009,574	
2029	\$ 20,020,885	\$ 2,973,750	\$ 6,358,824	\$ 3,385,074	
2030	\$ 20,020,885	\$ 2,952,500	\$ 6,651,824	\$ 3,699,324	
2031	\$ 20,020,885	\$ 2,867,500	\$ 6,944,824	\$ 4,077,324	
2032	\$ 20,020,885	\$ 2,782,500	\$ 7,237,824	\$ 4,455,324	
2033	\$ 20,020,885	\$ 2,697,500	\$ 7,530,824	\$ 4,833,324	
2034	\$ 20,020,885	\$ 2,612,500	\$ 7,823,824	\$ 5,211,324	
2035	\$ 20,020,885	\$ 2,527,500	\$ 8,116,824	\$ 5,589,324	
2036	\$ 20,020,885	\$ 2,442,500	\$ 8,409,824	\$ 5,967,324	
2037	\$ 20,020,885	\$ 2,480,000	\$ 8,702,824	\$ 6,222,824	
2038	\$ 20,020,885	\$ 2,390,000	\$ 8,995,824	\$ 6,605,824	
2039	\$ 20,020,885	\$ 2,422,500	\$ 9,288,824	\$ 6,866,324	

EXHIBIT D

Page 2

Principal and Interest on Existing Connection Fee Debt

Year	Principal	Interest	Total
2019	807,089	175,442	982,531
2020	829,784	154,579	984,363
2021	856,364	127,499	983,862
2022	855,450	99,158	954,608
2023	885,190	71,322	956,512
2024	912,987	42,356	955,344
2025	6,091	1,794	7,885
2026	6,459	1,489	7,948
2027	6,616	1,231	7,847
2028	7,246	900	8,147
2029	7,457	610	8,067
2030	5,146	312	5,458
2031	5,251	158	5,409
Total	5,191,131	676,850	5,867,981

EXHIBIT E

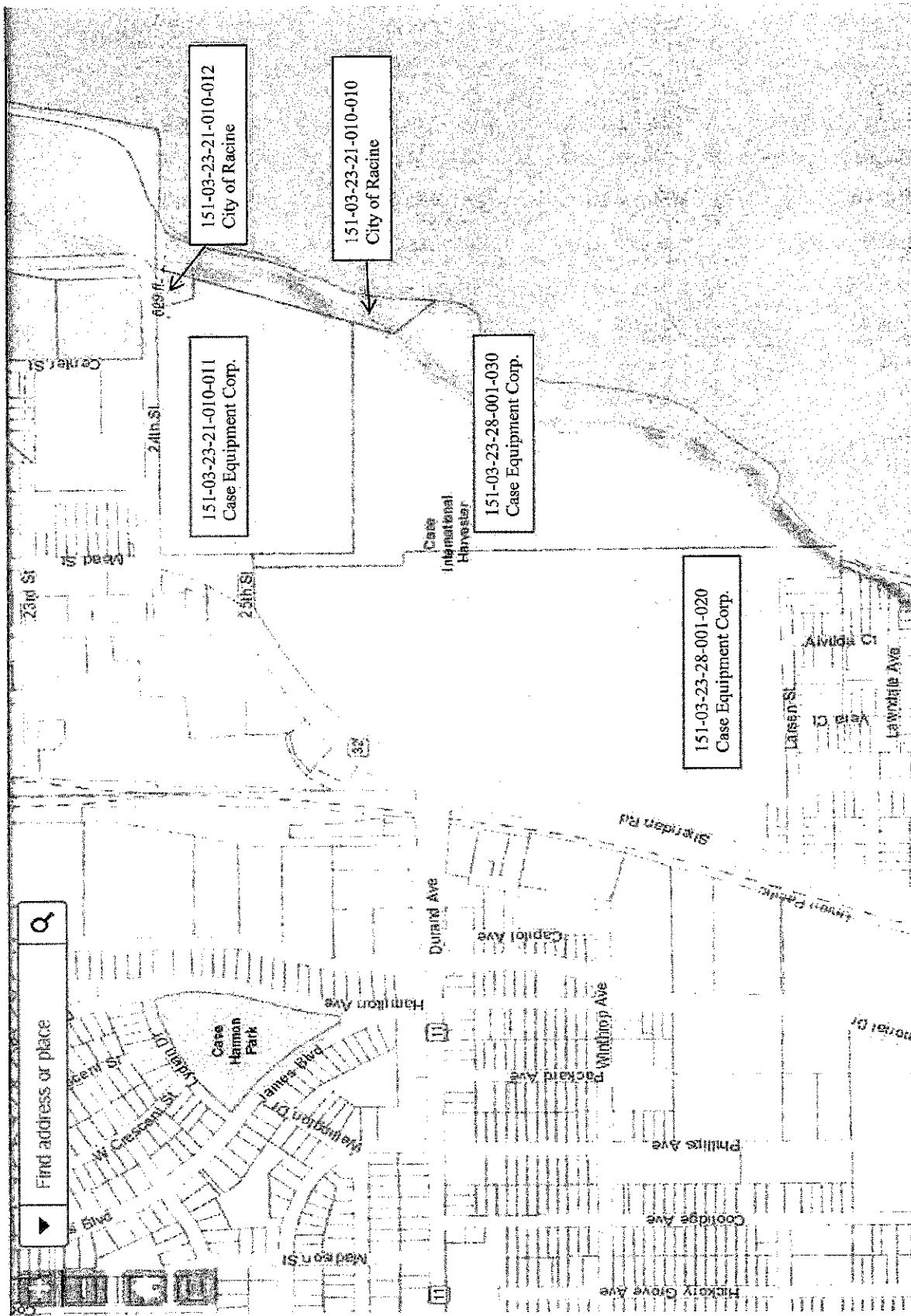


EXHIBIT F