

**AMENDMENT TO
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 Amendment (“Amendment”) to the November 1, 2018 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 _____ day of _____, 2020.

WHEREAS, on November 1, 2018, the Parties entered into the Agreement which, in part, provided for the expansion of Regional Water Facilities in order to provide water service to the Village’s TID 5 Area; and

WHEREAS, Section B, paragraph 6 of the Agreement required the Village to make certain payments to the City with reference to Residential Equivalent Connection Fees (“Debt”). Section B, paragraph 6 of the Agreement provided:

- a) 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.

WHEREAS, the Parties agree that, as of January 1, 2020, with regard to Debt obligations, as shown on Exhibit E, there remained unpaid principal totaling \$4,384,131 and unpaid future interest totaling \$501,408 for a total Debt of \$4,885,539; and

WHEREAS, the Village has proposed to make a one-time payment of \$4,200,000 to satisfy all of the Village's remaining obligations under Section B, paragraph 6 of the Agreement; and

WHEREAS, the City and Racine Utility have agreed to accept a one-time payment of \$4,200,000 to satisfy all of the Village's remaining obligations under Section B, paragraph 6 of the Agreement.

NOW, THEREFORE, in consideration of the mutual provisions of this Amendment 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. The Village, concurrent with the execution of this Amendment, shall make a payment of \$4,200,000 to Racine Utility to satisfy all of the Village's remaining obligations under Section B, paragraph 6 of the Agreement. The City and Racine Utility agree to accept the payment of \$4,200,000 in full and final discharge of all Village obligations under Section B, paragraph 6 of the Agreement.

B. Paragraph 6 is amended and confirmed to read as follows:

The Debt identified in the Agreement as the responsibility of the Village has been fully paid and discharged.

a) The balance of the deposit made by the Village into a separate TID 5 Account may be withdrawn by the Village.

b) Racine Utility and Village have each complied with paragraph 6(b) of the Agreement.

c) There have not been, nor shall there be, any REC fees in TID 5 of the Village.

d) Racine Utility shall continue to collect all REC fees in Sturtevant and Racine, and Village shall continue to collect all REC fees in the Village, which shall remain at Five Hundred Dollars (\$500) and, when received shall pay them quarterly into the Account, which fees

may be withdrawn by Village, until Village has received a total of \$5,182,531, at which time, the Account shall be closed, with any remaining balance to be paid to Racine Utility.

e) 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. All terms of the Agreement not inconsistent with this Amendment remain in full force and effect.

D. **Severability.** If any clause, provision, or section of this Amendment 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.

E. **Binding Agreement.** This Amendment is binding upon the Parties hereto and their respective successors and assigns.

F. **Counterparts.** This Amendment 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 _____ day of _____, 2020.

CITY OF RACINE

By: _____
Cory Mason, Mayor

ATTEST:

By: _____
Tara Coolidge, Acting City Clerk

APPROVED AS TO FORM:

By: _____
Scott Letteney, City Attorney

By: _____
David Brown, City Finance Director

Signed by the City of Racine Water Utility this _____ day of _____, 2020.

RACINE WATER UTILITY

By: _____
Natalia Taft , Commission President

ATTEST:

By: _____
Keith Haas, General Manager

Signed by the Village of Mount Pleasant this _____ day of _____, 2020.

VILLAGE OF MOUNT PLEASANT

By: _____
David DeGroot, President

ATTEST:

By: _____
Stephanie Kohlhagen, Clerk