



financed in whole or in part through the issuance of water revenue bonds pursuant to the authority granted by the SPRWS Law, the City's Home Rule Charter, and Minnesota Statutes, Chapter 475, as amended (the "Act"); and

WHEREAS, the City finds, determines and declares that it is a necessary and expedient to issue water revenue bonds and use the proceeds thereof to provide money to make the improvements to the Water Utility and pay the costs of issuance of such water revenue bonds; and

WHEREAS, such water revenue bonds that have previously been issued by the City and which shall in the future be issued by the City shall be payable solely from the Net Revenues (as defined herein) of SPRWS and shall not be a general obligation of the City nor secured by the City's full faith and credit; and

WHEREAS, the City has further determined that water revenue bonds shall be issued under this General Resolution, as from time to time supplemented, (a) as taxable or tax-exempt bonds, (b) as fixed rate obligations or as variable rate obligations, (c) as bonds on which interest is paid currently or as bonds for which the payment of interest is deferred, and (d) as bonds which are subject to optional or mandatory redemption or mandatory purchase or with provisions allowing the holder thereof to tender their bonds for purchase; and

WHEREAS, the City has previously issued the following water revenue obligations which are will be Outstanding (as defined herein) and payable from Net Revenues of the Water Utility at the time of issuance of the Series 2023A Bonds (as defined herein), the City's (a) Water Revenue Note, Series 2010A (the "2010A Note"), issued pursuant to a resolution adopted by the City Council of the City (the "City Council") on June 16, 2010, of which \$10,961,000 is currently Outstanding, (b) Water Revenue Note, Series 2010B (the "2010B Note" and together with the 2010A Note, the "2010 Notes"), issued pursuant to a resolution adopted by the City Council on June 16, 2010, of which \$2,829,000 is currently Outstanding, (c) Water Revenue Note, Series 2014 (the "2014 Note"), issued pursuant to a resolution adopted by the City Council on June 4, 2014 of which \$1,398,000 is currently Outstanding, (d) Water Revenue Note, Series 2016 (the "2016 Note"), issued pursuant to a resolution adopted by the City Council on November 9, 2016 of which \$5,466,000 is currently Outstanding, (e) Water Revenue Note, Series 2021 (the "2021 Note"), issued pursuant to a resolution adopted by the City Council on April 7, 2021, of which \$13,991,000 is currently Outstanding, and (f) Water Revenue Note, Series 2022, issued pursuant to a resolution adopted by the City Council on May 4, 2022 of which \$46,000,000 is currently Outstanding (the "2022 Note" and collectively with the 2010 Notes, the 2014 Note, the 2016 Note, and the 2021 Note, the "Outstanding Parity Notes"); and

WHEREAS, the Outstanding Parity Notes were all issued to finance capital improvements to the Water Utility and have all been purchased by the Minnesota Public Facilities Authority (the "PFA") under the terms of various loan agreements, as amended, with the PFA (the "Prior PFA Loan Agreements"); and

WHEREAS, the City will use proceeds of its Water Revenue Bonds, Series 2023A (the "Series 2023 Bonds") in order to: (i) finance a portion of the construction, equipping and the betterment of the capital facilities of SPRWS, including but not limited to, new softening and settling facilities, new chemical handling facilities, new recarbonation facilities, new ozone facilities, and a new laboratory and operations space at the existing McCarron's Water Treatment Plant in the City (the "WTP Modernization Project"); and (ii) pay costs of issuance for the Series 2023A Bonds; and

WHEREAS, both the 2021 Note and the 2022 Note financed portions of the cost of the WTP Modernization Project and, pursuant to a future supplemental resolution to this General Resolution and a loan agreement with PFA, the City anticipates issuing its Water Revenue Note, Series 2023-1 prior to the end of calendar year 2023 in an estimated principal amount of \$25,000,000 (the "2023-1 Note") in order to: (i) finance, pay or reimburse for the cost of a portion of the WTP Modernization Project, and (ii) pay for the cost of issuance of the Series 2023-1 Note; and

WHEREAS, pursuant to a future supplemental resolution to this General Resolution and a loan

agreement with PFA, the City also anticipates issuing its Water Revenue Note, Series 2023-2 later in calendar year 2023 or in calendar year 2024 which will be in an estimated principal amount of \$7,500,000 (the "2023-2 Note" and together with the Series 2023-1 Note, the "2023 Notes") in order to (i) finance, pay, or reimburse for the cost of a portion of the replacement of thousands of lead water service pipes in the City, and (ii) pay for the cost of issuance of the Series 2023-2 Note; and

WHEREAS, when and if the City issues the 2023 Notes they are anticipated to be issued as water revenue notes payable on a parity with the pledge of the Net Revenues to the Outstanding Parity Notes and the Series 2023A Bonds; and

WHEREAS, prior to the issuance of the Series 2023A Bonds, the 2010 Notes, the 2014 Note and the 2016 Note were previously secured by amounts in the Reserve Account established by the Prior Resolutions (each as defined and further described herein) that were funded at the applicable reserve requirement for each of the Outstanding Parity Notes; and

WHEREAS, the PFA has agreed to release the reserve requirements for the 2010 Notes, the 2014 Note and the 2016 Note to the City and on the Delivery Date of the Series 2023A Bonds, there will not be any funds in the Reserve Account and none of the Outstanding Parity Notes or the Series 2023A Bonds will be secured by any funds in the Reserve Account; and

WHEREAS, the Reserve Account will be maintained by this General Resolution but will not be funded with proceeds of the Series 2023A Bonds and will not secure the repayment of the Series 2023A Bonds or the Outstanding Parity Notes at this time, but which may be used to secure Additional Parity Bonds issued under supplemental resolutions to this General Resolution in the future, and

WHEREAS, the City also previously issued its Water Revenue Bonds, Series 2013A (the "Series 2013A Bonds"), in the original aggregate principal amount of \$14,480,000, currently Outstanding in the principal amount of \$1,495,000, the proceeds of which were used to (i) (a) current refund the City's Water Revenue Bonds, Series 2003C (the "Series 2003C Bonds"), and (b) advance refund the City's Water Revenue Bonds, Series 2005D (the "Series 2005D Bonds"); and (ii) pay costs of issuance for the Series 2013A Bonds; and

WHEREAS, on or before the Delivery Date of the Series 2023A Bonds, (a) the released reserves for the 2010 Notes, the 2014 Note, the 2016 Note and the Series 2013A Bonds, will be used to redeem the Outstanding Series 2013A Bonds and (b) the remaining released reserve amounts will be used to fund a portion of the WTP Modernization Project; and

WHEREAS, the City Council gave its preliminary approval to the issuance of the Series 2023A Bonds by adopting RES 22-56 on February 8, 2022 (the "2022 Preliminary Resolution"); and Res 23-67 on January 11, 2023 (the "2023 Preliminary Resolution"); and

WHEREAS, the Water Board requested that the City issue the Series 2023A Bonds and the 2023 Note pursuant to Resolution No. 22-1925 adopted by the Water Board at its regularly scheduled meeting on December 13, 2022; and

WHEREAS, the Water Board consented to and approved the issuance of the Series 2023A Bonds and the 2023 Notes at its regularly scheduled meeting on February 14, 2023; and

WHEREAS, in accordance with advice received from the Water Board, this City Council finds, determines and declares that it is necessary and expedient to provide money to (i) finance a portion of the cost of the WTP Modernization Project, and (ii) provide for the payment of costs of issuance of the Series 2023A Bonds from the proceeds of the Series 2023A Bonds; and

WHEREAS, on this date Baker Tilly Municipal Advisors, LLC, as municipal advisor to the City, and the Director, Office of Financial Services, have received proposals for the sale of the Series 2023A Bonds and

presented such proposals to the City Council; and

WHEREAS, the proposals set forth in EXHIBIT B attached hereto were received pursuant to the Terms of Proposal at the offices of Baker Tilly Municipal Advisors, LLC on the date hereof; and

WHEREAS, pursuant to Minnesota Statutes, Section 475.60, Subdivision 2(9), as amended, public sale requirements do not apply to the Series 2023A Bonds, because the City has retained an independent municipal advisor (Baker Tilly Municipal Advisors, LLC) and this City Council has determined to sell the Series 2023A Bonds by private negotiation, and the City has instead authorized a competitive sale without publication of notice thereof as a form of private negotiation; and

WHEREAS, all capitalized terms used in this General Resolution and not defined herein shall have the meanings granted to them in the Prior Resolutions (as defined herein) authorizing the issuance of the Outstanding Parity Notes, as applicable; and

WHEREAS, herein the City makes various findings demonstrating the propriety of the issuance of the Series 2023A Bonds on a parity with the Outstanding Parity Notes; and

WHEREAS, in the event of a conflict between the provisions of this General Resolution and the provisions of the Prior Resolutions for a specific Outstanding Parity Note, that the provisions of the applicable Prior Resolution for the applicable Outstanding Parity Note, shall prevail.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAINT PAUL, MINNESOTA, AS FOLLOWS:

**Article I**  
**DEFINITIONS AND RULES OF CONSTRUCTION**

Section 1.1. Definitions

In this General Resolution, unless a different meaning clearly appears from the context, the following terms shall have the following meanings:

“Accreted Value” with respect to a Capital Appreciation Bond on any date, the present value thereof on the immediately preceding date specified in such Bond (or if such date is the specified date, then on such date), determined by computing the present worth of all payments of principal and interest remaining to be paid thereon using a discount factor equal to the yield at which such Capital Appreciation Bond was initially offered to the public, as further specified in a table of Accreted Values set forth in the Capital Appreciation Bond and in the related Supplemental Resolution.

“Act” means Minnesota Statutes, Chapter 475, as amended from time to time.

“Additional Parity Bonds” means any Bonds in addition to the Parity Bonds issued pursuant to Article VI of this General Resolution.

“Adjustable Rate Bonds” any Bonds, the interest rate on which is not established at the time of calculation at a single numerical rate for the remaining term of such Bond, but for which the period between redeterminations of the interest rate is two (2) years or more.

“Beneficial Owner” means, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Bond Counsel” means Ballard Spahr LLP, or any other law firm of nationally-recognized bond counsel

selected by the City.

“Bondholder,” “Holder,” or “Registered Owner” means the person in whose name a Bond is registered.

“Bonds” means the Parity Bonds, the Series 2023A Bonds, and any Additional Parity Bonds, notes, or other obligations to be issued on a parity therewith pursuant to a Supplemental Resolution.

“Business Day” means any day which is not a Saturday or Sunday, a legal holiday in the State or a day on which banks in the State are authorized or required by law to close.

“Capital Appreciation Bonds” means any Bonds issued on the basis that interest thereon shall be accrued and compounded periodically, and that payment of interest thereon shall only be made at maturity or at a specified time or times prior to installment or otherwise.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“City” means the City of Saint Paul, Minnesota.

“City Official” means the Mayor, Director, Office of Financial Services, Treasurer or their proper designees or any other person authorized or designated by the City in writing who may take actions with respect to the Bonds or the provisions of this General Resolution or any Supplemental Resolution.

“City Council” means the City Council of the City or any successor governing body of the City.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral Documents” means any security agreement, guaranty or other document or PFA Loan Agreement previously delivered or to be delivered to the PFA or in the future the PFA or a Credit Facility Provider or a Purchaser in connection with the issuance of Parity Bonds, including the prior PFA Loan Agreements.

“Commitment” either (A) a binding commitment by a bank, a surety, insurance company or other financial institution generally regarded as responsible, which Commitment (i) provides financing sufficient to pay or purchase, as the case may be, Committed Temporary Bonds when due or required to be purchased, (ii) provides for repayment of amounts drawn thereunder over a period of at least five years and (iii) is filed with the City, together with an opinion of independent legal counsel stating in effect that the Commitment is binding and enforceable in accordance with its terms, subject to such customary exceptions relating to bankruptcy laws, insolvency laws and other similar laws affecting creditors’ rights generally as such independent legal counsel deems necessary or (B) a binding covenant of the City to issue Bonds to refund the Committed Temporary Bonds if there are insufficient funds to pay or purchase, as the case may be, Committed Temporary Bonds when due or required to be purchased.

“Committed Temporary Bonds” Temporary Bonds secured by a Commitment.

“Construction Account” means the account and any subaccounts maintained in the Water Utility Enterprise Fund pursuant to Article V of this General Resolution and established under the Prior Resolutions.

“Counsel” means an attorney duly admitted to practice law before the highest court of any state and selected by or satisfactory to the City.

“Consultant” means a nationally recognized consultant or firm of consultants, or an independent engineer or firm of independent engineers, or an accountant, which in any case is qualified and has skill and experience in the preparation of financial feasibility studies or projections for facilities similar to the

System or the Project, selected by SPRWS and satisfactory to the City.

“Credit Agreement” any reimbursement agreement, continuing covenant agreement or similar instrument between the City and a Credit Provider with respect to a Credit Facility.

“Credit Facility” a letter of credit, surety bond, insurance policy or comparable instrument furnished by a Credit Provider with respect to one or more series of Bonds to satisfy in whole or part the City’s obligation to maintain the Reserve Requirement with respect to a series of Bonds, or to secure (a) the payment of debt service (which may include the premium due on payment of a Bond) on Bonds of a specified series, (b) the payment of the purchase price (which may include accrued interest to the date of purchase) of Bonds of a specified series on the applicable purchase dates or tender dates, or (c) both the payment of debt service on a specified series of Bonds and the payment of the purchase of Bonds of a specified series.

“Credit Provider” the bank, insurance company, financial institution or other entity providing a Credit Facility pursuant to a Credit Agreement.

“Daily Simple SOFR” means, for any day, an interest rate per annum equal to the greater of (i) zero percent (0.0%) and (ii) SOFR for the day that is five SOFR Business Days prior to (A) if such day is a SOFR Business Day, such day, or (B) if such day is not a SOFR Business Day, the SOFR Business Day immediately preceding such day, reset as and when Daily Simple SOFR changes; provided that if SOFR is not published on such SOFR Business Day due to a holiday or other circumstance that the City deems to be temporary, the applicable SOFR rate shall be the SOFR rate last published prior to such SOFR Business Day

“Debt” means, without duplication, in respect of the System, (1) indebtedness of the City for borrowed money or for the deferred purchase price of property or services; (2) the obligation of the City as lessee under leases which should be recorded as capital leases under generally accepted accounting principles; and (3) obligations of the City under direct or indirect guarantees in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clause (1) or (2) above.

“Delivery Date” means the date of issuance of a series of Bonds issued under this General Resolution, as amended by a Supplemental Resolution. The Date of Delivery of the Series 2023A Bonds will be their date of delivery to the Purchaser.

“DTC” means The Depository Trust Company of New York, New York, its successors and assigns.

“Fiduciary” means any bank or other organization acting in a fiduciary capacity with respect to any Bonds, whether as a paying agent, registrar, tender agent, or escrow agent, or in a similar function.

“FINRA” means the Financial Industry Regulatory Authority, its successors and assigns.

“Fixed Rate Bonds” means a Bond on which the interest rate is established (with no right to vary) at the time of calculation at a single numerical rate for the remaining term of such Bond.

“General Resolution” means this general resolution adopted on March 8, 2023 by the City Council, as may be amended and supplemented in the future.

“Government Obligations” means direct obligations of, or obligations the principal of and the interest on which are fully and unconditionally guaranteed as to payment by, the United States of America.

“Governmental Unit” means governmental unit as such term is used in Section 145(a) of the Code.

“Interest Payment Date” means each June 1 and December 1 commencing as set forth in this General Resolution, the applicable Prior Resolutions or any Supplemental Resolution.

“Interest Rate Swap” an agreement entered into by the City of the kind described in Section 475.54, Subdivision 16 of the Act or any successor provision of the Act of applicable Minnesota law.

“Minimum Variable Rate Interest Amount” means for a Variable Rate Bond, the amount of interest to be paid or to accrue on such Variable Rate Bond during any one-month period at the highest interest rate permitted by the terms of the Supplemental Resolution relating thereto, excluding the period, if any, after such Variable Rate Bond may convert to a Fixed Rate Bond.

“Net Revenues” means the gross revenues and earnings of SPRWS remaining after the payment of Operating Expenses as more fully described in Section 5.2 of this General Resolution.

“Operations and Maintenance Account” means the account maintained in the Water Utility Enterprise Fund pursuant to Section 5.2 of this General Resolution and previously established under the Prior Resolutions.

“Operating Expenses” means the same as defined in Section 5.2 of this General Resolution.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel.

“Outstanding” means Bonds which have been authenticated and delivered by the City under this General Resolution, except:

(a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity; and

(b) Bonds for the payment or redemption of which cash funds or noncallable Governmental Obligations shall have been theretofore deposited with the Trustee in accordance with this General Resolution and any Supplemental Resolution.

“Outstanding Parity Notes” mean collectively, the 2010 Notes, 2014 Note, 2016 Note, 2021 Note, and the 2022 Note.

“Parity Bonds” means the Outstanding Parity Notes, the Series 2023A Bonds, and any Additional Parity Bonds issued pursuant to this General Resolution or Supplemental Resolution and on which principal and interest are still due and payable.

“Participant” means any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Payment Date” means the date on which a payment of interest or principal is due for a series of Bonds, as determined pursuant to the Prior Resolutions, this General Resolution, and a Supplemental Resolution, as applicable. The Payment Dates for the Parity Bonds are each June 1 and December 1 during the term of the Parity Bonds.

“Person” means any Private Person or Public Entity.

“PFA” means the Minnesota Public Facilities Authority, its successors and assigns.

“PFA Loan Agreements” means the Prior PFA Loan Agreements and any future loan agreements, as amended, between the City and the PFA entered into in connection with Parity Bonds, including the Outstanding Parity Notes.

“Prior PFA Loan Agreements” means the loan agreements, as amended, between the City and the PFA in connection with the Outstanding Parity Notes.

“Prior Resolutions” means, collectively, CF 10-641, RES 14-993, RES 16-1973, RES 21-460 and RES 22-662 adopted by the City Council on June 16, 2010, June 4, 2014, November 9, 2016, April 7, 2021 and May 4, 2022, respectively.

“Private Person” means an individual, corporation, partnership, association, joint venture, joint stock company or unincorporated organization, except a Public Entity.

“Project” means an improvement, betterment, reconstruction or extension of the Water Utility.

“Public Entity” means a municipality, city, town, county, irrigation district, drainage district, county water and water district, a soil conservation district, political or administrative subdivision of State government or other public body established by State law or an Indian tribe that has a federally recognized governing body carrying out substantial governmental duties and powers over any area.

“Purchaser” means with respect to the Outstanding Parity Notes, PFA and, with respect to any Bonds issued in the future, the original purchaser thereof.

“Representation Letter” means the Blanket Issuer Letter of Representations executed by the City to DTC pursuant to which the City agrees to comply with DTC’s Operational Arrangements.

“Registrar” or “Paying Agent” means, the City Treasurer of the City of Saint Paul, or any successor appointed pursuant to this General Resolution or the Prior Resolutions, and, with respect to any other series of Bonds, the Person or Persons designated by or pursuant to the Supplemental Resolution or any other future supplemental resolution to receive and disburse the principal of, premium, if any, and interest on the Bonds on behalf of the City and to hold and maintain the Register.

“Register” means a bond register in which, subject to such reasonable regulations as the Registrar may prescribe, the Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

“Regulations” means the Treasury Department, Income Tax Regulations, as amended or any successor regulation thereto, promulgated under the Code or otherwise applicable to the Bonds.

“Remarketing Agent” means the specific remarketing agent named in the Supplemental Resolution with respect to any Variable Rate Bonds.

“Reserve Account” means the account maintained in the Water Utility Enterprise Fund pursuant to Section 5.4 of this General Resolution and previously established under the Prior Resolutions.

“Reserve Requirement” means the requirement set forth in any Supplemental Resolution for any Additional Parity Bonds. As of the Date of Delivery of the Series 2023A Bonds, there is no reserve requirement for the Outstanding Parity Notes or the Series 2023A Bonds.

“Reserved Amounts” means any undisbursed Committed Amount which will or may be required to pay any remaining costs of a Project upon completion thereof as provided in a Supplemental Resolution.

“Revenue Bond Debt Service Account” means the account created in the Water Utility Enterprise Fund pursuant to Section 5.3 of this General Resolution and previously established under the Prior Resolutions.

“Series 2013A Bonds” means the City’s Water Revenue and Refunding Bonds, Series 2013A previously issued in the original principal amount of \$14,480,000 and currently Outstanding in the principal amount of \$1,495,000 which will be prepaid and redeemed on or before the Delivery Date of the Series 2023A Bonds from amount previously funded by proceeds of the Series 2013A Bonds in addition to amounts released from the reserve accounts for the 2010 Notes, the 2014 Note and the 2016 Note.

“Series 2023A Bonds” means the City’s Water Revenue Bonds, Series 2023A, issued in the original principal amount of \$93,415,000.

“Series 2023A Construction Subaccount” means the subaccount of the Construction Account within the Water Utility Enterprise Fund established and maintained pursuant to Section 5.5 of this General Resolution, with separate additional subaccounts there for \_\_\_\_\_ proceeds of the Series 2023A Bonds and the transfer of the released reserve amounts to be used to fund a portion of the WTP Modernization Project.

“SIFMA” means Securities Industry and Financial Markets Association, its successors and assigns.

“SOFR” means, with respect to any SOFR Business Day, a rate per annum equal to the secured overnight financing rate for such SOFR Business Day published by the SOFR Administrator on the SOFR Administrator’s Website.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org> (or a successor website thereto).

“SOFR Business Day” means any day (other than a Saturday or Sunday) on which banks generally are open in New York City, New York for the conduct of substantially all of their commercial lending activities and interbank wire transfers can be made on the Fedwire \_\_\_\_\_ system except a day on which the SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities

“SPRWS Official” means the Executive Director, Finance Officer, member of the Board of the SPRWS or their proper designees or any other person authorized or designated by SPRWS in writing who may take actions with respect to the Bonds or the provisions of \_\_\_\_\_ this General Resolution or any Supplemental Resolution.

“State” means the State of Minnesota.

“Subordinate Obligations” means any other subordinate obligations issued under Section 6.4 of this General Resolution.

“Supplemental Resolution” means a supplemental resolution adopted by the City in connection with the issuance of any Additional Parity Bonds under this General Resolution.

“System” or “Water Utility” means the existing water system of the SPRWS and all extensions, improvements and betterments thereof hereafter constructed and acquired, including the Project.

“Tax Exempt Bonds” means the Outstanding Parity Notes, the Series 2023A Bonds, and any Additional Parity Bonds that are issued by the City in the future that the interest on which is intended to be exempt from federal income tax.

“Temporary Bonds” means any series of Bonds with (i) an initial term of three years or less, (ii) a provision that requires mandatory purchase of such series of Bonds within three years of its issuance or (iii) a provision which permits the Holders thereof to require \_\_\_\_\_ redemption of such series of Bonds within three years of its issuance; provided, however, that a series of Bonds shall not be deemed Temporary Bonds by reason of any right of the Holders thereof to (A) accelerate or cause the obligations to be prepaid or purchased upon the happening of an event of default, or (B) tender the Bonds of the series for purchase.

“2010 Notes” means, collectively, the 2010A Note and 2010B Note.

“2010A Note” means the City’s Water Revenue Note, Series 2010A (the “2010A Note”), issued pursuant to a resolution adopted by the City Council on June 16, 2010, of which \$10,961,000 is currently Outstanding as of the date of this General Resolution.

“2010B Note” means the City’s Water Revenue Note, Series 2010B, issued pursuant to a resolution adopted by this the City Council on June 16, 2010, of which \$2,829,000 is currently outstanding as of the date of this General Resolution.

“2014 Notes” means the City’s Water Revenue Note, Series 2014, issued pursuant to a resolution adopted by the City Council on June 4, 2014 of which \$1,398,000 is currently Outstanding as of the date of this General Resolution.

“2016 Notes” means the City’s Water Revenue Note, Series 2016, issued pursuant to a resolution adopted by the City Council on November 9, 2016 of which \$5,466,000 as of the date of this General Resolution.

“2023 Notes” means the 2023-1 Note and the 2023-2 Note.

“2023-1 Note” means the anticipated Water Revenue Note to be issued by the City to the PFA prior to the end of calendar year 2023 in an estimated principal amount of \$25,000,000.

“2023-2 Note” means the anticipated Water Revenue Note to be issued by the City to the PFA later in calendar year 2023 or in calendar year 2024 in an estimated principal amount of \$7,500,000.

“Variable Rate Bonds” means any Bond, the interest rate on which is not established at the time of calculation at a single numerical rate for the remaining term of such Bond and for which the period between redetermination of the interest rate is two (2) years or less.

“Water Utility” means the same as defined in the recitals of this General Resolution.

“Water Utility Enterprise Fund” means the fund by such name maintained pursuant to Article V of this General Resolution and established under the Prior Resolutions.

“WTP Modernization Project” means, including but not limited to, new softening and settling facilities, new chemical handling facilities, new recarbonation facilities, new ozone facilities, and a new laboratory and operations space at the existing McCarron’s Water Treatment Plant in the City.

Section 1.2. Other Rules of Construction

. For all purposes of this General Resolution, except where the context clearly indicates otherwise:

(a) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted government accounting standards.

Terms in the singular include the plural and vice versa.

(b) All references to time shall refer to Saint Paul, Minnesota time, unless otherwise provided herein.

All references to mail shall refer to first-class mail postage prepaid.

(c) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

“Or” is not exclusive, but is intended to permit or encompass one, more or all of the alternatives

conjoined.

**Article II**  
**AUTHORIZATION AND RECITALS**

Section 2.1. Authorization

Under the provisions of the City's Home Rule Charter, the SPRWS Law, and the Act, the City is authorized to issue and sell its water revenue bonds from their date of issue, to provide funds for the reconstruction, improvement, betterment and extension of the Water Utility or to refund its water revenue bonds issued for such purpose; provided that the bonds and the interest thereon are to be payable solely out of the net income and revenues to be derived from rates, fees and charges for the services, facilities and commodities furnished by the undertaking, and are not to create any general obligation for the payment of which taxes may be levied except to pay for services provided by the undertaking to the City. The City previously issued the Outstanding Parity Notes pursuant to the Prior Resolutions of the City Council and the Prior PFA Loan Agreements. The City also anticipates issuing the 2023 Notes pursuant to resolutions supplement to this General Resolution and PFA Loan Agreements.

Section 2.2. Variable Rate Bonds/Adjustable Rate Bonds.

(a) A Supplemental Resolution may provide that a series of Bonds be issued as Variable Rate Bonds or as Adjustable Rate Bonds. In that case, the form of Bond for a series of Variable Rate Bonds or Adjustable Rate Bonds may be revised as appropriate to include therein provisions with respect to the rate of interest to be borne from time to time by such series of Variable Rate Bonds or Adjustable Rate Bonds, to provide for the conversion of a series of Variable Rate Bonds or Adjustable Rate Bonds to Fixed Rate Bonds, and, if applicable, to provide for a mandatory purchase or purchase of Variable Rate Bonds or Adjustable Rate Bonds upon demand by a Holder thereof, or otherwise, as appropriate.

If necessary to obtain an investment grade rating for a series of Variable Rate Bonds or Adjustable Rate Bonds, or to maintain the rating or ratings then in effect for other series of outstanding Bonds, the City may obtain a Credit Facility.

(b) If and as further provided in the Supplemental Resolution authorizing the issuance of a series of Variable Rate Bonds or Adjustable Rate Bonds, the City shall appoint a member of the National Association of Securities Dealers, SIFMA or FINRA (a "Remarketing Agent") to remarket the Variable Rate Bonds or Adjustable Rate Bonds from time to time, and to perform such other duties as the City shall deem necessary or advisable, which duties may include determinations from time to time of the rate of interest to be borne by such series of Variable Rate Bonds or Adjustable Rate Bonds. Each such Remarketing Agent shall be appointed pursuant to the applicable Supplemental Resolution and the City shall enter into an agreement with such Remarketing Agent specifying the duties and obligations of the Remarketing Agent, and providing for compensation to the Remarketing Agent.

On the date of original issuance of a series of Variable Rate Bonds, there shall be deposited in the Revenue Bond Debt Service Account, the Minimum Variable Rate Interest Amount for such series of Variable Rate Bonds. No similar deposit shall be required in connection with the issuance of a series of Adjustable Rate Bonds, unless such a deposit is necessary in order to maintain the rating or ratings that in effect for other Bonds then outstanding.

(c) The provisions of this General Resolution, as from time to time supplemented, pertinent to Variable Rate Bonds or Adjustable Rate Bonds shall apply only for so long as such Bonds bear interest subject to redetermination as provided therein and in the applicable Supplemental Resolution. From and after the date on which such Bonds become obligations which bear interest at a

single numerical rate for their remaining term, such Bonds shall be deemed Fixed Rate Bonds subject only to the provisions hereof applicable to Fixed Rate Bonds.

Section 2.3. Capital Appreciation Bonds.

(a) A Supplemental Resolution may provide that a series of Bonds, or any portion thereof, may be issued as Capital Appreciation Bonds, in which case the Supplemental Resolution authorizing the issuance of the Capital Appreciation Bonds and the form of Bond shall include therein appropriate provisions with respect to the accrual and compounding of interest and other provisions determined to be necessary or desirable by the City. The Supplemental Resolution shall further specify the Accredited Value of such Capital Appreciation Bonds as of specified dates from the date of issue to maturity.

For the purposes of payment and redemption and of any actions, consents or other matters affecting the Holders of Bonds, the principal amount of any Capital Appreciation Bond on the appropriate date shall be its Accredited Value as of the most recent date of determination.

(b) If so provided in the applicable Supplemental Resolution, Capital Appreciation Bonds may be issued on terms which provide for the payment of interest thereon periodically after a specified date. After such date, if any, such Bonds shall be treated as Fixed Rate Bonds.

Section 2.4. Credit Facilities.

Nothing in this General Resolution or any Supplemental Resolution shall be construed to limit the right of the City to obtain a Credit Facility for the benefit of the Holders of all or any portion of any series of Bonds issued hereunder. The terms and conditions for each such Credit Facility shall be set forth in the applicable Supplemental Resolution and in the related Credit Agreement. Each Credit Facility shall be held by the City (or a Fiduciary acting for the benefit of the City and Holders of Bonds) for the sole and exclusive benefit of the Holders of the Bonds secured by such Credit Facility, and such Credit Facility shall not be an asset available for the benefit of any other Holders of Bonds.

Section 2.5. Mandatory Purchase; Tender.

The Bonds of any series may be subject to mandatory purchase by the City on a specified date or dates, or may be subject to purchase upon tender thereof by the Holders of a specified date or dates. The dates on which Bonds of a series shall be purchased, or may be tendered for purchase, shall be set forth in the related Supplemental Resolution and in the form of such Bonds with such appropriation revisions and modifications as necessary. If the Supplemental Resolution contemplates that, the Bonds shall be remarketed upon purchase or tender for purchase, the City shall make appropriate arrangement with a member of the National Association of Securities Dealers for remarketing of the Bonds, and for related services which may include redetermining the rate of interest to be borne by such Bonds from time to time or upon remarketing. The City may also retain the services of an independent entity to make such interest rate determinations. The City may retain the services of a Fiduciary in connection with the purchase or tender of Bond and the payment of the purchase price thereof including payment from the proceeds of a Credit Facility.

Any moneys held or accumulated by the City to fulfill its obligation to purchase Bonds shall be held in a separate account which is not part of the Water Utility Enterprise Fund, and the Holders of the Bonds, other than the Holders of the series of Bonds to which such account relates, shall have no claim thereon.

If and to the extent the City is required to segregate or otherwise set aside moneys from Revenues in connection with an obligation of the City to purchase Bonds upon tender on demand, such obligation shall be expressly subordinated to the City's obligation to pay debt service when due on all Bonds outstanding.

Section 2.6. The Water Utility/System

. The City, pursuant to the SPRWS Law and the Act and other laws of the State, has established and presently owns the System which is operated by the SPRWS.

Section 2.7. The WTP Modernization Project

. After investigation of the facts and as authorized by the Act, the City has determined it to be necessary and desirable and in the best interests of the City to engage in and complete the portion of the WTP Modernization Project financed with proceeds of the Series 2023A Bonds.

Section 2.8. Outstanding Parity Obligations

. Pursuant to the Act and the Prior Resolutions, the City has previously issued, the Outstanding Parity Notes which are Parity Bonds. The Outstanding Parity Notes are payable from Net Revenues of the System. No other bonds or indebtedness of the City are outstanding that are payable from or secured by revenues of the System.

Section 2.9. Net Revenues Available

. The City is authorized to charge just and equitable rates, charges and rentals for all services directly or indirectly furnished by the System, and to pledge and appropriate to the Bonds herein authorized, the Net Revenues to be derived from the operation of the System, including improvements, betterments or extensions thereof hereafter constructed or acquired. The Net Revenues to be produced by such rates, charges and rentals during the term of the Bonds will be more than sufficient to pay the principal and interest when due on such Bonds, and to create and maintain reasonable reserves therefor and to provide an adequate allowance for replacement and depreciation, as herein prescribed.

Section 2.10. Compliance With Law

. To the knowledge of the City, the City:

(a) is in compliance with all laws, ordinances, governmental rules and regulations and court or other governmental orders, judgments and decrees to which it is subject and which are material to the properties, operations and finances of the System or its status as a Public Entity and Governmental Unit; and

has obtained all licenses, permits, franchises or other governmental authorizations necessary to the ownership of the System and the operation thereof and agrees to obtain all such licenses, permits, franchises or other governmental authorizations as may be required in the future for the System and the operation thereof, which failure to obtain might materially and adversely affect the ability of the City to conduct the operation of the System as presently conducted or the condition (financial or otherwise) of the System or the City's ability to perform its obligations under this General Resolution, the Bonds and the Collateral Documents.

Section 2.11. Financial Information

. The City and SPRWS will cause proper and adequate books of record and account to be kept showing complete and correct entries of all receipts, disbursements and other transactions relating to the System, the monthly gross revenues derived from its operation, and the segregation and application of the gross revenues in accordance with this General Resolution, in such reasonable detail as may be determined by the City in accordance with generally accepted governmental accounting practice and principles. It will cause such books to be maintained on the basis of the same fiscal year as that utilized by the City.

## Article III BONDS

### Section 3.1. Authorization of Bonds

The City previously issued the Outstanding Parity Notes pursuant to the terms of the Prior Resolutions. The City shall issue the Series 2023A Bonds pursuant to this General Resolution and shall issue future Additional Parity Bonds pursuant to separate Supplemental Resolutions for the purpose of providing funds for financing Projects and to pay certain costs associated with the issuance of such Additional Parity Bonds. The Parity Bonds shall be in fully registered form and any Additional Parity Bonds shall be issued in fully registered form. They shall be issued in authorized denominations to be set forth in the Supplemental Resolution, provided that no Bond shall be issued in any denomination larger than the aggregate principal amount maturing on the maturity date of such Bond. Pursuant to the recommendations of the Committee on Uniform Security Identification Procedures, CUSIP numbers may be printed on the Bonds if required by the original purchaser thereof.

The Outstanding Parity Notes and the Series 2023A Bonds shall mature on the date and in the years and principal amounts and shall bear interest at the rates per annum from their respective date to their respective maturity dates, except if redeemed prior to their maturity date as set forth in the applicable Prior Resolution or this General Resolution. Future Additional Parity Bonds shall mature on the dates, in the years and principal amounts, and shall bear interest at the rates per annum from their respective dates to their respective maturity dates, except if redeemed prior thereto, as set forth in the Supplemental Resolution, but in no event shall any Bonds mature at times exceeding the maturity limitation in the Act. Principal and interest payments shall be as set forth in a Supplemental Resolution and in each Additional Bond.

### Section 3.2. Redemption

The Outstanding Parity Notes are subject to redemption prior to maturity as provided in the applicable Prior Resolution authorizing their issuance, in each respective Outstanding Parity Note, and the applicable Prior PFA Loan Agreement. The Series 2023A Bonds shall be subject to redemption prior to maturity as provided in this General Resolution, and any future Additional Parity Bonds shall be subject to redemption prior to maturity as provided in a Supplemental Resolution authorizing their issuance.

*Notice of Redemption.* With respect to the Series 2023A Bonds and future Additional Parity Bonds (unless set forth in a supplemental resolution for a series of future Additional Parity Bonds), mailed notice of redemption shall be given to the Paying Agent (if other than a City officer) and to each affected Holder. The notice of redemption provisions for the Outstanding Parity Notes shall be as set forth in the applicable Prior Resolution and the applicable Prior PFA Loan Agreement.

If and when the City shall call any of the Series 2023A Bonds and future Additional Parity Bonds for redemption and payment prior to the stated maturity thereof, the Registrar shall give written notice in the name of the City of its intention to redeem and pay such Series 2023A Bonds and future Additional Parity Bonds at the office of the Registrar. Notice of redemption shall be given by the Paying Agent by first class mail, postage prepaid, mailed not less than twenty (20) days prior to the redemption date, to each Holder of such Series 2023A Bonds or future Additional Parity Bonds to be redeemed, at the address appearing in the Register. All notices of redemption shall state: (i) the redemption date; (ii) the redemption price; (iii) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (iv) that on the redemption date, the redemption price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after said date; (v) the place where such Bonds are to be surrendered for payment of the redemption price (which shall be the office of the Registrar); and (vi) include a statement that the redemption so noticed is conditioned on sufficient funds being held by the City on or before noon

on the applicable redemption date to pay the full redemption price, and if at such time the amount so held is not sufficient to pay all amounts required to effect the noticed redemption in full, the redemption shall be cancelled, with all Bonds tendered for such redemption being returned to the holders thereof and no liability on the part of the City shall arise as a result of such cancellation.

Section 3.3. Payment of Principal and Interest

. The principal of, premium, if any, and interest on Series 2023A Bonds and future Additional Parity Bonds shall be payable in lawful money of the United States of America to the Registered Owners of the applicable Series 2023A Bonds and future Additional Parity Bonds by the Paying Agent. The payment provisions for the Outstanding Parity Notes shall be as set forth in the applicable Prior Resolution and the applicable Prior PFA Loan Agreement.

The principal on, and premium, if any, shall be paid to the Registered Owner of the applicable Series 2023A Bond or future Parity Bond upon presentation and surrender thereof at maturity or upon prior redemption. Except as otherwise provided in a Supplemental Resolution, the interest shall be paid to the Registered Owner of a Series 2023A Bond or future Parity Bond, determined as of the close of business on the regular record date, which shall be the fifteenth (15th) day of the calendar month next preceding the Interest Payment Date, irrespective of any transfer of ownership of the Bond subsequent to the regular record date and prior to such Interest Payment Date, by check or draft mailed or other electronic means to such Registered Owner at the address on the registration books of the City maintained by the Registrar. Any interest not paid when due and any interest accruing after maturity shall be paid to the Registered Owner of applicable Bond entitled to receive such interest, determined as of the close of business on the special record date, which shall be fixed by the Paying Agent for such purpose, irrespective of any transfer of ownership of the Bond subsequent to such special record date and prior to the date fixed by the Paying Agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by first-class, postage prepaid mail, at least ten (10) days prior to the special record date, to the Underwriter and to the Registered Owner of the Bond upon which interest will be paid, determined as of the close of business on the day preceding such mailing, at the address appearing on the registration books of the City maintained by the Registrar.

The principal of, premium, if any, and interest on the Bonds shall be paid to the Registered Owner thereof as shown on the registration books maintained by the Registrar upon maturity thereof and upon presentation and surrender at the principal office of the Paying Agent.

Section 3.4. Execution and Authentication of Bonds

. The Series 2023A Bonds and future Additional Parity Bonds shall be executed on behalf of the City by the signatures of its Mayor (or designee), City Clerk (or designee), and Director, Office of Financial Services (or designee), provided that any of such signatures may be printed or photocopied facsimiles and the corporate seal of the City may be omitted on the Bonds as permitted by law. In the event of disability or resignation or other absence of any such officer, the Bonds may be signed by the manual or facsimile signature of that officer who may act on behalf of such absent or disabled officer. In case any such officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

Future Bonds shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this General Resolution unless a Certificate of Authentication on such Bonds, substantially in the form set forth in the applicable Supplemental Resolution, shall have been duly executed by an authorized representative of the Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on each Bond and by inserting as the date of registration in the

space provided the date on which the Bond is authenticated. For purposes of delivering the Bonds to the Purchaser, the Registrar shall insert as the date of registration the date \_\_\_\_\_ of original issue. The Certificate of Authentication so executed on the Bonds shall be conclusive evidence that it has been authenticated and delivered under this General Resolution.

Section 3.5. Registration, Transfer and Exchange of Bonds.

(a) DTC. Each of the Series 2023A Bonds and future Additional Parity Bonds intended to be issued in book-entry form will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities. Upon initial issuance, the ownership of each Series 2023A Bond and future Parity Bond intended to be issued in book-entry form will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC. The City may also issue future Additional Parity Bonds outside of the book-entry only system if the City determines that it is advantageous to do so.

(b) Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (“Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of Cede & Co., DTC or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent shall pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City’s obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this General Resolution. Upon delivery by DTC to the City Clerk of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words “Cede & Co.” shall refer to such new nominee of DTC; and upon receipt of such a notice, the City Clerk shall promptly deliver a copy of the same to the Registrar and Paying Agent.

(c) Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the “Representation Letter”) which governs payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds shall agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

(d) Transfers Outside Book-Entry System. In the event the City, by resolution of the City

Council, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this General Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City shall issue and the Registrar shall authenticate Bond certificates in accordance with this General Resolution and the provisions hereof shall apply to the transfer, exchange and method of payment thereof.

(e) Payments to DTC. Notwithstanding any other provision of this General Resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and all notices with respect to the Bond shall be made and given, respectively, in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 3.6. Mutilated, Lost, Destroyed or Taken Bonds

. If any outstanding Bond shall become mutilated, lost, apparently destroyed, or wrongfully taken, it may be reissued in the form and tenor of the mutilated, lost, destroyed or wrongfully taken Bond upon the Registered Owner's furnishing, to the satisfaction of the Paying Agent and the Registrar: (a) proof of ownership, (b) proof of mutilation, loss, destruction or wrongful taking, (c) a surety bond in the amount of the securities in question, and (d) payment of the cost of preparing and issuing the new security, or upon other conditions agreed to by the Registrar and the City. Nothing contained in the provisions of this paragraph prohibits the City from reissuing, upon such terms and conditions as the City Council may determine, and provided that such terms and conditions are not otherwise contrary to the provisions of this General Resolution or the requirements of law, any outstanding Bond which shall not have become mutilated, lost, apparently destroyed, or wrongfully taken.

Section 3.7. Form of Bonds

. The Series 2023A Bonds shall be in substantially the form set forth Exhibit A attached hereto and any Additional Parity Bonds shall be in substantially the form set forth in a Supplemental Resolution, with such appropriate variations, omissions and insertions as are permitted or required by this General Resolution and such Supplemental Resolution; PROVIDED, HOWEVER, the Bonds may be issued in temporary form similar to the following form pending the printing and delivery of final definitive bonds.

Section 3.8. Repayment of Outstanding Parity Notes

. In addition to the Series 2023A Bonds and any future Additional Parity Bonds, including the proposed 2023 Notes, the City shall repay the Outstanding Parity Notes as follows:

(a) In connection with the repayment of the 2010 Notes, the City shall make repayments as set forth in Resolution No. CF 10-5641, adopted by the City on June 16, 2010 and the form of which is attached to this General Resolution as Exhibit D;

(b) In connection with the repayment of the 2014 Note, the City shall make repayments as set forth in Resolution No. RES 14-993, adopted by the City on June 4, 2014 and the form of which is attached to this General Resolution as Exhibit E;

(c) In connection with the repayment of the 2016 Note, the City shall make repayments as set forth in Resolution No. RES 16-1973, adopted by the City on November 9, 2016 and the form of which is attached to this General Resolution as Exhibit F;

(d) In connection with the repayment of the 2021 Note, the City shall make repayments as set forth in Resolution No. RES 21-460, adopted by the City on April 7, 2021 and the form of which is attached to this General Resolution as Exhibit G; and

(e) In connection with the repayment of the 2022 Note, the City shall make repayments as set forth in Resolution No. RES 22-662, adopted by the City on May 5, 2022 and the form of which is attached to this General Resolution as Exhibit H.

## Article IIIA

### SERIES 2023A BONDS

#### Section 3.1A Acceptance of Offer; Payment.

The proposal of Jefferies LLC (the "Purchaser"), to purchase the Series 2023A Bonds, in accordance with the Terms of Proposal for the bond sale, at the rates of interest set forth hereinafter, and to pay for the Series 2023A Bonds the sum of \$96,708,778.29 (the principal amount of the Series 2023A Bonds (\$93,415,000.00), plus net original issue premium in the amount of \$3,646,191.05, less the Purchaser's discount of \$352,412.76), is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted for the purchase of the Series 2023A Bonds. The City retained the right to increase or reduce the principal amount of the Series 2023A Bonds from the proposed \$95,190,000 and the City has determined to reduce the principal amount of the Series 2023A Bonds to \$93,415,000. The authorized amount of the Series 2023A Bonds includes the net original issue premium of \$3,646,191.05. The Director, Office of Financial Services, is directed to retain the deposit of the Purchaser. The Director, Office of Financial Services (or designee), on behalf of the City, is directed to execute a purchase agreement or bid form with the Purchaser related to the purchase of the Series 2023A Bonds.

#### Section 3.2A Title, Original Issue Date, Denominations, Maturities.

The Series 2023A Bonds shall be titled "Water Revenue Bonds, Series 2023A" and shall be issued in the original aggregate principal amount of \$93,415,000. The Series 2023A Bonds shall be dated their Date of Delivery and shall be issued forthwith on or after such date as fully registered bonds. The Series 2023A Bonds shall be numbered from R-1 upward each shall be in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity.

#### Section 3.3A Purpose of Series 2023A Bonds.

The Series 2023A Bonds shall provide funds to (i) finance a portion of the WTP Modernization Project; and (ii) fund the costs of issuance for the Series 2023A Bonds. The proceeds of the Series 2023A Bonds shall be deposited and used as provided in Article V herein. The total cost of funding a portion of the WTP Modernization Project, and costs of issuance for the Series 2023A Bonds, including legal and other professional charges, publication and printing costs, is estimated to be at least equal to the amount of the Series 2023A Bonds.

#### Section 3.4A Interest and Principal.

Interest on each of the Series 2023A Bonds and the Outstanding Parity Notes is payable semiannually on each June 1 and December 1, commencing December 1, 2023 with respect to the Series 2023A Bonds. Interest on the Series 2023A Bonds shall be calculated on the basis of a 360 day year comprised of twelve 30 day months. Principal of the Series 2023A Bonds, shall mature on December 1 of the years and in the installments as set forth in EXHIBIT C attached hereto.

Section 3.5A      Redemption.

(a)            Optional Redemption. The Series 2023A Bonds maturing on or after December 1, 2033, are subject to optional redemption and prepayment on December 1, 2032 and any date thereafter, at the option of the City, in whole or in part, at a redemption price equal to their principal amount plus accrued interest to the date of redemption, without premium.

(b)            [No Scheduled Mandatory Sinking Fund Redemption. There are no Term Bonds which are subject to mandatory sinking fund redemption and prepayment on scheduled dates.]

(c)            Due Date. The Series 2023A Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date.

(d)            Notice. Mailed notice of redemption shall be given to the Paying Agent (if other than a City officer) and to each affected Holder. If and when the City shall call any of the Series 2023A Bonds for redemption and prepayment prior to the stated maturity thereof, the Registrar shall give written notice in the name of the City of its intention to redeem and pay such Series 2023A Bonds at the office of the Registrar. Notice of redemption shall be given by first class mail, postage prepaid, mailed not less than twenty (20) days prior to the redemption date, to each Holder of Series 2023A Bonds to be redeemed, at the address appearing in the Register. All notices of redemption shall state:

(i)            the redemption date;

(ii)           the redemption price;

(iii)           if less than all outstanding Series 2023A Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2023A Bonds to be redeemed;

(iv)           that on the redemption date, the redemption price will become due and payable upon each such Series 2023A Bond, and that interest thereon shall cease to accrue from and after said date;

(v)            the place where such Series 2023A Bonds are to be surrendered for payment of the redemption price (which shall be the office of the Registrar); and

(vi)           include a statement that the redemption so noticed is conditioned on sufficient funds being held by the City on or before noon on the applicable redemption date to pay the full redemption price, and if at such time the amount so held is not sufficient to pay all amounts required to effect the noticed redemption in full, the redemption shall be cancelled, with all Series 2023A Bonds tendered for such redemption being returned to the holders thereof and no liability on the part of the City shall arise as a result of such cancellation.

**Article IV**  
**DELIVERY OF BONDS; APPLICATION OF PROCEEDS**

Section 4.1.      Delivery

Future Additional Parity Bonds, when executed, authenticated and registered as provided in a Supplemental Resolution, and by law, shall be delivered by the City to the Registrar as agent of the purchaser of the Additional Parity Bonds or such purchaser, if applicable, upon receiving full payment therefor. The proceeds derived from said sale shall be used for the purposes stated in a Supplemental Resolution and for no other purposes, provided, however, that any portion of the proceeds may be temporarily invested pending such use, with such temporary investment to be made consistent with the covenant hereinafter made and in a Supplemental Resolution concerning arbitrage bonds. Neither the purchaser of the

Bonds nor the Registered Owner of any Bond shall be \_\_\_\_\_ in any way responsible for the application of the proceeds of the Bonds by the City or any of its officers. The delivery of the Parity Bonds to the Purchaser shall not require the payment of any funds, just the presentation and cancellation of the prior Bonds that are being amended and replaced or evidence sufficient to the City's officials that such prior Bonds have been lost or destroyed or are not able to be presented to the City.

Section 4.2. Deposit of Proceeds

As set forth in a Supplemental Resolution, upon the issuance, sale and delivery of any Additional Parity Bonds or Subordinate Obligations, the City shall make deposits to the funds and accounts established by the City and \_\_\_\_\_ maintained under the terms of this General Resolution. Upon the issuance, sale and delivery of the Series 2023A Bonds, the City shall make deposits as set forth below Article V of this General Resolution.

**Article V**  
**WATER UTILITY ENTERPRISE FUND**

Section 5.1. Water Utility Enterprise Fund; Net Revenues Pledged and Appropriated

A special Water Utility Enterprise Fund (the "Water Utility Enterprise Fund") was created by the Prior Resolutions and is hereby maintained as a separate and special bookkeeping \_\_\_\_\_ account on the official books of the City until all Bonds issued and interest and redemption premiums due thereon have been fully paid, or the City's obligations with respect to such Bonds has been discharged as provided in this General Resolution, the Prior \_\_\_\_\_ Resolutions and any Supplemental Resolution. All proceeds of Bonds issued hereunder and all other funds presently on hand derived from the operation of the System are irrevocably pledged and appropriated to the Water Utility Enterprise Fund. In addition, there is \_\_\_\_\_ hereby irrevocably pledged and appropriated to the Water Utility Enterprise Fund all gross revenues and receipts from rates, fees, charges, and rentals imposed for connections with and for the availability, benefit and use of the System as now constituted and of all \_\_\_\_\_ replacements and improvements thereof and additions thereto, and from penalties and interest thereon, and from any sales of property acquired for the System and all income received from the investment of all moneys on deposit in the accounts of the Water Utility \_\_\_\_\_ Enterprise Fund, but not any special assessments or taxes levied for construction of any part of the System. The Water Utility Enterprise Fund is divided and shall continue to be subdivided into separate accounts as designated and described in Sections 5.2 through \_\_\_\_\_ 5.5 hereof, to segregate income and expenses received, paid and accrued for the respective purposes described in those sections. The gross revenues received in this Water Utility Enterprise Fund shall be apportioned monthly to the Revenue Bond Debt Service \_\_\_\_\_ Account.

Section 5.2. Operations and Maintenance Account.

There was created by the Prior Resolutions and is hereby maintained an Operations and Maintenance Account (the "Operations and Maintenance Account") as a separate and special bookkeeping account on the official books of the City within the Water Utility Enterprise Fund. All gross revenues and earnings derived from the operation of the Water Utility including any assessments which may from time to time be levied with respect to the Water Utility shall be deposited to the \_\_\_\_\_ Operation and Maintenance Account. From the Operation and Maintenance Account there shall be paid all, but only, current expenses of the Water Utility, which shall include the reasonable and necessary costs of administering, operating, maintaining and insuring the \_\_\_\_\_ Water Utility, salaries, wages, costs of materials and supplies, costs of water production and distribution, necessary legal, engineering and auditing services, payments of fees to trustees for bonds, to providers of liquidity facilities or credit enhancement facilities for \_\_\_\_\_ bonds and remarketing agents for bonds, and all other items which, by sound accounting practices, constitute normal, reasonable and current costs of operation and maintenance, but excluding any allowance for depreciation, extraordinary repairs and payments into \_\_\_\_\_ the Revenue Bond Debt Service Account and Reserve Account (collectively, "Operating Expenses"). There shall at all times be maintained in the Operation and Maintenance Account, a reserve in an amount sufficient to cover the operation and maintenance costs of \_\_\_\_\_ the Water Utility for the ensuing fifteen (15) day period, which reserve shall be included in the calculation and definition of "Operating

Expenses” and neither said reserve nor any annual addition thereto shall constitute “Net Revenues”. The balance of gross revenues and earnings from time to time remaining in the Operation and Maintenance Account, including interest or other earnings received from the investment of any money in the Water Utility Enterprise Fund, after paying or providing for Operating Expenses, are referred to in this General Resolution as, “Net Revenues”.

Section 5.3. Revenue Bond Debt Service Account.

There was created by the Prior Resolutions and is hereby maintained a Revenue Bond Debt Service Account (the “Revenue Bond Debt Service Account”) as a separate and special bookkeeping account on the official books of the City within the Water Utility Enterprise Fund. Separate subaccounts shall be created in the Revenue Bond Debt Service Account to track the debt service payment of every series of Bonds, including the Series 2023A Bonds, the Outstanding Parity Notes, and future Additional Parity Bonds. The City shall deposit to the applicable subaccount of the Revenue Bond Debt Service Account money sufficient to pay any interest accrued thereon to the Delivery Date of the applicable Bonds. Monthly there shall be set aside and credited to the Revenue Bond Debt Service Account out of the Net Revenues an amount equal to not less than the sum of one-sixth of the interest due within the next six months plus one-twelfth of the principal amount to become due within the next six months with respect to the Bonds and all outstanding Parity Bonds payable from the applicable subaccount of the Revenue Bond Debt Service Account (or such other increments of principal and interest as required by a Supplemental Resolution authorizing issuance of Additional Parity Bonds); provided that the City shall be entitled to reduce a monthly credit by the amount of any surplus previously credited and then on hand in the Revenue Bond Debt Service Account and Construction Account.

Section 5.4. Reserve Account.

There was created by the Prior Resolutions and is hereby maintained a Reserve Account (the “Reserve Account”) as a separate and special bookkeeping account on the official books of the City within the Water Utility Enterprise Fund. The 2010 Notes, the 2014 Note and the 2016 Note, when issued, were secured by amounts held in separate subaccounts in the Reserve Account. PFA, as the holder of the 2010 Notes, the 2014 Note and the 2016 Note has consented in writing through amendments to the applicable Prior PFA Loan Agreements to the release of the amounts previously held in the Reserve Account for each of the 2010 Notes, the 2014 Note and the 2016 Note and the City and SPRWS shall use such released funds as approved by Bond Counsel to the redemption of the Series 2013A Bonds and the funding of a portion of the cost of the WTP Modernization Project. As of the date of issuance of the Series 2023A Bonds, there shall not be a balance in the Reserve Account.

As required by the City, Additional Parity Bonds issued in the future may be (but are not required to be) secured by a deposit to the Reserve Account to be used only when and if money in the Revenue Bond Debt Service Account or other money available therefor is insufficient to pay principal, premium, if any, and interest on the Additional Parity Bonds payable from the Revenue Bond Debt Service Account and secured by the Reserve Account. Provided, however, that the money in the Reserve Account may be used to prepay said bonds and notes to be secured by such deposits as set forth in a Supplemental Resolution, when such prepayment will retire all of the bonds and notes of a series then outstanding. Such amounts deposited in the Reserve Account will be from the retained earnings of the Water Utility so that the amount therein is equal to the applicable Reserve Requirement. Whenever the money in the Reserve Account exceeds the amount required to be maintained in the Reserve Account for a particular series of Bonds as set forth in a Supplemental Resolution, such excess may be transferred to the applicable subaccounts of the Revenue Bond Debt Service Account for such Additional Parity Bonds whenever the money in the Reserve Account shall be less than said amount, the Reserve Account shall be restored to said amount from the next available Net Revenues. If the City determines in the future to secure the repayment of a specific series of future Additional Parity Bonds by depositing funds into the Reserve Account, then a Supplemental Resolution shall provide additional details for the operation of the Reserve Account as such applies to a specific series of future Additional Parity Bonds.

Section 5.5. Construction Account

(a) There was created by the Prior Resolutions and is hereby maintained a Construction Account (the "Construction Account") as a separate and special bookkeeping account on the official books of the City within the Water Utility Enterprise Fund. Separate subaccounts shall be created in the Construction Account to track the proceeds of every series of Bonds, including the Series 2023A Bonds. The Construction Account shall apply to future Additional Parity Bonds as set forth in a Supplemental Resolution. The Construction Account shall be used only to pay as incurred and allowed costs which under accepted accounting practice are capital costs of a Project such as the WTP Modernization Project and of such future reconstructions, improvements, betterments or extensions of the System as may be authorized in accordance with law, including but not limited to payments due for work and materials performed and delivered under construction contracts, architectural, engineering, inspection, supervision, fiscal and legal expenses, the cost of lands and easements, reimbursement of any advances made from other City funds, and all other expenses incurred in connection with the acquisition, construction and financing of any such undertaking. To the Construction Account shall be credited as received all proceeds of Additional Parity Bonds issued pursuant to a Supplemental Resolution to this General Resolution (except proceeds of refunding Bonds appropriated to the payment of outstanding Bonds and amounts required to be credited to the Revenue Bond Debt Service Account), all other funds appropriated by the City for the System and any other funds appropriated by the City to the Construction Account for improvements to the System, and all income received from the investment of the Construction Account. Upon completion of a capital improvement or program of capital improvements for the System, as determined by a City Official, the balance remaining in the applicable subaccount of the Construction Account shall be transferred to the applicable subaccount of the Revenue Bond Debt Service Account.

(b) A "Series 2023A Construction Subaccount" shall be created, to which all proceeds, received from the sale of the Series 2023A Bonds, and except to the extent that such amounts are used for reimbursement or for direct payment of costs along with paying the costs of issuing the Series 2023A Bonds, including all costs enumerated in Section 475.65 of the Act, as shall be credited. From the Series 2023A Construction Subaccount there shall be paid a portion of the costs and expenses of the WTP Modernization Project, including the cost of any construction or other contracts heretofore let. Money in the Series 2023A Construction Subaccount shall be used for no other purpose except as provided herein; provided that the proceeds of the Series 2023A Bonds. Upon completion of the WTP Modernization Project, and the payment of the costs thereof, at the direction of a City Official and SPRWS Official, any remaining surplus will be transferred to the subaccount in the Revenue Bond Debt Service Account for the Series 2023A Bonds or used for any other purpose for which the City receives a an opinion of Bond Counsel that such use will not adversely affect the tax-exempt status of the Series 2023A Bonds.

(c) A "Transferred Reserves Construction Subaccount" shall be created, to which the portion of the transferred reserves not used for the redemption and prepayment of the Series 2013A Bonds are to be deposited and used for reimbursement or for direct payment of costs and expenses of the WTP Modernization Project, including the cost of any construction or other contracts heretofore let and all other costs incurred. Money in the Transferred Reserves Construction Subaccount shall be used for no other purpose and shall be used before proceeds of the Series 2023A Bonds.

**Article VI**  
**PRIORITIES AND ADDITIONAL PARITY BONDS**

Section 6.1. Priority of Bond Payments

Each and all of the Bonds herein authorized (including the Series 2023A Bonds and the Outstanding

Parity Notes) shall be equally and ratably secured without preference or priority of any one Bond over any other by reason of serial number or otherwise; provided that if at any time the Net Revenues on hand in the Water Utility Enterprise Fund are insufficient to pay principal and interest then due on all such Bonds, any and all moneys then on hand shall be first used to pay the interest accrued on all outstanding Bonds, and the balance shall be applied toward payment of the maturing principal of such Bonds to be paid first, and pro rata in payment of Bonds maturing on the same date.

Section 6.2. Refunding Revenue Bonds

The City reserves the right and privilege of refunding any or all of the Bonds herein authorized and referred to, but only subject to the following terms and conditions:

- (a) Any matured Bonds may be refunded if moneys available for the payment thereof at maturity, within the limitation prescribed in Section 6.1 hereof, should at any time be insufficient to make such payment in full.
- (b) Any Bonds may be refunded prior to maturity as and when they become prepayable according to their terms.
- (c) Provision may be made for the payment and refunding of any unmatured Bonds by the deposit with a duly qualified depository bank, as escrow agent, of cash sufficient, or of securities of the kinds authorized by law, the payments of interest on and principal of which are sufficient, to pay the principal amount of such Bonds with interest to maturity or to any prior date or dates on which such Bonds are subject to redemption and provision for the redemption thereof has been irrevocably provided for, and any premium required for such redemption.
- (d) Any refunding revenue bonds issued for the above purposes may be made payable from the Net Revenues on a parity as to interest with all then outstanding Bonds, provided that no Bondholder shall be required to accept a refunding revenue bond in exchange for any Bond owned by him.

Section 6.3. Other Additional Parity Bonds

In addition to the issuance of the Series 2023A Bonds which are being issued in compliance with the requirements of the Prior Resolutions and prior Project Loan Agreements for the Outstanding Parity Notes and the consent of the PFA, the City reserves the right to issue Additional Parity Bonds payable from the Revenue Bond Debt Service Account of the Water Utility Enterprise Fund, on a parity as to both principal and interest with the Outstanding Parity Bonds, if (i) the annual Net Revenues of the System for each of the two (2) completed fiscal years immediately preceding the issuance of such Additional Parity Bonds were equal to or greater than one and one-half (1.5) times the maximum amount of principal and interest coming due thereafter (such amount shall not include the amount of principal scheduled to be repaid from a scheduled application of an amount on deposit in any debt service reserve fund) on all Outstanding Parity Bonds (including the proposed Additional Parity Bonds) payable from and having a parity of lien upon the Net Revenues that is equal to the Outstanding Parity Bonds, including the Additional Parity Bonds so to be issued; or (ii) if the annual Net Revenues in either or both of the aforesaid two (2) completed fiscal years shall be insufficient to meet the test set forth in (i) above, then any reasonably projected increase in Net Revenues for the next two (2) fiscal years following the fiscal year in which the project/facilities financed by the proposed Additional Parity Bonds are placed in service are projected to be equal to or greater than one and one-half (1.5) times the maximum amount of principal and interest coming due thereafter (such amount shall not include the amount of principal scheduled to be repaid from a scheduled application of an amount on deposit in any debt service reserve fund) on all outstanding revenue obligations (including the proposed Additional Parity Bonds) payable from and having a parity of lien upon the Net Revenues that is equal to the Additional Parity Bond in applying the foregoing test. For the purposes of these additional debt test provisions set forth in this Section 6.3, Outstanding or proposed Subordinate Obligations with a lien on the Net

Revenues subordinate to the lien of the Outstanding Parity Bonds, shall not be taken into account for any calculation. The statement or projection for the issuance of additional parity obligations shall be shown by a certificate issued by the Director, Saint Paul Regional Water Services or the Director, Office of Financial Services or by an independent consulting engineering firm knowledgeable in such matters and shall be a finding of and recited in the resolution of the City. In no event shall any Additional Parity Bonds be issued and made payable from the Revenue Bond Debt Service Account if the City is then in default in any payment of principal of or interest on any outstanding Bonds payable therefrom, or if there then exists any deficiency in the balances required by this General Resolution to be maintained in any of the accounts of the Water Utility Enterprise Fund which will not be restored upon the issuance of the Additional Parity Bonds. There shall not be a requirement to fund the Reserve Account for any Additional Parity Bonds unless the Supplemental Resolution providing for the issuance of such Additional Parity Bonds requires the funding of any amount into the Reserve Account to secure such Additional Parity Bonds.

All such Additional Parity Bonds shall have a December 1 maturity or maturities and shall have semiannual interest payments on June 1 and December 1 in each year unless determined otherwise in a Supplemental Resolution; provided that interest payments may be more frequent than semiannually or on dates other than June 1 and December 1 if such interest is paid in full only if at the time of payment the interest deposits into the Revenue Bond Debt Service Account for interest payments on June 1 or December 1, as appropriate, on other bonds are current, and any insufficiency of interest on all parity bonds is allocated proportionately in each six-month period ending June 1 or December 1, as appropriate.

The proceeds of such Additional Parity Bonds shall be used only for the purpose of (1) making improvements, additions, extensions, renewals or replacements to the Water Utility, and capitalizing interest or establishing reserves and paying the costs of such financing, or (2) refunding Parity Bonds.

Section 6.4. Subordinate Obligations

Nothing in this General Resolution shall preclude the City from issuing bonds, notes or other obligations which are expressly subordinate and junior to the pledge of Net Revenues to the Revenue Bond Debt Service Account for the Parity Bonds ("Subordinate Obligations"). The specifics of any Subordinate Obligations shall be provided for in the Supplemental Resolution authorizing their issuance.

**Article VII  
COVENANTS**

Section 7.1. General

For the protection of the Holders of the Bonds herein authorized, the City herein covenants and agrees to and with the holders thereof from time to time as follows:

(a) It will at all times maintain or cause SPRWS to adequately maintain and efficiently operate the System. It will from time to time make all needful and proper repairs, replacements, additions and betterments to the equipment and facilities of the System so that it may at all times be operated properly and advantageously, and whenever any equipment of the System shall have been damaged, destroyed or otherwise become insufficient for proper use, it shall be promptly replaced or repaired so that the value and efficiency of the System shall be at all times fully maintained and its gross revenues unencumbered by reason thereof.

(b) SPRWS shall cause the rates and the charges for all water service supplied by the System to the City and its residents and to all other consumers to be reasonable and just, taking into account the cost and value of the System, the proper and necessary allowances for depreciation, the amounts required for the payment of principal and interest on all indebtedness payable from the Net Revenues of the System, the need for future expansion of or improvements to the System, the amounts properly reimbursable to the City for current or past payments from funds or accounts of the

City for System purposes, and all other sums customarily paid from the gross revenues of the System.

(c) The City will or will cause SPRWS to, as required by the SPRWS Law and the City's Home Rule Charter (and it will continue to do so whether or not required by said Charter), establish, maintain and collect such charges and rates as will produce Net Revenues sufficient to pay the interest and premium, if any, on and principal of all Bonds herein authorized as and when they become due and to pay the reasonable cost of operation, repair and maintenance of the System and to provide sufficient money to make the required appropriations to the various funds and accounts established herein. The City will review or cause SPRWS to review the schedule of rates and charges for the System at least annually. Nothing in this Section 7.1 shall be construed to limit the discretion of the City or SPRWS, as appropriate, to enter into, or later modify, amend or terminate, contracts for the furnishing of water services.

(d) The City or SPRWS, as appropriate, may sell, lease, mortgage, transfer, convey, assign or dispose of a portion of the System or property of any nature relating thereto if such transaction will not materially adversely impair (1) the adequacy of the Net Revenues generated by the System to pay debt service on the Bonds and all operating and maintenance expenses, or (2) the operating efficiency of the System. Further, the City may sell or dispose of, at fair market value, any real estate, equipment or other non-revenue-producing properties which in the judgment of the City have become unnecessary, uneconomical or inexpedient to use in connection with the System. The proceeds of any sale, transfer or disposition of System property (all of which are Net Revenues under this General Resolution) shall be deposited or applied as provided in Section 5.1.

(e) As required by the City's Home Rule Charter, the City shall cause SPRWS to keep proper books, records and accounts adapted to the System separate from other accounts of the City. While the Parity Bonds are outstanding, either (i) the City and SPRWS shall cause a separate audit to be prepared for the operations of SPRWS, or (ii) the City's comprehensive annual financial report shall include the Water Utility Enterprise Fund and the accounts therein. The expense of preparing such annually audited financial statements shall be paid as current Operating Expenses of the System.

(f) The City shall, or the City shall cause SPRWS to, faithfully and punctually perform all duties with reference to the System required by the City's Home Rule Charter, the SPRWS Law or the Constitution and laws of the State and this General Resolution.

(g) The City shall comply with the covenants set forth in Articles 2, 3, 4, 5, 7 and Exhibit B of each of the Prior PFA Loan Agreements for the Outstanding Parity Notes while the Outstanding Parity Notes are outstanding.

## Section 7.2. No Competing Service

. The City shall not grant any franchise to any other water utility, unless:

(a) the City enacts an ordinance granting to the owner and operator of such other water utility a franchise for such ownership and operation and for use of public streets and rights of way, and such ordinance imposes upon such owner or operator a franchise fee and provides that the franchise fee shall be deemed part of the "Net Revenues" hereunder and requires that such franchise fees be deposited, upon

receipt, in the Operation and Maintenance Account; and

(b) the existence and operation of such other water utility will not materially impair the ability of the City to generate sufficient Revenues to pay debt service on all Bonds outstanding under this General Resolution, as supplemented, and to pay all “current expenses” of the System.

Section 7.3. Maintenance of Security; Recordation of Interest

(a) While the Parity Bonds are outstanding, the City shall, at its expense, take all necessary action to maintain and preserve the lien and security interest of this General Resolution and the Collateral Documents so long as any amount is owing under this General Resolution;

(b) While the Parity Bonds are outstanding, the City shall forthwith, after the execution and delivery of the Parity Bonds and thereafter from time to time, cause this General Resolution and any Collateral Documents granting a security interest in Net Revenues or real or personal property and any financing statements or other notices or documents relating thereto to be filed, registered and recorded in such manner and in such places as may be required by law in order to perfect and protect fully the lien and security interest hereof and thereof and the security interest in them granted by this General Resolution and, from time to time, shall perform or cause to be performed any other act required by law, including executing or causing to be executed any and all required continuation statements and shall execute or cause to be executed any further instruments that may be requested for such perfection and protection; and

(c) Except to the extent it is exempt therefrom, while the Parity Bonds are outstanding, the City shall pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgement of the documents described in subparagraph (b) above, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Bonds and the Collateral Documents and the documents described in subparagraph (b) above.

Section 7.4. Property Insurance

. The City will insure or cause SPRWS to insure all buildings, properties, fixtures and equipment constituting a part of the System to be kept insured with a reputable insurance carrier or carriers or self-insurance as authorized by State law, qualified under the laws of the State. All such insurance or self-insurance shall be maintained in such amounts as are ordinarily carried, and against loss or damage by fire, explosion, and such other hazards and risks as are ordinarily insured against, by public utilities owning and operating properties of a similar character and size. Provided that if at any time the City is unable to

obtain insurance, it will obtain insurance in such amounts, and with such deductible provisions, as are customary in the State in the case of entities of the same size and type as the City and similarly situated and shall carry and maintain, or cause to be carried and maintained, and pay or cause to be paid timely the premiums for all such insurance. The proceeds of any insurance proceeds shall be available for the repair, replacement or reconstruction of damaged or destroyed property, subject to deductibles, and until paid out in making good such loss or damage, are pledged as security for the outstanding Bonds issued hereunder. All insurance proceeds received in excess of the amount required for restoration of the loss or damage compensated thereby shall be and become part of the revenues appropriated to the Water Utility Enterprise Fund.

#### Section 7.5. Liability Insurance and Surety Bonds

. The City will carry or shall cause SPRWS to carry insurance against liability of the City or SPRWS and their employees for damage to persons and property resulting from the operation of the System in such amounts as necessary or advisable by reason of the character and extent of such operation. It will also cause all persons handling money and other assets of the Water Utility Enterprise Fund to be adequately bonded for the faithful performance of their duties and to account for and pay over such money to the City. All amounts received under such insurance and bonds shall be applied to the payment of the loss or damage covered thereby. The premiums for all insurance and bonds required by this Section constitute part of the Operating Expenses of the System, but no insurance liabilities of the City in excess of amounts received under such insurance and bonds shall constitute a lien or charge on revenues or any other assets herein or otherwise pledged to the Water Utility Enterprise Fund.

#### Section 7.6. Disposition of System Property

. The City will not mortgage, lease, sell or otherwise encumber or dispose of any real or personal properties necessary for the operation of the System, unless:

- (a) Prior to or simultaneous with such mortgage, lease, sale or other disposition, all of the Bonds issued hereunder (including any Additional Parity Bonds and Subordinate Obligations) and then outstanding shall be discharged as provided in Article X; or
- (b) The properties to be mortgaged, leased, sold or otherwise encumbered or disposed of are unserviceable, inadequate, obsolete or no longer required for use in connection with the System; and
  - (i) The mortgage, lease, sale or other encumbrance or disposition will not prevent the City from complying with the provisions of this General Resolution; and
  - (ii) all proceeds of the mortgage, lease, sale or other encumbrance or disposition of such properties are deposited into the Water Utility Enterprise Fund.

#### Section 7.7. Books and Records

. The City and SPRWS will cause proper and adequate books of record and account to be kept showing complete and correct entries of all receipts, disbursements and other transactions relating to the System, the monthly gross revenues derived from its operation, and the segregation and application of

the Gross Revenues in accordance with this General Resolution, in such reasonable detail as may be determined by the City in accordance with generally accepted accounting practice and principles. It will cause such books to be maintained on the basis of the same fiscal year as that utilized by the City.

Section 7.8. Cost of Insurance and Accounting

. The insurance and fidelity bond premiums and the cost of the bookkeeping and audits herein provided for and of the billings and collection of the water rates, charges and rentals shall be payable from the Operations and Maintenance Account.

Section 7.9. Handling of Funds

. The employees of SPRWS or the City as applicable, shall comply with the requirements of the SPRWS Law and the City's Home Rule Charter and shall keep books of account, issue statements and collect bills for the rates, charges and rental for the services and facilities provided by the System and for other money currently receivable on account thereof and shall, to the extent required by Section 7.7, provide for the discontinuance of service in case of nonpayment for services or noncompliance with regulations, or take appropriate measures to collect amounts overdue.

Section 7.10. Rules and Regulations

. The rules and regulations for operation of the System and the use of water service from the System shall be as provided in the existing resolutions and ordinances of the City, and any resolutions and ordinances subsequently adopted amendatory thereof or supplemental thereto.

Section 7.11. Billing

. The charges for water services shall be billed as deemed appropriate by the City and/or SPRWS in compliance with the requirements of the SPRWS Law and the City's Home Rule Charter. The City shall, or shall cause SPRWS to, take all lawful measures available to collect the past due amounts, including, but without limitation, discontinuing water service to the premises involved until payment of all past-due bills for water service and compliance with all such rules and regulations, appropriate legal action, requiring reasonable payment and collection plans, and other reasonable and fiscally responsible measures. The City or SPRWS, as appropriate, shall take appropriate legal action to collect the unpaid charges, including, to the extent now or hereafter authorized by law, making the charge a lien against the real property served by the water connection for which the charge remains unpaid and causing charges with respect to such properties to be collected in the same manner as taxes levied against property within the City.

Notwithstanding anything contained within this Section 7.11, the City and SPRWS shall do all things reasonably necessary to comply with the covenants and provisions of Section 7.13 hereof.

Section 7.12. Remedies

. The Registered Owners of not less than a majority in aggregate principal amount of the outstanding Bonds issued and secured under the provisions of this General Resolution shall have the right, either at law or in equity, through suit, action or other proceedings, to protect and enforce the rights of all Registered Owners of such Bonds and to compel the performance of any and all of the covenants required herein to be performed by the City and SPRWS, and their respective officers and employees, including but not limited to the fixing and maintaining of rates, fees, and charges and the collection and proper segregation of gross revenues and the application and use thereof. The Registered Owners of a majority in aggregate principal amount of such outstanding Bonds shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Bondholders or the exercise of any power conferred on them and the right to waive a default on the performance of any such covenant, and its consequences, except a default in the payment of the principal of or interest on any Bond when due. Nothing herein, however, shall impair the absolute and unconditional right of the Registered Owner of each such Bond to receive payment of the

principal of, premium, if any, and interest on such Bond as such principal, premium and interest respectively become due, and to institute suit for any such payment. Any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the City or SPRWS with power to charge and collect rates, fees and charges sufficient to provide for the payment of any Bonds or obligations outstanding against the System, and to apply the gross revenues in conformity with this General Resolution and the laws of the State.

Section 7.13. Rate Covenant

. While any Parity Bonds payable from the Revenue Bond Debt Service Account are outstanding and unpaid, the rates, charges and rentals for all services and facilities furnished and made available by the System to the City and its inhabitants, and to all customers of SPRWS within or without the boundaries of the City, shall be reasonable and just, taking into consideration the cost and value of the System and the cost of maintaining and operating them, and the amounts necessary for the payment of all Bonds and the interest accruing thereon, and the proper and necessary allowances for the depreciation of the System, and no free service shall be provided to any person or corporation. It is covenanted and agreed that the rates, charges and rentals to be charged to all recipients of water services provided by the System shall be maintained and shall be revised, subject to any required approval by the Public Service Commission of the State, whenever and as often as may be necessary, according to schedules such that the revenues for each fiscal year will be at least sufficient to pay the Operating Expenses and, to produce Net Revenues during each fiscal year commencing with the fiscal year ending December 31, 2023, of not less than 110% of the maximum amount of principal and interest payable from the Revenue Bond Debt Service Account in any future fiscal year during the remaining terms of the Outstanding Parity Bonds.

If at the close of any fiscal year the Net Revenues actually received during such year have been less than the amounts required hereby, the City will forthwith prepare a schedule of altered rates, charges and rentals which are just and equitable and sufficient to produce Net Revenues and surplus net water revenues in such amount, and will do all things necessary to the end that such schedule will be placed in operation at the earliest possible date.

The establishment of the above ratio of Net Revenues available for the Revenue Bond Debt Service Account has been deemed necessary in order to sell the Bonds upon terms most advantageous to the City. The excess of the Net Revenues over the annual principal and interest and reserve requirements of the Bonds may be used as authorized in Article V of this General Resolution. The Bonds may be prepaid according to their terms, and in the estimation of the City Council, any excess prior such date(s) of Net Revenues over principal and interest payments actually due will be needed to pay or to provide reserves for payment of replacements, renewals and improvement costs, in order to provide adequate service for the present population and the increase thereof reasonably to be expected; and after that date, any excess not required for such purposes in the sole judgment of the City Council in coordination with the Board may be used to prepay Bonds and thereby reduce the interest cost thereon to the City and to the persons served by the System.

Section 7.14. Maintenance of Existence, Merger, Consolidation, Etc.; Disposition of Assets

. The City shall maintain its corporate existence, except that it may consolidate with or merge into another Governmental Unit or permit one or more Governmental Units to consolidate with or merge into it or may transfer all or substantially all of its assets to another Governmental Unit and then dissolve if the surviving, resulting or transferee entity (if other than the City) (i) is a Public Entity and (ii) assumes in writing all of the obligations of the City under this General Resolution, any Supplemental Resolution, the Bonds and the Collateral Documents, and such action does not result in any default in the performance or observance of any of the terms, covenants or agreements of the City under this General Resolution, any Supplemental Resolution, the Bonds and the Collateral Documents, and such action does not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Other than pursuant to the preceding paragraph and the provisions of Section 7.6, the City shall not

transfer the System or any portion thereof to any other Person, except for property which is obsolete, outmoded, worn out, is being replaced or otherwise is not needed for the operation of the System, unless the provisions of (i) and (ii) of the preceding paragraph are satisfied.

**Article VIII**  
**INVESTMENTS; ARBITRAGE CERTIFICATION AND COVENANTS**

All investment of moneys on deposit in the Revenue Bond Debt Service Account, the Construction Account, the Reserve Account, if any, and any other funds and accounts established under the terms of this General Resolution or any Supplemental Resolution shall be made only in obligations, securities or instruments may be invested by the City in any investment then permitted by Minnesota law (at the time of adoption of this General Resolution, Minnesota Statutes, Chapter 118A); and, to the extent applicable, by federal law. Amounts held for the credit of each account or subaccount shall be invested to mature at such time or times as may be necessary to assure that the funds so invested will be available for the purposes of such account, when needed; provided that amounts held for the credit of the Reserve Account and attributable to the Reserve Requirements for a series of Bonds, such amounts may be invested at the discretion of the Treasurer of the City for a term not exceeding the term of such series of Bonds.

The City covenants that it will not use or permit the use of the proceeds of the Bonds or any other funds of the City from whatever source derived, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any of the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Sections 103 and 148 of the Code, or would otherwise cause the interest on the Tax-Exempt Bonds to be includible in gross income for federal income tax purposes.

The City covenants and agrees that it shall at all times do and perform all acts and things permitted by law which are necessary and desirable in order to assure that interest paid by the City on the Tax-Exempt Bonds shall, for the purposes of federal income taxation, be excludable from the gross income under the Code or any other valid provision of law, and the City will make specific covenants in connection therewith.

The City further covenants that it shall comply with all arbitrage rebate provisions of the Code in the event that the City shall become, or causes itself to become, subject to such rebate provisions. The City Officials, being the officers of the City charged with the responsibility for issuing the Tax-Exempt Bonds pursuant to this General Resolution as supplemented in the future by a Supplemental Resolution, are authorized and directed to execute and deliver to Bond Counsel a tax certificate, arbitrage certificate or comparable certification pursuant to the Code stating, in effect, their reasonable expectations with respect to the matters set forth in this section and the use of the proceeds of such Tax-Exempt Bonds.

In particular, but without limitation, the City further represents, warrants and covenants to comply with the following restrictions of the Code, unless it receives an Opinion of Bond Counsel stating that such compliance is not necessary:

- (a) Gross proceeds of any Tax-Exempt Bonds will not be used in a manner which will cause the Tax-Exempt Bonds to be considered "private activity bonds" within the meaning of the Code other than private activity bonds that constitute "qualified 501(c)(3) bonds" with the meaning of the Code.
- (b) Any Tax-Exempt Bonds are not and shall not become directly or indirectly "federally guaranteed."
- (c) No portion of the proceeds of any Tax-Exempt Bonds will be loaned directly or indirectly to any nongovernmental person.
- (d) The City shall timely file Internal Revenue Form 8038-G which shall contain the information required to be filed pursuant to Section 149(e) of the Code.

**Article IX**

## AMENDMENTS

### Section 9.1. Amendments Without Bondholder Consent

. The City reserves the right to amend this General Resolution from time to time and at any time, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein, or of making such provisions with regard to matters or questions arising hereunder as the City Council may deem necessary or desirable and not inconsistent with this General Resolution, and which shall not adversely affect the interest of the Registered Owners of Bonds issued hereunder, or for the purpose of adding to the covenants and agreements herein contained, or to the Net Revenues herein pledged, other covenants and agreements thereafter appropriated to the Water Utility Enterprise Fund, for the purpose of surrendering any right or power herein reserved to or conferred upon the City or for the purpose of authorizing the issuance of Additional Parity Bonds in the manner and subject to the terms and conditions prescribed in Article VI. Any such amendment may be adopted by resolution, without the consent of the Registered Owners of any of the Bonds issued hereunder.

### Section 9.2. Amendments With Bondholder Consent

(a) With the consent of a majority in principal amount of the outstanding Bonds, the City may from time to time and at any time amend this General Resolution by adding any provisions hereto or changing in any manner or eliminating any of the provisions hereof, or of any amending resolution or resolution.

(b) Provided, however, that no amendment shall be adopted at any time without the consent of the Registered Owners of seventy-five percent (75%) of principal amount of the Bonds issued hereunder which are then outstanding, if it would extend the maturities of any such Bonds, would reduce the rate or extend the time of payment of interest thereon, would reduce the amount or extend the time of payment of the principal or redemption premium thereof, would give to any Bond or Bonds any privileges over any other Bond or Bonds, would authorize the creation of a pledge of said revenues prior to or on a parity with the Bonds (except as is authorized by Article 6 hereof), or would reduce the percentage in principal amount of such Bonds required to authorize or consent to any such amendment.

### Section 9.3. Notice and Consent

. Any amendment adopted pursuant to Section 9.2 shall be made by resolution, mailed by first-class mail, postage prepaid, to the Registered Owners affected thereby at their addresses appearing in the Bond registration books of the City maintained by the Registrar and to the original purchasers or purchasers of each series of Bonds then outstanding and affected thereby. An amendment under Section 9.2(a) shall become effective only upon the filing of written consents with the City Treasurer, signed by the Bondholders (or their authorized representatives) of not less than a majority in principal amount of the Outstanding Bonds. An amendment under Section 9.2(b) shall become effective upon the filing of written consents with the City Treasurer signed by the requisite percentage of the Holders. Written consent to an amendment may be embodied in and evidenced by one or any number of concurrent written instruments of substantially similar tenor signed by Bondholders in person or by agent duly appointed in writing, and shall become effective when delivered to the City Treasurer. Any consent by the Bondholder of any Bond shall bind him and every future Holder of the same Bond with respect to any amendment adopted by the City pursuant to such consent; provided that any Bondholder may revoke his consent with reference to any Bond by written notice received by the City Treasurer before but not after an amendment has become effective. In the event that unrevoked consents of the Holders of the required amount of Bonds have not been received by the City Treasurer within one year after the publication of any amendment, the amendment and all consents theretofore received shall be of no further force and effect.

Section 9.4. Consent, Etc. of Bondholders

. Any consent, request, direction, approval, objection or other instrument required by this General Resolution to be signed and executed by Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this General Resolution, and shall be conclusive in favor of the City or the Registrar with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who bylaw has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution, or by such other manner as the City deems sufficient.

(b) The fact of the holding by any person of Bonds, and the amounts and numbers of such Bonds, and the date of the holding of the same shall be proved by the Registrar.

**Article X  
DEFEASANCE**

Section 10.1. General

. When all of the principal of, the interest on and any premium due in connection with the redemption of the Bonds have been duly paid, all obligations hereunder shall thereby be discharged and the Bonds shall no longer be deemed to be outstanding.

Section 10.2. Payment

. There shall be deemed to be such due payment when the City has, subject to the provisions of law now or hereafter authorizing and regulating such action, placed in escrow or in trust, with a trust bank located within or without the State as authorized under the Act, Governmental Obligations in an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount may wholly or in part be invested) to pay all principal of, interest on and any premium due on the Bonds at maturity or upon any redemption date or dates as of which the City shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of Bonds for payment then. Federal Securities shall become due prior to the respective times at which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the owner thereof to assure such availability as so needed to meet such schedule.

**Article XI  
RIGHTS AND IMMUNITIES**

Except as herein otherwise expressly provided, nothing herein expressed or implied is intended or shall be construed to confer upon or to give any person, other than the City and the Registered Owners from time to time of the Bonds, any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the City shall be for the sole and exclusive benefit of the City and the Registered Owners of the Bonds.

No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or otherwise upon this General Resolution, or any other instrument pertaining hereto, against any individual member of the City Council or any officer or other agent of the City, past, present or future, either directly or indirectly through the City, or otherwise, whether by virtue of any constitution, statute, or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of

the Bonds and as a part of the consideration of their issuance specifically waived and released.

**Article XII  
AUTHORIZED ACTS**

The City Officials (or duly authorized “acting officers”) are hereby authorized and directed to enter into such agreements and take all action necessary or appropriate to effect the provisions of this General Resolution without further action of this City Council, and comply with the requirements of law, including, without limiting the generality of the foregoing:

- (a) The printing of the Bonds herein authorized; and
- (b) The execution of any documents and certificates as may be reasonably required by PFA, as holder of the Outstanding Parity Notes, and Bond Counsel; and
- (c) The payment of the interest on the Bonds as the same shall become due and the principal of and any premium on the Bonds at maturity or upon prior redemption, without further warrant or order; and
- (d) The preparation and distribution of certified copies of all proceedings and records of the City relating to the Bonds and to the organization, financial condition and affairs of the City, and such affidavits and other information as may be required to show the facts relating to the legality and marketability of the Bonds as the same appear from the books and records under their custody and control or as otherwise known to them; and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall constitute representations of the City as to the truth of the facts purported to be shown thereby.

**Article XIII**

**RATIFICATION OF ACTIONS; LIMITATIONS MET; APPLICABILITY; REPEALS;**

**RECORDATION AND EFFECTIVE DATE**

Section 13.1. Ratification

. All actions heretofore taken by the City, SPRWS, and their respective officers thereof not inconsistent with this General Resolution with respect to authorizing and financing the WTP Modernization Project, including the authorization, issuance and delivery of the Series 2023A Bonds are hereby ratified, approved and confirmed.

Section 13.2. Statutory Limitations Met

. The City Council hereby determines that the provisions and limitations of the Act, and any other applicable law imposed on the issuance of the Bonds, including the SPRWS Law and the City’s Home Rule Charter, have been met. The City Council also hereby finds and determines that, based on the information available to the City Council on the date of this General Resolution, the estimated Net Revenues of the System are anticipated to be sufficient to meet the debt service requirements of the Bonds over their term and also satisfy the requirements of Section 6.3 of this General Resolution to issue the Series 2023A Bonds as Additional Parity Bonds.

Section 13.3. Repealer of Measures

. All ordinances, resolutions, acts, orders, proceedings, or parts thereof, of the City and the City Council

that are in any way inconsistent with the terms and provisions of this General Resolution are hereby repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this General Resolution, except that this repealer shall not be construed so as to revive any ordinances, resolutions, acts, orders, proceedings, or parts thereof repealed.

Section 13.4. Resolution Irrepealable

. This General Resolution is, and shall constitute, a legislative measure of the City, and after the Bonds are issued, sold, and outstanding, this General Resolution shall constitute a contract between the City and the Registered Owners of the Bonds, and shall be and remain irrepealable until the Bonds, all principal and interest, shall have been fully paid satisfied and discharged.

Section 13.5. Severability

. If any paragraph, clause or provision of this General Resolution is judicially adjudged invalid or unenforceable, such judgment shall not affect, impair or invalidate the remaining paragraphs, clauses or provisions hereof, the intention being that the various paragraphs, clauses or provisions hereof are severable.

Section 13.6. Recording and Authentication; Effective Date

. This General Resolution, immediately upon its passage. This General Resolution shall be in full force and effect from and after its final passage and approval.

Section 13.7. Headings.

Headings in this General Resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

Section 13.8. Electronic Signature.

The City may execute documents, certificates, and instruments relating to the issuance of the Series 2023A Bonds or any Additional Parity Bonds by electronic signature. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message; or (iii) a digital signature of an authorized representative of any party provided by AdobeSign or DocuSign (or such other digital signature provider as specified by such party).