



Waukesha Water Utility

SERVING WAUKESHA SINCE 1886

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MEMORANDUM

DATE: March 12, 2021

TO: Dan Duchniak, General Manager

FROM: Joe Ciurro, Administrative Services Manager

RE: 2021 General Obligation Refunding Bonds

The City of Waukesha issued \$17,400,000 in Note Anticipation Notes (NANs) in 2016 and \$9,885,000 in NANs in 2017. Both were used to finance current Great Water Alliance project and routine capital costs on an interim basis.

After past refinancing with WIFIA and WI SRF loans, there is currently \$6,400,000 and \$1,845,000 outstanding from the 2016 and 2017 debt issues, respectively. On May 1, 2021, the 2016 NANs balance is due in full and the 2017 NANs matures on May 1, 2022 but can be called and refinanced at any time with proper notice.

Waukesha Water staff reached out to the City's Finance Department and the City's Underwriter, RW Baird, about a possible refinancing for both issues.

Brad Viegut from RW Baird supplied WWU with preliminary documents that showed the issue of \$8,035,000 of general obligation refunding bonds with estimated average annual interest costs of 1.99%. With the expected premium on this debt issue, WWU will be able to refinance the remaining balances of the 2016 and 2017 NANs.

If approved, the City/WWU will issue a Notice of Redemption to the noteholders of the 2016 NANs and 2017 NANs as of May 1, 2021.

This refinancing was planned in the 2021 Capital and Operating Budget.

Additionally, this item is scheduled to be on the City of Waukesha Common Council agenda for its March 16th meeting. If they approve the borrowing, WWU staff is asking that the Water Commission ratify that approval.

Recommended Motion: Move to approve the issue of general obligation refunding bonds in the amount of \$8,035,000 to refinance the 2016 and 2017 Note Anticipation Notes.