



Waukesha Water Utility

SERVING WAUKESHA SINCE 1886

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MEMORANDUM

DATE: July 13, 2020

TO: Dan Duchniak, General Manager

FROM: Joe Ciurro, Administrative Services Manager

RE: Water Infrastructure Financing and Innovation Act (WIFIA) Loan

In October 2019, the Waukesha Water Utility submitted a loan application seeking low-cost financing through the U.S. Environmental Protection Agency's Water Infrastructure Financing and Innovation Act (WIFIA) to fund the water supply portion of Waukesha's Great Lakes Water project.

After numerous months working with WIFIA program staff, a loan agreement for financing up to \$137,100,000 has been drafted. The loan agreement has been reviewed by the City's bond counsel, Brian Lanser from Quarles & Brady, LLC, and he is comfortable with the agreement. The City has received the necessary consent from the Water Utility's existing lenders for the issuance of this loan.

The loan is projected to have draws this year through 2023. The first principal payment is planned for 2025 and the final maturity would be in 2058.

Please note that the interest rate will not be stated until the loan is officially closed, which is expected by the end of July. The rate will be based the stated rate of the U.S. Treasury Bureau of Public Debt's daily rate table for State and Local Government Series (SLGS) for a similar maturity as the weighted-average life of the WIFIA Loan. As of Monday, July 13, 2020, the associated US SLGS rate would be 1.31%

Staff is requesting that the Water Commission recommend approval to the City Common Council. The Common Council's next meeting is scheduled for July 21, 2020.

Recommended Motion: Move to recommend approval of a Water Infrastructure Financing and Innovation Act (WIFIA) loan in the amount of \$137,100,000 to the City of Waukesha Common Council.