



Waukesha Water Utility

SERVING WAUKESHA SINCE 1886

115 DELAFIELD STREET
WAUKESHA, WI 53188-3615

Telephone: (262) 521-5272 • Fax: (262) 521-5265 • E-mail: contactus@waukesha-water.com

MEMORANDUM

DATE: February 22, 2019

TO: City of Waukesha Finance Committee

FROM: Joe Ciurro, Administrative Services Manager, Waukesha Water Utility

RE: WI Safe Drinking Water Loan Program - 2019

As part of Waukesha Water Utility's (WWU) overall funding plan, WWU staff applied for financing through the State of Wisconsin Safe Drinking Water Loan Program (SDWLP). The application process began in 2018 and the loan is anticipated to be closed in 2019. This application covered the following distribution system improvement projects associated with the City of Waukesha's future transition to Great Lakes Water:

- Les Paul Parkway – Broadway to Sunset
- West Avenue to Mountain Avenue
- Main Street – Barstow to Lombardi
- N Moreland Avenue – Michigan to Summit
- Motor Ave – Fairview to Mountain; Fairview Ave – Motor to Dopp

We are looking for approval of a SDWLP loan in an amount up to \$9,201,816. Of that number, \$4,835,000 relates to the refinancing of the original interim financing source for the above-mentioned Les Paul project, the 2016 Note Anticipation Notes (NANs). This portion of the 2016 NANs are planned to be called on April 1, 2019; the Utility is currently paying a 3% stated interest on the NANs.

The balance of the SDWLP financing is related to the remaining four (4) projects referenced above. Please note that these projects were originally cash financed by the Utility, but the City approved resolutions allowing for the reimbursement of these capital expenditures by a future SDWLP financing.

As noted above, this program is budgeted to advance \$9,201,816 of the project's cost to the Water Utility. The advance must be secured by a bond that is issued by the City of Waukesha and lists the Water Utility as the Obligor. The current interest rate for loans in this program is 1.980%.

WWU staff will also be seeking approval from the Waukesha Water Utility Commission on 2/28/19 and the City Council on 3/19/2019.

Recommended Motion: Review and act on approval of a Resolution Authorizing the Issuance and Sale of Up To \$9,201,816 Waterworks System Revenue Bonds, Series 2019B, and Providing For Other Details and Covenants With Respect Thereto.