



# Waukesha Water Utility

SERVING WAUKESHA SINCE 1886

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## MEMORANDUM

DATE: May 16, 2018

TO: Dan Duchniak, General Manager

FROM: Joe Ciurro, Administrative Services Manager

RE: WI Safe Drinking Water Loan Program

In 2015 and 2016, the Waukesha Water Utility spent \$1,351,896 on Main Street distribution system improvements; from Wisconsin to Barstow. Proceeds from a 2015 General Obligation Refunding Bond (GORB) and a 2016 Note Anticipation Note (NAN) were used to fund this project. The 2015 GORB has since been refinanced, leaving \$675,152 remaining from the 2016 portion of the project.

The State of Wisconsin has listed this project, 7000-02, as eligible for funds from the Safe Drinking Water Loan Program (SDWLP). This program is budgeted to advance \$675,152 of the project's cost to the 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 rate of interest for loans in this program is 1.870%. For comparison, the Utility is currently paying 3% interest on the 2016 NANs.

The financial assistance agreement (FAA) and related resolutions are not yet available, but we anticipate that these documents will be drafted and reviewed in time for the June 19, 2018 City Council meeting.

**Recommended Motion:** Move to recommend approval of a \$675,152 loan from Wisconsin State Drinking Water Loan Program to the Finance Committee and the City Council in order to refinance a portion of the 2016 Note Anticipation Notes.