



# Waukesha Water Utility

SERVING WAUKESHA SINCE 1886

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## MEMORANDUM

DATE: June 24, 2020

TO: Dan Duchniak, General Manager

FROM: Joe Ciurro, Administrative Services Manager

RE: Bond Rating Services – S&P

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 up to \$137.1M is being drafted. To effectively close on the loan, the City/Utility is required to submit bond ratings, specific to the proposed WIFIA loan, from 2-different rating agencies. One of them can be an updated rating from our existing public rating with Standard & Poor's (S&P) and the other must be from a separate firm. The second rating can remain private, for WIFIA loan purposes only.

Our financial advisors, Baker Tilly Municipal Advisors (formerly Springsted, Inc.), has been in contact with S&P for a quote to receive an updated bond rating associated with the issuance of a WIFIA Loan of \$137,100,000.

The quote we received from S&P is \$63,500, but we have applied for a 15% discount, which would bring fees to \$54,000. Approval of the discount is pending at the time of this memo.

**Recommended Motion:** Move to approve bond rating services with Standard & Poor's in the amount up to \$63,500.