



## MEMORANDUM

DATE: May 16, 2019

TO: Dan Duchniak, General Manager

FROM: Joe Ciurro, Administrative Services Manager

RE: EPA's WIFIA Application

The financing for the Great Water Alliance project has and will take several forms throughout the life of the project. Currently, general obligation refunding bonds, note anticipation notes, Safe Drinking Water Loan Program (SDWLP) loans and bond anticipation notes (i.e. "draw-bond") are outstanding in relation to this project.

On July 31, 2018, Waukesha Water Utility filed a Letter of Interest for the Environmental Protection Agency's (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) program to assist with financing the GWA project. On November 1, 2018, the EPA announced that Waukesha Water Utility had been selected to submit an application for credit assistance for up to \$115,976,700. The estimated timeline for the process that begins with a application submittal and ends with a loan closing is as follows:



The deadline for Waukesha Water Utility to apply for this loan is November 1, 2019. If authorized by the Commission, Utility management expects that the application will be submitted in late June or early July. At the point an application is submitted, a \$100,000 non-refundable fee is also due to the U.S. EPA.

As a reminder, the benefits of this program include low interest costs (tied to U.S. Treasury rates), a 35-year loan amortization after substantial completion of the project and flexible payback terms.

**Recommended Motion:** Move to authorize Waukesha Water Utility staff to submit an application for WIFIA financing along with an application fee of \$100,000.