Quality and Reliability since 1882
Madison Water Utility
www.madisonwater.org • 119 East Olin Avenue • Madison, WI 53713-1431 • TEL 608.266.4651 • FAX 608.266.4426

MEMORANDUM

Date:	November 24, 2025
To:	Mayor Satya Rhodes-Conway City of Madison Common Council City of Madison Finance Committee Water Utility Board
From:	Krishna Kumar, General Manager January Vang, Finance and Administration Manager
Subject:	Issuing Water Utility Revenue Refunding Bonds, Series 2026

BACKGROUND

The City of Madison previously issued its $38,420,000 Water Utility Revenue Refunding and Improvement Bonds, Series 2016, dated December 28, 2016 (**2016 Bonds)**, pursuant to a resolution adopted by the Common Council on December 6, 2016. After the scheduled payment on January 1, 2026, the 2016 Bonds will be outstanding in the aggregate principal amount of $18,835,000 with a final maturity date of January 1, 2037. The 2016 Bonds were issued to refund the then outstanding principal amount of the $27,185,000 Water Utility Revenue Bonds, Series 2007 and to finance capital improvements for the Utility's capital projects included in the 2016 Capital Improvement Plans.

The 2016 Bonds maturing in 2027 and thereafter (**Callable Bonds**) are subject to optional redemption on any date beginning on January 1, 2026. Based on current market conditions, a refunding on or shortly after January 1, 2026 of the Callable Bonds can produce net present value debt service savings for the City of Madison Water Utility.

Attached is a draft resolution entitled "A Resolution Authorizing and Providing for the Issuance and Establishing Parameters for the Sale of Not to Exceed $_____ Water Utility Revenue Refunding Bonds, Series 2026, and Certain Related Details". The City of Madison Water Revenue Refunding Bonds are expected to be issued in early calendar year 2026 to complete this pending refunding transaction **(2026 Bonds)**.

The final form of this resolution will include the parameters for the City of Madison to complete the sale of the 2026 Bonds to complete the refunding for debt service savings of the Callable Bonds, authorize an authorized officer to award the 2026 Bonds to a purchaser to be determined by competitive bid, and complete the refunding transaction. If the parameters are not met the 2026 Bonds will not be sold or issued and the refunding will not occur.

Also attached is a summary of the pending refunding transaction and draft resolution as prepared by Baker Tilly Municipal Advisors, who is the municipal advisor to the City of Madison.

The legislative path for this item is shown below.

11/24/25 – Water Utility Board
11/25/25 - Common Council (introduction)
12/1/25 – Finance Committee
12/9/25 – Common Council (final action)