



Legislation Text

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Fiscal Note

This resolution authorizes the sale and issuance of \$3,365,000 subordinate water utility revenue bonds, series 2024A at an annual interest rate of 2.145%. The 2024A bond issuance will be awarded to the State of Wisconsin Department of Natural Resources (DNR), who administers the Safe Drinking Water Loan Program (SDWLP).

In December 2019 via RES-19-00824 (Legistar #58198), the Water Utility issued \$20,000,000 in bond anticipation notes (BANs) to be repaid over a five-year amortization period from Water Utility revenues. The 2019 BAN matures November 1, 2024. In 2023, RES-23-00600 (Legistar #79781) approved the sale and issuance of \$4,675,000 Subordinate Water Utility Revenue Bonds, Series 2023. RES-23-00600 authorized a loan from the SDWLP of \$4,675,000 to be repaid from Water Utility Revenues at an annual interest rate of 2.145% over the next twenty years. Proceeds of the SDWL were used to partially repay the \$20,000,000 BAN issued in 2019. After partial redemption, the remaining balance on the 2019 BAN was \$15,325,000.

The DNR plans to close the Water Utility's loan for \$3,365,000 on May 22, 2024, and the Water Utility plans to redeem the outstanding balance of \$15,325,000 on the 2019 BAN on May 24, 2024 through the 2024A bond proceeds (\$3,365,000) and Water Utility cash reserved for this purpose (\$11,960,000). The Water Utility is currently projecting a 2024 year-end cash balance of \$8,200,000, which reflects repayment of the BAN.

Title

Authorizing the sale and issuance of \$3,365,000 subordinate water utility revenue bonds, series 2024A; and providing for other details and covenants with respect thereto.

Body

See attached staff memo and resolution authorizing the following:

1. Execution of a Financial Assistance Agreement with the State of Wisconsin
2. Receipt of \$3,365,000 from the SDWLP
3. Issuing \$3,365,000 in bonds and awarding the sale of the bonds to the SDWLP as security for the loan
4. Redeeming and paying in full the outstanding \$15,325,000 principal amount of the 2019 BAN in advance of its stated maturity date using the proceeds of the bonds to be received from the SDWLP in the amount of \$3,365,000 and Utility cash on hand of \$11,960,000 plus accrued interest to the redemption date