



Legislation Text

File #: 58198, **Version:** 1

This resolution authorizes the issuance of \$20,000,000 in water utility bond anticipation notes (BANs) to be repaid over a five-year amortization period from Water Utility revenues. Issuance of these BANs is part of a multi-year plan to seek Safe Drinking Water Program loans from the State of Wisconsin. Proceeds will finance a water main replacement program, new water main construction, reconstruction of a booster pumping system and other capital projects budgeted during 2019, 2020 and 2021. The true interest rate on the entire issuance is 1.57 percent. The coupon rate is 1.5 percent. The Water Utility will pay \$260,000 in interest costs in 2020 and \$300,000 per year in interest costs during 2021 through 2024, with the entire \$20 million principal repaid on November 1, 2024. Total interest costs over the five year life of the bonds are \$1.46 million. The bonds received a MIG 1 rating from Moody's Investors Service, based on the underlying credit characteristics reflected in the Water Utility's Aa2 revenue bond rating.

Resolution Authorizing and Providing for the Sale and Issuance of \$20,000,000 Water Utility Revenue Bond Anticipation Notes, Series 2019, and All Related Details
See attached document.