

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 7 – 22- 23 authorizing the issuance and sale of up to \$39,430,018 in Water Utility Revenue Bonds, Series 2022, and providing for other details and covenants with respect thereto.

REPORT PREPARED BY: Water Utility Superintendent Joe Trueblood

REPORT DATE: May 5, 2022

MEETING DATE: May 9, 2022

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

With its financial advisor, the Sheboygan Board of Waterworks Commissioners has sought the best option for funding its Raw Water Improvements project. A 30-year Safe Drinking Water loan from WI DNR at 2.145% interest is a safe, low cost funding source for municipal drinking water projects. The Board also anticipates receiving \$9.5M in ARPA monies from the City of Sheboygan and \$2.0M in directed spending appropriation from Senator Tammy Baldwin's office to offset additional debt service. A portion of the loan will be used to pay off a Bond Anticipation Note (BAN) used for preliminary engineering design. The remainder of the loan will be used to pay construction costs for a 6,500 foot 60" diameter intake pipeline, shore well, and pumping station. The debt is secured against future drinking water revenues of the Sheboygan Water Utility.

STAFF COMMENTS:

The Raw Water Improvements project involves replacement of critical drinking water infrastructure that has been in service since 1887, 1909, and 1929. In January 2022 bids were received, with an apparent low bid from CD Smith Construction Co. All approvals have been received by WDNR, WI PSC, USEPA and Corp of Army Engineers.

ACTION REQUESTED:

Motion to recommend the Common Council adopt Res. No. 7 – 22 –23

ATTACHMENTS:

- I. Res. No. 7 – 22 - 23