

## Council OKs Lake Michigan water project draw bond requests

WAUKESHA — Requests to competitively bid two five-year draw bonds that total almost \$50 million were approved by the Common Council this week and sent out to banks on Wednesday.

The two draw bonds — for \$32.7 and \$16.5 million — act like a line of credit for both the clean water and sewer utility during the first two years of permitting and tentative construction of the pipeline that will bring fresh

water to Waukesha, said Water Utility General Manager Dan Duchniak.

Duchniak said the utility decided to fund the first leg of the project with draw bonds because they don't know when those funds will be needed as the phases of the project hinge on permitting. With draw bonds, the utility will have all the money available to draw from, but no interest needs to be paid until money is

spent out of the fund, he said.

Normally, he said, the utility pulls all the money and starts paying interest on it right away, but they needed flexibility with permitting for the project on an uncertain timeline.

There is small fee associated with the draw bond, Duchniak said, but it will also save roughly \$400,000 for ratepayers.

The bond will also allow the utility to retire a water revenue

bond from 2008, knocking revenue requirements from 1.25 percent to 1.1 percent across the utility, said utility Administrative Services Manager Donna Scholl at a Water Commission meeting Thursday.

The RFPs for the two draw bonds were approved unanimously by the full council Tuesday.

Duchniak said the utility is still working on permitting the

project and filed a number of reports this week. Construction is slated to begin in 2019 if all permits come through and the design is complete.

The utility is also coordinating with Foxconn builders as they permit and plan for developments in Mount Pleasant, Duchniak said.

— Hannah Weikel,  
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