

Reply to Common Council File Number 130941  
From DOA-Budget and Management Division

November 13, 2013


Ref: 13024

Common Council File Number 130941 is a resolution authorizing contingent borrowing authority for Milwaukee Water Works to enable the utility to move forward with bid solicitation and award of the contracts for the Linnwood Plant Backup Power project. Awarding contracts in early 2014 will avoid an estimated 40% increase over current cost due to production timing and availability for generator manufacturers.

This project was originally appropriated in the 2010 budget, but was deferred to accommodate the installation of valves on the piping underneath the location where the generators will be installed. The project will ultimately be fully financed with Wisconsin DNR Safe Drinking Water revenue bonds at a discounted interest rate, but funds will not be available until mid-2014. In order to complete the contract and award process, MWW requires additional borrowing authorization to encumber costs associated with construction.

Common Council File Number 130942 will be heard at Public Works on November 21, and will approve the project scope and expenditure, allowing the bid process to move forward in a timely manner.

**RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER  
130941**



Aaron Szopinski  
Fiscal Planning Specialist Senior

AJS:dmr

FINANCE: 130941sr.doc