

Reply to Common Council File No. 160866
From DOA-Budget and Management Division

November 10, 2016

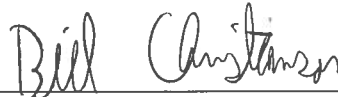
Ref: SF 16008

Common Council File 160866 contains a resolution authorizing the sale and issuance of up to \$20,000,000 of Water System Revenue Bonds to finance various capital improvement projects for Milwaukee Water Works. The bonds issued will finance approximately \$11,000,000 in Water Works capital improvements projects that have already been completed. The remaining \$9,000,000 will be issued to finance projects included in the 2016 adopted budget that have yet to be completed.

The bonds to be sold and issued upon approval of this file will be used to finance \$6,792,166 of water main replacement in 2015 and \$4,202,473 of water main replacement in 2014. The remaining approximately \$9,000,000 of bonding will finance water infrastructure capital improvement projects included in the 2017 budget.

The bonds are payable over 20 years. The average annual debt service payment over the 20 year term of the bonds will be approximately \$1,500,000 per year. Debt service will be funded with revenue generated from water sales.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 160866.



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BJC:cei

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