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AGENDA BRIEFING MEMORANDUM

AGENDA DATE: November 25th 2024

PREPARED BY: Nate Tillis – Wastewater Utility Director

SUBJECT: Communication Sponsored by Alder McCarthy Regarding a Resolution Authorizing the Issuance and Sale of up to \$12,550,921.00 in Taxable Wastewater Revenue Bonds Series 2024B, and Providing for Other Details and Covenants with Respect Thereto

SUMMARY: EPA through Wisconsin DNR administers a revolving fund for wastewater infrastructure projects. Racine Wastewater Utility applied for and received Clean Water Fund (CWFL) funding at a reduced interest rate (2.2%) to be paid back over 20 years. The DNR requires the funding to go through a bond review process before the loan can be clear to close. The CWFL program buys down the market rate through subsidies and investors take on the loan administered through DNR. To finalize the loan, the Utility and City must pass a resolution to issue bonds to investors, complete bond council and generate and pay invoices to date. Once the loan is closed, the Utility will pay contractors and consultants with Utility funds then submit those invoices to DNR for reimbursement throughout the duration of the project. When the project is complete, all of the costs reimbursed are aggregated to calculate final loan amount and final pay schedule.

BACKGROUND & ANALYSIS: This CWFL is for the design, construction, and construction management of a 1.67 million gallon storage basin that will retain wastewater from the Chicory Rd area sewershed in high rainfall events. Operation of the basin will decrease the likelihood basement backups and of sanitary overflows into the environment.

RECOMMENDED ACTION: Approve and Refer to Common Council

BUDGETARY IMPACT: Repayment of the CWFL will be paid by the communities benefiting from the project determined in a cost of service study. Racine will be billed twice a year for 26.4% of the loan payments and Mount Pleasant will be billed twice a year for 73.4% of the loan payments amount until the loan is completed.