CITY OF LA CROSSE

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LEGISLATION STAFF REPORT FOR COUNCIL

File ID 26-0543

Caption A Resolution providing for the sale of up to $3,701,873 aggregate principal amount of Water System Revenue Bonds of the City of La Crosse, La Crosse County, Wisconsin, for the purpose of improving the waterworks system of the City, providing details and covenants with respect thereto.

Staff/Department Responsible for Legislation

Utilities/ Finance

Requestor of Legislation

Tina Erickson, Utilities Finance & Compliance Manager/ Chadwick Hawkins, Director of Finance

Location, if applicable

Summary/Purpose

The Water Utility has two projects that are scheduled to construct, extend, add to and improve the waterworks system as approved by the Common Council through the Capital Improvement Process. The projects consists of (i) watermain replacements on both the north and south side of State Highway 16, and (ii) watermain replacements on South Avenue from Green Bay Street to Ward Avenue.

Background

This resolution is authorizing the execution by the City of Financial Assistance Agreements from the State of Wisconsin's Safe Drinking Water Loan Program. The City of La Crosse Common Council previously approved the application and potential reimbursement of Safe Drinking Water funds. Each project actual costs are higher than the value of the borrowed funds do to grants awarded by the WI DNR, which provided principal forgiveness for 70% of the Highway 16 project and 45% of the South Avenue project, reducing the financial impact to La Crosse Water Utility rate payers.

Fiscal Impact

The payback of the bonds have been identified and accounted for in the Water Utility cash flow forecasting and the fiscal impact is being reviewed by the Public Service Commission as part of the current rate application.

Staff Recommendation

Recommended approval