

WAUKESHA WATER PLAN

Federal program could lower Lake Michigan pipeline costs

Reilly is 'pretty confident' city will get some such financing

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WAUKESHA — A federal program could help the city of Waukesha reduce borrowing expenses related to its \$286.2 million effort to get Lake Michigan water from Milwaukee's lakeshore to homes and businesses here.

Named after the Water

Infrastructure Finance and Innovation Act (WIFIA), the program provides longterm, low-cost supplemental loans for regionally and nationally significant water infrastructure projects. Overseen by the Environmental Protection Agency, the program is open to local, state, tribal, and federal government entities, partnerships and joint ventures, as well as corporations and trusts.

Waukesha Mayor Shawn Reilly and Waukesha Water Utility General Manager Dan Duchniak spent Wednesday in Washington, D.C. meeting with staff members for U.S. Rep. Jim Sensenbrenner, R-Menomonee Falls, and U.S. Senators Tammy Baldwin, D-Madison and Ron Johnson, R-Oshkosh, about their interest in getting financing help through the program.

"I'm pretty confident we'll get some federal (financing). We are hoping it will be one of our financing options," Reilly said, adding that he and Duchniak flew in and out of D.C. in one day.



Duchniak



Reilly

"We're laying the groundwork so we can get through the (application) process."

Whether the project ultimately receives WIFIA assistance hinges on the likelihood of a federal infrastructure bill, Reilly noted.

"We have about a \$105 million gap we are trying to fill," Duchniak said Friday. "We want to limit our use of water revenue bonds, because that is the most expensive money to borrow. We want to find lower cost options, and achieve the mayor's goal of keeping the average water bill under the \$1,000 a year for the water and return flow part of this project."

The Waukesha Common Council has already signed off on one leg of the financing plan for the project. Last month it approved an administration request to competitively bid for two, five-year draw bonds, totaling almost \$50 million.

The two draw bonds for \$32.7 million and \$16.5 million are expected to 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.

Duchniak has said the water 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.