

**To:** President and Members of the Munster Town Council  
**From:** Patricia Abbott, Controller  
**Date:** July 21, 2025  
**Re:** Ordinance 1987: Amendment to Water Bond Ordinance

Council adopted Ordinance 1936 at the April 15, 2024, meeting authorizing the issuance of water revenue bonds and bond anticipation notes. Staff provided a list of projects to be included in the bond which represented \$8,250,000. This list included watermain work that was completed in 2024, installation of advanced metering infrastructure (AMI), upgrades to the River Bend and Calumet Avenue pump stations, and a water system model to help guide future improvements throughout the Water Utility. Each of these projects have been done. New leadership, with the assistance of the water model, have identified necessary infrastructure projects as follows.

Description	Estimated Cost
<b>Water Main Replacements</b>	
Forest Avenue - Ridge Road to North Limits (design 2025; construct 2026)	\$2,300,000
Kraay Avenue - Fairway Drive to Ridge Road (design 2025; construct 2026)	585,000
White Oak Avenue - Fairway Drive to Ridge Road (design 2025; construct 2026)	607,500
Wren Drive - Crestood Avenue to East Limits (design 2025; construct 2026)	225,000
Calumet Avenue - Ridge Road to Town Limits (design 2026; construct 2027)	1,700,000
Hohman Avenue - Ridge Road to Town Limits (design 2027; construct 2028)	3,500,000
<b>System Improvements</b>	
Altitude Valves (White Oak, Superior, Ridge Road)	1,200,000
Mud Valves (White Oak, Superior, Ridge Road)	45,000
New controls on all towers/tanks	1,500,000
Rebuild valve vaults at River Bend	100,000
New Generator at River Bend	350,000
Lead service line replacements (117 services)	1,700,000
Construction Contingency (10%)	1,381,300
<b>Other Project Costs</b>	
Repayment of 2024 Bond Anticipation Note	4,547,800
Issuance Costs	348,400
	<b>\$20,090,000</b>

The cost is supported by the currently approved water rates. The rates were structured to support this level of infrastructure maintenance and improvement. The rates will also allow for regular operations and smaller projects to be completed.

Financial advisors Baker Tilly has requested to seek authorization for \$21 million in bonds to ensure coverage for the underwriter's discount. Because the new scope exceeds the amount originally authorized under Ordinance 1936, and amendment is needed to approve both the new amount and the expanded scope of work. All other aspects of the original ordinance will remain in place.

Baker Tilly presented two options for issuing the bond at the June 11, 2025, Agenda Review. Based on those conversations, it was determined that issuing bonds on the open market is the better option. The calendar for issuance calls for adoption of the amendment at the August 4 meeting with the required advertisements over the following two weeks. The bond sale is scheduled for the first week of September with closing about two weeks later.

**Recommendation:**

By motion and voice vote, hear Ordinance 1987 on first reading and set second reading and adoption for August 4, 2025.