



Special Call City Commission Agenda Item

Meeting Date: December 29, 2021
From: Randy Frazer, City Manager
Item: KDHE Loan Agreement for the Wastewater Treatment Plant Project

Purpose: Consider first reading of an Ordinance authorizing the execution of a loan agreement between the City of Arkansas City, Kansas and the State of Kansas, acting by and through the Kansas Department of Health and Environment for the purpose of obtaining a loan from the Kansas Water Pollution Control Revolving Fund for the purpose of financing a Wastewater Treatment Project; establishing a dedicated source of revenue for repayment of such loan; authorizing and approving certain documents in connection therewith; and authorizing certain other actions in connection with the loan agreement. **(Roll Call Vote)**

Background:

Kansas Water Pollution Control Revolving Fund Loan agreement with KDHE project No. C20 1812 01 to make improvements to the existing wastewater treatment plant. The loan is for 20 years in the amount of \$10,500,000.00 with a principal forgiveness of \$1,000,000.00 so the net loan cost is \$9,500,000.00. The Interest rate is 1.31% with 40 biannual payments of \$270,742.08 with the final payment being March 1st 2043.

Commission Options:

1. Approve the Ordinance on first reading
2. Disapprove the Ordinance
3. Table the Ordinance for a second reading

Fiscal Impact:

Amount: \$9,500,000.00

Fund: Department: Expense Code:

Included in budget Grant Bonds Other Not Budgeted

Approved for Agenda by:

Randy Frazer, City Manager