



# City Commission Agenda Item

**Meeting Date:** August 1, 2023  
**From:** Randy Frazer, City Manager  
**Item:** KDHE Loan Agreement for the Strother Field/Industrial Park Water Tower Replacement KPWSLF Project No. 3138.2

**Purpose:** Consider the 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 Public Water Supply Loan Fund for the purpose of financing a Public Water Supply 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:**

This Kansas Public Water Supply Loan Fund Agreement with KDHE, Project No. 3138.2, is designed to make improvements to the existing public water supply which consists of constructing a 200,000-gallon water tower at Strother Field Airport/Industrial Park which will replace the existing water tower. The City of Arkansas City and the City of Winfield are working together to ensure the project takes place as both cities and are eligible to take out loans on behalf of Strother Field/Industrial Park, who does not otherwise would not have the authority to do so. The loan is for 21 years in the amount not to exceed of \$602,695.00 with a principal forgiveness of \$180,808.50, so the net loan cost is \$421,886.50. The gross interest rate is 2.41% per year, with 40 monthly payments making the final payment to conclude August 1<sup>st</sup>, 2044. Strother Field Industrial Park is responsible for the loan repayment per the enclosed contract.

**Commission Options:**

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

**Fiscal Impact:**

Amount: \$ 421,866.50

Fund: Department: Expense Code:

Included in budget       Grant       Bonds       Other Not Budgeted

**Approved for Agenda by:**

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Randy Frazer, City Manager