

**ORDINANCE NO. 3042**

**AN ORDINANCE AUTHORIZING THE CITY OF PAOLA, KANSAS  
CONSTRUCT AND IMPROVE A WASTEWATER TREATMENT  
PLANT; PREPAY CERTAIN OUTSTANDING LOANS AND  
AUTHORIZING THE CITY TO ISSUE ITS GENERAL OBLIGATION  
BONDS IN THE AMOUNT NECESSARY TO PAY COSTS OF SUCH  
IMPROVEMENTS**

WHEREAS, K.S.A. 12-1736 to 12-1739, inclusive, as amended (“Act”), authorizes the Governing Body of the City of Paola, Kansas (the “City”) to acquire and construct, make repairs, reconstruct, remodel, replace, make additions to, furnish or equip any public building and to issue general obligation bonds of the City for such purposes; and

WHEREAS, the Governing Body of the City has determined that it is necessary to construct, improve, and equip a waste water treatment plant and related structures and facilities in the City to comply with federal, state and local environmental regulations, at an estimated cost of \$6,955,248.00 (the "Improvements"); and

WHEREAS, it is necessary and desirable to pay costs of the Improvements by issuing general obligations bonds of the City; and

WHEREAS, the City has previously entered into a loan agreement with the Kansas Department of Health and Environment (“KDHE”) to finance the Improvements (the “Loan”) as follows:

<u>Loan</u>	<u>Original Loan Amount</u>	<u>Estimated Balance Outstanding for Prepayment</u>
A. WPC Loan #C20 1652-01 (Waste Water Plant and Related Structures)	\$6,955,248.00	\$6,267,397.45

WHEREAS, the City has determined it can achieve a more orderly plan of finance for the Improvements by issuing general obligation bonds to finance the project financed by the Loan and prepaying the Loan as permitted by the loan agreement between the City and KDHE; and

WHEREAS, pursuant to Article 12, §5 of the Kansas Constitution (the “Home Rule Amendment”), the City is authorized to determine its local affairs and government except when limited or prohibited by an enactment of the state legislature applicable uniformly to all cities of the same class; and

WHEREAS, no statutory authority exists to limit or prohibit the exercise of the City’s authority under the Home Rule Amendment to authorize issuance of its general obligation bonds to pre-pay the Loan; and

WHEREAS, it is necessary and desirable for the City to issue its general obligation bonds to finance the Improvements and to prepay the Loan.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF PAOLA, KANSAS:

SECTION 1. The Improvements are authorized and directed to be completed pursuant to the Act.

SECTION 2. To provide funds to pay costs of the Improvements and as authorized by the Act, the City authorizes the issuance of its general obligation bonds in an aggregate amount of not to exceed \$6,955,248.00, plus necessary costs of issuing temporary and permanent financing.

SECTION 3. Pursuant to the Act and the Home Rule Amendment the City authorizes issuance of its general obligation bonds in an amount necessary to prepay the outstanding balance of the Loan, and pay costs of issuing such bonds. The estimated principal amount of such bonds is \$6,465,000.

SECTION 4. The Mayor and City Clerk are authorized and directed to take such other action, including the execution of documents, as may be necessary to proceed with the intent of this Ordinance. The City Manager's execution and delivery of a notice to the Kansas Department of Health and Environment, complying with the Loan Agreement, and stating the City's intention to prepay the Loans is ratified and confirmed.

SECTION 5. This Ordinance shall be in full force and effect after it is passed and approved by the City Governing Body and published one time in the official City newspaper.

ADOPTED AND APPROVED by the governing body of the City of Paola, Kansas on March 13, 2012.

CITY OF PAOLA, KANSAS

[seal]

By \_\_\_\_\_  
Artie Stuteville, Mayor

ATTEST:

By \_\_\_\_\_  
Daniel G. Droste, City Clerk