



Agenda Item Report

City Commission - Jan 12 2021

Department	Staff Contact
Finance	Anthony Feldhaus, Accountant

Recommendations

Consider adopting Resolution No.7352 , declaring it necessary to improve the water and sewage system of the City of Lawrence, Kansas and to authorize the issuance of water and sewage system revenue bonds for the purpose of paying the costs thereof and related bond reserves and financing costs; and providing for the giving of notice of said intention.

Executive Summary

The 2021-2025 Capital Improvement Plan, adopted by as part of the FY2021 Budget, includes several improvements to the water and sewer system as outlined below.

Project Number	Project Name
MS-21-0021	Bowersock Dam Rehabilitation
UT1892CIP	Naismith Interceptor & PS #8 Abandonment
UT1898CIP	Advanced Metering Infrastructure
UT1985CIP	Kaw Water TP Basin Infrastructure
UT1984CIP	Stratford Tower Replacement
MS-20-0015	Southwest Lawrence Conveyance Corridor
MS-20-9902-2	Iowa (9th to 7th) [9902]
MS-20-9902-3	19th (Tennessee to Massachusetts) [9902]
MS-21-0010	Clinton Storage Tanks Maintenance/Coatings
MS-21-0013	Kansas River WWTP Improvements and Nutrient Removal
MS-21-0014	Clinton WTP Plant Piping
MS-21-0022	Pump Station 16 Upstream Interceptor Rehab
MS-21-0043	New York St 24" Transmission Water Main Rehab
MS-21-0057	Wakarusa WWTP Maintenance Building
MS-21-9901	Kaw & Clinton WTP Improvement Program
MS-21-9902	Watermain Replacement/Relocation Program
MS-21-9903	Sewer Main Relocations for Road Projects
MS-21-9908	Sanitary Sewer Rehab & Rapid I/I Reduction
MS-21-9909	Sewer Extension Cost Sharing

MS-21-0004

Field Operations Facility

MS-21-0005

23rd Street - Haskell Bridge to East City
Limits

In order to issue tax-exempt debt for the projects listed above, the City must adopt a resolution (tonight's action) and publish notice of the City's intent to issue tax-exempt revenue bonds to pay for the improvements. It should be noted this action does not obligate the City to issue debt for the projects noted.

The purpose of Resolution No. 7353 is to set \$42,988,800 as the maximum amount of utility system revenue bonds the City would issue to pay the project costs and related bond reserves and financing costs. While this resolution does authorize the projects, the individual approval of contracts for improvements will follow the City's purchasing policy. The notice of intent attached to the proposed resolution must be published and a 15-day protest period must expire prior to the execution of any construction agreements to begin the projects.

Strategic Plan Critical Success Factor

Effective Governance/Professional Administration
Innovative Infrastructure and Asset Management
Core Services
Sound Fiscal Stewardship

Fiscal Impact

Projects were identified throughout the budget process and adopted for the 2021-2025 CIP. Not all of these projects will have debt issued in Fiscal Year 2021, but the City has set aside sufficient funds in the 2021 budget to repay any bonds that are issued.

Action Requested

Adopt Resolution No. 7352.

Attachments

[Resolution No. 7352](#)

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF LAWRENCE, KANSAS
HELD ON JANUARY 12, 2021**

The governing body met in regular session at the usual meeting place in the City, at 5:45 p.m., the following members being present and participating, to-wit:

Absent: _____

The Mayor declared that a quorum was present and called the meeting to order.

* * * * *

(Other Proceedings)

Thereupon there was presented a Resolution entitled:

A RESOLUTION DECLARING IT NECESSARY TO IMPROVE THE WATER AND SEWAGE SYSTEM OF THE CITY OF LAWRENCE, KANSAS; TO AUTHORIZE THE ISSUANCE OF WATER AND SEWAGE SYSTEM REVENUE BONDS FOR THE PURPOSE OF PAYING THE COSTS THEREOF AND RELATED BOND RESERVES AND FINANCING COSTS; AND PROVIDING FOR THE GIVING OF NOTICE OF SAID INTENTION.

Thereupon Commissioner _____ moved that said Resolution be adopted. The motion was seconded by Commissioner _____. Said Resolution was duly read and considered, and upon being put, the motion for the adoption of said Resolution was carried by the vote of the governing body, the vote being as follows:

Aye: _____.

Nay: _____.

Thereupon, the Resolution having received at least two-thirds (2/3^{rds}) majority vote of the members of the governing body, the Mayor declared said Resolution duly adopted, the Clerk designating the same Resolution No. _____. The Clerk was further directed to cause the publication of a Notice of the intent of said Resolution one time in the official newspaper of the City as required by law and provided by said Resolution.

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(Other Proceedings)

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CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of Lawrence, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

Clerk

RESOLUTION NO. 7352

A RESOLUTION DECLARING IT NECESSARY TO IMPROVE THE WATER AND SEWAGE SYSTEM OF THE CITY OF LAWRENCE, KANSAS; TO AUTHORIZE THE ISSUANCE OF WATER AND SEWAGE SYSTEM REVENUE BONDS FOR THE PURPOSE OF PAYING THE COSTS THEREOF AND RELATED BOND RESERVES AND FINANCING COSTS; AND PROVIDING FOR THE GIVING OF NOTICE OF SAID INTENTION.

WHEREAS, the City of Lawrence, Kansas (the “Issuer”) is authorized under the laws of the State of Kansas to issue bonds to repair, alter, extend, reconstruct, enlarge or improve the Water and Sewage System (the “System”) owned and operated by the Issuer; and

WHEREAS, K.S.A. 10-1201 *et seq.*, as amended and supplemented (the “Act”), authorizes the governing body of the Issuer to repair, alter, extend, reconstruct, enlarge or improve the System, and to issue utility revenue bonds to pay the costs thereof.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LAWRENCE, KANSAS:

SECTION 1. It is hereby deemed and declared to be necessary to repair, alter, extend, reconstruct, enlarge or improve the System as follows:

Project Number	Project Name
MS-21-0021	Bowersock Dam Rehabilitation
UT1892CIP	Naismith Interceptor & PS #8 Abandonment
UT1898CIP	Advanced Metering Infrastructure
UT1985CIP	Kaw Water TP Basin Infrastructure
UT1984CIP	Stratford Tower Replacement
MS-20-0015	Southwest Lawrence Conveyance Corridor
MS-20-9902-2	Iowa (9th to 7th) [9902]
MS-20-9902-3	19th (Tennessee to Massachusetts) [9902]
MS-21-0010	Clinton Storage Tanks Maintenance/Coatings
MS-21-0013	Kansas River WWTP Improvements and Nutrient Removal
MS-21-0014	Clinton WTP Plant Piping
MS-21-0022	Pump Station 16 Upstream Interceptor Rehab
MS-21-0043	New York St 24" Transmission Water Main Rehab
MS-21-0057	Wakarusa WWTP Maintenance Building
MS-21-9901	Kaw & Clinton WTP Improvement Program
MS-21-9902	Watermain Replacement/Relocation Program
MS-21-9903	Sewer Main Relocations for Road Projects
MS-21-9908	Sanitary Sewer Rehab & Rapid I/I Reduction
MS-21-9909	Sewer Extension Cost Sharing
MS-21-0004	Field Operations Facility

MS-21-0005	23rd Street - Haskell Bridge to East City Limits
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and all other necessary capital improvements to the System including but not limited to improvements to water and wastewater treatment facilities, raw water systems, water storage and pumping stations, wastewater containment and pumping stations, watermain and sanitary sewer assessment, relocation, rehabilitation, replacement and extension (collectively the “Project”) at an estimated acquisition and construction cost of \$199,082,960.46.

SECTION 2. The Project will not cause duplication of any existing water and sewage system utility service furnished by a private utility in the boundaries of the City.

SECTION 3. It is necessary to issue System revenue bonds of the City, in an amount not to exceed \$42,988,800 (the “Bonds”), under authority of the Act, to pay the costs of the Project and other necessary and related improvements to the System and related bond reserves and financing costs. The Bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of this Resolution, pursuant to Treasury Regulation 1.150-2.

SECTION 4. The City Clerk is hereby authorized and directed to publish one (1) time in the official newspaper of the Issuer the notice of the intention of the governing body to undertake the Project and to issue Bonds. If, within fifteen (15) days after the publication of such notice, there shall be filed with the City Clerk, a written protest against the Project or the issuance of the Bonds, signed by not less than twenty per cent (20%) of the qualified electors of the City, the governing body shall thereupon submit such proposed Project and the proposed Bonds to the electors of the City at a special election to be called for that purpose as provided by the Act. If no sufficient protest is filed with the City Clerk within fifteen (15) days following publication of such notice, then the governing body of the Issuer shall proceed to authorize the Project and to issue the Bonds.

SECTION 5. This Resolution shall be in full force and effect from and after its adoption.

ADOPTED by the governing body of the City of Lawrence, Kansas, on January 12, 2021.

(Seal)

Bradley R. Finkeldei, Mayor

ATTEST:

Sherri Riedmann, Clerk

EXHIBIT A

(PUBLISHED IN THE *LAWRENCE JOURNAL-WORLD* ON JANUARY ___, 2021)

NOTICE

TO: THE RESIDENTS OF THE CITY OF LAWRENCE, KANSAS

You are hereby notified that the governing body of the City of Lawrence, Kansas (the “Issuer”) intends to repair, alter, extend, reconstruct, enlarge or improve the Water and Sewage System (the “System”) owned and operated by the Issuer, as follows:

Project Number	Project Name
MS-21-0021	Bowersock Dam Rehabilitation
UT1892CIP	Naismith Interceptor & PS #8 Abandonment
UT1898CIP	Advanced Metering Infrastructure
UT1985CIP	Kaw Water TP Basin Infrastructure
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MS-21-0004	Field Operations Facility
MS-21-0005	23rd Street - Haskell Bridge to East City Limits

and all other necessary capital improvements to the System including but not limited to improvements to water and wastewater treatment facilities, raw water systems, water storage and pumping stations, wastewater containment and pumping stations, watermain and sanitary sewer assessment, relocation, rehabilitation, replacement and extension (collectively the “Project”) at an estimated acquisition and construction cost of \$199,082,960.46.

In order to finance costs of the Project and related bond reserves and financing costs, the governing body of the Issuer further intends to issue System revenue bonds, in an amount not to exceed \$42,988,800

(the “Bonds”) in one or more series, under the authority of K.S.A. 10-1201 *et seq.* (the “Act”). The Bonds will **not** be general obligations of the Issuer payable from taxation, but shall be payable only from net revenues of the System. The proceeds of the Bonds will be used to pay the costs of the Project and related bond reserves and financing costs.

This Notice shall be published one time in the official newspaper of the Issuer, and if within fifteen (15) days after the date of said publication, there shall be filed with the Clerk, a written protest against the Project or the issuance of the Bonds, signed by not less than twenty per cent (20%) of the qualified electors of the City, then the governing body shall submit such proposed Project and the Bonds to the electors of the Issuer at a special election to be called for that purpose as provided by the Act. If no sufficient protest is filed within said period of time, the governing body shall proceed with the Project and the issuance of the Bonds.

DATED: January 12, 2021.

ATTEST:

/s/ Bradley R. Finkeldei, Mayor

/s/ Sherri Riedmann, Clerk

CERTIFICATE OF NO PROTEST

STATE OF KANSAS)
) ss:
COUNTY OF DOUGLAS)

The undersigned, Clerk of the City of Lawrence, Kansas (the "Issuer"), does hereby certify that the governing body of the Issuer duly adopted Resolution No. 7352, on January 12, 2021, declaring it necessary to repair, alter, extend, reconstruct, enlarge or improve the Water and Sewage System (the "System") owned and operated by the Issuer (the "Project") at an estimated cost of \$199,082,960.46, and to issue System revenue bonds, in an amount not to exceed \$42,988,800 (the "Bonds"), under the authority of K.S.A. 10-1201 et seq. (the "Act") in order to pay the costs thereof and related bond reserves and financing costs; that a Notice of said intention was duly published one time in the Lawrence Journal-World, the official newspaper of the Issuer on January __, 2021, as required by the Act; that more than fifteen (15) days has elapsed from the date of said publication; and that there has been no sufficient written protest filed in my office against the Project and the issuance of the Bonds, as provided by the Act.

WITNESS my hand and official seal on _____, 2021.

(Seal)

Clerk