

ORDINANCE NO. 1031

AN ORDINANCE OF THE CITY OF CHAPMAN, KANSAS, AUTHORIZING THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF SEWER IMPROVEMENTS TO THE CITY'S SEWER SYSTEM; AND THE PAYMENT OF SAID IMPROVEMENTS WITH THE PROCEEDS DERIVED FROM THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE CITY AND FROM OTHER LAWFULLY AVAILABLE AND UNENCUMBERED FUNDS, ALL PURSUANT TO *K.S.A. §12-631a* AND *CHAPTER 10 OF ARTICLE 1 OF THE KANSAS STATUTES ANNOTATED*.

Whereas, the City of Chapman, Kansas (the "City") operates a sewer system (the "System") which serves a substantial portion of the City; and

Whereas, pursuant to *K.S.A. §12-631a*, (the "Act") the governing body of the City, based on tests and recommendations of a Preliminary Engineering report of Kaw Valley Engineering, is of the opinion the System is in need of alteration, repair or reconstruction generally described as the constructing, equipping and installing a new influent lift station with a non-discharging lagoon, including but not limited to, all trenching, pipes, valves, pumps and matters incidentally necessary and related thereto (the "Improvements") at an estimated total cost of \$4,200,000 (the Improvement Costs");

Whereas, the governing body of the City hereby determines the Improvement Costs shall be borne by the City at large, and, since the general fund is insufficient to pay the Improvement Costs the governing body deems it necessary to issue general obligation bonds of the City for the purpose of paying all or a part of the any Improvement Costs to the System operated by the City; and

Whereas, the governing body of the City, pursuant to the Act, deems it prudent to (i) acquire, construct and install the Improvements in accordance with the plans and specification prepared therefore, and, (ii) pay for said Improvement Costs with proceeds derived from the City's sale, issuance and delivery of its general obligation bonds, including its temporary notes or Kansas Department of Health and Environment loans, and from any other legally available and unencumbered funds of or due to the City; and

Whereas, pursuant to *K.S.A. §10-309(a)*, any general obligation bonds issued under the Act are not subject to the bonded indebtedness limits of the City; and

Whereas, the United States Government acting through the Department of Agriculture, Rural Development, ("USDA") has agreed to purchase the City's general obligation bonds to permanently finance a portion of the Improvement Costs.

**NOW THEREFORE BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF CHAPMAN, KANSAS;**

**Section 1.** The Improvements shall be acquired, constructed and installed in accordance with the engineering specifications thereto and the applicable Kansas Department of Health and Environment regulations, rules and requirements.

**Section 2.** The Improvements, and all other costs attributable to the same and permitted by the Act, may be paid for from the proceeds derived from the sale, issuance and delivery of the City's general obligation bonds, including its temporary notes, Kansas Department of Health and Environment and from any other legally available and encumbered funds made available to or for the City for payment of any Improvement Costs.

**Section 3.** Robert J. Perry, Esq., Bond Counsel, may prepare such documents and agreements as are deemed necessary to fulfill the conditions precedent to effectuate the sale and delivery of the City's general obligation bond to USDA.

**Section 4.** The Mayor, City Clerk, Governing Body, City staff, employees, agents and servants may perform such acts and execute and deliver such documents as are necessary and related to the acquisition of the Improvements and payment of Improvement Costs. All prior acts, actions, agreements, certificates, or contracts performed by or on behalf of the City by any Governing Body member, the Mayor, the City Clerk, City employees, agents or servants of the City as the same relate to the acquisition of the Improvements and payment of Improvement Costs are hereby ratified, approved and confirmed.

**Section 5.** This Ordinance constitutes the City's declaration of reimbursement under Section 1.1.50-2 of the United States Treasury Regulations.

This Ordinance shall be effective following its passage and approval by the Council and its publication.

Passed and approved this 11<sup>th</sup> day of March 2020.

**CITY OF CHAPMAN, KANSAS**

  
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Jeff Blixt, Mayor

ATTEST:

  
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Brittany Phillips, City Clerk  
(SEAL)