



**OFFICE OF THE KANSAS STATE TREASURER
LYNN W. ROGERS**

City Utility Low-Interest Loan Program

Attached is an application and supporting information required for the City Utility Low-Interest Loan Program approved by House Substitute for Senate Bill No. 88. The legislation provides up to \$100,000,000 to loan to qualifying cities under this program.

Eligibility: This program is available to any city in Kansas that has incurred extraordinary electric and/or natural gas costs during the extreme winter weather event of February 2021. Loan proceeds may only be used to fund costs incurred by the city in operating its electric and/or natural gas utility system. Loan proceeds may not be used to pay electric or gas utility bills that the city would otherwise pay as a consumer of utility services.

Interest Rate: Currently, 0.25%. The interest rate will be adjusted on January 1 of each year to an amount that is 2% below the market rate as provided in K.S.A. 75-4237, and amendments thereto, using the market rate then in effect. The minimum interest rate shall be 0.25% if the market rate is below 2.25%. Currently, the minimum interest rate applies.

Payment Dates: Payments on the loan will begin no later than July 1, 2021. Cities may choose monthly, quarterly or semi-annual payment arrangements. Loans may be prepaid at any time without penalty.

Prioritization of Loan Requests: Applications may be submitted by cities beginning 8 a.m. on Friday, March 5. All applications received between 8 a.m. on March 5 and 5 p.m. on March 15 will be treated as though they were all received at the same date on the same time. The State Treasurer will begin consideration of applications upon receipt for those cities with payment obligations on or before March 15, and may elect to fund loans prior to March 15 if there is an immediate and dire need for such funds to prevent the shutoff of city utilities.

Applications received after March 15 will be evaluated on a first come first serve basis. If funds are not available, applicants will be placed on a waiting list in the order in which the applications were received.

All applications will be ranked by immediate need of funds, as determined by the due date of obligations of the city and the city's currently available resources. Those cities with the most immediate need of funds will be given first priority for evaluation.

The State Treasurer reserves the right to pro-rate the amount of loans approved for individual applicants.

Application Process: To apply, please complete and submit the following documents:

- ✓ Application – signed by Mayor and Clerk
- ✓ Attachment B – Estimated Payment Dates and Amounts for Extraordinary Costs
- ✓ Resolution approving application
- ✓ Ordinance approving loan agreement
- ✓ Excerpt of Minutes

The application must be accompanied by signed copies of the ordinance and the resolution approved by the governing body. The ordinance does not need to have been published prior to application, but the governing body must have approved both the ordinance and resolution. Please provide a copy of the affidavit of publication for the ordinance when available.

To ensure approval of loans under the most expeditious manner possible, these documents may be submitted electronically via email to fiscal@treasurer.ks.gov or by facsimile to (785) 296-6976.

The State Treasurer reserves the right to request additional information from the applicant as necessary to evaluate the request.

Upon review and approval, the State Treasurer's Office will notify applicants of approval, including the amount of the loan to be funded. Such approval will contain a request for the City to accept the loan amount and provide banking information to wire funds (Attachment C). Every effort will be made to send the wire one business day following the State Treasurer's Office receipt of the City's acceptance of the loan and submission of wire information.

Questions about the application or the program may be directed to:

Shauna Wake, Director of Operations & Fiscal Services
Phone: 785-296-3171
Email: fiscal@treasurer.ks.gov



**OFFICE OF THE KANSAS STATE TREASURER
LYNN W. ROGERS**

Application for City Utility Low-Interest Loan Program

REQUEST DATE: _____

CITY NAME: City of _____, Kansas

City Population: _____

Number of Electric Meters: _____

Number of Natural Gas Meters: _____

Amount of available City reserves that may be legally used for Extraordinary Costs:
\$ _____

Estimated Extraordinary Costs incurred by City during extreme weather event of February 2021:

Electric \$ _____

Natural Gas \$ _____

Total \$ _____

Requested Loan Amount (not to exceed amount):

Electric \$ _____

Natural Gas \$ _____

Total \$ _____

Requested Repayment Term: _____ (up to 10 years)

Requested Payment Frequency: _____ (Monthly, Quarterly, or Semi-Annually)

City Contact Information:

City Mailing Address: _____

City, State, ZIP: _____

Primary Contact Person:

Name: _____

Phone Number: _____

E-mail Address: _____

For the purposes of obtaining a loan under the provisions of House Substitute for Senate Bill No. 88, 2021 Session (the "Act"), the City hereby certifies the following:

1. The City is a city organized and existing under the laws of Kansas.
2. The City incurred extraordinary electric and/or natural gas costs during the extreme weather event of February 2021 (the "Extraordinary Costs") and these costs were not otherwise included in the city's budget.
3. The loan obtained pursuant to the City Utility Low-Interest Loan Program will be used exclusively for the Extraordinary Costs.

4. The undersigned understands and agrees that due to the need for expeditious approval of loans under this program, a loan may be approved before the form loan agreement is available and rules and regulations for this program have been formally adopted by the State Treasurer. Upon delivery to the City of the form loan agreement, the City will have 5 business days to return an executed loan agreement. In the event the City does not return an executed loan agreement, it will be required to repay the loan in full plus accrued interest. The plan for such repayment must be submitted to the State Treasurer within 5 business days of the City receiving the form loan agreement, and the repayment plan must be accomplished with all reasonable dispatch.
5. If the City receives any federal monies related to the extreme winter weather event of February 2021, the first priority for expenditure of such amounts (or any similar amounts received by the State of Kansas for the benefit of the City) will be the payment of any outstanding balance of the loan made to the City under the City Utility Low-Interest Loan Program as provided in Section 4(b) of the legislation creating the loan program. If the City receives any recoveries as a result of settlement or litigation or other refunds of Extraordinary Costs paid by the City that relate to the extreme winter weather event of February 2021, such amounts (or any similar amounts received by the State of Kansas for the benefit of the City) will be used to pay any outstanding balance of the loan made to the City under the City Utility Low-Interest Loan Program. The City will establish a dedicated source of revenue for repayment of the loan from rates, fees and charges for the use and services furnished by or through its related utility system.
6. The City has adopted the City Utility Low-Interest Loan ordinance and resolution in a form functionally the same as Attachment A.
7. The estimated payment dates and amounts for the Extraordinary Costs to be incurred by the City are shown in the table on Attachment B.
8. The City has completed and is prepared to submit Attachment C containing wire instructions so that funds may be placed as soon as is practicable after approval.
9. The City has reviewed its currently outstanding notes, bonds or other obligations (including, for example, any power purchase agreements or fuel supply contracts) payable from revenues from the electric and/or natural gas utility system and certifies to the State that this loan will not violate the terms of any such agreements.
10. The City agrees to provide such other information and documentation to the State Treasurer as reasonably requested in order to evaluate this application and determine the City's compliance with the terms of the Act.

CITY OF _____, KANSAS

By: _____
 Mayor

[SEAL]

ATTEST:

By: _____
 Clerk

ATTACHMENT "A"
City Utility Low-Interest Loan Program Ordinance and Resolution TEMPLATE

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF _____, KANSAS
HELD ON [Meeting Date]**

The Governing Body of the City met in [regular/special] session at the usual meeting place in the City, at [meeting time], the following members being present and participating:

Present: _____

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 AUTHORIZING THE CITY OF _____, KANSAS TO APPLY FOR THE CITY UTILITY LOW-INTEREST LOAN PROGRAM FOR THE PURPOSE OF OBTAINING A LOAN FROM THE STATE OF KANSAS TO FINANCE EXTRAORDINARY ELECTRIC AND/OR NATURAL GAS COSTS INCURRED DURING THE EXTREME WINTER WEATHER EVENT OF FEBRUARY 2021.

Thereupon, [Governing Body member] _____ moved that said Resolution be passed. The motion was seconded by [Governing Body member] _____. 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:

Yes: _____.

No: _____.

Thereupon, the Mayor declared said Resolution duly adopted and the Resolution was then duly numbered Resolution No. _____ and was signed and approved by the Mayor and attested by the Clerk.

Thereupon, there was presented an Ordinance entitled:

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE CITY OF _____, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS STATE TREASURER, FOR THE PURPOSE OF OBTAINING A LOAN PURSUANT TO THE CITY UTILITY LOW-INTEREST LOAN PROGRAM TO FINANCE EXTRAORDINARY ELECTRIC AND/OR NATURAL GAS COSTS INCURRED DURING THE EXTREME WINTER WEATHER EVENT OF FEBRUARY 2021; 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.

Thereupon, [Governing Body member] _____ moved that said Ordinance be passed. The motion was seconded by [Governing Body member] _____. Said Ordinance was duly read and considered, and upon being put, the motion for the passage of said Ordinance was carried by the vote of the Governing Body, the vote being as follows:

Yes: _____.

No: _____.

Thereupon, the Mayor declared said Ordinance duly passed and the Ordinance was then duly numbered Ordinance No. _____ and was signed and approved by the Mayor and attested by the Clerk. The Clerk was directed to publish the Ordinance (or a summary thereof) one time in the official newspaper of the City.

(Other Proceedings)

On motion duly made, seconded and carried, the meeting thereupon adjourned.

(SEAL)

City Clerk

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE CITY OF _____, KANSAS TO APPLY FOR THE CITY UTILITY LOW-INTEREST LOAN PROGRAM FOR THE PURPOSE OF OBTAINING A LOAN FROM THE STATE OF KANSAS TO FINANCE EXTRAORDINARY ELECTRIC AND/OR NATURAL GAS COSTS INCURRED DURING THE EXTREME WINTER WEATHER EVENT OF FEBRUARY 2021.

WHEREAS, the health, safety, and economic well-being of our residents is the top priority for the governing body of the City of _____, Kansas (the “City”); and

WHEREAS, on February 14, 2021, pursuant to the Kansas Emergency Management Act, Chapter 48, Article 9, of the Kansas Statutes Annotated, Governor Laura Kelly proclaimed a State of Disaster Emergency, recognizing power outages and critical energy supply shortages were anticipated; and

WHEREAS, during February 2021, the City faced a winter weather emergency that resulted in extraordinary electric and/or natural gas costs; and

WHEREAS, annually, the City budgets \$ _____¹ to cover the costs associated with electricity needs and \$ _____² to cover the costs associated with natural gas needs; and

WHEREAS, as of this date, the City estimates it will have an obligation to pay a total of \$ _____³ in electricity and \$ _____⁴ in natural gas costs as a result of the unprecedented prices charged during the extreme winter weather conditions in February 2021; and

WHEREAS, without emergency action and aid, the increased prices required to purchase natural gas and/or electricity will result in significantly higher than normal utility bills for the citizens of the City threatening the financial health and the physical welfare of the City’s residents and businesses; and

WHEREAS, on March 3, 2021 Governor Laura Kelly signed into law House Substitute for Senate Bill 88, establishing the City Utility Low-Interest Loan Program and authorizing the State Treasurer to distribute up to \$100 million in loans for the purpose of providing loans to cities for extraordinary electric and/or natural gas costs incurred during the extreme winter weather event of February 2021.

THEREFORE, BE IT RESOLVED BY THE CITY OF _____, KANSAS AS FOLLOWS:

1. The City shall begin the process of borrowing funds in the amount of not to exceed \$ _____⁵ from the State of Kansas through the City Utility Low-Interest Loan Program, to pay the extraordinary electric and/or natural gas costs incurred during the extreme winter weather event of February 2021 (the “Extraordinary Costs”). The Governing Body hereby certifies that such amounts are

¹ Insert budgeted amount for annual electric system expenditures for FY 2021.

² Insert budgeted amount for annual natural gas system expenditures for FY 2021.

³ Insert estimated amount of additional electric system expenditures due to unprecedented prices charged for electricity during the extreme winter weather conditions in February 2021.

⁴ Insert estimated amount of additional natural gas system expenditures due to unprecedented prices charged for electricity during the extreme winter weather conditions in February 2021.

⁵ Insert total amount of loan request.

attributable only to extraordinary electric and/or natural gas costs incurred during the extreme winter weather event of February 2021 and not to any other utility costs previously budgeted for by the City

2. The Governing Body agrees to the following terms designed to ensure the lawful use of funds and transparency, equity, and accountability:

a. The loan shall be used only for those extraordinary electric and/or natural gas costs incurred during the extreme winter weather event of February 2021 as certified by the Governing Body and not for any other utility costs previously budgeted for by the City.

b. The City requests that the term of the loan be for a period of not to exceed ___⁶ years.

c. The interest rate on the loan shall be 2% below the market rate as provided in K.S.A. 75-4237, and amendments thereto, and shall be recalculated on the first business day of January of each year using the market rate then in effect. The minimum interest rate shall be 0.25% if the market rate is below 2.25%.

d. Payments on the loan will begin no later than July 1, 2021. The City requests the loan provide for _____⁷ payment arrangements.

e. The City understands that the final terms of the loan, including amortization terms and repayment schedule, will be established through a loan agreement between the City and the State Treasurer's Office. Upon delivery to the City of the form loan agreement, the City will have 5 business days to return an executed loan agreement. In the event the City does not return an executed loan agreement, it will be required to repay the loan in full plus accrued interest. The plan for such repayment must be submitted to the State Treasurer within 5 business days of the City receiving the form loan agreement, and the repayment plan must be accomplished with all reasonable dispatch.

f. The City certifies that if the City receives any federal monies related to the extreme winter weather event of February 2021, the first priority for expenditure of such amounts (or any similar amounts received by the State of Kansas for the benefit of the City) will be the payment of any outstanding balance of the loan made to the City under the City Utility Low-Interest Loan Program as provided in Section 4(b) of the legislation creating the loan program. If the City receives any recoveries as a result of settlement or litigation or other refunds of Extraordinary Costs paid by the City that relate to the extreme winter weather event of February 2021, such amounts (or any similar amounts received by the State of Kansas for the benefit of the City) will be used to pay any outstanding balance of the loan made to the City under the City Utility Low-Interest Loan Program. The City will establish a dedicated source of revenue for repayment of the loan from rates, fees and charges for the use and services furnished by or through its related utility system.

3. The Mayor, Clerk and other City officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Resolution, and to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and

⁶ Term may not exceed 10 years.

⁷ City may request monthly, quarterly or semi-annual payments.

confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

4. This resolution shall take effect and be in force immediately upon its adoption and shall remain in effect until future action is taken by the Governing Body.

ADOPTED this ____ day of March 2021 and **SIGNED** by the Mayor.

Mayor

Attested:

City Clerk

(Published in [Official City Newspaper] on [publication date])

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE CITY OF _____, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS STATE TREASURER FOR THE PURPOSE OF OBTAINING A LOAN PURSUANT TO THE CITY UTILITY LOW-INTEREST LOAN PROGRAM TO FINANCE EXTRAORDINARY ELECTRIC AND/OR NATURAL GAS COSTS INCURRED DURING THE EXTREME WINTER WEATHER EVENT OF FEBRUARY 2021; 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.

WHEREAS, on March 3, 2021, Governor Laura Kelly signed into law House Substitute for Senate Bill 88, establishing the City Utility Low-Interest Loan Program and authorizing the State Treasurer to distribute up to \$100 million in loans for the purpose of providing loans to cities for extraordinary electric and/or natural gas costs incurred during the extreme winter weather event of February 2021 (the “Act”); and

WHEREAS, the City of _____, Kansas (the “City”) has previously adopted Resolution No. _____⁸ authorizing the City to make application to the State Treasurer for a loan pursuant to the City Utility Low-Interest Loan Program (the “Loan”); and

WHEREAS, the governing body of the City hereby finds and determines that it is necessary and desirable to accept the Loan and to enter into a loan agreement and certain other documents relating thereto, and to take certain actions required in order to implement such loan agreement.

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

Section 1. Authorization of Loan Agreement. The City is hereby authorized to accept the Loan and to enter into a Loan Agreement with the State of Kansas acting by and through the State Treasurer (the “Loan Agreement”) to finance the extraordinary _____⁹ costs incurred during the extreme winter weather event of February 2021 (the “Extraordinary Costs”).

The Loan shall be in the amount of not to exceed \$ _____¹⁰.

The interest rate on the loan shall be 2% below the market rate as provided in K.S.A. 75-4237, and amendments thereto, and shall be recalculated on the first business day of January of each year using the market rate then in effect. The minimum interest rate shall be 0.25% if the market rate is below 2.25%.

⁸ Insert companion resolution number.

⁹ Describe whether loan will be used to pay for (a) electric, (b) natural gas, or (c) both electric and natural gas.

¹⁰ Insert total amount of loan request.

The Loan shall be repaid over a term of not to exceed _____¹¹ years. The City has requested _____¹² repayment dates.

The Mayor and Clerk are hereby authorized to execute the Loan Agreement, the Mayor's execution of the Loan Agreement being conclusive evidence of such approval.

Section 2. Establishment of Dedicated Source of Revenue for Repayment of Loan. The City hereby establishes a dedicated source of revenue for repayment of the Loan. In accordance therewith, the City shall impose and collect such rates, fees and charges for the use and services furnished by or through its _____¹³ utility (the "System"), including all improvements and additions thereto hereafter constructed or acquired by the City as will provide revenues which are sufficient to (a) pay the cost of the operation and maintenance of the System, (b) pay the principal of and interest on the Loan as and when the same become due, (c) pay all other amounts due at any time under the Loan Agreement and (d) pay the principal of and interest on all other outstanding bonds or indebtedness of the System; provided, however, no lien or other security interest is granted by the City to the State on the System revenues pursuant to the Loan. If the City receives any federal monies related to the extreme winter weather event of February 2021, the first priority for expenditure of such amounts (or any similar amounts received by the State of Kansas for the benefit of the City) will be the payment of any outstanding balance of the loan made to the City under the City Utility Low-Interest Loan Program as provided in Section 4(b) of the legislation creating the loan program. If the City receives any recoveries as a result of settlement or litigation or other refunds of Extraordinary Costs paid by the City that relate to the extreme winter weather event of February 2021, such amounts (or any similar amounts received by the State of Kansas for the benefit of the City) will be used to pay any outstanding balance of the loan made to the City under the City Utility Low-Interest Loan Program.

In accordance with the Act, the obligations under the Loan and the Loan Agreement shall not be included within any limitation on the bonded indebtedness of the City.

Section 3. Further Authority. The Mayor, Clerk and other City officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance, and to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 4. Governing Law. The Ordinance and the Loan Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

[Remainder this page intentionally left blank.]

¹¹ Term may not exceed 10 years.

¹² City may request monthly, quarterly or semi-annual payments.

¹³ Describe whether loan will be used to pay for (a) electric, (b) natural gas, or (c) both electric and natural gas.

Section 5. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City and publication (or publication of a summary thereof) in the official City newspaper.

PASSED by the governing body of the City on _____, 2021 and [signed][and **APPROVED**] by the Mayor.

(SEAL)

Mayor

ATTEST:

City Clerk

ATTACHMENT “B”
City of _____, Kansas
City Utility Low-Interest Loan Program

Estimated Payment Dates and Amounts for Extraordinary Costs

The City expects to incur extraordinary electric and/or natural gas costs during the extreme winter weather event of February 2021 that were not otherwise included in the city’s budget (the “Extraordinary Costs”), which are expected to be paid on the estimated dates and in the estimated amounts shown below:

Electric System Extraordinary Costs	
Estimated Payment Date	Estimated Amount Due
Natural Gas System Extraordinary Costs	
Estimated Payment Date	Estimated Amount Due

ATTACHMENT "C"
City of _____, Kansas
City Utility Low-Interest Loan Program

Please complete the form below and fax it to 785-296-6976.

Loan Placement Wire Instructions

Bank Name:

Bank Address:

ABA Number:

Account Number:

Reference (if any):
