

Missouri Clean Water Commission  
Department of Natural Resources  
Lewis and Clark State Office Building  
LaCharrette/Nightingale Conference Rooms  
1101 Riverside Drive  
Jefferson City, Missouri  
January 8, 2014

### **Small Borrower Loan for Prairie Home**

**Issue:** The city of Prairie Home has requested a small borrower loan of \$100,000 to fund the costs of the upgrades to their collection system and treatment facility.

**Background:** The city of Prairie Home intends to use part of the funds for collection system repairs and line replacements. They will add two new pumps to the lift station, repair multiple manholes and add two new manholes.

The city's current treatment facility is a three cell lagoon, with discharge to an unnamed tributary to Clarks Fork Creek. Prairie Home has a schedule of compliance in their current permit, requiring they meet ammonia limits by December 2014. The city intends to move to a land application system and eliminate the discharge. The project will include a center pivot machine and emergency overflow structure incorporating a Parshall flume. They will retain the current lagoon for primary treatment and emergency storage. The city has entered into an agreement to purchase 25 acres to accommodate the necessary land application area required for this system.

The total project cost is estimated to be \$538,000. The city has applied to the Missouri Development Finance Board for a loan of up to \$150,000 and the balance of the funds will come from private lenders. The small borrower loan will complete the cost of construction.

Small borrower loans come from repayments of loans originated with the state Water Pollution Control bonds. There are adequate funds available for this loan.

**Recommended Action:** The Department recommends that the Commission approve the proposed small borrower loan to the city of Prairie Home.

**Suggested Motion Language:** "I move to approve the small borrower loan of \$100,000 for the city of Prairie Home."

**List of Attachments:**

- Copy of Prairie Home's application of funding.



RECEIVED

10/23/13 (2)  
CW 290532013 001



MISSOURI DEPARTMENT OF NATURAL RESOURCES  
WATER PROTECTION PROGRAM, FINANCIAL ASSISTANCE CENTER  
**SMALL BORROWER LOAN APPLICATION**

Submit to: P.O. Box 176, Jefferson City, MO 65102-0176  
Attn: Financial Assistance Center

OCT 21 2013

FOR OFFICE USE ONLY	
DATE RECEIVED	
LOAN NUMBER	
PWS ID NUMBER	

WATER PROTECTION PROGRAM

This application is for a Small Borrower Loan

**APPLICANT INFORMATION**

APPLICANT NAME City of Prairie Home, Missouri			
MAILING ADDRESS P.O. Box 62			
CITY Prairie Home	STATE MO	ZIP CODE + FOUR 65068	COUNTY Cooper
TELEPHONE NUMBER WITH AREA CODE 660.841.5524 Ext.		FAX NUMBER WITH AREA CODE 660.841.5524	
AUTHORIZED REPRESENTATIVE NAME Donald ray Lohse		AUTHORIZED REPRESENTATIVE TITLE Mayor	
NAME OF PERSON TO CONTACT ABOUT THIS APPLICATION Michael Logston		TELEPHONE NUMBER WITH AREA CODE 573.659.6730 Ext.	
CONSULTING ENGINEER Bartlett & West, Inc.			
CONSULTANT MAILING ADDRESS 1719 Southridge Drive, Suite 100			
CITY Jefferson City	STATE Missouri	ZIP CODE + FOUR 65109	
CONSULTANT TELEPHONE NUMBER WITH AREA CODE 573.659.6730 Ext.		CONSULTANT FAX NUMBER WITH AREA CODE 573.634.7904	
POPULATION (CURRENT CENSUS) 220	POPULATION OF AREA TO BE SERVED 220	FEDERAL TAX ID NUMBER	
STATE SENATE DISTRICT NUMBER(S) FOR PROJECT 19		STATE REPRESENTATIVE DISTRICT NUMBER(S) FOR PROJECT 50	
OTHER FUNDS ANTICIPATED FOR THIS PROJECT Missouri Development Finance Board; Private Financing through D.A. Davidson			

Is this a water project or a sewer project? Sewer

ESTIMATED PROJECT COST INFORMATION		APPLICANT FINANCIAL INFORMATION	
<b>Cost Estimate Dated:</b>		<b>Bond Information/Debt Instrument</b>	
Development and Administration	\$ 66,700.00	Date of Ballot Approval	
Engineering (Construction Phase)	\$ 25,500.00	Anticipated Date for Bond Election	
Engineering Inspection	\$ 26,400.00	<input type="checkbox"/> General Obligation Bonds \$	
Construction	\$ 216,500.00	<input type="checkbox"/> Revenue Bonds \$	
Equipment	\$ 53,000.00	<input type="checkbox"/> No Bonds Available	
Other Costs specify: land, legal, audit, O&M	\$ 134,900.00		
Contingencies	\$ 15,000.00		
<b>Total Project Costs</b>	<b>\$ 538,000.00</b>		
<b>Loan amount requested</b> (Loan is limited to \$100,000)	<b>\$ 100,000.00</b>		

**ANTICIPATED FUNDING**

Total Costs	Applicant Contribution	Small Borrower Loan	Other Grants	Other Loan	Bonds
\$ 538,000.00	\$	\$ 100,000.00	\$	\$ 438,000.00	\$
Percentage of Total Costs	%	18 %	%	82 %	%

MO 780-2035 (2/09)

BONDED INDEBTEDNESS OF APPLICANT					
Outstanding Balance of Bonds	Interest Rate	Purpose of Bond	Amortization Period	Payment Due Date	Installment Amount
\$ 0	%				\$
\$ 0	%				\$
\$ 0	%				\$
\$ 0	%				\$
General Obligation Bonding Capacity \$					
FINANCIAL REPORT OF APPLICANT					
Does applicant have an adequate accounting system? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
TAX REVENUES OF APPLICANT					
TYPE OF PROPERTY	AGRICULTURAL	COMMERCIAL	INDUSTRIAL	RESIDENTIAL	
Total Assessed Value	\$	\$	\$	\$	
Anticipated Annual Income	\$	\$	\$	\$	
How will the applicant repay the loan? Through user fees.					
Median Household Income of project service area (as determined by latest census) \$ 29,375.00					
Projected Monthly User Charge for 5,000 gallons wastewater at completion of this project is \$ 40.00					
Current Monthly User Charge for 5,000 gallons wastewater is \$ 22.50					
Projected Monthly User Charge for 5,000 gallons drinking water at completion of this project is \$ 30.00					
Current Monthly User Charge for 5,000 gallons drinking water is \$ 30.00					
PROJECT DESCRIPTION					
(ATTACH ENGINEERING REPORT, IF AVAILABLE)					
A copy of the Facility Plan is attached.					
CERTIFICATION					
The undersigned representative certifies that the information submitted in this application is true and correct to the best of his/her knowledge and that he/she is authorized to sign and submit this application. The applicant agrees, if a loan is awarded on the basis of this application, to comply with all applicable rules and regulations of the Department of Natural Resources and the terms and conditions of the loan agreement. Incomplete applications will be returned.					
SIGNATURE OF AUTHORIZED REPRESENTATIVE <i>Donald Ray Lohse</i>			DATE 7-5-2013		
NAME AND OFFICIAL TITLE (TYPE OR PRINT) Donald Ray Lohse, Mayor			TELEPHONE NUMBER WITH AREA CODE 660.841.5524 Ext.		
PREPARER'S NAME AND SIGNATURE (IF APPLICABLE)					
SIGNATURE OF PREPARER <i>Michael Logston</i>			DATE April 30, 2013		
NAME AND TITLE (PRINT OR TYPE) Michael Logston, City Engineer			TELEPHONE NUMBER WITH AREA CODE 573.659.6730 Ext.		

MO 780-2035 (2009)