



City of Olathe

COUNCIL AGENDA ITEM

MEETING DATE: 1/9/2024

FOCUS AREA: Infrastructure (Field Operations)

STAFF CONTACT: Mary Jaeger / Zach Hardy

SUBJECT: Ordinance approving a loan agreement with the Kansas Department of Health and Environment for the replacement of galvanized water service lines requiring replacement.

TITLE:

Consideration of Ordinance No. 24-02 approving a Loan Agreement with the Kansas Department of Health and Environment (KDHE) acting on behalf of the State of Kansas, for the funding of the Olathe Pipe Replacement & Education Program (OPREP), PN 5-C-012-24.

SUMMARY:

This item approves an agreement for a partially forgivable loan offered through the State of Kansas' revolving loan fund, which provides funding to improve the safety of public water supply systems. The loan proceeds will support the Olathe Pipe Replacement & Education Program (OPREP), PN 5-C-012-24. OPREP seeks to meet federally mandated Lead and Copper Rule Revision requirements to reduce lead in drinking water and eliminate public/private lead service lines. This program is also driven by Olathe's desire to improve the health of our citizens.

Through OPREP, Olathe staff works with contractors to replace all galvanized service lines requiring replacement within city boundaries that have been previously identified through the program. The loan proceeds are available to fund pipe replacement costs in census tracts that have poverty rates exceeding the Kansas statewide poverty rate.

The city has, to date, identified 234 galvanized service lines requiring replacement.

KDHE prepared a loan agreement for approval by the City Council (**Attachment A**). The loan agreement requires that the City Council adopt an ordinance approving the loan agreement (**Attachment B**).

FINANCIAL IMPACT:

A loan not to exceed \$2,313,585 will be used to replace galvanized water service lines. 49% of the loan is eligible for forgiveness.

ACTION NEEDED:

Approve Ordinance No. 24-02 approving the Loan Agreement with KDHE

ATTACHMENT(S):

A. Loan Agreement

B. Ordinance No. 24-02 approving loan agreement with KDHE
