

The City of Towanda

City Council Special Meeting Minutes

Wednesday, September 30, 2026, 7:00 PM, City Hall, 110 S 3rd, Towanda, KS

Special Council Meeting

1. CALL TO ORDER

At 7 p.m., Mayor Mike Hayes called the meeting to order.

2. ROLL CALL

Present: Mike Hayes, Jennifer Watkins, Chris Hunt (online), Kit Williams, Drew Shaults, Angel Ramsey.

Staff present included City Administrator Sarah Gooding and City Attorney Rob Lane.

Members of the public present were Lane Volavka. The meeting also was streamed on the City's Facebook page and YouTube channel.

3. ADOPT AGENDA

Drew Shaults moved to adopt the agenda as presented, seconded by Angel Ramsey. Motion passed 5-0.

4. PUBLIC HEARING FOR STATE REVOLVING FUND LEAD SERVICE LINE REPLACEMENT

A. PUBLIC HEARING

City Administrator Sarah Gooding advised that the evening's meeting was scheduled as a public hearing as part of the required process for submitting final application for the LSL SRF for loan assistance.

The proposed project supports City efforts to replace lead and lead-contaminated water service lines and aligns with requirements of U.S. EPA Lead and Copper Rule Improvements. Financial assistance through Kansas Public Water Supply Loan Fund (KPWSLF) helps fund eligible project costs including construction, administration, and related costs.

The project intent is reducing potential lead exposure, protect public health, improve drinking water infrastructure, support long-term compliance

The City has identified the following requirements within this project:

- Replacement of public service lines made of lead or lead-contaminated materials
- Replacement of private service lines made of lead or lead-contaminated materials
- Engineering costs associated with eligible project costs
- Development of an EPA-required Replacement Plan
- Development of an EPA-required Baseline Inventory; and
- Post-construction water quality testing

Funding is available through low-interest State Revolving Loan Fund Program (SRF) through KDHE, and the anticipated loan application request is \$2,425,000. The City also plans to request up to \$1,212,500 in loan forgiveness

Loan term is anticipated to be

20-year (60% of market rate), OR

30-year (70% of market rate)

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The City plans to repay the SRF loan by utilizing funds generated by the sales tax recently passed in November 2025. Should that revenue source not produce enough income to cover replacement of water mains and the debt service on service line replacement, the City plans to repay the loan by adjusting their water rates to generate the funds needed to make the SRF loan payments. It is anticipated that the impact to the user rates will be between \$8.00 to \$12.00 per user per month on average.

The Loan provides a lower-than-market interest rate and either a 20 or 30-year term for repayment, and it also can be used as City share toward future grant matches. It will be administered as a reimbursement-based drawdown, in which the City must fund repairs first, then request loan reimbursement with documentation. Additionally, continued refining of LSL inventory could result in less need/utilization.

After discussion of potential costs and amortization schedules, Council members recommended a 20-year repayment term at 60% of market rate. Using current market rates, repayment would be about \$80,000 annually.

Council members asked where the funding source would be, and Gooding said this repayment would utilize about half of the water sales tax revenues collected annually. Council members asked how much longer until the City can break ground on the water main project. Gooding said she needs to check in on state licensing of the proposed water main project, but much of the timing depends on the City's ability to secure and commit funding for the work.

Council asked other questions about the status of the water main project, as well as progress and communication updates.

Gooding said this loan comes with some risk but could be the first puzzle piece in place for the greater improvement of the overall water system. She said one advantage is that funds spent in this project can be counted as match for future grants.

Mayor Mike Hayes opened the public hearing on the State Revolving Fund Lead Service Line project. Hearing no comments, he closed the hearing.

B. RESOLUTION ADOPTION

Jennifer Watkins made a motion to adopt Resolution 2026-14 authorizing the Mayor and City Clerk to prepare and execute a Loan Application to provide financing for the Lead Service Line Replacement Project; and the Mayor, City Clerk, and other officers and representatives of the City to take actions needed to complete the application and coordinate preparation of a loan agreement. The authorization to execute the Loan Agreement shall be subject to further resolution of the Governing Body. The motion was seconded by Kit Williams and carried 5-0.

5. EXECUTIVE SESSIONS (IF NEEDED)

A. NON-ELECTED PERSONNEL

Jennifer Watkins moved that the Council recess into executive session for 30 minutes to discuss matters of non-elected personnel, pursuant to the justification listed in KSA 75-4319(b)1 with attendance to include the Mayor, City Council, and

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City Attorney, with the open meeting set to resume in the Towanda City Hall Council Room at 8:10 p.m. The motion was seconded by Kit Williams and carried 5-0.

At 8:13, the meeting was called back into general session.

6. NEW BUSINESS

A. CITY ADMINISTRATOR CONTRACT

Drew Shaults made a motion to table the City Administrator Contract item to the October 14 Council Meeting, seconded by Jennifer Watkins. Motion carried 5-0.

7. ADJOURN

Drew Shaults made a motion to adjourn at 8:14 p.m., seconded by Jennifer Watkins. Motion carried 5-0.

Respectfully Submitted,


Sarah Gooding, City Administrator/Clerk