



CITY ADMINISTRATION
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PRESS RELEASE
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Revenue Bond Election in February to Meet Wastewater System Needs

Ashland, MO- Ashland voters will be asked in February whether or not bond funds shall be used to pay for improvements to the City's wastewater treatment and collection systems. This bond question seeks to advance \$40 million in improvements over the next ten to fifteen years to address treatment and capacity deficiencies and to meet the needs of the community.

Using bond financing is a common utility practice to pay for expensive infrastructure over time. Revenue bonds provide the least expensive method to pay for wastewater improvement projects in Ashland. Bonds allow costs to be spread out over the useful life of the projects and minimize the rate impact to current customers. Additionally, by spreading these costs out over the useful life of the project, future City of Ashland wastewater customers can help pay for costly, long-lasting projects that they will benefit from.

If the majority of voters approve the bond question on February 6th, the City will move forward with these necessary improvements under the Missouri Department of Natural Resource's State Revolving Fund. This funding mechanism entitles the City to a subsidized interest rate of approximately 2% while also making the improvements eligible for certain grants that can help reduce the overall project costs to the City and the customer.

If the majority of voters disapprove the bond question on February 6th, the City will move forward with these projects under traditional financing means. Under traditional financing means, the improvements would be subjected to market-rate interest rates and less flexible repayment terms. Higher interest and less flexible repayment terms would result in higher overall project costs. Which in turn would result in larger rate increases to the customer at a faster rate.

The City's goal is to complete these projects at the lowest possible cost to the City and the customer. Voter approved bonds enable the City to leverage more affordable financing options and open up grant opportunities to further reduce costs. More information about this bond question and the intended projects can be found on our website at www.ashlandmo.us under the Documents Center.

All questions can be directed to City Administrator Kyle Michel, kmichel@ashlandmo.us / 573-657-2091.