

LOAN APPLICATION
RECOMMENDED FOR APPROVAL

- Applicant:** Mustang Improvement Authority, Canadian County
- Application No.:** ORF-08-0006-CW
Clean Water State Revolving Fund Loan (“CWSRF Loan”) and American Recovery and Reinvestment Act (“ARRA Funds”)
- Funding Requested:** \$8,140,000.00 CWSRF Loan and ARRA Funds
- Loan Interest Rate:** The CWSRF Loan shall bear a fixed interest rate to be determined prior to loan closing plus an administrative fee of 0.5% per annum, all on the outstanding principal balance of the loan.
- Loan Payment Term:** Interest, administrative fee, and principal payments shall be made on a semi-annual basis. The Applicant shall commence principal repayment no later than one (1) year following Project completion, and the maturity of the loan shall be no later than thirty (30) years following the date the Project is completed.
- Loan Security Position:** The loan shall be secured with a lien on the revenues of the Applicant's water and sewer systems, the proceeds of a 3 cent sales tax, and may include a mortgage on the Applicant's water and sewer systems and other real property.
- Allocation of Funds:** The loan funds shall be provided from the CWSRF and other funds, if any, shall be provided from the ARRA.
- Purpose:** The applicant will utilize the loan proceeds to: (i) expand the existing treatment capacity of the wastewater treatment plant from 1.5 to 2.0 MGD design average daily flow (“Phase I Improvements”), with the capability designed into the improvements to allow expansion to 3.0 MGD in the future as part of Phase II improvements. Phase I Improvements include: installation of a vortex grit removal system, retrofitting the three existing Sequencing Batch Reactors (“SBR”) with diffused aeration, decanter upgrades, and control modifications, with one SBR modified for aerobic digestion use, installation of a 3 meter Gravity Belt Thickener (GBT), construction of a new operations building that will be used to house SBR and digester blowers, GBT, electrical, pumps, piping, and related items; and (ii) pay related costs of issuance.