

OSAWATOMIE CITY COUNCIL

AGENDA

February 23, 2017

6:30 p.m., Memorial Hall

1. Call to order
2. Roll Call
3. Pledge of Allegiance
4. Invocation
5. Consent Agenda
 - Consent Agenda items will be acted upon by one motion unless a Council member requests an item be removed for discussion and separate action.*
 - A. February 23, 2017 Agenda
 - B. Appropriation Ordinance 2017-01
6. Comments from the Public
 - Citizen participation will be limited to 5 minutes. Stand & be recognized by the Mayor.*
7. Presentations & Proclamations
8. Public Hearings
9. Unfinished Business
 - A. Electric Generation Project – Award Bids – 9th Street Substation
 - B. Affected Interconnected Facilities System Study Agreement with Southwest Power Pool
10. New Business
 - A. Appointment – Planning Commission
 - B. Proposed Ordinance – Candidate Petition Requirements
 - C. Mower Purchase
 - D. Approval of CDBG Contract – Main Street Phase II
11. Council Report
12. Mayor’s Report
13. City Manager & Staff Reports
14. Executive Session
15. Other Discussion/Motions
16. Adjourn

NEXT REGULAR MEETING – March 9, 2017

Record of Ordinances

ORDINANCE NO. 2017-01

DATE WARRANTS ISSUED:
January 31, 2017

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AN ORDINANCE MAKING APPROPRIATION FOR THE PAYMENT OF CERTAIN CLAIMS.

Be it ordained by the Governing Body of the City of Osawatomie, Kansas

Section 1. That in order to pay the claims hereinafter stated which have been properly audited and approved, there is hereby appropriated out of the respective funds in the city treasury the sum required for each claim.

CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	Amount
Void		48889	-
City of Osawatomie	Petty Cash Reimbursement	1842	3,523.41
KMEA	GRDA Electricity	1843	78,893.89
United Healthcare	Health Insurance	1844	45,315.08
Jennifer McDaniel	Communication Services	48890	1,200.00
David Utterback	Seminar-Deck Construction	48891	1,000.00
Dish Network	Service	48942	104.02
Jeff Bergen	Elvis Entertainment	48943	400.00
Suddenlink	Internet	48944	249.90
Affinity RMC, Inc.	Jeans	48947	251.93
Altec Industries, Inc.	Ox Block With Sling	48948	621.60
Arrowhead Scientific, Inc.	Gloves, Markers, Evidence Seals	48949	283.51
ASCAP	License Fee	48950	341.00
Bradley A/C & Heating	Replaced Inducer Motor	48951	654.92
Brewer's Automotive Repair, Inc.	Replace Heater Hose, Batteries	48952	412.97
Champion Brands, LLC	Wiper Blades, Oil, Antifreeze	48953	679.83
City Attorney's Association of Kansas	Membership Dues	48954	35.00
City Electrical Supply Company	Jbox Next Gen	48955	36.54
Computers & More, LLC	Speakers	48956	4.03
Consolidated Fleet Services	Truck and Line Tool Inspection	48957	1,816.00
Deffenbaugh	Sludge Haul Off	48958	1,374.20
Delta Dental	Dental Insurance	48959	3,103.02
Douglas Pump Service, Inc.	Align Pump	48960	537.50
Elliott Insurance	Quarterly Premium	48961	41,251.00
Farwest Line Specialties, LLC	Bolt Cutter	48962	314.37
Gallagher Benefit Services, Inc.	Administration Fee	48963	457.00
Gerken Rent All	Kerosene	48964	39.90
Golden West Industrial Supply	Light LED Flares	48965	347.55
HD Supply Waterworks	Anchor Coupling	48966	146.18
IACIS	IACIS Mobile Device Forensics	48967	1,495.00
Inland Truck Parts	Air Gauge, Bracket	48968	86.39
International Institute of Municipal Clerk	Application for Admission Fee	48969	50.00
Jive Communications, Inc.	Service	48970	912.78
KACM	Membership	48971	140.00
Kansas Department of Commerce	JTC Oil Lease	48972	1,000.00
Kansas Dept. of Health & Environment	Air Permit Application	48973	750.00
Kansas Mayors Association	Membership Dues	48974	50.00
Kansas Municipal Utilities	2017 Membership Dues	48975	6,899.00
Kincaid Ready Mix	Concrete	48976	1,408.88
Knapheide Truck Equipment Center	O-Rings	48977	435.50

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CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Kriz Davis Co.	Wire, Arrestors, Cutouts, Clamps	48978	7,259.27
Kansas Municipal Insurance Trust	Worker's Compensation Insurance	48979	76,840.00
KS State Firefighters Association	Dues & Membership	48980	464.00
Kustom Signals, Inc.	Repair Radar, Antenna	48981	610.36
Ken Landes	IRC Class Book	48982	150.00
League of Kansas Municipalities	Membership and Subscription	48983	2,224.55
Lybarger Oil	Dyed Diesel, Diesel, Diesel Treatment	49984	1,529.85
Maxim Golf Solutions	Consulting Services	48985	1,250.00
Metropolitan Kansas City	Membership Dues	48986	30.00
Miami County Fire District #1	Emergency Reporting, Pumper Rent	48987	4,794.00
Miami County Treasurer	Vehicle Registration	48988	1,364.25
Miami County, Kansas	Retail Study	48989	1,300.00
Miami Lumber, Inc.	Lumber, Deck Screws	48990	159.84
Midwest Collision II	Repair 2008 Ford Interceptor	48991	2,118.75
Nicholson, Dasenbrock & Hartley	Attorney Fees	48992	260.00
Olathe Winwater Works	Clamp, Bell Reducer, Gasket, Sleeve	48993	1,243.60
Pace Analytical	Analytical Charges	48994	316.00
Pat's Signs	Ice Scrapers	48995	334.00
Quality Tree Service	Tree Trees for Power Lines	48996	1,000.00
Quill	Paper Clips, Boxes, Towels, Calendar	48997	100.16
Ray's Power Sports	Chains, Handle	48898	84.91
Reserve Account	Postage	48999	1,200.00
Void		49000	-
Sherwin Williams	Paint	49001	250.36
Solarwinds	Mailbox Filtering	49002	94.25
Suddenlink	Internet	49003	272.09
Superior Vision	Vision Insurance	49004	633.36
T2 Holdings, LLC	Shredding	49005	60.00
Tomo Drug Testing	Administration Fee	49006	200.00
Tompkins	Tube, Push In Dot	49007	45.33
Tyler Technologies	Computer Maintenance	49008	6,107.87
UOM School, Inc.	Registration	49009	200.00
UPS Store	Postage	49010	29.98
Utility Service Company, Inc.	Water Tower, Annual Service	49011	15,031.62
Van Wall Equipment	Knife, Filters, Hydraulic	49012	642.35
Viking Industrial Supply	Paper Products	49013	145.41
Winkler, Domoney & Schultz	Municipal Court Judge	49014	2,060.00
Zep Sales	Cherry Bomb, Soap	49015	194.98
Ricoh USA	Copier Lease	49016	311.30
Ricoh USA	Copier Lease	49017	280.78
City of Osawatomie	Petty Cash Reimbursement	1845	345.59
UOM School, Inc.	Registration	49018	100.00
Kansas Gas Service	Service	49019	8,479.82
AT&T	RTU'S	49020	222.67
Baker & Taylor	Books	49021	293.53

Record of Ordinances

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CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Belger Cartage Service, Inc.	Unload Transformers	49022	2,820.00
Big C's Enterprises, LLC	Deposit for Carnival	49023	5,000.00
Bradley A/C & Heating	Replaced Motor	49024	377.79
Brewer's Automotive Repair	Battery	49025	101.95
C&G Merchants Supply, Inc.	Towels, Chips	49026	72.62
CDW Government	Internet Switch	49027	2,104.26
Centurylink	Long Distance	49028	44.43
Centurylink	Services	49029	757.31
Centurylink	RTU'S	49030	236.56
Chief State Boiler Inspector	Boiler Certificate	49031	30.00
Cintas Fire Protection	Fire Extinguisher Maintenance	49032	1,882.29
Civic Plus	Website Fee	49033	3,801.97
CMI, Inc.	Mouthpieces	49034	61.29
Cross Midwest	Tires	49035	230.00
Donna & Viola's Shirts	Patches	49036	10.00
Ft. Scott Community College	Surface Water Treatment Class	49037	140.00
Hanes Florist & Greenhouse	Flowers	49038	75.00
Hawkins, Inc.	Aqua Hawk, Azone	49039	3,520.24
IES Commercial, Inc.	7th Street Substation Phase II	49040	46,095.16
JEO Consulting Group, Inc.	Consulting Services	49041	5,337.50
Kansas City Power & Light	Service	49042	1,398.50
Kansas Department of Revenue	CMB License	49043	25.00
Kansas Municipal Utilities	1st Qtr. Dues	49044	2,528.00
Kansas Rural Water Association	KRWA Conference	49045	160.00
KGCSA	2017 Membership Dues	49046	80.00
Jennifer McDaniel	Communication Services	49047	1,200.00
Mid States Energy Works	7th Street Substation Phase IV	49048	18,334.60
Navrat's Office Products	Laser Checks	49049	296.92
NMC Power Systems	7th Street Substation Phase III	49050	281,890.35
Olathe Winsupply Co.	Conduit, Adapter, Coupling	49051	967.62
Olathe Winwater Works Co.	Clamp, Rod, Spade, Meter Pit	49052	702.00
Postmaster	Pre-Sort Permit	49053	225.00
R&J Trucking	Gravel Hauling	49054	137.70
R&R Products, Inc.	Roller, Seal, Washer, Bearing	49055	635.04
Rejis Commission	Leweb Subscription	49056	34.07
Remco Demolition	Demolition	49057	34,579.00
Ricoh	Copies	49058	124.69
Schwaab, Inc.	Stamp	49059	41.75
SHI International Corp.	Creative Cloud	49060	806.00
Suddenlink	Internet	49061	61.75
Superior Vision	Vision Insurance	49062	626.98
Debbie Talley	Memorial Hall Janitorial	49063	375.00
USA Blue Book	Chart	49064	165.85
Wades Quarries	Gravel	49065	145.73
Walmart	Toasters, Cupcakes, Candy, Buns	49066	375.92

CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: February 23, 2017

AGENDA ITEM: 9th Street Substation Bid Award

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: Attached are the recommendations of our project engineer, Matt Kalin, for award of the bids for construction of the 9th Street Substation.

In general, the bids are for the transformer and for the construction of the equipment and facilities. We have already contracted for the reworking of the switchgear and rewinding of the generator transformers. Also, staff has decided it will do some preliminary grading, run conduit and pour the generator pads to reduce the cost of the project. It should be a savings of approximately \$50,000 from the submitted bids.

Finally, we have attached an updated budget for this project. As we are near the end of the project and will now have all major portions of the project under contract, we are projecting expected costs for the remainder project. At this time we have approximately \$183,000 (3%) in contingency available for the entire project, including generators, substations and the new electric shop building. Upon approval of these bids, we will have obligated about 88% of the entire project.

COUNCIL ACTION NEEDED: Review, discuss and consider.

STAFF RECOMMENDATION TO COUNCIL: Approve the following bids as recommended by Matt Kalin, project engineer of JEO:

1. Award Substation Transformer to Virginia Transformer Corp. in the amount of \$283,019.
2. Award 9th Street Substation Construction to IES Commercial for Group A & B in the aggregate amount of \$1,151,721.

City staff will complete the work included in the Group B Alternate No. 1.



February 17, 2017

City of Osawatomie, KS
Attn: Don Cawby, City Manager
PO Box 37
Osawatomie, KS 66064

RE: Osawatomie, Kansas
12 MW Generation Capacity Improvements
JEO Project No. 141554

Members of the Council:

JEO Consulting Group, Inc. (JEO) is pleased to submit this letter of recommendation for the following two items to be discussed at the February 23, 2017 City council meeting:

1. The City received seven responsive bids on February 9, 2017 for the '2016 Substation Transformer' project. The responsive bids ranged from \$283,019 to \$450,285 with the bid tab included. All of the bids received were under the Engineer's opinion of probable cost. JEO has completed a thorough review of the bids and recommends that the City accept the lowest responsive bid submitted by Virginia Transformer Corp. in the amount of \$283,019.00.
2. The City received ten responsive bids on February 9, 2017 for the '2016 9th Street Substation' project. The responsive bids for Group 'A' ranged from \$63,000 to \$252,671, Group 'B' ranged from \$973,337 to 2,471,108.38, Group 'B' Alternate No. 1 ranged from \$40,588 to \$228,280, and Groups 'A' & 'B' combined ranged from \$1,151,721 to \$2,634,645.08 with the bid tab included. Four of the bids received were under the Engineer's opinion of probable cost. JEO has completed a thorough review of the bids and recommends that the City accept the lowest responsive bid submitted by IES Commercial, Inc. for Groups 'A' & 'B' combined in the amount of \$1,151,721.00 with City staff to complete the work included in Group 'B' Alternate No. 1.

If you have any questions and/or concerns do not hesitate to contact me at (402) 371-6416 Ext. 1114 or (402) 360-0217.

Respectfully submitted,

Matt E. Kalin, PE
Project Engineer

MEK:skw
Enclosure



Bid Tab

PROJECT | 2016 Substation Transformer

JEO PROJECT NO. | 141554.03

LOCATION | Osawatomie, Kansas

LETTING | February 9, 2017 @ 3:00 PM

OPINION OF COST | \$525,000

BIDDER	GROUP A	START DATE
Virginia Transformer Corp. Roanoke, VA	\$283,019.00	18-20 Weeks ARO
Moehn Electrical Sales Co. (CG Power Systems) Omaha, NE	\$351,100.00	20-22 weeks ARO
Whitefish Energy Holdings, LLC Whitefish, MT	\$359,264.91	10/26/2017
Lynn Elliot Co. (Howard Industries) Olathe, KS	\$361,684.00	six weeks prior to request date
OTC Services Louisville, OH	\$362,605.00	Upon receipt of PO
PDS Inc. (ABB) Omaha, NE	\$425,165.00	October 19, 2017 if order placed by 4/15/17
Irby Construction Co. Richland, MS	\$450,285.00	6/12/2017

JEO CONSULTING GROUP INC

803 W. Norfolk Avenue | PO Box 1424 | Norfolk, Nebraska 68702-1424 | p: 402.371.6416 | f: 402.371.5109

www.jeo.com

Tab Sheet

PROJECT | 2016 Substation Transformer

PROJ NO. | 141554.03

LOCATION | Osawatomie, Kansas

Item No.	Qty.	Unit	Description	Virginia Transformer		Moehn Electrical Sales (CG Power Systems)		Whitefish Energy Holdings		Lynn Elliott Co. (Howard Industries)		OTC Services		PDS Inc.		Irby Construction Co.	
				Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
GROUP A - SUBSTATION TRANSFORMER																	
1	1	LS	Furnishing and setting in place one new 7.5 MVA Substation Transformer		\$283,019.00		\$351,100.00		\$359,264.91		\$361,684.00		\$362,605.00		\$425,165.00		\$450,285.00
TOTAL GROUP A					\$283,019.00		\$351,100.00		\$359,264.91		\$361,684.00		\$362,605.00		\$425,165.00		\$450,285.00



Bid Tab

PROJECT | 2016 9th Street Substation

JEO PROJECT NO. | 141554.03

LOCATION | Osawatomie, Kansas

LETTING | February 9, 2017 @ 3:00 PM

OPINION OF COST | \$1,200,000 - \$1,370,000

BIDDER	GROUP A	GROUP B	GROUP A+B	GROUP B ALTERNATE #1	START DATE
IЕСSI					
Holdrege, NE	\$75,690.00	\$1,076,031.00	\$1,151,721.00	\$71,349.00	April 17, 2017 (Group A) June 5, 2017 (Group B)
Harold K. Scholz Co.	\$63,000.00	\$1,131,400.00	\$1,194,400.00	\$74,500.00	
Ralston, NE	\$71,928.00	\$1,137,241.00	\$1,209,169.00	\$40,588.00	April 15, 2017 (Group A) June 1, 2017 (Group B)
NMC Power Systems	\$252,671.00	\$973,337.00	\$1,226,008.00	\$175,059.00	April 3, 2017 (Group A) May 1, 2017 (Group B)
Omaha, NE	\$108,425.00	\$1,170,490.00	\$1,278,915.00	\$72,335.00	May 1, 2017 (Group A) June 1, 2017 (Group B)
Irby Construction Co.	\$114,216.00	\$1,408,806.00	\$1,523,022.00	\$91,274.00	within 2 weeks NTP for Group A directly after Group A for Group B
Richland, MS	\$0.00	\$1,799,453.37	\$1,799,453.37	\$81,850.13	May 1, 2017 (Group B)
The Ryan Company	\$148,480.00	\$1,658,030.00	\$1,806,510.00	\$228,280.00	April 3, 2017 (Group A) May 8, 2017 (Group B)
Norton, MA	\$163,536.70	\$2,471,108.38	\$2,634,645.08	\$206,812.15	April 3, 2017 (Group A) July 5, 2017 (Group B)
ElectriComm, Inc.	\$84,865.00	\$0.00	\$84,865.00	\$0.00	
Topeka, KS					
RS Electric Utility Services					
Saith Joseph, MO					
Integrated Power Co.					
North Platte, NE					
PAR Electrical Contractors, Inc.					
Kansas City, MO					
Emery Sapp & Sons, Inc.					
Springfield, MO					

Tab Sheet

PROJECT | 2016 9th Street Substation

JEO PROJECT NO. | 141554.03

LOCATION | Osawatomie, Kansas

Item No.	Qty.	Unit	Description	IESCI		Harold K. Scholz Co.		NMC Power Supply		Irby Construction Co.		The Ryan Company	
				Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
GROUP A													
1	1	LS	Generator site grading and fill fencing		\$37,845.00		\$31,500.00		\$35,964.00		\$116,459.00		\$51,925.00
2	1	LS	Substation site grading and silt fencing		\$37,845.00		\$31,500.00		\$35,964.00		\$136,212.00		\$56,500.00
TOTAL GROUP A					\$75,690.00		\$63,000.00		\$71,928.00		\$252,671.00		\$108,425.00
GROUP B													
1	1	LS	Substation Concrete Work		\$86,323.00		\$178,100.00		\$182,702.00		\$149,591.00		\$224,040.00
2	1	LS	Substation Pre-Engineered Building		\$438,588.00		\$155,200.00		\$76,778.00		\$183,824.00		\$87,450.00
3	1	LS	Substation Electrical Work		\$376,658.00		\$592,500.00		\$754,534.00		\$365,787.00		\$699,475.00
4	1	LS	Generator Electrical Work		\$115,989.00		\$176,300.00		\$109,082.00		\$208,806.00		\$140,625.00
5	1	LS	Generator Enclosure Re-Assembly Work		\$58,473.00		\$29,300.00		\$14,145.00		\$65,329.00		\$18,900.00
TOTAL GROUP B					\$1,076,031.00		\$1,131,400.00		\$1,137,241.00		\$973,337.00		\$1,170,490.00
TOTAL GROUP A + B					\$1,151,721.00		\$1,194,400.00		\$1,209,169.00		\$1,226,008.00		\$1,278,915.00
GROUP B - ALTERNATE #1													
1	1	LS	Generator Concrete Work		\$25,837.00		\$48,500.00		\$24,977.00		\$87,164.00		\$55,160.00
2	1	LS	Generator Transformer Concrete Work		\$8,613.00		\$7,800.00		\$5,620.00		\$46,352.00		\$5,275.00
3	1	LS	Generator Site Conduit Work		\$36,899.00		\$18,200.00		\$9,991.00		\$41,543.00		\$11,900.00
TOTAL GROUP B - ALTERNATE #1					\$71,349.00		\$74,500.00		\$40,588.00		\$175,059.00		\$72,335.00

ElectriComm Inc.		RS Electric Utility Services		Integrated Power Co.		PAR Electrical Contractors		Emery Sapp & Sons	
Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
	\$56,108.00		\$0.00		\$72,180.00		\$93,416.21		\$40,651.00
	\$58,108.00		\$0.00		\$76,300.00		\$70,120.49		\$44,214.00
	\$114,216.00		\$0.00		\$148,480.00		\$163,536.70		\$84,865.00
	\$108,659.00		\$173,148.45		\$130,860.00		\$231,465.04		\$0.00
	\$219,834.00		\$194,357.19		\$818,240.00		\$1,031,518.02		\$0.00
	\$840,651.00		\$1,078,381.19		\$460,130.00		\$579,771.11		\$0.00
	\$195,733.00		\$274,822.10		\$200,300.00		\$485,315.61		\$0.00
	\$43,929.00		\$78,744.44		\$48,500.00		\$143,038.60		\$0.00
	\$1,408,806.00		\$1,799,453.37		\$1,658,030.00		\$2,471,108.38		\$0.00
	\$1,523,022.00		\$1,799,453.37		\$1,806,510.00		\$2,634,645.08		\$84,865.00
	\$53,446.00		\$61,993.48		\$134,480.00		\$139,789.81		\$0.00
	\$13,423.00		\$5,914.04		\$30,900.00		\$16,986.85		\$0.00
	\$24,405.00		\$13,942.61		\$62,900.00		\$50,035.49		\$0.00
	\$91,274.00		\$81,850.13		\$228,280.00		\$206,812.15		\$0.00

**OSAWATOMIE 12MW ELECTRIC GENERATION
PROJECT BUDGET**

Updated 02-23-2017

	Dec-15 Budget	Updated Budget	Spent/Obligated with Proposals	Other Expected Expenditures	(Over)/Under Budget
PROJECT COSTS					
Generators					
Generator Units	\$ 1,600,000	\$ 1,671,400	\$ 1,671,400	\$ -	\$ -
Generator delivery	220,000	205,200	205,200	-	-
Generator Warranty (3 years)	90,000	70,000	58,446	-	11,554
Generator Megger Testing	6,000	6,000	6,000	-	-
Generator Load Testing	27,000	-	-	-	-
Generator Engine Testing	31,200	-	-	-	-
Load Testing & Startup		90,000	112,450	-	(22,450)
3-year Service Agreement		40,000	22,956	-	17,044
Gen #2 Repairs & Load Test	150,000	41,600	49,722	-	(8,122)
Subtotal - Generators	\$ 2,124,200	\$ 2,124,200	\$ 2,126,174	\$ -	\$ (1,974)
Substations					
7th Street Substation Modifications	\$ 682,609	\$ 682,609	\$ 786,300	\$ -	\$ (103,691)
Substation Feeder Modifications	36,000	36,000	-	-	36,000
9th Street Substation	1,784,348	1,784,348	1,862,388	25,000	(103,040)
Substation Temporary Distribution	39,364	39,364	-	-	39,364
Subtotal - Substations	\$ 2,542,321	\$ 2,542,321	\$ 2,648,689	\$ 25,000	\$ (131,368)
New Electric Shop	\$ 450,000	\$ 450,000	\$ -	\$ 450,000	\$ -
Engineering/Permitting					
Engineering Austin, NM Site Visit	\$ 3,840	\$ 3,840	\$ 3,840	\$ -	\$ -
Transport/Study and Report	23,400	23,400	23,400	-	-
JEO Engineering Contract	316,810	316,810	316,810	-	-
Air Permitting	-	-	2,417	-	(2,417)
SPP Studies			10,000	15,000	(25,000)
Surveying/Misc		22,000	15,742	-	6,258
Subtotal - Engineering/Permitting	\$ 344,050	\$ 366,050	\$ 372,209	\$ 15,000	\$ (21,159)
SUBTOTAL - PROJECT COSTS	\$ 5,460,571	\$ 5,482,571	\$ 5,147,072	\$ 490,000	\$ (154,501)
CONTINGENCIES					
Substation	\$ 377,579	\$ 355,579	\$ -	\$ -	\$ 355,579
KMEA Meters			-	27,546	(27,546)
All Other	104,840	48,240	-	-	48,240
Subtotal - Contingencies	\$ 482,419	\$ 403,819	\$ -	\$ 27,546	\$ 376,273
TOTAL PROJECT BUDGET	\$ 5,942,990	\$ 5,886,390	\$ 5,147,072	\$ 517,546	\$ 221,772
FINANCING					
Bond Proceeds	\$ 5,848,570	\$ 5,904,692	\$ 5,203,194	\$ 517,546	\$ 183,952
Issuance Expenses		(56,122)	(56,122)	-	-
Funds Available	\$ 5,848,570	\$ 5,848,570	\$ 5,147,072	\$ 517,546	\$ 183,952
(Over)/Under Project	\$ (94,420)	\$ (37,820)	\$ 663,678		\$ 183,952

**OSAWATOMIE 12MW ELECTRIC GENERATION
PROJECT BUDGET**

Sub-Station Obligated Contracts/Expenses

Sub/Purpose	Contractor	Amount	Chg Ordrs	Total	Paid to Date	Outstanding
7 Ground Grid	IES	\$ 34,264.00	\$ -	\$ 34,264.00	\$ 34,264.00	\$ -
7 Loading	Belger	24,300.00		24,300.00	24,300.00	-
7 Pads & Grading	City Staff	18,317.72		18,317.72	18,317.72	-
7 Phase II Const	IES	146,823.00	11,605.00	158,428.00	142,062.52	16,365.48
7 Rewind Trans	Solomon	63,090.00		63,090.00	63,090.00	-
7 Sub Controls	NMC	301,185.00		301,185.00	281,890.35	19,294.65
7 Switchgear	Midstates	182,761.00	585.00	183,346.00	183,346.00	-
7 Misc Exp		3,369.53		3,369.53	3,369.53	-
Subtotal 7th Sub		\$ 774,110.25	\$ 12,190.00	\$ 786,300.25	\$ 750,640.12	\$ 35,660.13
9 Loading	Belger	24,300.00		\$ 24,300.00	\$ 3,150.00	\$ 21,150.00
9 Pads & Grading	City Staff	20,000.00		20,000.00		20,000.00
9 Rewind Trans	Solomon	61,500.00		61,500.00	61,500.00	-
9 Sub Controls	NMC	313,073.00		313,073.00		313,073.00
9 Substation	IES	1,151,721.00		1,151,721.00		1,151,721.00
9 Transformer	VA Transfrm	283,019.00		283,019.00		283,019.00
9 Misc Exp		8,775.40		8,775.40	8,775.40	-
Subtotal 9th Sub		\$ 1,862,388.40	\$ -	\$ 1,862,388.40	\$ 73,425.40	\$ 1,788,963.00
TOTAL Sub Contracts/Expenses		\$ 2,636,498.65	\$ 12,190.00	\$ 2,648,688.65	\$ 824,065.52	\$ 1,824,623.13



OPINION OF COST
Osawatomie Electrical Generation Capacity
141554
February 22, 2017

Cost Estimate
 Electrical Work

Group A
 Group B
 Alt. #1
 Owner



ITEM NO.	QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	BUDGET TOTAL	TOTAL May 2016	TOTAL July 2016	TOTAL DEC 2016	TOTAL FEB 2017
Proposed 9th St. Substation									
1	102	CY	Generator Concrete Pads	\$ 850.00	\$ 86,866.14	\$ 86,866.14	\$ 86,866.14	\$ 86,866.14	
2	3	EA	Generator Install (Crane Lift)	\$ 25,360.00	\$ 76,080.00	\$ 76,080.00	\$ 21,150.00	\$ 21,150.00	\$ 21,150.00
3	1080	LF	Generator Feeder to XFMR - 9 Sets of (4) #600's	\$ 40.66	\$ 17,053.20	\$ 43,910.64	\$ 43,910.64	\$ 43,910.64	
4	360	LF	Generator Conduit to XFMR - 9 Sets of 4" C	\$ 28.00	\$ 10,080.00	\$ 10,080.00	\$ 10,080.00	\$ 10,080.00	
5	455	LF	Generator Control Wires	\$ 1.07	\$ 486.85	\$ 486.85	\$ 486.85	\$ 30,569.60	
6	455	LF	Generator Control Conduits - 1" C	\$ 6.45	\$ 2,934.75	\$ 2,934.75	\$ 2,934.75	\$ 3,418.98	
7	3	EA	Transformer Fiberglass Bases	\$ 5,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	
8	3	EA	Transformer Rewinding	\$ 22,500.00	\$ 67,500.00	\$ 61,500.00	\$ 61,500.00	\$ 61,500.00	\$ 61,500.00
9	3	EA	Transformer Install	\$ 20,000.00	\$ 60,000.00	\$ 60,000.00	\$ 22,252.50	\$ 22,252.50	
10	3	EA	Neutral Reactor	\$ 21,400.00	\$ 64,200.00	\$ -	\$ -	\$ 7,500.00	
11	4.67	CY	Neutral Reactor Concrete Pad	\$ 850.00	\$ 3,966.67	\$ -	\$ -	\$ -	
12	675	LF	Generator Feeder From XFMR to Swgr - (3) #350's (FN)	\$ 12.50	\$ 8,437.50	\$ 8,437.50	\$ 8,437.50	\$ 19,687.50	
13	225	LF	Generator Neutral From XFMR to Swgr - 350 CU	\$ 9.29	\$ 2,089.58	\$ 2,089.58	\$ 2,089.58	\$ 4,875.68	
14	225	LF	Generator Conduit From XFMR to Swgr - 6" C	\$ 50.00	\$ 11,250.00	\$ 11,250.00	\$ 11,250.00	\$ 17,475.00	
15	345	LF	Trenching and Backfill	\$ 5.00	\$ 1,725.00	\$ 1,725.00	\$ 1,725.00	\$ 2,679.50	
16	5	EA	New Substation Switchgear Feeder Sections with Relay/CB	\$ 34,778.22	\$ 173,891.11	\$ 173,891.11	\$ 173,891.11	\$ 208,669.33	
17	1	LS	Control Programming/Generator Integration	\$ 50,000.00	\$ 50,000.00	\$ 313,073.00	\$ 313,073.00	\$ 313,073.00	\$ 313,073.00
18	3400	LF	Ground Grid - #4/0 Copper	\$ 6.32	\$ 21,477.80	\$ 21,477.80	\$ 21,477.80	\$ 42,955.60	
19	81	EA	Ground Grid - Connections	\$ 99.50	\$ 8,059.50	\$ 8,059.50	\$ 8,059.50	\$ 16,119.00	
20	165	EA	Ground Grid - Exothermic Welds	\$ 105.00	\$ 17,325.00	\$ 17,325.00	\$ 17,325.00	\$ 34,650.00	
21	75	EA	Ground Grid - Ground Rod	\$ 140.00	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00	\$ 21,000.00	
22	1	LS	Prefabricated Metal Building	\$ 121,723.78	\$ 121,723.78	\$ 121,723.78	\$ 121,723.78	\$ 121,723.78	
23	1000	\$/Sq Ft	Building Power/Lighting/Heating/Etc.	\$ 20.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	
24	1	EA	Building AC Panel	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	
25	1	EA	Building DC Panel	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	
26	1	EA	Battery Charger	\$ 4,650.00	\$ 4,650.00	\$ 4,650.00	\$ 4,650.00	\$ 4,650.00	
27	1	EA	Battery Rack	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	
28	1	LS	34.5 kV OH Tap Pole & Conductors	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	
29	1	LS	Steel Structure	\$ 83,467.73	\$ 83,467.73	\$ 83,467.73	\$ 83,467.73	\$ 83,467.73	
30	1	LS	GOAB's	\$ 33,387.09	\$ 33,387.09	\$ 33,387.09	\$ 33,387.09	\$ 33,387.09	
31	1	LS	Arresters	\$ 12,752.01	\$ 12,752.01	\$ 12,752.01	\$ 12,752.01	\$ 12,752.01	
32	1	LS	Bus Work	\$ 23,185.48	\$ 23,185.48	\$ 23,185.48	\$ 23,185.48	\$ 23,185.48	
33	1	LS	Duct	\$ 4,868.95	\$ 4,868.95	\$ 4,868.95	\$ 4,868.95	\$ 11,344.66	
									\$ 1,076,031.00



OPINION OF COST
Osawatomie Electrical Generation Capacity
141554
February 22, 2017

Cost Estimate
 Electrical Work

Group A
 Group B
 Alt. #1
 Owner



ITEM NO.	QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	BUDGET TOTAL	TOTAL May 2016	TOTAL July 2016	TOTAL DEC 2016	TOTAL FEB 2017
Proposed 9th St. Substation									
34	1	LS	Substation Grading	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 37,845.00
35	1	EA	34.5 kV Vacuum Circuit Breaker	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	
36	41	CY	Substation Foundations	\$ 850.00	\$ 35,204.17	\$ 35,204.17	\$ 35,204.17	\$ 35,204.17	
37	1	EA	Substation XFMR - 10 MVA	\$ 517,000.00	\$ 517,000.00	\$ 517,000.00	\$ 517,000.00	\$ 517,000.00	\$ 283,019.00
38	16	CY	Substation XFMR Foundation/Spill Basin	\$ 850.00	\$ 13,631.48	\$ 13,631.48	\$ 13,631.48	\$ 13,631.48	
39	20	CY	Original - 4ft W x 4" Sidewalks; Revised - Concrete Duct Bank	\$ 850.00	\$ 11,480.00	\$ 11,480.00	\$ 11,480.00	\$ 17,000.00	
40	166	TON	Crushed Rock with Dirt Compaction & Geo-Fabric	\$ 45.00	\$ 7,470.00	\$ 7,470.00	\$ 7,470.00	\$ 17,405.10	
41	250	LF	6' Chain Link Fencing	\$ 25.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 14,562.50	
42	1	LS	Generator Site Grading	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 37,845.00
43	1	LS	Generator Enclosure Re-Assembly Work						
					SubTotal	\$ 1,999,357.56	\$ 1,906,680.06	\$ 2,101,842.71	\$ 1,830,463.00
					Contingency	\$299,904	\$286,002	\$ 210,184.27	\$ 221,537
					Total	\$ 2,300,000	\$ 2,192,682	\$ 2,312,026.98	\$ 2,052,000.00

NOTES:

- Item No. 2 is a budgetary number based on the contract with Belger to complete the setting of the generators at the 7th Street substation.
- Item No. 8 is the amount of the Solomon Corp. contract for the three transformers.
- Item No. 17 is the amount of the NMC Power Systems contract for the substation controls.
- Group 'A' as shown would be a contract with IES Commercial, Inc. in the amount of \$75,690.
- Group 'B' as shown would be a contract with IES Commercial, Inc. in the amount of \$1,076,031.
- Item No. 37 as shown would be a contract with Virginia Transformer Corp. in the amount of \$289,910.



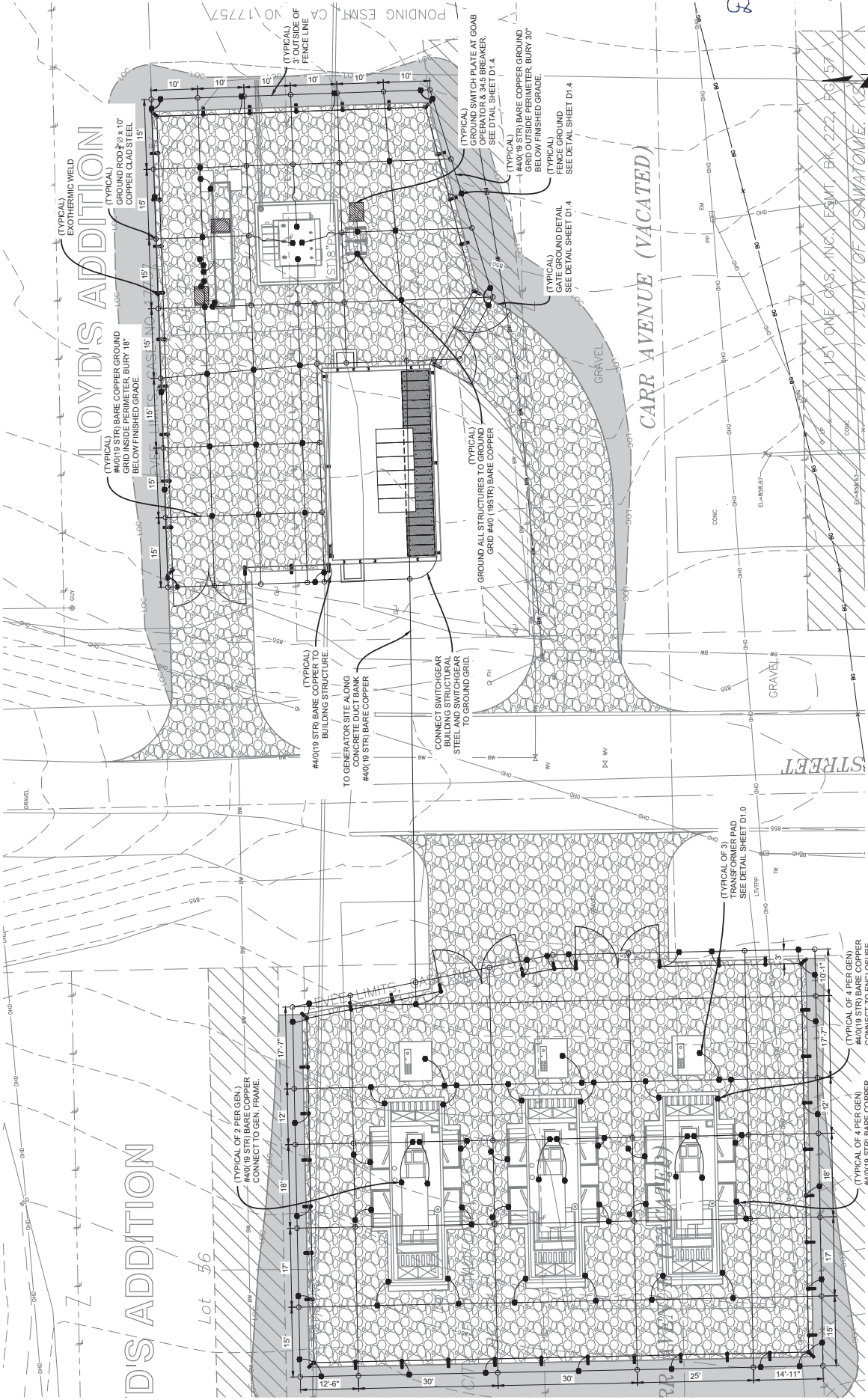
2016
9TH STREET SUBSTATION
OSAWATOMIE, KANSAS

GROUND GRID PLAN

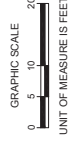


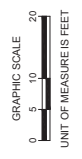
PROJECT NO. 141554.01
DATE 12/20/2016
DRAWN BY
CHECKED BY
APPROVED BY
SCALE
FIELD BOOK
REVISIONS

D1.3



GROUNDING PLAN
SCALE: 1" = 10'-0"





LEGEND

- PROPOSED MAJOR CONTOUR
- PROPOSED MINOR CONTOUR
- EXISTING MAJOR CONTOUR
- EXISTING MINOR CONTOUR
- UNITS OF DISTURBANCE
- PROPOSED SILT FENCE
- TOP OF PAVEMENT SLAB ELEVATION
- TOP OF ROCK SURFACE ELEVATION
- TP=854.54
- TG=854.84
- ROCK SURFACING, 4" DEPTH (NOT INCLUDED IN GROUP A)
- ROCK RIP-RAP, 12" DEPTH (NOT INCLUDED IN GROUP A)
- EXISTING EASEMENT

2016 ELECTRIC GENERATION OSAWATOMIE, KANSAS

SUBSTATION GRADING PLAN



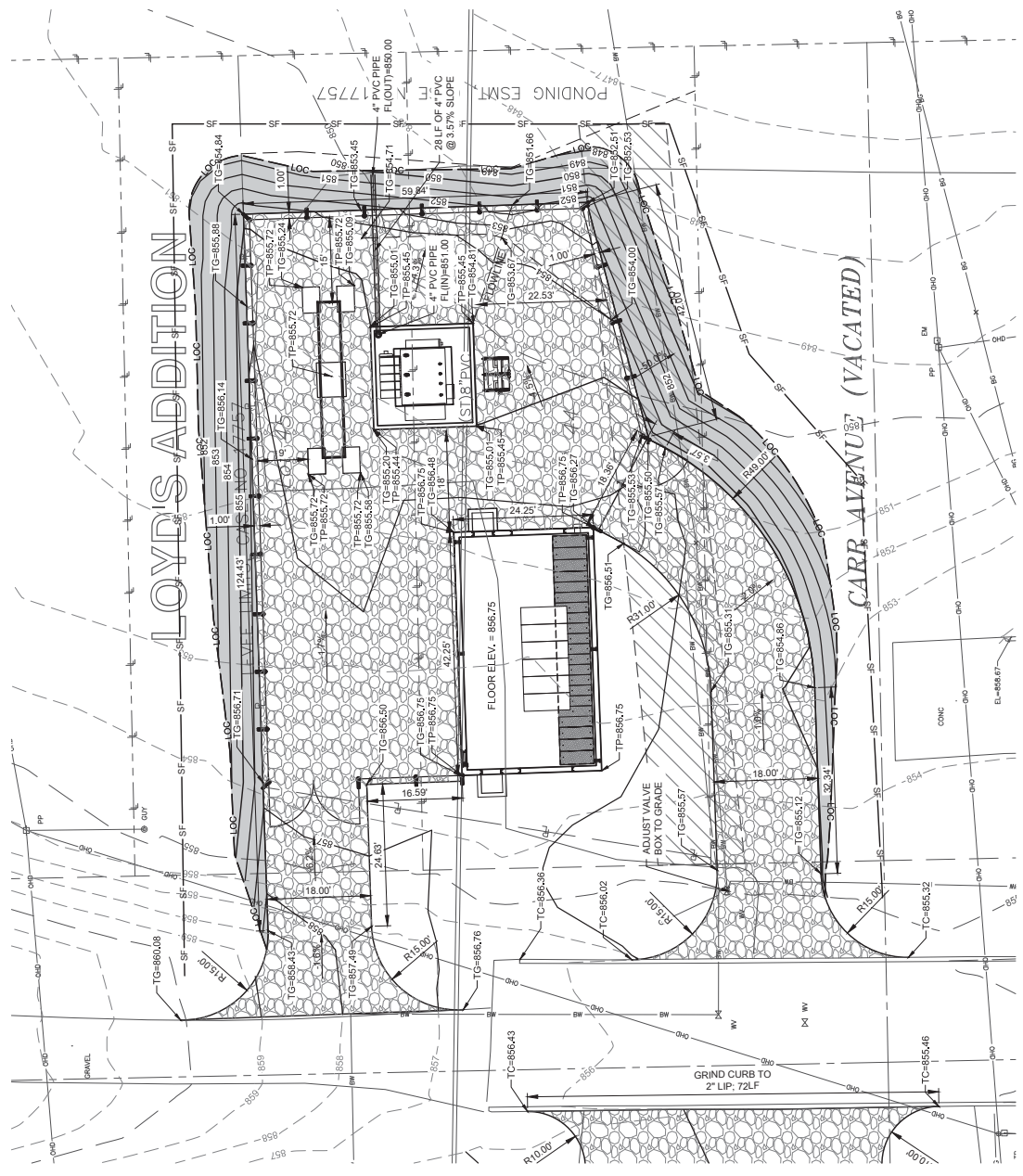
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DATE	12/20/2016
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FIELD BOOK	
FIELD DRAW	
APPROVED BY	
DATE	
BY	
PERCENT REVIEW	
DATE	
REVISION	



C1.1

NOTES:

1. ALL MATERIALS, WORKMANSHIP AND CONSTRUCTION SHALL CONFORM TO THE PLANS AND SPECIFICATIONS.
2. THE PROPOSED CONTOURS REPRESENT TOP OF SLAB OR TOP OF ROCK. IN ALL OTHER AREAS THEY REPRESENT THE DEPTH AND SHALL ADJUST THE SURGRADE ELEVATION ACCORDINGLY PRIOR TO BEGINNING GRADING OPERATIONS.
3. ALL HERBACEOUS VEGETATION SHALL BE REMOVED WITHIN THE LIMITS OF THE GRADING. THE STRIPPINGS FROM THIS SITE SHALL BE REMOVED FROM THE SITE.
4. THE CONTRACTOR SHALL DETERMINE THE APPROXIMATE EARTHWORK QUANTITIES FOR HIS OWN PURPOSES.
5. OBSERVATION AND TESTING BY A QUALIFIED TESTING LABORATORY OR PROFESSIONAL GEOTECHNICAL ENGINEER SHALL OCCUR IN ALL FILL AREAS. TEST REPORTS SHALL BE SUBMITTED TO THE ENGINEER AND OWNER.
6. CONTRACTOR SHALL ASSURE POSITIVE DRAINAGE AWAY FROM ALL STRUCTURES.
7. SLOPES SHALL BE UNIFORM TO AVOID FLOODING.
8. CONTRACTOR SHALL GRADE LOW SPOTS TO DRAIN.
9. THE CONTRACTOR SHALL NOTIFY THE ENGINEER IMMEDIATELY IF ANY GRADING WILL TAKE PLACE BEFORE WHAT IS SHOWN ON THE PLANS.
10. CONTRACTOR WILL BE HELD RESPONSIBLE FOR SETTLEMENT DUE TO IMPROPER COMPACTION.
11. CONTRACTOR SHALL BE RESPONSIBLE FOR EROSION AND DUST CONTROL. ANY DAMAGE FROM BLOWING DIRT OR EROSION AND RAINOFF FROM THE SITE SHALL BE REPAIRED BY THE CONTRACTOR AT NO ADDITIONAL COST TO THE OWNER.
12. ALL DISTURBED AREAS NOT REQUIRED TO BE ROCK SURFACED SHALL BE FINE GRADED AND SEEDED.
13. GROUP "A" CONTRACTOR SHALL LEAVE FINAL GRADE AT CORRECT DEPTH TO ACCEPT ROCK SURFACING AND RIP-RAP.
14. GROUP "B" CONTRACTOR WILL BE RESPONSIBLE FOR ANY FINAL GRADING OF SITE PRIOR TO PLACING ROCK SURFACING OR RIP-RAP.





PR: 02.371.6146
 PROJECT NO: 160702
 NORTH, N.E. 68702

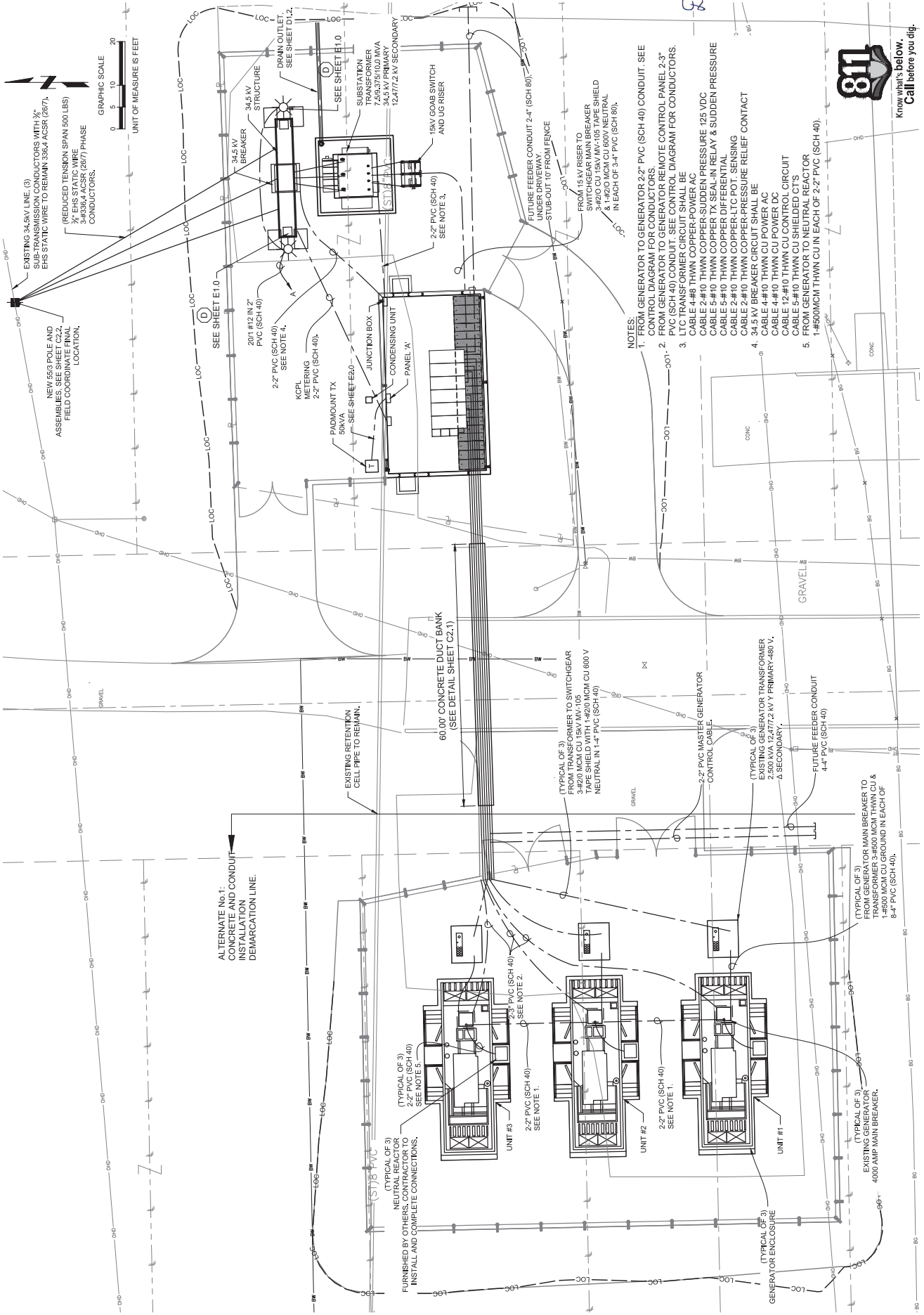
2016
 9TH STREET SUBSTATION
 OSAWATOMIE, KANSAS

SUBSTATION & GENERATOR
 ELECTRICAL SITE PLAN

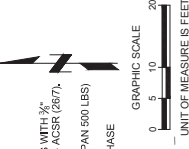


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 FIELD BOOK:
 FIELD SHEET:
 NUMBER OF SHEETS: 1
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 PROJECT REVIEW:
 BY: [Signature]
 DATE: [Signature]
 REVISIONS:

C2.0



- NOTES:
1. FROM GENERATOR TO GENERATOR 2.2\"/>



EXISTING 34.5KV LINE (3)
 SUB-TRANSMISSION CONDUCTORS WITH 3/4\"/>

NEW 550 POLE AND
 ASSEMBLIES. SEE SHEET C2.2
 FIELD COORDINATE FINAL
 LOCATION.

(REDUCED TENSION SPAN 500 LBS)
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ALTERNATE No. 1:
 CONCRETE AND CONDUIT
 INSTALLATION
 DEMARICATION LINE.

(TYPICAL OF 3)
 NEUTRAL REACTOR
 CONTRACTOR TO
 INSTALL AND COMPLETE CONNECTIONS.

(TYPICAL OF 3)
 FROM TRANSFORMER TO SWITCHGEAR
 3-#2/0 MCM CU WITH 1-#2/0 MCM CU 600 V
 NEUTRAL IN 1-4\"/>

(TYPICAL OF 3)
 EXISTING GENERATOR TRANSFORMER
 2.500 KVA 12477/2 KV Y PRIMARY-480 V,
 2 SECONDARY.

(TYPICAL OF 3)
 FROM GENERATOR MAIN BREAKER TO
 TRANSFORMER 3-#600 MCM THIN CU &
 1-#500 MCM CU GROUND IN EACH OF
 8-4\"/>

(TYPICAL OF 3)
 EXISTING GENERATOR
 4000 AMP MAIN BREAKER.

60.00\"/>

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CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: February 23, 2017

AGENDA ITEM: **Southwest Power Pool Study**

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: Last year we submitted a \$10,000 deposit in order to have our proposed new generation studied for interconnection to the power grid. The Southwest Power Pool (SPP) has provided us a 2700+ page report on the group of studied facilities. We now have until March 2 to request an Interconnection Facilities Study Agreement and provide a deposit of \$15,000 to move onto the next step of the SPP process.

Since the amount is likely to be over \$10,000 in actual charges, I am requesting that the council approve me to make this application on behalf of the City and to provide the \$15,000 deposit.

COUNCIL ACTION NEEDED: Review and consider.

STAFF RECOMMENDATION TO COUNCIL: Approve the deposit of \$15,000 and authorize the City Manager to submit the study agreement.

AFFECTED SYSTEM INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ of _____ 20__ by and between _____ a _____ and existing under the laws of the State of _____ ("Affected System Customer") and Southwest Power Pool, Inc. a non-profit organization under the laws of the State of Arkansas ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Affected System Customer has notified Transmission Provider of the proposed development of a Generating Facility or generating capacity addition to an existing Generating Facility on the transmission or distribution system that may possibly affect Transmission Providers Transmission System, and

WHEREAS, Transmission Provider has completed an Affected System Generation Interconnection System Impact Study (the "System Impact Study") and provided the results of said study to Affected System Customer; and

WHEREAS, Affected System Customer has requested Transmission Provider to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0** When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved GIP.
- 2.0** Affected System Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this GIP to be performed in accordance with the Tariff.

- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.
- 4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Generating Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Definitive Interconnection System Impact Study.
- 5.0 The time for completion of the Interconnection Facilities Study is specified in Attachment A.

Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice. Any difference between the applicable deposits specified under Section 8.2 of the GIP and Interconnection Customer's share of study costs shall be paid by or refunded to Interconnection Customer, as appropriate per Section 13.3 of the GIP.

The estimated cost of the Facilities Study is \$10,000 which may be deducted from existing Affected System Customer's previous deposits.

6.0 Reserved.

7.0 Governing Law

7.1 Governance. The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the United States of America except to the extent that the laws of the state of Arkansas may apply.

7.2 Applicability. This Agreement is subject to all applicable federal and state Laws and Regulations.

7.3 Reservation of Rights. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

8.0 Notices.

8.1 General. Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by

certified or registered mail, addressed to the Party, or personally delivered to the Party.

To Transmission Provider:

Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, AR 72223-4936
Attention: Manager, GI Studies

To Interconnection Customer:

Attention: _____

8.2 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email.

9.0 Force Majeure

9.1 Economic Hardship. Economic hardship is not considered a Force Majeure event.

9.2 Default. Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 10), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state the full details of the Force Majeure, the time and date when the Force Majeure occurred, and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

10.0 Indemnity

10.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property,

demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Parties' action or inactions of its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

10.1.1 Indemnified Person. If an indemnified person is entitled to indemnification under this Article 10 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 10.1, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

10.1.2 Indemnifying Party. If an indemnifying Party is obligated to indemnify and hold any indemnified person harmless under this Article 10, the amount owing to the indemnified person shall be the amount of such indemnified person's actual Loss, net of any insurance or other recovery.

10.1.3 Indemnity Procedures. Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 10.1 may apply, the indemnified person shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such indemnifying Party and reasonably satisfactory to the indemnified person. If the defendants in any such action include one or more indemnified persons and the indemnifying Party and if the indemnified person reasonably concludes that there may be legal defenses available to it and/or other indemnified persons which are different from or additional to those available to the indemnifying Party, the indemnified person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an indemnified person or indemnified persons having such differing or additional legal defenses.

The indemnified person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of

which has been assumed by the indemnifying Party. Notwithstanding the foregoing, the indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the indemnified person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the indemnified person, or there exists a conflict or adversity of interest between the indemnified person and the indemnifying Party, in such event the indemnifying Party shall pay the reasonable expenses of the indemnified person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the indemnified person, which shall not be reasonably withheld, conditioned or delayed.

10.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

11.0 Assignment

11.1 Assignment. This Agreement may be assigned by either Party only with the written consent of the other Party; provided that either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that the Interconnection Customer shall have the right to assign this Agreement, without the consent of Transmission Provider for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will require any secured party, trustee or mortgagee to notify the Transmission Provider of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the Transmission Provider of the date and particulars of any such exercise of assignment right. Any attempted assignment that violates this Article or Applicable Laws and Regulations is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

12.0 Severability

12.1 Severability. If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement.

13.0 Comparability

13.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

14.0 Deposits and Invoice Procedures

14.1 General. The Transmission Provider and the Interconnection Customer may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under the GIP, including credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

14.2 Study Deposits. The Interconnection Customer shall provide study deposits, in accordance with the GIP to the Transmission Provider. The study deposits amounts and schedule shall be in accordance with the GIP.

14.3 Final Invoice. Within six months after completion of the studies Transmission Provider shall provide an invoice of the final cost of the studies and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of the studies within thirty (30) Calendar Days of the issuance of such final study invoice.

14.4 Payment. Invoices shall be rendered to the paying Party at the address specified in the Interconnection Request in Appendix 1 to the GIP. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under the GIP.

14.5 Disputes. In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide studies for Interconnection Service under the GIP as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the

invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 16. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due together with accrued interest in accordance with Section 3.6 of this Attachment V.

15.0 Representations, Warranties, and Covenants

15.1 General. Each Party makes the following representations, warranties and covenants:

15.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

15.1.2 Authority. Such Party has the right, power and authority to enter into this Agreement, to become a party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

15.1.3 No Conflict. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

15.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

16.0 Breach, Cure and Default

16.1 General. A breach of this Agreement ("Breach") shall occur upon the failure by a Party to perform or observe any material term or condition of this Agreement. A default of this Agreement ("Default") shall occur upon the failure of a Party in Breach of this Agreement to cure such Breach in accordance with the provisions of Section 17.4.

16.2 Events of Breach. A Breach of this Agreement shall include:

- (a) The failure to pay any amount when due;
- (b) The failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty or covenant made in this Agreement;
- (c) If a Party: (1) becomes insolvent; (2) files a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law or shall consent to the filing of any bankruptcy or reorganization petition against it under any similar law; (3) makes a general assignment for the benefit of its creditors; or (4) consents to the appointment of a receiver, trustee or liquidator;
- (d) Assignment of this Agreement in a manner inconsistent with the terms of this Agreement;
- (e) Failure of any Party to provide information or data to the other Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

16.3 Cure and Default. Upon the occurrence of an event of Breach, the Party not in Breach (hereinafter the "Non-Breaching Party"), when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party (the "Breaching Party") and to any other person a Party to this Agreement identifies in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach. Upon receiving written notice of the Breach hereunder, the Breaching Party shall have thirty (30) days to cure such Breach. If the Breach is such that it cannot be cured within thirty (30) days, the Breaching Party will commence in good faith all steps as are reasonable and appropriate to cure the Breach within such thirty (30) day time period and thereafter diligently pursue such action to completion. In the event the Breaching Party fails to cure the Breach, or to commence reasonable and appropriate steps to cure the Breach, within thirty (30) days of becoming aware of the Breach, the Breaching Party will be in Default of the Agreement.

- 16.4 Right to Compel Performance.** Notwithstanding the foregoing, upon the occurrence of an event of Default, the non-Defaulting Party shall be entitled to: (1) commence an action to require the Defaulting Party to remedy such Default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof, and (2) exercise such other rights and remedies as it may have in equity or at law.
- 17. Miscellaneous**
- 17.1 Binding Effect.** This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 17.2 Conflicts.** In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 17.3 Rules of Interpretation.** This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder.
- 17.4 Entire Agreement.** This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants that constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.
- 17.5 No Third Party Beneficiaries.** This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

17.6 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or Default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.7 Headings. The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

17.8 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

17.9 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.

17.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.

17.11 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Southwest Power Pool, Inc.

By: _____

Title: Director, R&D and Tariff Services

Date: _____

[Insert name of Affected System Customer]

By: _____

Title: _____

Date: _____

**Attachment A To Affected
Interconnection Facilities
Study Agreement**

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING
THE INTERCONNECTION FACILITIES STUDY**

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report.

**Attachment B to Affected
Interconnection Facilities
Study Agreement**

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

On the one line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one line diagram indicate the location of auxiliary power. (Minimum load on CT/PT)
Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?

_____ Yes _____ No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? _____ Yes _____ No (Please indicate on one line diagram).

What type of control system or PLC will be located at Interconnection Customer's Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Transmission Provider's transmission line.

Tower number observed in the field. (Painted on tower leg)* _____

Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

Is the Generating Facility in the Transmission Provider's service area?

_____ Yes _____ No Local provider: _____

Please provide proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformer Date: _____

receives back feed power

Generation Testing Date: _____

Commercial Operation Date: _____

CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: February 23, 2017

AGENDA ITEM: **Planning Commission Appointment**

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: As much as we have tried to avoid it, we desperately need to get our vacant positions on the Planning Commission filled. We have a handful of matters that are likely to come before the Commission in the next few months, as well as the need to get the Comprehensive Plan updated completed.

Brian King has indicated he would be willing to serve on the Planning Commission. An application from a previous Board appointment is attached. He now lives at 1004 Brown.

PLANNING COMMISSION/BOARD OF ZONING APPEALS

Last Wednesday, 7:00 pm (as needed), Memorial Hall * Chair; ** Vice Chair

3-year term, **5 members** (two full-term limit) -

K.S.A. 12-741 et seq., **City Code 16-101** -

Planning Commission members serve as the BZA, K.S.A. 12-759 ET SEQ., City Code 16-105 -

A	Burgin**	Tom	02/09/12	---	12/31/14
	King	Bryan	02/22/17		12/31/17
B	Mitzner	Jim	02/09/12	---	12/31/14
C	Gorman	Mike	12/09/10	2/13/14	12/31/16
D	Cutburth	Will	03/26/15	---	12/31/17
E	Westlund	John	3/1/16	---	12/31/18

Liaison none per KSA

Ex Officio none per KSA

City Staff Director of Code Enforcement, Management Analyst

-

COUNCIL ACTION NEEDED: Review the application of Brian King and consider the appointment.

STAFF RECOMMENDATION TO COUNCIL: I am recommending Brian King for one of the 3 expired positions on the Commission. Brian has volunteered for numerous boards and has a strong desire to be involved. He is currently appointed to the Public Safety Committee. Once that Committee is fully appointed, we should evaluate whether it would be wise for him to continue on that Committee. As for now, there are not enough members to justify the Committee meeting.

At this time, I would recommend that he replace Tom Burgin or Jim Mitzner, whose positions have not been reappointed. Also, we will eventually have to replace Mike Gorman, our longest tenured member who is not eligible for reappointment. Mike will be a big loss for the Commission and I hope to get the Comprehensive Plan updated before he is replaced if he is willing to stay.

Public Service Application

City of Osawatomie, KS

(one application per committee)

Name: Brian M. King Maiden Name: _____
Address: 401 Martin Ave. * SSN: _____
Mailing Address (if different): _____ * DOB: _____
City, State, Zip: Osawatomie, KS. 66064 Home P: _____

Place of Employment: FUMC Position: Custodian
Product or services rendered by employer: Church
Brief description of job duties/responsibilities: Custodial

Spouse's place of employment: _____ Position: _____
Product or Service rendered by spouse's employer: _____

Committee, Board, Commission, Task Force or other position to which you wish to be appointed:
Public Safety Committee

Why do you wish to serve in this position? I have enjoyed Past and Present positions and I wish to continue serving the community.

Have you served on any other board, committee, commission or in an elected position with the City? If yes, please state your experience as a member: Friends of the library, Historic Preservation, Tourism, Pride Committee, Meuseum Volunteer

Do you or your spouse have any monetary interest, direct or indirect, in any pending or incomplete transaction or contract to which the City is, or is to be, a party? If yes, please explain: No

* It is the policy of the City of Osawatomie to conduct criminal background checks on all potential applicants for the PUBLIC SAFETY COMMITTEE. Appointment to the Committee is contingent on the results of such checks. In order to conduct the check, a birthdate and social security number are required. By signing below, I understand that the above information I have voluntarily provided is to be used solely for the purpose of the background check.

I do hereby affirm that I am currently a registered voter in the city of Osawatomie. I reside in Ward No. 4.

[Redacted Signature]

1/13/2015
Date

PLEASE RETURN TO CITY CLERK

439 Main Street

PO Box 37, Osawatomie, KS 66064

cityclerk@osawatomi.ks.org

Received: <u>01-12-15 ak</u>	--- OFFICE USE ONLY ---	Letter of Approval: _____
Scanned: <u>1-28-15</u>	Council Approval Date: _____	Letter of Non-Approval: _____
	Term Expiration Date: _____	

CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: February 23, 2017

AGENDA ITEM: Ordinance – Candidate Petition

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: When the Kansas Legislature changed municipal elections to November they eliminated the provisions which established the details of how a candidate can be placed on the ballot through a petition, rather than pay the filing fee. However, there is still statutory language which requires a nomination petition to be utilized. (NOTE: The new statutes also changed the fee to \$20 from \$5 in order to file for municipal office and that all candidates must now file with the county clerk.)

In order to address this issue, the following language is proposed to be added to our City Code in order for Osawatomie to comply with Kansas statutes.

In accordance with K.S.A. 25–205, and amendments thereto, any person may become a candidate for city office by having had filed on their behalf, a nomination petition or a declaration of candidacy, accompanied by any fee required by law. The nomination petition must be signed by thirty (30) of the qualified electors of the City of Osawatomie.

COUNCIL ACTION NEEDED: Review and discuss the proposed amendment as detailed above.

STAFF RECOMMENDATION TO COUNCIL: Approve the ordinance as presented.

CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: February 23, 2017

AGENDA ITEM: Purchase of New Mower for Parks and Facilities Division

PRESENTER: Blake Madden, Director of Public Works and Utilities

ISSUE SUMMARY: This year's CIP allocates \$20,000 for mower replacement for the Parks and Facilities Division. On January 26, 2017, the City issued a request for bid to area dealerships for a new Kubota model ZD1211 with a 72-inch, side-discharge deck. On February 17, 2017, the sealed bids were opened. The following table summarizes the bid results:

Dealership	Bid
Coleman Equipment	No Bid Submitted
McConnell Machinery	\$13,169
Romans Outdoor Power	\$12,775
Storrer Implement	\$13,748

The low bid for a new Kubota ZD1211 was received from Romans Outdoor Power for \$12,775.

COUNCIL ACTION NEEDED: Review, discuss, and determine whether to approve the purchase, and if so, from which dealership should the mower be purchased.

STAFF RECOMMENDATION TO COUNCIL: Staff recommends the purchase of a new Kubota ZD1211 from Romans Outdoor Power for \$12,775.



City of Osawatomie

Bid Opening for ZD1211 Mower

February 17, 2017 2:00pm

McConnell Machinery \$13,169.00

Ottawa Ks

Coleman Equipment No bid submitted

Bonner Springs KS

Roman's Outdoor Power \$12,775.00

Louisburg KS

Storrer Implement \$13,748.00

Iola KS

Present were: Greg Purdon, McConnell Machinery; Kyle Glaser and Bill Roseberry, City of Osawatomie

CITY OF OSAWATOMIE



439 Main Street
P.O. Box 37
Osawatomie, Kansas 66064

913.755.2146 (p)
913.755.4146 (f)
ozcity@osawatomieks.org
www.osawatomieks.org

L. Mark Govea, Mayor

REQUEST FOR BID

The City of Osawatomie is seeking bids for the purchase of a new Kubota model ZD1211L-72 mower. All bids shall include delivery of the mower to Public Works, 820 Lincoln Avenue, Osawatomie, KS, with all applicable manuals and an extra set of blades.

Purchase Price: \$ _____

Delivery Date: _____

Business Name: _____

Contact Name: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone Number: _____

Deadline for Bids: 2:00 P.M., Friday, February 17, 2017

Mark Envelope: Kubota Mower Bid

All bids must be submitted on this form.

SUBMIT SEALED BIDS TO: CITY OF OSAWATOMIE
CITY CLERK
439 Main Street
P.O. Box 37
Osawatomie, KS 66064

If you have any questions, please contact Bill Roseberry at 913-755-4525 or broseberry@osawatomieks.org.

THE CITY RESERVES THE RIGHT TO REJECT ANY AND ALL BIDS

CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: February 23, 2017

AGENDA ITEM: CDBG Contract

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: In order to move forward with Phase II of the Main Street project, we will need to approve the grant agreement with the Kansas Department of Commerce for the \$400,000 CDBG grant. Attached is the grant agreement number 17-PF-025.

COUNCIL ACTION NEEDED: Review and consider.

STAFF RECOMMENDATION TO COUNCIL: Recommend approval of the CDBG Grant Agreement as presented.

STATE OF KANSAS
GRANT AGREEMENT NO. 17-PF-025
between the

STATE OF KANSAS
DEPARTMENT OF COMMERCE

and the

City of Osawatomie

I. Grant Agreement

- A. This Grant Agreement, hereinafter called "Agreement," is between the State of Kansas, Department of Commerce, and its representative, hereinafter called "Department" and the **City of Osawatomie**, Kansas, hereinafter called the "Grantee." This Agreement consists of the body and the following: CONDITION LETTER (attached hereto as Attachment A), SPECIAL CONDITIONS (attached hereto as Attachment B), and the Grantee's APPROVED PROJECT APPLICATION dated January 13, 2017, (attached and incorporated by reference as Attachment C, a copy of which shall be maintained and available in the Department's files) and the GRANTEE HANDBOOK (which is attached and incorporated by reference as Attachment D).

II. Authority

- A. This Agreement is financed in part through a grant provided to the Department by the United States Department of Housing and Urban Development (HUD) under Title I of the Federal Housing and Community Development Act of 1974, as amended (42 USC 5301 et. seq.), hereinafter called "the Federal Act." As provided in the Federal Act, the State of Kansas, through the Department, has elected to administer the federal program of Small Cities Community Development Block Grants.
- B. The Department, in accordance with the provisions of K.S.A. 74-5001 et. seq., hereinafter called "the State Act," has approved the application of the Grantee and awarded funds for the purpose of supporting the Grantee's Community Development Program.
- C. In the event of changes in any applicable Federal regulations and/or law, this Agreement shall be deemed to be amended when required to comply with any law so amended.
- D. Federal Program – Community Development Block Grant Cluster (CDBG) (CFDA No. 14.228).

III. Description of Activities

Grantee agrees to perform, or cause to be performed, the work specified in the APPROVED PROJECT APPLICATION.

IV. Period of Performance

The period of performance for all activities assisted by this Agreement shall commence on **May 1, 2017**, hereinafter called the "Commencement Date," and shall be complete on **April 30, 2019**, hereinafter called the "Completion Date," except those activities required for close-out and final audit.

V. Compensation

- A. In consideration of the Grantee's satisfactory performance of the work required under this Agreement and the Grantee's compliance with the terms of this Agreement, the Department shall provide the Grantee the total sum of **\$400,000** in Community Development Block Grant funds. Such funds shall be used by the Grantee in accordance with the Activities listed and budgeted on the APPROVED PROJECT APPLICATION and the CONTRACT PROJECT BUDGET FORM.
- B. In addition, the Grantee shall provide **\$1,133,700** in other sources of funds to this Community Development Program and such funds shall be used by the Grantee in accordance with the Activities and budget on the APPROVED PROJECT APPLICATION.
- C. It is expressly understood and agreed that in no event will the total program funds provided by the Department exceed the sum of **\$400,000**. Any additional funds required to complete the program activities set forth in this Agreement will be the sole responsibility of the Grantee, and not the responsibility of the Department.

- D. The Grantee understands that this Agreement is funded in whole or in part by federal funds. In the unlikely event the federal funds supporting this Agreement become unavailable or are reduced, the Department may terminate or amend this Agreement and will not be obligated to pay the Grantee from State revenues.
- E. It is hereby agreed that funds committed to be provided by the Department are conditioned upon the availability and use of funds to be provided by the Grantee from other sources. In the event any portion of the funds required to be provided by the Grantee pursuant to subsection (B) of paragraph V. are not made available or used for activities as listed and budgeted, the Department may, in its discretion, withdraw or reduce proportionately the funds to be provided to the Grantee pursuant to subsection (A) of paragraph V.
- F. The Grantee shall not anticipate future funding from the Department beyond the duration of this Agreement and in no event shall this Agreement be construed as a commitment by the Department to expend funds beyond the termination of this Agreement.

VI. Indemnification

The Grantee shall indemnify, defend, and hold harmless the State and its officers and employees from any liabilities, claims, suits, judgments, and damages arising as a result of the performance of the obligations under this Agreement by the Grantee or any subgrantee, contractor, subcontractor, or person. The liability of the Grantee under this Agreement shall continue after the termination of the Agreement with respect to any liabilities, claims, suits, judgments, and damages resulting from acts occurring prior to termination of this Agreement.

VII. Obligations of Grantee

- A. All of the activities required by this Agreement shall be performed by personnel of the Grantee or by third parties (subgrantees, contractors, or subcontractors) under the direct supervision of the Grantee and in accordance with the terms of written contracts. Any such contracts may be made subject to approval by the Department.
- B. Except as may otherwise be provided in the SPECIAL CONDITIONS, the Grantee may subgrant, contract, or subcontract any of the work or services covered by this Agreement.
- C. The Grantee shall remain fully obligated and liable under the provisions of this Agreement, notwithstanding its designation of any third party or parties for the undertaking of all or any of the program being assisted under this grant.
- D. The Grantee shall require any third party to comply with all lawful requirements necessary to insure that the program is carried out in accordance with this Agreement.
- E. The Grantee shall comply with all timelines for completion of Grantee's Environmental Review and contracting responsibilities as established by the Department in the CONDITION LETTER.

VIII. Environmental Review Compliance

- A. The obligation and utilization of the funding assistance is subject to the requirements for a release of funds by the State under the Environmental Review procedures at 24 CFR Part 58 for any activities requiring such release.
- B. The Grantee agrees to assume all of the responsibilities for Environmental Review, decision making and action, as specified and required in Section 104(g) of Title I of the Housing and Community Development Act of 1974 (Public Law 93-383), as amended. The Grantee shall not allow any subrecipient to assume the grantee's Environmental Review responsibilities.

IX. Program Costs

- A. The Grantee may only incur such costs as are reasonable and necessary to the Grantee's Program and as are allowable under the Department's Procedures (2 CFR Part 200). Cost items not specifically authorized may only be incurred after written approval by the Department.
- B. Cash and in-kind contributions made by the Grantee shall follow the criteria established by the Department's Procedures.

- C. The total "Small Cities CDBG Funds" expended for "Administration" shown in the Contract Project Budget Form shall not exceed the approved amount unless amended by all parties to this contract.
- D. The Grantee shall not incur costs on any program activity until the Environmental Review required by 24 CFR 58 has been completed and the Department has issued the "Notice of Release of Funds."
- E. Any program activities performed by the Grantee in the period between notification of award and execution of this Agreement shall be performed at the sole risk of the Grantee. In the event this agreement should not become effective, the Department shall be under no obligation to pay the Grantee for any costs incurred or monies spent in connection with program activities, or to otherwise pay for any activities performed during such period. However, upon execution of this Agreement, all Program Costs incurred in connection with approved activities performed during this period shall be reimbursed in accordance with the terms and conditions of this Agreement.
- F. Grant funds may not, without advance written approval by the Department, be obligated after the Completion Date except for those activities required for close-out. Obligations incurred prior to and still outstanding as of the Completion Date shall be liquidated within ninety (90) days.
- G. At any time during the period of performance under this Agreement, and upon receipt of the progress and financial reports, Final Program Report or Final Audit Report, the Department may review all Program Costs incurred by the Grantee and all payments made to date. Upon such review the Department shall disallow any items of expense which are not determined to be allowable or are determined to be in excess of approved expenditures; and shall, by written notice specifying the disallowed expenditures, inform the Grantee of any such disallowance.
- H. If the Department disallows costs for which payment has not yet been made, it shall refuse to pay such costs. If payment has been made with respect to costs which are subsequently disallowed, the Department may deduct the amount of disallowed costs from any future payments under this Agreement or require that the Grantee refund the amount of the disallowed costs.

X. Requisition of Grant Funds

- A. The Grantee shall be entitled to receive requisitioned funds from the Department only in accordance with its actual and immediate cash requirements and only when the total of federal funds remaining on hand in the depository account does not exceed \$5,000 and is insufficient to meet immediate disbursement needs.
- B. Requisitions for cash advances shall be made on the established forms and shall not ordinarily be made more frequently than twice a month or in amounts less than \$3,000 and in no cases more than \$200,000.
- C. The Grantee shall establish procedures to insure that any amounts of cash in excess of the limits set forth in (A) above shall be expended within three (3) days of receipt of the funds in the depository account.
- D. Cash advances made by the Grantee to subgrantees shall conform substantially to the same standards of timing and amount as apply to the Grantee under this Agreement.
- E. Amounts withheld from contractor to assure satisfactory completion of work shall not be paid until the Grantee has received a final payment request from the contractor and has certified the work is complete and satisfactory.
- F. The Department may terminate advance financing and require the Grantee to finance its operations with its own working capital should it be determined that the Grantee is unwilling or unable to establish procedures to minimize the time lapsing between cash advances and disbursement. Payments to the Grantee would then be made only as reimbursement for actual cash disbursements.

XI. Depositories for Program Funds

- A. The Grantee shall maintain a separate record for money received under the Community Development Program. Into this fund shall be deposited:
 - 1. Moneys received from the Department.
 - 2. Program income earned through program activities.
- B. Any interest earned, prior to disbursement, on advances of grant funds shall be remitted to the State for subsequent return to the United States Treasury.

XII. Financial Management

- A. Grantees shall establish and maintain a system which assures effective control over and accountability for all funds, property and other assets used in the Community Development Program.
- B. Grantees shall either adopt the system recommended by the Department or certify to the Department, in writing, prior to making the first requisition of funds that the alternative system proposed for use shall meet the following standards:
 - 1. Maintenance of separate accounting records and source documentation for the Community Development Program;
 - 2. Provision for accurate, current and complete disclosure of the financial status of the Program;
 - 3. Establishment of records of budgets and expenditures for each approved activity;
 - 4. Demonstration of the sequence and status of receipts, obligations, disbursements and fund balance;
 - 5. Provision of financial status reports in the form specified by the Department;
 - 6. Compliance with the Department's audit requirements (2 CFR Part 200); and
 - 7. Consistency with generally accepted accounting principles as specified by the Kansas Department of Administration, unless a waiver of GAAP has been received by the Grantee from the Kansas Director of Accounts and Reports.

XIII. Monitoring and Reporting

- A. The Grantee shall monitor the activities of the Community Development Program, including those of contractors and subcontractors, to assure that all program requirements are being met.
- B. The Grantee shall submit progress and financial reports to the Department in accordance with the schedule set forth in the SPECIAL CONDITIONS. These reports shall be in a format prescribed by the Department.
- C. The Grantee shall submit a Final Program Report with the close-out no later than ninety (90) days following the Completion Date.
- D. From time to time, as requested in writing by the Department, the Grantee shall submit such data and other information as the Department may require.
- E. Failure to report as required or respond to requests for data or information in a timely manner may be grounds for suspension or termination of the Grant.

XIV. Procurement Procedures

- A. The Grantee shall use established procurement procedures which reflect applicable State and local laws and regulations and the Department's Procedures for the establishment of procurement systems.

- B. These standards do not relieve the Grantee of any contractual responsibilities under its contracts. The Grantee is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements entered into support of a grant. These include but are not limited to source evaluation, protests, disputes, and claims.

XV. Bonding Requirements

- A. When administering federal grants and subgrants, a Grantee may follow its own requirements and practices with respect to: (1) bonding of employees and contractors, and (2) insurance. Federal grantor agencies are not permitted to impose requirements beyond those listed below. The government-wide grants management common rule, "Uniform Administrative Requirements for Grants to State and Local Governments," contains bonding requirements only for circumstances when a grantee contracts for construction or facility improvement (including alteration and renovation) and the bids and contracts exceed \$25,000. The following types of bonds are required in the "Procurement" section of the common rule:
- A 100 percent "performance bond" on the part of the contractor to secure fulfillment of all the contractor's obligations under the contract; and
 - A 100 percent "payment bond" on the part of the contractor to assure payment, as required by law, of all persons supplying labor and materials as part of work provided under the contract.
- B. The Department reserves the right to promulgate and enforce bonding procedures and requirements applicable to any project.
- C. All bonds shall be procured from a surety company registered and licensed to do business in the State of Kansas and countersigned by its Kansas resident agent.

XVI. Program Income

- A. Program Income, as defined in the Final Statement, means gross income earned by the Grantee from activities supported by grants made by the Department under the provisions of the Federal Act, or as otherwise defined by the Department.
- B. All Program Income from a project funded by this Agreement may be retained by the Grantee (unless specified as a Special Condition to this agreement) and shall be added to funds committed to the support of the program established by this Agreement or for such eligible program activities as may be authorized by the Department. This income shall be disbursed to the maximum extent feasible prior to requisitioning additional funds under this agreement.

XVII. Program Close-out Procedures

- A. Program close-out is the process by which the Department determines that all applicable administrative and financial actions and all required work of the program including audit and resolution of audit findings have been completed or that there are no additional benefits likely to occur by continuation of program activities or costs. All findings from Department monitoring visits must be cleared prior to close-out.
- B. The Completion Date is the date specified in Section IV., Period of Performance, of this Agreement or amendment thereto, on which assistance ends for all program activities except those required to complete the close-out or the date on which the grant is suspended or terminated.
- C. The Grantee shall submit to the Department close-out documents covering the entire program within ninety (90) days of completion date. Additionally, one copy must be placed where other program documents are available for public review, and at least one copy must remain in the Grantee's files. The Department may grant extensions to the time for submission of these documents when so requested by the Grantee in writing.
- D. The Department retains the right to recover any appropriate amount of unobligated program funds.
- E. The Grantee shall account for any property acquired with grant funds, or received from the federal or state government in accordance with the Department's property management procedures.

XVIII. Termination for Convenience

- A. The Department or Grantee may terminate the grant in whole, or in part, when both parties agree that the continuation of the program would not produce beneficial results commensurate with the further expenditure of funds.
- B. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated.
- C. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Grantee shall be allowed full credit for noncancelable obligations, property incurred prior to termination.

XIX. Suspension or Termination-for-Cause

- A. The Department may suspend the grant, in whole or in part, at any time during the Grant Period, and upon reasonable notice to the Grantee withhold further payments or prohibit the Grantee from incurring additional obligations of grant funds when it is determined that the Grantee has failed to substantially comply with the conditions of this Agreement. This will be done pending corrective action by the Grantee or a decision by the Department to terminate the grant. The Department shall allow all necessary and proper costs which the Grantee could not reasonably avoid during the period of suspension.
- B. The Department, after reasonable notice following procedures pursuant to Final Statement may terminate the grant, in whole or in part, at any time during the Grant Period when it is determined that the Grantee has failed to substantially comply with the conditions of this Agreement. The Department shall promptly notify the Grantee in writing, of the determination and the reasons for the termination, together with the effective date and may initiate procedures to recapture all funds advanced to Grantee.
- C. Payments made to the Grantee or recoveries by the Department under grants which have been suspended or terminated for cause shall be in accord with the legal rights and liabilities of the parties.

XX. Audit Requirements

- A. The Grantee shall arrange for the performance of annual financial/compliance audits of the grant project. All audits must be performed by an independent qualified auditor. The audit period is identical with the Grantee's regular fiscal year. The audit(s) will be conducted in accordance with the requirements set forth in the audit section of the Kansas CDBG Handbook, which are based on 2 CFR Part 200.
 - 1. If the local government expends \$750,000 or more of Federal grant assistance from all programs, it must have an annual audit performed in accordance with 2 CFR Part 200. An audit is a financial and compliance audit that covers the entire operations of the local government, rather than being limited to the CDBG project or other Federal grants.
 - 2. If the local government expends less than \$750,000 in a fiscal year, it will be the option of the Department of Commerce to determine if a project specific audit will be required. If such audit is required, it will be procured and paid for by the Department.
 - 3. Grantee's will be required to submit the "audit information form" to the Department of Commerce each fiscal year. This form must be submitted to the Department by or before May 15th of each fiscal year.
- B. Grantees are required to submit one copy of a fiscal year audit report covering the program. The audit reports shall be sent within 30 days after the completion of the audit, but no later than the nine months after the end of the audit period unless agreed to by the Department.
- C. If any expenditures are disallowed as a result of the Final Audit Report, the obligation for reimbursement to the Kansas Small Cities Community Development Block Grant Program shall rest with the Grantee.

XXI. Retention of and Access to Records

- A. Financial records, supporting documents, statistical records, and all other records pertinent to this program shall be retained in accordance with the Department's Procedures.
- B. Authorized representatives of the Department, the Secretary of HUD, the Inspector General of the United States, or the U.S. General Accounting Office shall have access to all books, accounts, records, reports, files, papers, things, or property belonging to, or in use by, the Grantee pertaining to the administration of these grants and the receipt of assistance under the Small Cities CDBG program as may be necessary to make audits, examinations, excerpts, and transcripts for a period of three years after the entire State CDBG grant year you were awarded from has been closed out by HUD.
- C. Any contract or agreement entered into by the Grantee shall contain language comparable to subsection (B) so as to assure access by authorized parties to the pertinent records of any subgrantee, contractor, or subcontractor.

XXII. Conflict of Interest

- A. In the procurement of supplies, equipment, construction and services by Grantees and subgrantees, the conflict of interest provisions of the Kansas Department of Commerce as provided at 2 CFR Part 200 shall apply.
- B. No member of the Governing Body, officer or employee of the Grantee, or its designees or agents, or any other person who exercises any functions or responsibilities with respect to the program assisted by this Agreement during his tenure or for one year thereafter, shall have any direct interest in any contract or subcontract, or the proceeds thereof, for the work to be performed in connection with the program.
- C. The Grantee shall incorporate, or cause to be incorporated, in all third party agreements, a provision prohibiting such interest pursuant to the purpose of this Section.
- D. The Grantee shall not employ, nor shall permit any third party to employ any employee of the Department.

XXIII. Equal Opportunity

In addition to all equal opportunity provisions and the Assurances incorporated by reference herein, the Grantee agrees to comply with all of the requirements of the Kansas Acts Against Discrimination relating to fair employment practices, to the extent applicable and shall cause the foregoing provisions to be inserted in all contracts with third parties for any work covered by this Agreement so that such provisions will be binding upon such third parties.

Grantee will conduct and administer the grant in conformity with Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq., as amended) and the Fair Housing Act (42 USC 3601-20) and will affirmatively further fair housing.

XXIV. Waiver of Enforcement

A waiver by the Department of the right to enforce any provision of this Agreement shall not be deemed a waiver of the right to enforce each and all of the provisions herein.

XXV. Reversion of Assets

- A. Consistent with the provisions at 24 CFR 570.703, the Grantee shall transfer any CDBG funds on hand at the time of expiration of the Agreement and any accounts receivable attributable to the use of CDBG funds to the Department.
- B. Any real property under the Grantee's control that was acquired or improved in whole or in part with CDBG funds in excess of \$25,000 shall be used for its original intended purpose for five years after expiration of the agreement. Should the Grantee fail to utilize said property for its intended purpose, the Grantee shall pay the Department an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property.

XXVI. Budget Amendments and Other Changes

- A. During the implementation of the grant project, the Grantee may revise the CDBG activities amounts in the CONTRACT PROJECT BUDGET FORM; provided that:
 - 1. The cumulative effect of the revision is to not make line item budget transfers which exceed ten percent of the total grant or \$10,000 cumulative of CDBG monies, whichever is less.
 - 2. The change does not increase any professional services of the CDBG approved budget;
 - 3. The change will not significantly change the scope, location or objectives of the approved activities; and
 - 4. The change does not add or eliminate any activity.
- B. Any such changes to this Agreement shall constitute an amendment, including time extension of the completion date.
- C. The Grantee shall notify the Department if, through the use of other funds, there is an intention to expand, enhance or add to the scope of the program covered by the Agreement, or there is a proposal to undertake activities that will have an impact upon the buildings, areas or activities of this program. The Department reserves the right to require an amendment to this Agreement if such is deemed necessary.
- D. Amendments to the terms and conditions of this Agreement shall not become effective unless reduced to writing, applicable standard forms submitted in duplicate, passed by Resolution of the governing body, and signed by the duly authorized representative of the Grantee, and signed by the Department.
- E. **I hereby certify that I have knowledge of all activities in the above-referenced grant. I also certify that I am aware that the regulations of the CDBG program prevent the use of any facility built or rehabilitated with CDBG funds, or any portion thereof, to be used for the conduct of official business. By accepting the above-referenced grant award, I certify that no portion of the above grant award violates this regulation.**

Copies or originals of all CDBG recipient files and documentation must be maintained at the recipient's principal place of business.

We, the undersigned, have read and understood the above document and hereby agree to the terms and conditions contained herein.

Dated by the Department of Commerce this _____ day of _____, 20 _____.

STATE OF KANSAS
DEPARTMENT OF COMMERCE

By: _____
CDBG Program
Kansas Department of Commerce

By: _____
Notary Public, State of Kansas

City of Osawatomi Kansas
(Grantee)

By: _____
(Name) (Title)

(SEAL)

ATTEST: _____
(For the Grantee)

SPECIAL CONDITIONS

In addition to the general terms and conditions of this Agreement, the Grantee and the Department hereby agree to the following Special Conditions:

1. As provided in Section IX., Program Costs, F., the Notification of Award for the grant under this Agreement is dated **January 13, 2017**.
2. As provided in Section XIII., Monitoring and Reporting, B., the Grantee shall submit Quarterly Progress Reports to the Department. The reporting periods consist of January/February/March, April/May/June, July/August/September and October/November/December. Quarterly Progress Reports are to be submitted to the Department on or before ten (10) days after the end of each quarter. A Quarterly Progress Report shall be submitted for each quarter, or portion thereof, during the Period of Performance as provided in Section IV. Any extension of time approved by the Department will require additional Quarterly Progress and Financial Reports to be submitted in accordance with the above-referenced schedule.
3. As provided in Section IV., Period of Performance, all activities assisted by this Agreement shall be completed on **April 30, 2019** except for those activities required to close out the program, such as the Final Program Report and the Final Audit Report.
4. As provided in Section XIII., Monitoring and Reporting, C., the Grantee shall submit a Final Program Report to the Department on or before **July 31, 2019**.
5. The Grantee shall not use funds that have been granted by HUD under the Federal Act, or which may have been accrued as a consequence of activities supported with such grant funds (program income), in whole or in part for the support of the Activities covered by this Grant Agreement without first having secured the express written approval of HUD.
6. The Grantee shall be permitted to satisfy the program audit requirements of Section XX., Audit Requirements, by conducting a single municipal government-wide financial audit at the time of an annual audit provided for by Kansas law. Said audit will be completed on or before September 30 of each year the grant is open and one year after the grant is closed. Grantees receiving federal assistance in any fiscal year must have an audit made in accordance with 2 CFR Part 200 for such fiscal year unless exempted under 2 CFR Part 200. Those Grantees having expended \$750,000 or more of total federal funds from all sources must have an annual audit.
7. Will require each unit of local government to be distributed Title I funds to adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations in accordance with Section 519 of Public Law 101-144, (the 1990 HUD Appropriations Act) and prohibiting the barring of entrance or exit to any facility or location which is the subject of such demonstration (Cranston-Gonzales National Affordable Housing Act).
8. In addition to the above certifications, the undersigned also makes the certification required which is attached regarding Lobbying.

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

 Date

 Official

Grantees are required to keep records until three years after the entire CDBG grant year from HUD has been closed out.

GRANTEE NAME: City of Osawatomie

GRANT NUMBER: 17-PF-025

ACTIVITY	CDBG FUNDS	OTHER FUNDS	SOURCE OF OTHER FUNDS	TOTAL COST
1. Public Facilities/Construction				
a. Water Treatment Plant				\$ -
b. Sewer/Lines/Treatment				\$ -
c. Street Improvements	\$ 400,000	\$ 900,300	City Funds	\$ 1,300,300
d. Drainage/Flood				\$ -
e. Center/Facility				\$ -
f. Other (Identify)				\$ -
g. Acquisition, including easements				\$ -
h. Engineering Design		\$ 119,100	City Funds	\$ 119,100
i. Construction Inspection		\$ 89,300	City Funds	\$ 89,300
j. Architectural Services				\$ -
k. Other Professional Services		\$ 5,000	City Funds	\$ 5,000
Public Facility Activities Total	\$ 400,000	\$ 1,113,700		\$ 1,513,700
2. Housing Activities				
a. Housing Rehabilitation				\$ -
b. Lead-Based Paint Activities				\$ -
c. Demolition				\$ -
d. Acquisition				\$ -
e. Relocation				\$ -
f. New Construction				\$ -
g. Housing Inspection				\$ -
Housing Activities Total	\$ -	\$ -		\$ -
3. Administration				\$ -
a. Administrative Activities		\$ 20,000	City Funds	\$ 20,000
b. Legal				\$ -
c. Audit				\$ -
Administration Total	\$ -	\$ 20,000		\$ 20,000
ALL ACTIVITIES TOTAL	\$ 400,000	\$ 1,133,700		\$ 1,533,700

Rev. 2/2016

Antonio J. Soave, Secretary

Sam Brownback, Governor

January 24, 2017

The Honorable Mark Govea
Mayor, City of Osawatomie
439 Main Street
Osawatomie, KS 66064

RE: Condition Letter for CDBG Grant No. 17-PF-025 Contract

Dear Mayor Govea:

Congratulations for being selected to receive a 2017 Small Cities Community Development Block Grant (CDBG) Community Improvement grant in the amount of \$400,000, which will fund a street project. Added to the local contribution of \$1,133,700, the total estimated project cost will be \$1,533,700.

A Grantee Workshop will be held for public entities awarded funds. The Grantee is **required** to attend the entire training to receive their contract and instructions on how to begin the grant administration process. The workshop will be held Wednesday, February 8, 2017, from 9:00 a.m. to 1:00 p.m., at the Kansas Highway Patrol Training Academy, 2025 East Iron Avenue, Salina. Registration will begin at 8:30 a.m. Please bring your original LMI surveys along with the supporting code sheet, if applicable.

A contract must be fully executed between the Grantee and the State within 90 days of the Grantee Workshop. The contract start date for this award is May 1, 2017. **This Condition Letter is part of the CDBG contract, please read carefully.**

Neither the Grantee nor any of their representatives or contractors including public or private nonprofits or for-profit entities may commit HUD assistance to the project or a project activity until Commerce has approved the Grantee's request for the release of funds and environmental certification. Further, no Grantee or their representatives or contractors may commit non-HUD funds for an activity or project if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives. Examples of choice limiting activities include acquisition of real property, demolition, construction, conversion, leasing, repair or rehabilitation activities. Environmental reviews shall not begin prior to the contract start date and must be cleared within six months from the contract start date. Be aware that should a contract not be executed with the State, any cost incurred toward a project will be borne by the Grantee.

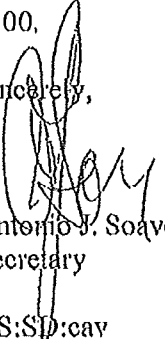
The Honorable Mark Goven
Mayor, City of Osawatomie
January 24, 2017
Page 2

The project's construction contract must be awarded within one year from the contract start date. Failure to meet the construction contract deadline or any other program timelines may result in withdrawal of the grant.

The CDBG funds awarded in this Condition Letter are contingent upon the State's receipt of funds from the U.S. Department of Housing & Urban Development.

The Department looks forward to assisting you implement this project. If you have any questions related to this award, please contact Le Ann Thurman of the CDBG staff at (785) 296-4100.

Sincerely,



Antonio J. Soave
Secretary

AS:SD:cav