

OSAWATOMIE CITY COUNCIL

AGENDA

November 14, 2013

6:30 p.m., Memorial Hall

1. Call to order
2. Roll Call
3. Pledge of Allegiance
4. Invocation – Tim Lewallen, Victory Baptist Church
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. Approve Minutes of October 10 and October 24 Council Meetings
 - B. Approve November 14 Agenda
 - C. Appropriation Ordinance 2013-10
6. Presentations; Comments from the Public
 - A. Tim Lewallen, Victory Baptist Church
 - B. Public Comments
 - Citizen participation will be limited to 5 minutes. Please stand & be recognized by the Mayor.*
7. Public Hearing – None
8. Unfinished Business
 - A. KDHE Sewer Revolving Loan Agreement
9. New Business
 - A. Appointments – none
 - B. LMI Survey Contract
 - C. Street Sweeper Purchase
 - D. Plant Relay Upgrades
 - E. Proposed Budget Amendment
 - F. Employee Increases
10. Council Reports
11. Mayor’s Report
12. City Manager’s Report
13. Executive Session – Non-Elected Personnel
14. Adjournment

REGULAR MEETING – December 12, 2013

REGULAR MEETING – December 19, 2013

Osawatomie, Kansas. **October 10, 2013.** The Council meeting was held in Memorial Hall. Mayor Govea called the meeting to order at 6:32 p.m. Council members present were Dickinson, Farley, Hampson, Hunter, LaDuex, Maichel, Martin, and Walmann. Also present were City Manager Cawby, City Attorney Wetzler, and City Clerk Elmquist. Visitors were Wes Duncan, Phil Dudley, Mike Moon, Ryan Crowley, and Coleen Truelson.

CONSENT AGENDA. Approval of the minutes of September 12 and September 26 Council Meetings, approval of October 10 Agenda, and approval of Appropriation Ordinance 2013-9. Motion made by LaDuex, seconded by Hunter to approve amended new agenda minus the warrants ordinance and minutes. Yeas: All. Motion made by LaDuex, seconded by Martin to postpone the approval of the minutes to the next meeting. There was discussion about items that needed to be clarified. Yeas: All. Motion made by LaDuex, seconded by Hunter to approve Appropriation Ordinance 2013-9 as presented. Yeas: All.

Public Participation; Presentations: none

Public Hearings: none

Unfinished Business:

ORDINANCE ADOPTING ZONING REGULATIONS. The Planning Commission held a public hearing May 29, 2013. Scott Michie and City Manager Cawby held a two-hour open house prior to the public hearing. Neither the open house nor the public hearing was well attended by the public. Two more meetings followed to implement any other changes and to do one final substantive edit of the regulations. On September 11, 2013 the Planning Commission voted unanimously to recommend to the Council for adoption the attached Zoning Regulations, Subdivision Regulations, Floodplain Regulations, and Zoning Map. City Manager Cawby went over highlights of the new format, highlights of the new regulations, and zoning map changes. The ordinance for adoption of the regulations will be on the October 24 agenda.

INVOCATION AT COUNCIL MEETINGS. Motion made by Maichel, seconded by Hampson to approve having the invocations at the meetings. Discussion followed. Maichel called the question. All in favor: none. Opposed: all. Motion failed. There was further discussion. The motion was put to a vote. Yeas: Hampson, Hunter, Maichel, and Walmann. Nays: Dickinson, Farley, LaDuex, and Martin. Vote tied 4-4. Mayor voted in favor of the motion. Motion passed.

New Business:

APPOINTMENTS. none

APPROVE ENGINEERING CONTRACTS FOR SEWER PLANT PROJECT. The Council previously approved a contract with BG Consultants for headworks upgrades at the Sewer Treatment Plant. Later it was decided to purchase a sludge press. The addendum to BG Consultants' contract will cover design work and construction inspection at a cost not to exceed \$68,596. The contract with Latimer Sommers & Associates is for the specific electrical and HVAC portions of the design work to retro fit the existing building for the belt press for \$5,300. Motion made by Hunter, seconded by Dickinson to approve the proposals before them with BG Consultants addendum not to exceed \$68,596 and to approve the contract with Latimer Sommers & Associates for \$5,300. Yeas: All.

Council Reports:

Martin: The annual Chamber of Commerce dinner is October 17. The Fire Department will be recognizing Fire Safety week by holding their annual open house this Saturday.

Hunter: Economic & Community Development Committee did some brainstorming at their last meeting and there were some good insights.

Maichel: Looks forward to the League of Kansas Municipalities Conference this weekend.

Mayor's Report: none

City Manager's Report:

City Manager Cawby looked into buying a framed tent instead of continually renting one for events. One was needed for the inaugural Border War BBQ Contest. And it could also be used at the Jamboree, the Freedom Festival and other events have been identified. The 30' x 60' with sides is \$7,000 and can be set up as a 30' x 30' in then in 10' increments. Discussed allowing the public to rent the tent. The lead time for this event was too short and a smaller tent was purchased.

Projects: none

Issues: none

Police Station. until State Farm is able to find another location only the basement is being remodeled. The carpentry work is being done by Assistant Chief Police Bob Butters. Two others in the department have done some of the painting. The department should be able to move in by the middle of November.

Walmann left at 7:30 p.m.

There was discussion about implementation of the invocation.

EXECUTIVE SESSION: none

Motion made at 7:43 p.m. by Hunter, seconded by Dickinson to adjourn. Yeas: All.

Ann Elmquist, City Clerk

Osawatomie, Kansas. **October 24, 2013.** The Council meeting was held in Memorial Hall. Mayor Govea called the meeting to order at 6:30 p.m. Council members present were Dickinson, Farley, Hampson, Hunter, LaDuex, Maichel, Martin, and Walmann. Also present were City Manager Cawby, City Attorney Wetzler and City Clerk Elmquist. Visitors were Rita Clary, Virginia Adams and Preston Miller.

INVOCATION. Virginia Adams with the Osawatomie Community of Christ delivered the invocation.

APPROVAL OF AGENDA. Motion made by LaDuex, seconded by Hunter to approve the amended agenda. Yeas: All.

Public Participation; Presentations:

Virginia Adams talked about the Community of Christ's principles. Shared the involvement of the Osawatomie Ministerial Association. There is a really good relationship between churches and they service the community in a lot of ways. They assist with utility bills for those in need. The Food Pantry has three programs. November 13 there will be a Community Thanksgiving celebration hosted by the Methodist Church at Osawatomie High School. There will be a dinner followed by worship. December 11 will be the second year of hosting a Christmas give away. It will be at the First Baptist Church's community center. They are asking for new or gently used toys.

Presentation by Preston Miller, Energy Programs Consultant, with the Energy Division of Kansas Corporation Commission. Efficiency Kansas-Lighting (EK-Lighting) focuses on energy-efficient lighting upgrades to existing small commercial structures. The program is designed so that project costs are covered by the expected energy savings with the loan covering all costs over the term of the loan with \$30,000 being the maximum borrowed. Participants apply for financing through the city's utility and requires that they have to have been in business for three years with no late payments. The loan is attached to the property's utility meter and is repaid through an additional charge on the participant's monthly utility bill.

Public Hearing:

KANSAS WATER REVOLVING LOAN FUND. The Public Hearing opened at 6:56 p.m. Rita Clary, with the Kansas Rural Water Association, explained the application is requesting funds for improvements to the Wastewater Treatment Plant. The project includes a new mechanical multi-rake barscreen, grit separation equipment and concrete masonry block building. These are required to remove inorganic solids from the wastestream and properly convey the average daily and peak daily flow rates that are experienced at the Wastewater Treatment Plant. The estimated project cost and loan request is for \$1,275,000 to be submitted to the KDHE Kansas Water Pollution Control Revolving Fund (WKPCRF) Loan. The hearing was opened for questions. City Manager Cawby understood that no raises in the rates is necessary. No other project proposals were introduced. There were no comments from the public. The hearing closed at 7:01 p.m.

Unfinished Business:

ORDINANCE ADOPTING ZONING REGULATIONS. The new regulations include the Zoning Regulations, the Subdivision Regulations, the Floodplain Regulations and Zoning District Map. Motion made by Hunter, seconded by Dickinson to approve the ordinance. Yeas: All. The Ordinance was assigned No. 3715.

New Business:

APPOINTMENTS: none

CONSIDER CANCELLATION OF 2ND NOVEMBER MEETING. Motion made by Maichel, seconded by Martin to approve cancellation of the November 21 meeting. Yeas: All.

Council Reports:

Maichel: Motion was made by Maichel, seconded by Hampson to have an executive session for the purpose of discussing personnel matter of nonelected personnel for five minutes, with City Attorney Wetzler to be present. Shelagh Wright did a wonderful job at the Annual Chamber of Commerce Dinner.

Hunter: Had a meeting with Dawn Fiber LLC about bringing fiber optics to town. Saturday will be the Border Wars BBQ Contest.

LaDuex: Excited about the Border Wars contest. In charge of the contest is the John Brown Foundation with cooperation from the City of Osawatomie. Library Board met and they agreed to fund the options for the repairs to the Library foundation for the mudjacking and the additional piers.

Mayor's Report:

Attended the League of Kansas Municipalities annual conference. Covered really good and appropriate topics. LKM has a mayors' regional dinner coming up and invited the Council. Mayor Govea had a thumb drive that contained all the sessions. Spoke with a Kansas State University associate professor of Architectural and Community Planning about John Brown Park becoming an arboretum or at least identify the trees. There are classes that work on these types of projects. KSU will be holding a summit that the City will be invited to.

City Manager's Report:

Dawn Fiber LLC. A get to know each other meeting was held with Mike Bosch and his staff and the City's staff and invited Wes Duncan from the school district. At the second meeting they wanted to bring in economic development. Mayor Govea and Council President Hunter (representing Economic and Community Development Committee) were invited. Dawn Fiber is getting their deal narrowed down of what they really want, what do we have to do, and what is expected from the City. Onboard already are Baldwin City, Lawrence, and possibly Ottawa. It is going in a very good direction and seems very doable. Dawn Fiber just finished with Baldwin City's intent to issue IRBs and they have an agreement with Lawrence. An Economic Impact Study was completed by Wichita State University on the process for Baldwin City. He will be getting a copy. Dawn Fiber would like to get going in December. It is a \$10,000,000 project and will have to bring other cities on board.

Rails-to-Trails. He needs to negotiate with the Union Pacific Railroad. The problem is the bridge. An engineer has said that he will donate his services. Also the KSU students need community improvement projects.

EXECUTIVE SESSION – PERSONNEL MATTER OF NONELECTED PERSONNEL. At 7:25 p.m. motion was made by Maichel, seconded by Hampson to recess into executive session for the purpose of discussing personnel matter of nonelected personnel, with City Attorney Wetzler to be present; and that the Council will reconvene the open meeting in this room at 7:30 p.m. Yeas: All. Meeting reconvened at 7:28 p.m. No action taken.

Motion made at 7:29 p.m. by Hampson, seconded by Hunter to adjourn. Yeas: All.

Ann Elmquist, City Clerk

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ORDINANCE NO. 2013-10

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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
City of Osawatomie	Petty Cash Reimbursement	1393	5,396.65
Allenbrand-Drews & Associates, Inc.	Survey for 500 12th Street	42520	1,650.00
Applied Maintenance	Ear Plug	42521	161.16
Artic Glacier Premium Ice	Ice	42522	350.00
Deven Ayres	Flag Football Official	42523	24.00
Beachner Grain, Inc.	Weed Killer	42524	83.50
Sheldon Booe	Soccer & Flag Football Official	42525	270.00
Brenntag Mid-South, Inc.	Muriatic Acid, Ammonium Sulfate	42526	1,482.41
Brewer's Automotive Repair	Tires, Battery, Diagnostic	42527	2,422.89
C&G Merchants Supply, Inc.	Popcorn Kits, Candy Bars, Plates	42528	271.50
CenturyLink	RTU's	42529	236.56
City Electric Supply	UV Lights-Breaker	42530	300.00
Coleman Equipment, Inc.	Front Tire Assembly, Safety Switch	42531	151.11
Comm World of Kansas City	Telephones	42532	216.00
Direct Solutions	Fertilizer	42533	248.71
Elliott Insurance Inc.	Insurance	42534	125.00
Family Center	Trimmer Line, Weatherstrip	42535	794.63
First Place Trophies	Nameplate-Planning Commission	42536	11.00
Richard Fisher, JR. LLC	Attorney Fees	42537	325.00
Gerken Rent-All	Pole Tent, Sidewalls, Chairs	42538	518.40
Home Depot	Standoff Post Base, Coupling, Adapter	42539	247.96
Hoover's Upholstery	Repair & Recover Seat Bottom	42540	225.00
John Deere Financial	Gasket, Thermostat, Cap Screw	42541	109.13
John Deere Landscapes	Turface All Sport	42542	47.30
Kansas Dept of Agriculture	Pesticide Renewal	42543	100.00
Kansas Dept of Commerce	JTC Oil Lease - Nov	42544	1,000.00
Kansas One Call	Locates	42545	20.40
Kansas Rural Water Association	Consumer Confidence Report	42546	50.00
Kelcon Technologies, Inc.	Replace Battery, Fix Wireless Issue	42547	280.00
Killough Construction	Asphalt	42548	1,565.50
Lou's Gloves	Gloves	42549	77.00
Miami Lumber	Concrete Mix, Lumber, Deck Screws	52550	435.88
Moon's IGA	Cleaning Supplies, Buns, Water	42551	535.11
Navrat's Office Products	Corporate Seal, Inkjet Cartridges	42552	139.82
New Century Dodge	Brake Cylinder	42553	128.80
NPG Newspapers	STO Ordinance, UPOC Ordinance	42554	297.17
Ozonia	UV Lights-Fan	42555	294.94
Paola Hardware	Shoring Fluid, Comp Tee	42556	36.92
Print Shoppe	Building Inspection Forms	42557	287.50
Professional Turf Products, LP	Oil Seal, Bushing	42558	48.98

CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Quill.com	Dust Pan, Toner, Rolodex Cards	42559	165.56
Riverside Manufacturing Company	Clothing	42560	491.53
Brody Russell	Flag Football Official	42561	24.00
Morgan Soucie	Soccer and Flag Football Official	42562	96.00
Stanion Wholesale Electric	Wire, Lights for Cabin	42563	327.96
Suddenlink	Internet	42564	119.90
Superior Lamp, Inc.	Bulbs	42565	315.06
TFMComm, Inc.	Renew FCC License	42566	50.00
USA Blue Book	PH Buffers	42567	34.46
UV Doctor Lamps, LLC	UV Lights-Domed Quartz Sleeve	42568	2,670.00
Van Wall Equipment	Grind Reels & Bedknives	42569	1,168.58
Vance Brothers	Oil	42570	151.25
Viking Industrial Supply	Paper Goods	42571	229.64
Wade Quarries	Gravel	42572	620.84
Walmart	Chips, Buns, Soccerballs, Bags	42573	365.79
Winterscheid Auto Parts	Battery, Brake Pads, Filters, Fittings	42574	946.89
Chaseton Wylie	Soccer and Flag Football Official	42575	216.00
Zep Sales & Service	Wasp Killer, Stylist Mat	42576	176.21
KMEA	SPA Hydro Electricity	1394	3,630.61
KMEA	GRDA Electricity	1395	97,879.63
KMEA	WAPA Hydro Electricity	1396	9,556.58
American Sweeping, Inc.	Sweeping Service	42577	4,671.68
AT&T	RTU'S	42578	221.45
Baker & Taylor	Books	42579	507.09
Bollings Bargain	Snaps, Replacement Ends	42580	32.10
Bradley A/C & Heating	Install Programmable Thermostat	42581	196.63
California Contractors Supplies, Inc.	Tape	42582	429.04
Champion Brands, LLC	Wipers, Tire Sealant, Antifreeze	42583	566.35
City of Osawatomie	Utilities	42584	9,152.83
Donna & Viola's Shirts	Shirts	42585	45.28
Hach Company	Lamp Assembly	42586	59.00
Hanes Florist & Greenhouse	Flowers	42587	50.00
JCI Industries, Inc.	Troubleshoot Pumps Not Running	42588	906.00
Kansas City Wilbert	Grave Openings	42589	2,950.00
Kansas Dept. of Health & Environment	Water Operator Certificate	42590	20.00
Kansas Municipal Utilities	4th Quarter Dues	42591	2,236.00
Kansas State Treasurer	Training Funds	42592	931.00
Kincaid Ready Mix	Concrete	42593	1,100.25
KWJP Radio	Advertising-Freedom Festival	42594	75.00
L&K Services, Inc.	Refuse, Trash Stickers	42595	32,115.68
League of Kansas Municipalities	LKM Conference	42596	140.00
Lybarger Oil, Inc.	Fuel	42597	7,715.37
Madden Rental	Portable Toilet Rental	42598	580.00
Miami County Solid Waste	Christmas in October	42599	49.68
Oil Patch Pump & Supply, Inc.	Coupling Compression PVC, Pipe	42600	97.02

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CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Osawatomie Pet Clinic	Examination, Boarding & Vaccination	42601	236.00
Pace Analytical	Analytical Services	42602	311.00
Pepsi Beverages Company	Pop	42603	168.10
Read It Free	Advertisement-Freedom Festival	42604	150.00
Ricoh USA, Inc.	Copies	42605	888.34
R/S Electric Motor Services	30 HP Motor	42606	3,039.00
Rural Water District #1	Service	42607	208.50
Smitty's Lawn & Garden Equipment	Front Wheel Assembly, Feed Head	42608	107.91
State Industrial Products	Magic Mat	42609	194.08
Suddenlink	Internet	42610	134.18
Supreme Turf Products, Inc.	Shakedown Quarts	42611	120.00
UPS Store	Packages	42612	360.66
Brad Waggoner	Pro Shop - Sept	42613	968.98
Winkler, Domoney & Schultz	Municipal Court Judge	42614	2,060.00
Winwholesale Commercial Charge	Conduit	42615	110.00
Crawford Sales Company	Budweiser	42616	159.00
All Seasons Event Rental	Tent Rental and Set Up	42617	720.00
American Textile Mills, Inc.	T-Shirts, Grease Wipes	42618	513.05
Atco International	Aroma Pack	42619	138.75
Deven Ayres	Football Official	42620	48.00
BG Consultants, Inc.	Consulting Services	42621	3,550.00
Sheldon Booe	Soccer Official	42622	114.00
Cyr Construction	Remove/Repair Sidewalk & Curb	42623	2,538.85
Dish Network	Service	42624	94.83
Eric Draper	Football Official	42625	60.00
EMG, Inc.	Energy Consulting	42626	1,306.45
Environmental Laboratories, Inc.	Wastewater Sample & Analysis	42627	480.00
Fishnet Security, Inc.	Tokens	42628	152.52
Gallagher Benefit Services, Inc.	Administration Fee	42629	382.00
Grainger	Lithium Battery	42630	59.76
KC Bobcat	Cylinder, Hose, Male Coupler	42631	818.93
Killough Construction, Inc.	Asphalt	42632	1,207.00
Martin Pringle Attorneys at Law	City Prosecutor, Municipal Matters	42633	4,891.18
National Sign Company, Inc.	Street Sign, Forestry Sign, Post Cap	42634	451.87
The Ottawa Herald	Ad-Freedom Festival	42635	250.00
Ron's Small Engine, Inc.	Idler	42636	36.17
Brody Russell	Baseball & Football Official	42637	89.00
Scott A Michie Planning Services	Consulting Services	42638	1,920.60
Smith's Appliances, Inc.	Frigidaire Refrigerator	42639	579.00
Morgan Soucie	Soccer & Football Official	42640	192.00
Viking Industrial Supply	Paper Goods	42641	70.16
Visa	KLA Conference, Dvds, Bookcase	42642	1,116.39
Visa	Lodging, Water heater, Flowers	42643	1,371.50
Chaseton Wylie	Football Official	42644	24.00
Home Depot	Eposyshield, Mop Bucket, Shop Vac	1169	478.06

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CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Wal-Mart	Bucket, Eyewear, Brush, Water can	1170	48.29
Kansas Department of Revenue	Compensating Use Tax	1397	88.85
Kansas Department of Revenue	Sales Tax	1398	2,110.40
Kansas Department of Revenue	Sales Tax	1399	7,051.26
Kansas State Treasurer	Bond Principal & Interest	1400	192,585.00
KMEA	Nearman Electricity	1401	30,229.25
KMEA	Emp Electricity	1402	31,500.89
Ace Pest Control, LLC	Pest Control	42645	475.00
American Law Enforcement Radar	Kustom G. Eagle	42646	40.00
Baker & Taylor	Books	42647	1,123.74
Bowes Automotive Products	Filters, Hose Clamps	42648	74.70
Brenntag Mid-South, Inc.	Sod Hypochlorite	42649	3,925.93
California Contractors Supplies, Inc.	Safety Red Paint, Multi Function Tool	42650	248.75
Conrad Fire Equipment, Inc.	Pants, Blue cow W/O Wrist FDP	42651	851.60
Digital Graphics	Repair Microfilm Machine	42652	89.00
Entersect	Police Online	42653	79.00
Evco Wholesale Food Corp.	Gatorade, Hot Dogs, Sausage	42654	295.12
Richard Fisher, Jr., LLC	Attorney Fees	42665	525.00
GCSAA	Membership	42656	152.00
George K. Baum & Company	Financial Advisor Fee	42657	5,900.00
Hutchinson Community College	Dispatch Training	42658	71.00
Industrial Sales	Wrench, Kwikcut	42659	46.34
Johnson County Sheriffs Office	Forensic Biology, Crime Scene Respo	42660	255.68
Kansas City Power & Light	Service	42661	1,369.25
Kansas Department of Revenue	Water Protection & Clean Water	42662	2,038.44
Kansas Gas Service	Service	42663	570.95
Kansas State Attorney General	Note Review	42664	135.00
Kansas State Treasurer	Registrar and Transfer Agent Fee	42665	630.00
KS Turf Grass Foundation	Turfgrass Conference	42666	235.00
Miami Co. Fire District #1	Emergency Reporting	42667	103.50
Miami Co. Road & Bridge Dept.	Chips Applied to Streets	42668	6,381.38
Miami County Sheriff's Office	Prisoner Care	42669	1,965.00
Mississippi Lime Company	Lime	42670	1,666.05
ND&H, LC	Attorney Fees	42671	740.00
NEKLS	Barcodes, Thermal Rolls, Workshop	42672	63.09
NPG Newspapers	Sports Banner	42673	40.00
Olathe Winwater Works	Fire hydrant, Repair Clamps, Spade	42674	2,384.00
Penny's Concrete, Inc.	Concrete	42675	538.95
Pitney Bowes	Postage Meter Lease	42676	199.00
Psychological Resources	Psychological Evaluation	42677	110.00
Public Agency Training Council	Seminar-Tewes	42678	475.00
Quill.com	Gel Ink Pens, Thermal Cartridge	42679	291.88
Redwood Toxicology Laboratory, Inc.	Drug Testing Supplies	42680	359.50
Rejis Commission	LEWeb Subscription Service	42681	63.00
Ricoh	Copier Lease	42682	289.00

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CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Ricoh	Copier Lease-PD	42683	183.90
Ruan Logistics Corporation	Freight for Lime	42684	1,518.26
Sprint	Service	42685	26.78
Suddenlink	Internet	42686	59.95
UPS Store	Copies	42687	33.86
Zep Sales	Stylist Mat, Tri Grip	42688	198.17
Hasty Awards	Trophies and Ribbons	42689	133.80
Cort	Desks	1171	2,341.31
Ross	Black Storage Bench	1172	99.99
City of Osawatomie	Petty Cash Reimbursement	1403	1,936.01
City of Osawatomie	Petty Cash Reimbursement	1404	4,433.31
Home Depot	Helix Mixer, Tray, Brush, Roller Cover	1173	31.70
American Safety Utility Corp	Poison Ivy Wipes	42690	177.62
Applied Maintenance Supplies	Terry Lined Gloves, Hot Rods	42691	180.09
Brewer's Automotive Repair	Tow, Tire Repair, Tires	42692	377.16
C&G Merchants Supply, Inc.	Candy Bars, Chips, Peanuts, Cups	42693	464.89
Century Link	Long Distance	42694	323.06
Century Link	RTU'S	42695	236.56
Century Link	Service	42696	2,340.96
Comm-Tronix	SD-174 EX Radio	42697	296.00
Delta Dental	Dental Insurance	42698	2,969.19
Hach	Aquatrend Display Assy, Chlorine Reag	42699	694.34
HD Waterworks	3 Way 6" Hydrants, 4' Bury AVK	42700	4,618.76
John Deere Financial	Carburetor, Voltage Regulator, Gasket	42701	391.46
KC Golf Cart Company, LLC	Cart Rental	42702	4,000.00
Kincaid Ready Mix	Concrete	42703	1,184.75
Kriz-Davis Co.	Ele Ballast, Cutout, Elbows, Lag Screw	42704	3,928.08
League of KS Municipalities	Regional Supper	42705	26.00
Martin Pringle, Oliver, Wallace & Bauer	City Prosecutor, Municipal Matters	42706	5,958.68
Miami County Sheriff's Office	Prisoner Care	42707	520.00
Miami Lumber, Inc.	Paint, Drywall, Stain, Concrete Block	42708	1,422.94
New Century Dodge	Fuel Pump Module, Auxiliary Module	42709	430.40
Osawatomie Pet Clinic	Euthason, Examination	42710	221.00
Pat's Signs	Banners, Yard Signs	42711	260.00
Riverside Manufacturing Company	Clothing	42712	308.41
Safety and Fire Exchange, LLC	Lower Unit Repair GC with PJ Repair	42713	580.00
Suddenlink	Internet	42714	119.90
Superior Vision	Vision Insurance	42715	582.32
Debbie Talley	Memorial Hall Janitorial	42716	375.00
The Law Office of Bryan Meyer	Attorney Fees	42717	115.00
Tri-County Ice Co., Inc.	Ice Machine	42718	50.00
United Healthcare	Health Insurance	42719	29,951.21
USA Bluebook	Rubber Suction Hose 4", Fire Hose	42720	500.65
Van Wall Equipment	Push Pull	42721	23.28
Vernon's Electric & Outboard	Flatbed for Pickup	42722	1,500.00



STAFF AGENDA MEMORANDUM

DATE OF MEETING: November 14, 2013

AGENDA ITEM: **KDHE Loan Agreement**

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: The final step in the KDHE revolving loan process for the sewer plant project is to authorize the loan agreement. The agreement is attached. The Council will need to approve the signing of the agreement through the passage of an authorizing ordinance.

Also, I have attached our last estimated amortization schedule that we have provided to KDHE as our preference for payments. We are still waiting on a final amortization schedule from KDHE. However, we can move forward with the ordinance so that once the table is received the Loan Agreement can move forward and we can start receiving funds.

COUNCIL ACTION NEEDED: Review and approve the loan agreement and ordinance.

STAFF RECOMMENDATION TO COUNCIL: Approve the ordinance which authorizes the signing of the Loan Agreement.

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN OSAWATOMIE, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT FOR THE PURPOSE OF OBTAINING A LOAN FROM THE KANSAS WATER POLLUTION CONTROL REVOLVING FUND FOR THE PURPOSE OF FINANCING A WASTEWATER TREATMENT PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.

WHEREAS, the Federal Water Quality Act of 1987 (the "Federal Act") established revolving fund program for public wastewater treatment systems to assist in financing the costs of infrastructure needed to achieve or maintain compliance with the Federal Act and to protect the public health and authorized the Environmental Protection Agency (the "EPA") to administer a revolving loan program operated by the individual states; and

WHEREAS, to fund the state revolving fund program, the EPA will make annual capitalization grants to the states, on the condition that each state provide a state match for such state's revolving fund; and

WHEREAS, by passage of the Kansas Water Pollution Control Revolving Fund Act, K.S.A. 65-3321 through 65-3329, inclusive (the "Loan Act"), the State of Kansas (the "State") has established the Kansas Water Pollution Control Revolving Fund (the "Revolving Fund") for purposes of the Federal Act; and

WHEREAS, under the Loan Act, the Secretary of the Kansas Department of Health and Environment ("KDHE") is given the responsibility for administration and management of the Revolving Fund; and

WHEREAS, the Kansas Development Finance Authority (the "Authority") and KDHE have entered into a Pledge Agreement (the "Pledge Agreement") pursuant to which KDHE agrees to enter into Loan Agreements with Municipalities for public wastewater treatment projects (the "Projects") and to pledge the Loan Repayments (as defined in the Pledge Agreement) received pursuant to such Loan Agreements to the Authority; and

WHEREAS, the Authority is authorized under K.S.A. 74-8905(a) and the Loan Act to issue revenue bonds (the "Bonds") for the purpose of providing funds to implement the State's requirements under the Federal Act and to loan the same, together with available funds from the EPA capitalization grants, to Municipalities within the State for the payment of Project Costs (as said terms are defined in the Loan Act); and

WHEREAS, the City of Osawatomie, Kansas (the "Municipality") is a municipality as said term is defined in the Loan Act which operates a wastewater collection and treatment system (the "System"); and

WHEREAS, the System is a public Wastewater Treatment Works, as said term is defined in the Loan Act; and

WHEREAS, the Municipality has, pursuant to the Loan Act, submitted an Application to KDHE to obtain a loan from the Revolving Fund to finance the costs of improvements to its System consisting of the following:

Improvements include design and construction to increase the size of the incoming flow channel including new screening equipment and grit removal equipment of adequate size and capacity and a sludge press. In addition a new building will be constructed to house this headworks equipment (the "Project"); and

WHEREAS, the Municipality has taken all steps necessary and has complied with the provisions of the Loan Act and the provisions of K.A.R. 28-16-110 to 28-16-138 (the "Regulations") applicable thereto necessary to qualify for the loan; and

WHEREAS, KDHE has informed the Municipality that it has been approved for a loan in an amount of not to exceed One Million Two Hundred Seventy Two Thousand Seven Hundred Fourteen Dollars [\$1,272,714] (the "Loan") in order to finance the Project; and

WHEREAS, the governing body of the Municipality hereby finds and determines that it is necessary and desirable to accept the Loan and to enter into a loan agreement and certain other documents relating thereto, and to take certain actions required in order to implement the Loan Agreement.

THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE, KANSAS:

Section 1. Authorization of Loan Agreement. The Municipality is hereby authorized to accept the Loan and to enter into a certain Loan Agreement, with an effective date of November 20, 2013, with the State of Kansas acting by and through the Kansas Department of Health and Environment (the "Loan Agreement") to finance the Project Costs (as defined in the Loan Agreement). The Mayor and Clerk are hereby authorized to execute the Loan Agreement in substantially the form presented to the Governing Body this date, with such changes or modifications thereto as may be approved by the Mayor and the City Attorney, the Mayor's execution of the Loan Agreement being conclusive evidence of such approval.

Section 2. Establishment of Dedicated Source of Revenue for Repayment of Loan. Pursuant to the Loan Act, the Municipality hereby establishes a dedicated source of revenue for repayment of the Loan. In accordance therewith, the Municipality shall impose and collect such rates, fees and charges for the use and services furnished by or through the System, including

all improvements and additions thereto hereafter constructed or acquired by the Municipality as will provide System Revenues or levy ad valorem taxes without limitation as to rate or amount upon all the taxable tangible property, real or personal, within the territorial limits of the Municipality to produce amounts which are sufficient to (a) pay the cost of the operation and maintenance of the System, (b) pay the principal of and interest on the Loan as and when the same become due, and (c) pay all other amounts due at any time under the Loan Agreement; provided, however, no lien or other security interest is granted by the Municipality to KDHE on the System Revenues under this Agreement. In the event that the System Revenues are insufficient to meet the obligations under the Loan and the Loan Agreement, the Municipality shall levy ad valorem taxes without limitation as to rate or amount upon all the taxable tangible property, real or personal, within the territorial limits of the Municipality to produce the amounts necessary for the prompt payment of the obligations under the Loan and Loan Agreement.

In accordance with the Loan Act, the obligations under the Loan and the Loan Agreement shall not be included within any limitation on the bonded indebtedness of the Municipality.

Section 3. Further Authority. The Mayor, Clerk and other City officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance, and to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 4. Governing Law. The Ordinance and the Loan Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

Section 5. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City and publication in the official City newspaper.

PASSED AND APPROVED by the Governing Body of the City of Osawatomie, Kansas, this 14th day of November, 2013.

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APPROVED AND SIGNED by the Mayor.

CITY OF OSAWATOMIE, KANSAS

By _____
L. Mark Govea, Mayor

(SEAL)

ATTEST:

By _____
Ann Elmquist, City Clerk

[APPROVED AS TO FORM ONLY]

By _____
Richard S. Wetzler, City Attorney

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LOAN AGREEMENT

Between

**THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
ACTING ON BEHALF OF
THE STATE OF KANSAS**

AND

**OSAWATOMIE, KANSAS
KWPCRF PROJECT NO.: C20 1961 01**

EFFECTIVE AS OF _____ DRAFT _____

The interest of the Kansas Department of Health and Environment ("KDHE") in the Loan Repayments to be made by the Municipality and certain other revenues (the "Revenues") under this Loan Agreement have been pledged and assigned to the Kansas Development Finance Authority (the "Authority") pursuant to a Pledge Agreement, between KDHE and the Authority. The interest of the Authority in the Revenues has been pledged as security for the payment of the principal of, redemption premium, if any, and interest on the Authority's Kansas Water Pollution Control Revolving Fund Revenue Bonds, pursuant to a Master Bond Resolution adopted by the Authority.

LOAN AGREEMENT

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**KANSAS WATER POLLUTION CONTROL REVOLVING FUND
LOAN AGREEMENT**

THIS LOAN AGREEMENT, effective as of _____ DRAFT _____ by and between the KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT ("KDHE"), acting on behalf of THE STATE OF KANSAS (the "State"), and OSAWATOMIE, KANSAS, a "Municipality" according to K.S.A. 65-3321 hereinafter referenced as the "Municipality";

WITNESSETH:

WHEREAS, the Federal Water Quality Act of 1987 (the "Federal Act") established a state revolving fund program as a means to phase-out the Environmental Protection Agency (EPA) construction grants program and replace it with a revolving loan program operated by the individual states; and

WHEREAS, to fund the state revolving fund program, the EPA will make annual capitalization grants to the states (CFDA 66.458), on the condition that each state provide a state match for such state's revolving fund; and

WHEREAS, by passage of the Kansas Water Pollution Control Revolving Fund Act, K.S.A. 65-3321 through 65-3329, inclusive (the "Loan Act"), the State of Kansas (the "State") has established the Kansas Water Pollution Control Revolving Fund (the "Revolving Fund") for purposes of the Federal Act; and

WHEREAS, under the Loan Act, the Secretary (the "Secretary") of the Kansas Department of Health and Environment ("KDHE") is given the responsibility for administration and management of the Revolving Fund; and

WHEREAS, the Secretary, the Kansas Department of Administration, Division of Accounts and Reports ("the DOA"), and the Kansas Development Finance Authority (the "Authority") have entered into an Inter-Agency Agreement effective March 1, 1999, (the "Inter-Agency Agreement"), to define the cooperative relationship between KDHE, DOA, and the Authority, to jointly administer certain provisions of the Loan Act; and

WHEREAS, the Authority and KDHE have supplemented the Inter-Agency Agreement by entering into a Combined Master Pledge Agreement, dated as of November 1, 1992, as the same has been amended and may be further amended and supplemented from time to time, (jointly the "Pledge Agreement"), pursuant to which KDHE agrees to enter into Loan Agreements with Municipalities (as defined in the Loan Act) for Wastewater Treatment Projects (the "Projects") and to pledge the Loan Repayments received pursuant to such Loan Agreements and certain other revenues to the Authority; and

WHEREAS, the Authority is authorized under K.S.A. 74-8905(a) and the Loan Act to issue revenue bonds (the "Bonds") for the purpose of providing funds to implement the State's requirements under the Federal Act and to loan the same, together with available funds from the EPA capitalization grants, to Municipalities within the State for the payment of Project Costs (as said terms are defined in the Loan Act);

WHEREAS, the Municipality has made timely application to KDHE for a Loan to finance all or a portion of the Project Costs; and

WHEREAS, KDHE has approved the Municipality's application for a Loan, subject to the receipt of capitalization grants from the EPA pursuant to the Federal Act and proceeds of the Bonds when issued by the Authority; and

NOW, THEREFORE, for and in consideration of the award of the Loan by KDHE, the Municipality agrees to complete its Project and to perform under this Loan Agreement in accordance with the conditions, covenants and procedures set forth herein and attached hereto as a part hereof, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The following terms as used in this Loan Agreement shall, unless the context clearly requires otherwise or as otherwise defined in the Master Resolution, have the following meanings:

"Act" means the Constitution and laws of the State, including particularly the Loan Act and K.S.A. 74-8905(a), as amended and supplemented.

"Additional Payments" means the payments described in **Section 2.06** hereof.

"Additional Revenue Obligations" means any obligation for the payment of money undertaken by the Municipality which is payable from or secured by a pledge of, or lien upon, the System Revenues incurred after the date of execution and delivery of this Loan Agreement, and all Existing Revenue Obligations.

"Authority" means the Kansas Development Finance Authority, a public body politic and corporate and an instrumentality of the State, and its successors and assigns.

"Authorized Municipality Representative" means any person authorized pursuant to a resolution of the governing body of the Municipality to perform any act or execute any document relating to the Loan, or this Loan Agreement.

"Bonds" means the Kansas Development Finance Authority, Water Pollution Control Revolving Loan Fund Revenue Bonds, issued in one or more series, pursuant to Master Bond Resolution No. 37, and supplements thereto.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the regulations thereunder promulgated by the Department of the Treasury.

“**Dedicated Source of Revenue**” shall have the meaning ascribed thereto in *Exhibit B* attached hereto.

“**EPA**” means the Environmental Protection Agency of the United States, its successors and assigns.

“**Event of Default**” means any occurrence of the following events:

(a) failure by the Municipality to pay, or cause to be paid, any Loan Repayment required to be paid hereunder when due;

(b) failure by the Municipality to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraph (a) of this Section, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Municipality by KDHE, unless KDHE shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in such notice is correctable but cannot be corrected within the applicable period KDHE may not unreasonably withhold its consent to an extension of such time up to 90 days from the delivery of the written notice referred to above if corrective action is instituted by the Municipality within the applicable period and diligently pursued until the Event of Default is corrected;

(c) failure by the KDHE to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Agreement which shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to KDHE by the Municipality, unless the Municipality shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in such notice is correctable but cannot be corrected within the applicable period the Municipality may not unreasonably withhold its consent to an extension of such time up to 90 days from the delivery of the written notice referred to above if corrective action is instituted by KDHE within the applicable period and diligently pursued until the Event of Default is corrected;

(d) any representation made by or on behalf of the Municipality contained in this Loan Agreement, or in any instrument furnished in compliance with or with reference to this Loan Agreement or the Loan, is intentionally false or misleading in any material respect;

(e) any representation made by or on behalf of KDHE contained in this Agreement, or in any instrument furnished in compliance with or with reference to this Agreement, is intentionally false or misleading in any material respect;

(f) a petition is filed by or against the Municipality under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Municipality, such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal;

(g) the Municipality shall generally fail to pay its debts as such debts become due;

(h) failure of KDHE to promptly pay any Project Costs when reasonably requested to do so by the Municipality pursuant to **Section 2.03** hereof.

“Existing Revenue Obligation” means any obligation for the payment of money undertaken by the Municipality, which is payable from or secured, by a pledge of, or lien upon, the System Revenues existing or outstanding at the time of execution and delivery of this Loan Agreement by the Municipality.

“Federal Act” means the Federal Water Quality Act of 1987, as amended.

“GAAP” means generally accepted accounting principles as applicable to municipal utility systems.

“Indebtedness” means any financial obligation of the Municipality evidenced by an instrument executed by the Municipality, including this Loan, Existing Revenue Obligations, Additional Revenue Obligations, general obligation bonds or notes, lease or lease-purchase agreement or similar financial transactions.

“KDHE” means the Kansas Department of Health and Environment or its successors in interest.

“Loan Act” means the Constitution and laws of the State of Kansas, including particularly K.S.A. 65-3321 through 65-3329, inclusive, as amended and supplemented.

“Loan Agreement” means this Loan Agreement, including the Exhibits attached hereto, as it may be supplemented, modified or amended from time to time in accordance with the terms hereof.

“Loan Repayments” means the payments payable by the Municipality pursuant to **Section 2.05** of this Loan Agreement.

“Loan Terms” means the terms of this Loan Agreement provided in **Article II** hereof.

“Master Resolution” means the Master Bond Resolution adopted by the Board of Directors of the Authority, as amended and supplemented from time to time by Supplemental Resolutions.

“Municipality” means Osaqatomie, Kansas, its successors and assigns.

“Project” means the acquisition, construction, improvement, repair, rehabilitation or extension of the System described in **Exhibit A** hereto, which constitutes a project pursuant to the Loan Act for which KDHE is making a Loan to the Municipality pursuant to this Loan Agreement.

“Project Costs” means all costs or expenses which are necessary or incident to the Project and which are directly attributable thereto, including, but not limited to: (a) costs of any Loan

reserves; (b) interest on the Loan during the construction of the Project; (c) financing and administrative costs associated with the Loan Agreement; and (d) subject to the approval of Bond Counsel and the Authority, payment of temporary financing obligations issued by the Municipality to pay Project Costs;

“Regulations” means Kansas Administrative Regulations (K.A.R.) 28-16-110 to 28-16-138, and any amendments thereto promulgated by KDHE pursuant to the Loan Act.

“Revolving Fund” means the Kansas Water Pollution Control Revolving Fund established by the Loan Act.

“SEC Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as may be amended from time to time or such other similar rule regarding disclosure of information in securities transactions.

“Secretary” means the Secretary of KDHE

“State” means the State of Kansas, acting, unless otherwise specifically indicated, by and through KDHE, and its successors and assigns.

“System” means the wastewater collection and treatment system of the Municipality, as the same may be modified or enlarged from time to time, including the Project described in **Exhibit A**, for which the Municipality is making the borrowing under this Loan Agreement, which constitutes or includes a Wastewater Treatment System.

“System Revenues” means all revenues derived by the Municipality from the ownership and operation of the System.

“Wastewater Treatment System” means any Wastewater Treatment Works, as defined in the Federal Act, that is publicly owned, and as further described in the Regulations.

Section 1.02. Rules of Interpretation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

(c) All references in this Loan Agreement to designated “Articles,” “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this Loan Agreement as originally executed. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision.

(d) The Table of Contents and the Article and Section headings of this Loan Agreement shall not be treated as a part of this Loan Agreement or as affecting the true meaning of the provisions hereof.

ARTICLE II

LOAN TERMS

Section 2.01. Amount of the Loan. Subject to all of the terms, provisions and conditions of this Loan Agreement, and subject to the availability of State and Federal funds and proceeds of Bonds, KDHE will loan an amount not to exceed One Million Two Hundred Seventy Two Thousand Seven Hundred Fourteen Dollars [\$1,172,714] to the Municipality to pay all or a portion of Project Costs described in *Exhibit A* hereto. The final actual amount of the Loan may be reduced without revision of any other terms, provisions or conditions of this Loan Agreement, other than the Loan Repayment Schedule (*Exhibit B* hereto), to reflect reductions in the estimated or actual total Project Costs as impacted by opening of bids for construction, change orders, final actual costs, and prepayments. The Municipality shall be responsible for any costs incurred by the Municipality in connection with the Project in addition to the amount of the Loan. Any amendment to *Exhibit B* shall be effected by written amendment to the Loan Agreement executed by all parties.

Section 2.02. Interest Rate. The interest rate on the loan shall be [Gross Loan Rate] DRAFT % per annum, which shall be assessed on the unpaid principal balance to be paid as set out in the Loan Repayment Schedule, *Exhibit B* hereto. This interest rate consists of a net loan interest rate, and a service fee, as described in *Exhibit B*. Any subsequent revision to the amount of the Loan or *Exhibit B* hereto shall not change the gross interest rate on the Loan.

Section 2.03. Disbursement of Loan Proceeds.

(a) Subject to the conditions described in this Section, KDHE agrees to disburse the proceeds of the Loan during the progress of the Project for Project Costs. Requests for disbursement may be submitted by the Municipality (in substantially the form attached hereto as *Exhibit E*), not more than once per month, in accordance with the procedures set forth by KDHE. Any request for disbursement must be supported by proper invoices and a certificate of the Authorized Municipality Representative to the effect that all representations made in this Loan Agreement remain true as of the date of the request and, based upon that information then available to such person, no adverse developments affecting the financial condition of the Municipality or its ability to complete the Project or to repay the Loan have occurred.

The Municipality may request disbursement for the following Project Costs:

- (1) any eligible planning/design costs incurred prior to execution of this Loan Agreement;
- (2) disbursement for eligible Project Costs if such Project Costs have been incurred and are due and payable to Project contractors (actual payment of such Project Costs by the Municipality is not required as a condition of the payment request); or
- (3) interest becoming due on the Loan prior to the initial scheduled payment of principal; and

(4) the principal of and interest on any temporary financing obligations issued by the Municipality to pay Project Costs.

(b) KDHE shall not be under any obligation to disburse any Loan proceeds to the Municipality under this Loan Agreement unless:

(1) there are moneys available in the Revolving Fund to fund the Loan, as determined solely by KDHE;

(2) the Municipality shall certify to KDHE that it has executed a Project contract or contracts and has funds available to pay for that portion of the Project Costs not eligible (pursuant to the Loan Act or the Federal Act) to be funded under this Loan Agreement, if any;

(3) no Event of Default by the Municipality shall have occurred and be continuing; and

(4) the Municipality continues to maintain reasonable progress towards completion of the Project.

Section 2.04. Schedule of Compliance; Completion of Project.

(a) The Municipality agrees to complete the Project in accordance with the Conditions Applicable to Construction of the Project set forth in **Exhibit C** attached hereto.

(b) The completion of the construction of the Project shall be evidenced to KDHE by a certificate signed by the Authorized Municipality Representative stating: (1) that the construction of the Project has been completed in accordance with the plans and specifications therefore; and (2) that all Project Costs have been paid, except Project Costs the payment of which is not yet due or is being retained or contested in good faith by the Municipality. Such certificate shall be given not later than the date established by KDHE, which shall be approximately the date that the Project is capable of being placed into operation by the Municipality. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 2.05. Repayment of the Loan.

(a) *Loan Repayments.* The Municipality shall pay to KDHE, on or before the due dates, installments of principal and interest on the Loan in accordance with *Exhibit B* attached hereto, until the Loan has been paid in full. Installments of principal and interest on the Loan shall be computed and paid in accordance with the Loan Repayment Schedule on *Exhibit B* as in effect at any time under this Loan Agreement. Notwithstanding any other provision of this Loan Agreement, the first payment of principal and interest due on the Loan shall be made the earlier of two years after receipt by the Municipality of the first disbursement under the Loan or one year after Project completion. The final installment of principal under the Loan shall be fully repaid not later than 20 years after Project completion.

(b) *Prepayment of the Loan.* The Municipality may prepay the outstanding principal of the Loan, in whole, or in part, at any time, without penalty, upon giving 60 days written notice to KDHE of its intent to so prepay, such notice shall indicate the actual source of funds that will be used to make the prepayment (specifically proceeds from a tax exempt bond issue, proceeds from a taxable bond issue, cash on hand, or some other instrument); provided, however, a partial prepayment may be made only if the prepayment amount is the greater of 10% of the original principal amount of the Loan or \$50,000. A new *Exhibit B* will be prepared by KDHE following receipt of any acceptable partial prepayment, re-amortizing the remaining principal amount over the remaining term of the Loan.

Section 2.06. Additional Payments. The Municipality shall pay as Additional Payments the following amounts:

(a) Any amounts required to be paid by the Authority to the United States of America as arbitrage rebate, arising due to the Municipality's failure to expend proceeds of the Loan at the times certified to KDHE by the Municipality, that result in arbitrage rebate liability for the Authority, but only to the extent that the funds in the Rebate Fund established by the Master Resolution are insufficient to make such payments; and.

(b) All other payments of whatever nature which the Municipality has agreed to pay or assume hereunder.

ARTICLE III

REPRESENTATIONS AND COVENANTS OF MUNICIPALITY

Section 3.01. Representations of the Municipality. The Municipality makes the following representations:

(a) ***Organization and Authority.***

(1) The Municipality is a municipal corporation duly created and validly existing under and pursuant to the constitution and statutes of the State.

(2) The Municipality has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain its System, to carry on its activities relating thereto, to execute and deliver this Loan Agreement, to undertake and complete the Project, and to carry out and consummate all transactions contemplated by this Loan Agreement.

(3) The Ordinance (adopted substantially in the form attached hereto as *Exhibit F*) and other proceedings of the Municipality's governing body approving this Loan Agreement and authorizing its execution, issuance and delivery on behalf of the Municipality, and authorizing the Municipality to undertake and complete the Project have been duly and lawfully adopted.

(4) This Loan Agreement has been duly authorized, executed and delivered on behalf of the Municipality, and, constitutes the legal, valid and binding obligation of the Municipality enforceable in accordance with its terms.

(b) **Full Disclosure.** To the best knowledge of the Municipality, there is no fact that the Municipality has not disclosed to KDHE in writing on the Municipality's application for the Loan or otherwise that materially adversely affects or that will materially adversely affect the properties, activities, or its System, or the ability of the Municipality to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations and agreement under this Loan Agreement.

(c) **Non-Litigation.** There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way: (1) the legal organization of the Municipality; (2) its boundaries; (3) the right or title of any of its officers to their respective offices; (4) the legality of any official act taken in connection with obtaining the Loan; (5) the constitutionality or validity of the indebtedness represented by the Loan Agreement; (6) any of the proceedings had in relation to the authorization or execution of this Loan Agreement; (7) the collection of revenues of the System; (8) the levy and collection of unlimited *ad valorem* taxes to pay the principal of and interest on the Loan; or (9) the ability of the Municipality to make all Loan Repayments or otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(d) **Compliance with Existing Laws and Agreements.** To the best knowledge of the Municipality, the authorization, execution and delivery of this Loan Agreement by the Municipality, and the performance by the Municipality of its duties, covenants, obligations and agreements thereunder will not result in any breach of any existing law or agreement to which the Municipality is a party.

(e) **No Defaults.** No event has occurred and no condition exists that would constitute an Event of Default. The Municipality is not presently aware of any violation of any agreement, which would materially adversely affect the ability of the Municipality to make all Loan Repayments or otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(f) **Compliance with Law.** The Municipality has, to the best of the Authorized Municipality's Representative's knowledge:

(1) complied with all laws, ordinances, governmental rules and regulations to which it is subject, including, without limitation, any public hearing or public notice requirements or environmental review requirements contained in the Loan Act, the Regulations and the Federal Act, the failure to comply with which would materially adversely affect the ability of the Municipality to conduct its activities, enter into this Loan Agreement or undertake or complete the Project; and

(2) obtained all licenses, permits, franchises or other governmental authorizations presently necessary for the ownership of its property which, if not obtained, would materially adversely affect the ability of the Municipality to complete the Project or operate the Project.

(g) **Use of Loan Proceeds.** The Municipality will apply the proceeds of the Loan as described in **Exhibit D**: (1) to finance or refinance a portion of the Project Cost; and (2) where applicable, to reimburse the Municipality for a portion of the Project Costs, which portion was paid or incurred in anticipation of reimbursement by KDHE and is eligible for such reimbursement pursuant to the Regulations and the Code.

(h) **Project Costs.** The Municipality certifies that the Project Costs, as listed in **Exhibit D**, is a reasonable and accurate estimation and, upon direction of KDHE, will supply the same with a certificate from its engineer stating that such Costs are reasonable and accurate estimations, taking into account investment income to be realized during the course of construction of the Project, if any, and other lawfully available money that would, absent the Loan, have been used to pay the Project Costs.

Section 3.02. Particular Covenants of the Municipality.

(a) **Dedicated Source of Revenue for Repayment of the Loan.** The Municipality hereby establishes the Dedicated Source of Revenue described on **Exhibit B** attached hereto, which Dedicated Source of Revenue is hereby pledged to the Loan Repayments, Additional Payments and all other obligations of the Municipality under this Loan Agreement.

(b) **Performance Under Loan Agreement.** The Municipality covenants and agrees in the performance of its obligations under this Loan Agreement:

(1) to comply with all applicable State and federal laws, rules and regulations (including, but not limited to the conditions set forth in **Exhibit C** hereto) as are applicable to this Loan Agreement; and

(2) to cooperate with KDHE in the observance and performance of the respective duties, covenants, obligations and agreements of the Municipality and KDHE under this Loan Agreement (including, without limitation the requirements contained in **Exhibit C** hereto).

(c) **Completion of Project and Provision of Moneys Therefore.** The Municipality covenants and agrees:

(1) to exercise its best efforts in accordance with prudent utility practice to complete the Project and to so accomplish such completion on or before the estimated Project completion date set forth in **Exhibit C** hereto; and

(2) to provide, from its own financial resources, all moneys, in excess of the total amount of proceeds it receives under the Loan, required to complete the Project.

(d) **Delivery of Documents and Payment of Fees.** Concurrently with the delivery of this Loan Agreement and the closing of the Loan, the Municipality will cause to be delivered to KDHE:

(1) fully executed counterparts of this Loan Agreement;

(2) copies of the ordinance of the governing body of the Municipality authorizing the execution and delivery of this Loan Agreement, certified by an Authorized Municipality Representative, which shall be in substantially the form attached hereto as **Exhibit F** together with an affidavit of publication thereof in the official newspaper of the Municipality;

(3) an opinion of the Municipality's counsel substantially in the form set forth in **Exhibit G** attached hereto;

(4) such other certificates, documents, opinions and information as KDHE may reasonably require.

(e) **Operation and Maintenance of System.** The Municipality covenants and agrees that it shall, in accordance with prudent wastewater treatment utility practice:

(1) at all times operate the properties of its System in an efficient manner in accordance with applicable laws and regulations;

(2) maintain its System, making all necessary and proper repairs, renewals, replacements, additions, betterments and improvements necessary to maintain its System in good repair, working order and operating condition;

(3) implement any modification of the rates fees and charges for use of the System that comprise the Dedicated Source of Revenues as the Secretary may require to ensure repayment of the Loan in accordance with the provisions of the Loan Act; and

(4) take such other action as the Secretary may require in accordance with powers granted to the Secretary under the Loan Act and the Regulations.

(f) **Disposition of System.** The Municipality shall not sell, lease or otherwise transfer ownership of all or substantially all of its System without the consent of the Secretary. In no event shall the Municipality sell, abandon or otherwise transfer ownership of the System to any person or entity other than a city, county, township, sewer district, improvement district, or other political subdivision of the State, or any combination thereof, that has legal responsibility to treat wastewater. The Municipality shall provide the Secretary with ninety (90) days' prior written notice to KDHE of such sale, lease or transfer. No such sale, lease or transfer shall be effective unless compliance is with the provisions of *Section 4.02* hereof, assuming such sale, lease or transfer is deemed to be an assignment for the purposes of such Section. The provisions of this paragraph shall not be construed to prohibit the lease of portions of the System by the Municipality in connection with a lease-purchase transaction to finance improvements to the System; provided that a termination or an event of default by the Municipality under such arrangement shall not have a material adverse effect on the Municipality's Dedicated Source of Revenues.

(g) **Records and Accounts**

(1) The Municipality shall keep accurate records and accounts for its System (the "System Records"), separate and distinct from its other records and accounts (the "General Accounts"). Such System Records shall be audited annually in accordance with generally accepted auditing standards if the total Disbursement of Loan Proceeds exceed \$25,000 for the Municipalities fiscal year. This audit shall be completed by an independent certified public accountant or firm of independent certified public accountants, or by an independent registered municipal accountant, and may be part of the single agency audit made on the Municipality's General Accounts in accordance with the Federal Single Audit Act of 1984, OMB Circular No. A-133, **Audits of States, Local Governments, and Non-Profit Organizations** as amended in 1996 and 2003 and as may be further amended and revised. Such System Records and General Accounts shall be made available for inspection by KDHE at any reasonable time, and a copy of the Municipality's annual audit, including all written comments and recommendations of such accountant, shall be furnished to KDHE within 270 days of the close of the Municipal Fiscal Year being so audited.

(2) The Municipality shall maintain Project accounts in accordance with generally accepted government accounting standards defined in the Government Accounting, Auditing, and Financial Reporting Manual (1994 Ed.), or any revised edition, issued by the Government Finance Officers Association.

(h) **Inspections.** The Municipality shall permit the EPA, KDHE and any party designated by KDHE to examine, visit and inspect, at any and all reasonable times, the property, if any, constituting the Project, and to inspect and make copies of any accounts, books and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing, including the System Records and General Accounts, and shall supply such reports and information as the EPA and KDHE may reasonably require in connection therewith.

(i) **Financial Information.** The Municipality specifically agrees to provide to KDHE a reasonable number of copies of such financial information and operating data of the Municipality and the System to the extent necessary for KDHE to comply with its continuing disclosure obligations set forth in the SEC Rule and the Pledge Agreement. Such financial information shall be accompanied by an audit report prepared in accordance with the provisions of *subsection (g)(2)* hereof, unless such subsection exempts the Municipality from such audit report requirement. The financial information shall be prepared in accordance with GAAP, unless the Municipality has received a waiver from such requirement as permitted by State Law. Any such requested financial information and operating data shall be supplied to KDHE within 270 days after the end of the Municipal Fiscal Year. Such requirement may be satisfied by submitting the Municipality's comprehensive annual financial report (CAFR) and/or annual report of its System, unless KDHE notifies the Municipality of the need for additional information. If an audit report is required to be prepared, but is not available within 270 days of the end of the Municipal Fiscal Year, un-audited financial information shall be provided to KDHE pending receipt of the audit report. In addition, the Municipality shall provide KDHE with prompt notification of the occurrence of certain material events. For purposes of this paragraph,

“material event” shall mean: (a) principal and interest payment delinquencies on any Indebtedness; (b) non-payment related defaults in agreements authorizing any Indebtedness; (c) rating changes on any Indebtedness; (d) adverse tax opinions or events affecting the tax-exempt status of any Indebtedness; or (e) unscheduled draws on debt service reserves or credit enhancements on any Indebtedness reflecting financial difficulties.

(j) **Insurance.** The Municipality will carry and maintain such reasonable amount of all-risk insurance on all properties and all operations of its System as would be carried by similar municipal operators of Systems, insofar as the properties are of an insurable nature. The Municipality also will carry general liability insurance in amounts not less than the maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the Kansas Tort Claims Act, K.S.A. 75-6101 *et seq.*, or other similar future law (currently \$500,000 per occurrence).

(k) **Notice of Material Adverse Change.** The Municipality shall promptly notify KDHE of any material adverse change in the activities, prospects or condition (financial or otherwise) of the System, or in the ability of the Municipality to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(l) **Additional Covenants and Requirements.** The parties hereto acknowledge that this Loan Agreement may be assigned or pledged to secure financings of the Authority. Should it be necessary to modify any covenants or obtain or enhance the security of the financings, the parties agree to take all reasonable actions and make reasonable covenants and agreements necessary to accomplish such purpose to the extent permitted by applicable laws.

ARTICLE IV

ASSIGNMENT

Section 4.01. Assignment and Transfer by KDHE. The Municipality hereby approves and consents to any assignment or transfer of this Loan Agreement that KDHE deems necessary in connection with the operation and administration of the Revolving Fund. The Municipality hereby specifically approves the assignment and pledging of the Loan Repayments and Additional Payments to the Authority, and the Authority’s pledging of all or a portion of the same to the Bonds.

Section 4.02. Assignment by the Municipality. This Loan Agreement may not be assigned by the Municipality for any reason, unless the following conditions shall be satisfied:

(a) KDHE and the Authority shall have approved said assignment in writing;

(b) the assignee is a city, county, township, sewer district, improvement district or other political subdivision of the State or any combination thereof that has legal responsibility to treat wastewater;

(c) the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Municipality's duties, covenants, and obligations under this Loan Agreement; provided, however, such assignment shall not relieve the Municipality of its duties, covenants, and obligations under this Loan Agreement;

(d) the assignment will not adversely impact KDHE's ability to meet its duties, covenants and obligations to the Authority under the Pledge Agreement, nor may the sale endanger the exclusion from gross income for federal income tax purposes of the interest on the Bonds; and

(e) the Municipality shall, at its expense, provide KDHE and the Authority with an opinion of a qualified attorney that each of the conditions set forth in *subparagraphs (b), (c), and (d)* hereof have been met.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

Section 5.01. Notice of Default. If an Event of Default shall occur, the non-defaulting party shall give the party in default and the Authority prompt telephonic notice of the occurrence of such Event of Default, provided the non-defaulting party has knowledge of such Event of Default. Such telephonic notice shall be immediately followed by written notice of such Event of Default given in the manner set forth in **Section 6.01** hereof.

Section 5.02. Remedies on Default.

(a) Whenever an Event of Default shall have occurred and be continuing, KDHE or the Municipality shall have the right to take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and to become due or to enforce the performance and observance of any obligation or agreement of KDHE or the Municipality (including, without limitation, withholding remaining Loan disbursements, cancellation of the Loan Agreement and acceleration of the remaining scheduled principal payments set forth on **Exhibit B**, or such other remedies provided to the Secretary in the Loan Act and the Regulations.

(b) Upon the occurrence of an Event of Default on the part of KDHE, and to the extent permitted by law and availability of appropriated funds by the Kansas Legislature, KDHE shall, on demand, pay to the Municipality the reasonable fees and expenses incurred by the Municipality in the enforcement of performance or observation of any other duties, covenants, obligations or agreements of KDHE contained herein. Prior to incurring any such expenses, the Municipality shall provide written notice to KDHE that it intends to incur such expenses; provided, however, a failure by the Municipality to give such notice shall not affect the Municipality's right to receive payment for such expenses. Upon request by KDHE, the Municipality shall provide copies of statements evidencing the fees and expenses for which the Municipality is requesting payment.

Section 5.03. Expenses. Upon the occurrence of an Event of Default on the part of the Municipality, and to the extent permitted by law, the Municipality shall, on demand, pay to KDHE the reasonable fees and expenses incurred by KDHE in the collection of Loan Repayments or any other sum due hereunder or in the enforcement of performance or observation of any other duties, covenants, obligations or agreements of the Municipality contained herein. Prior to incurring any such expenses, KDHE shall provide written notice to the Municipality that it intends to incur such expenses; provided, however, a failure by KDHE to give such notice shall not affect KDHE's right to receive payment for such expenses. Upon request by the Municipality, KDHE shall provide copies of statements evidencing the fees and expenses for which KDHE is requesting payment.

Section 5.04. Application of Moneys. Any moneys collected by KDHE pursuant to **Section 5.02** hereof shall be applied: (a) first, to pay interest on the Loan as the same becomes due and payable; (b) second, to pay principal due and payable on the Loan; (c) third, to pay expenses owed by the Municipality pursuant to **Section 5.03** hereof; and (d) fourth, to pay any other amounts due and payable hereunder as such amounts become due and payable.

Section 5.05. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the Parties hereto is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. The parties hereto, in good faith, shall exercise such remedies with due diligence in a timely manner, however, no delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the parties hereto to exercise any remedy reserved to them in this **Article V**, it shall not be necessary to give any notice, other than such notice as may be required in this **Article V**.

Section 5.06. Retention of Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof, or anything else to the contrary contained herein, the parties hereto shall have the right upon the occurrence of an Event of Default to take any action, including (without limitation) bringing an action against the defaulting party at law or in equity, as such party may, in its discretion, deem necessary to enforce the obligations of the defaulting party pursuant to this Loan Agreement.

Section 5.07. Financial and Management. Upon failure of the Municipality to pay one or more installments of the Loan Repayments in a timely manner, or in the event that the Secretary deems it advisable or necessary, the Secretary, after consultation with the governing body of the Municipality, may require the Municipality to undergo a financial and management operations review. The governing body shall correct any deficiencies noted during such review and adopt charges or surcharges as may be required by the Secretary during the term of this Loan Agreement.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when: (a) hand delivered; (b) mailed by registered or certified United States mail, postage prepaid; or (c) via telefax, with confirmation in the manner set forth in *subsection (b)*, to the parties hereinafter set forth at the following addresses:

(1) to KDHE:

Department of Health and
Environment
1000 SW Jackson Street, Suite 420
Topeka, Kansas 66612-1367
Attention: Bureau of Water

with a copy to its General Counsel

(2) to the Authority:

Kansas Development Finance
Authority
555 South Kansas Avenue, Suite 202
Topeka, Kansas 66603
Attention: President,

with a copy to its General Counsel

(3) to the Municipality:

at the address set forth on ***Exhibit H***.

All notices given by telefax as aforesaid shall be deemed given as of the date of evidence of receipt thereof by the recipient. All notices given by registered or certified mail as aforesaid shall be deemed duly given as of the date they are so deposited in the United States Postal Service, if postage is prepaid. Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, by notice in writing given to the others.

Section 6.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon KDHE and the Municipality and their respective successors and assigns.

Section 6.03. Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

Section 6.04. Amendments, Supplements and Modifications. This Loan Agreement may not be amended, supplemented or modified without the prior written consent of the Authority.

Section 6.05. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 6.06. Governing Law and Regulations. This Loan Agreement shall be governed by and construed in accordance with the laws of the State, including the Loan Act and the Regulations, which Regulations are, by this reference thereto, incorporated herein as a part of this Loan Agreement.

Section 6.07. Consents and Approvals. Whenever the written consent or approval of the State shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Secretary.

Section 6.08. Further Assurances. The Municipality shall, at the request of KDHE, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be reasonably necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Loan Agreement.

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IN WITNESS WHEREOF, KDHE and the Municipality have caused this Loan Agreement to be executed, sealed and delivered, effective as of the date above first written.

THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT, acting on behalf of THE STATE OF KANSAS



By: _____
Title: Secretary

"KDHE"

Date: _____

OSAWATOMIE, KANSAS

(Seal)

By: _____
Title: Mayor

"Municipality"

Date: _____

ATTEST:

By: _____
Title: Clerk

EXHIBIT A

DESCRIPTION OF THE PROJECT

Improvements include design and construction to increase the size of the incoming flow channel including new screening equipment and grit removal equipment of adequate size and capacity. In addition a new building will be constructed to house this headworks equipment.

EXHIBIT B

DEDICATED SOURCE OF REVENUES AND LOAN REPAYMENT SCHEDULE

Dedicated Source of Revenue

The Municipality shall impose and collect such rates, fees and charges for the use and services furnished by or through the System, including all improvements and additions thereto hereafter constructed or acquired by the Municipality as will provide System Revenues or levy ad valorem taxes without limitation as to rate or amount upon all the taxable tangible property, real or personal, within the territorial limits of the Municipality to produce amounts which are sufficient to (a) pay the cost of the operation and maintenance of the System, (b) pay the principal of and interest on the Loan as and when the same become due, and (c) pay all other amounts due at any time under the Loan Agreement; provided, however, no lien or other security interest is granted by the Municipality to KDHE on the System Revenues under this Agreement. In the event that the System Revenues are insufficient to meet the obligations under the Loan and the Loan Agreement, the Municipality shall levy ad valorem taxes without limitation as to rate or amount upon all the taxable tangible property, real or personal, within the territorial limits of the Municipality to produce the amounts necessary for the prompt payment of the obligations under the Loan and Loan Agreement.

Loan Repayment Schedule

The Municipality and KDHE have agreed that interest becoming due semiannually on the Loan during the construction period for the Project may be capitalized and repaid as a part of the Loan. In this regard, KDHE shall give the Municipality written notice of each semiannual installment of interest becoming due during the construction period. At its option, the Municipality may elect to pay such amounts, and if so elected, must pay such amounts within 30 days of receipt of the notice of their becoming due. If the Municipality does not elect to pay such amounts within 30 days of receipt of such notice, the amount then due and owing as semiannual interest on the Loan shall be capitalized and added to the principal amount of the Loan and shall bear interest at the rate of interest set forth in **Section 2.02** hereof.

Loan Repayment Schedule.

[The Repayment Schedule will be provided in the final Loan Agreement when the actual interest rate is known.]

EXHIBIT C

CONDITIONS APPLICABLE TO CONSTRUCTION OF THE PROJECT

1. Municipality agrees to expeditiously initiate and complete the Project in accordance with the following schedule:
 - a. Advertising for bids within 30 days of authorization to advertise.
 - b. Bid opening no sooner than 60 days after advertisement for bids.
 - c. Contract award within 30 days of bid opening.
 - d. Issuance of notice to proceed within 30 days of contract award.
 - e. Initiation of operation within 150 days of notice to proceed or no later than March 1, 2014.
 - f. Finalization of construction within 180 days of notice to proceed.
 - g. Project Performance Certification 365 days following Initiation of Operation.

Equipment is being pre-purchased by the city.

No change may be implemented by the Municipality, which will delay or accelerate this schedule without prior approval of KDHE. KDHE must be promptly notified of any proposed changes.

2. The Municipality agrees that all bid solicitations will include the following statement in the "Advertisement for Bids" for this project:

Nondiscrimination in Employment

Bidders on this work will be required to comply with the President's Executive Order No. 11246 as amended. Requirements for bidders and contractors under this order are explained in the specifications.

3. The municipality must comply with and include the requirements of the Prohibition Statement below in all contracts and subcontracts made to private entities.

The Contractor, its employees, subcontractors and subcontractors' employees may not engage in severe forms of trafficking in persons during the period of time that the contract is in effect; procure a commercial sex act during the period of time that the contract is in effect; or use forced labor in the performance of the contract or subcontract.

4. a. The Municipality agrees that all bid solicitations will include the following statement in the "Information to Bidders" for this project.

"Bidders on this work, including subcontractors or vendors, will be required to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et. seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et. seq.)."

Currently there is no reporting procedure associated with this requirement.

- b. The Municipality agrees to comply with the Kansas Act Against Discrimination, K.S.A. 44-1001, et. seq. and the Kansas Age Discrimination in Employment Act, K.S.A. 44-1111, et. seq. as provided by law and to include those provisions in every contract or purchase order so that they are binding upon such subcontractors or vendors.
5. The Municipality will obtain a signed Certificate of Non-Segregated Facilities from the prime contractor prior to the award of a construction contract if the contract exceeds \$10,000 and is not exempt from the provisions of the equal opportunity clause. The Municipality will assure that the prime contractor obtains a signed copy of Certificate of Non-Segregated Facilities from each subcontractor prior to the award of any subcontract exceeding \$10,000, which is not exempt from the provisions of the equal opportunity clause. The certificate signed by the prime contractor is to be kept on file with the Municipality; and certificates signed by subcontractors are to be kept on file with the prime contractor.
6. The Municipality agrees to include Section 202 of Executive Order 11246 in all contracts and subcontracts for all construction contracts exceeding \$10,000.00.
7. Wage Rate Requirements:

CWSRF: The recipient agrees to include in all agreements to provide assistance for the construction of treatment works carried out in whole or in part with such assistance made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.), or with such assistance made available under section 205(m) of that Act (33 U.S.C. 1285(m)), or both, a term and condition requiring compliance with the requirements of section 513 of that Act (33 U.S.C. 1372) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for the construction of treatment works carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as attached hereto entitled "Wage Rate Requirements Under The Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6)." This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009.

Wage Rate Requirements Under EPA FFY 2010 and Subsequent Appropriations Preamble

With respect to the Clean Water and Safe Drinking Water State Revolving Funds, EPA provides capitalization grants to each State which in turn provides subgrants or loans to eligible entities within the State. Typically, the subrecipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions

set forth under Roman Numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring subrecipients' compliance with the wage rate requirements set forth herein, those subrecipients shall have the primary responsibility to maintain payroll records as described in Section 3(ii)(A), below and for compliance as described in Section 1-5.

-OR-

Occasionally, the subrecipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring subrecipients' compliance with the wage rate requirements set forth herein, those subrecipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section 11-5.

I. Requirements under EPA FFY 2010 and Subsequent Appropriations For Subrecipients That Are Governmental Entities:

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance under the FY 2013 Continuing Resolution with respect to State recipients and subrecipients that are governmental entities. If a subrecipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient. If a State recipient needs guidance, the recipient may contact Lorraine Fleury at fleury.lorraine@epa.gov or at 215-814-2341 of EPA, Region III Grants and Audit Management Branch for guidance. for guidance. The recipient or subrecipient may also obtain additional guidance from DOL's web site at <http://www.dol.gov/whd/>.

1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.

Under the FY 2013 Continuing Resolution, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a subrecipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the subrecipient must discuss the situation with the recipient State before authorizing work on that site.

2. Obtaining Wage Determinations.

(a) Subrecipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that

subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the subrecipient shall monitor www.wdol.gov weekly to ensure that the wage determination contained in the solicitation remains current. The subrecipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the subrecipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the subrecipient.

(ii) If the subrecipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the subrecipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The subrecipient shall monitor www.wdol.gov on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(b) If the subrecipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the subrecipient shall insert the appropriate DOL wage determination from www.wdol.gov into the ordering instrument.

(c) Subrecipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a subrecipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the subrecipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the subrecipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The subrecipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

3. Contract and Subcontract provisions.

(a) The Recipient shall insure that the subrecipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project under the DWSRF financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the FY 2013 Continuing Resolution, the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Subrecipients may obtain wage determinations from the U.S. Department of Labor's web site, www.dol.gov.

(ii)(A) The subrecipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination.

The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the subrecipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the subrecipient (s) to the State award official. The State award official will transmit the request, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the subrecipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the

applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The subrecipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work . Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the subrecipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the subrecipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually

identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the subrecipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the subrecipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding

journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.S(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Subrecipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

4. Contract Provision for Contracts in Excess of \$100,000.

(a) Contract Work Hours and Safety Standards Act. The subrecipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The subrecipient, upon written request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally -assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the

subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Subrecipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions *made*, and actual wages paid. Further, the Subrecipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

5. Compliance Verification

(a) The subrecipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Subrecipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The subrecipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The subrecipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the subrecipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Subrecipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the subrecipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The subrecipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices . These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item S(b) and (c) above.

(e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/contacts/whd/america2.htm>.

II. Requirements under EPA FFY 2010 and Subsequent Appropriations Act For Subrecipients That Are Not Governmental Entities

Section II is not applicable to the Kansas Water Pollution Control Revolving Fund, and so is removed from this document.

8. The Municipality hereby agrees to the following requirements regarding Disadvantaged Business Enterprise (DBE) procurement:

- a. If the loan amount is greater than \$250,000, adopt the MBE/WBE Fair Share Objective/Goals established between KDHE and EPA for construction of the project. These goals will be made part of the construction contract specifications.
- b. Make the good faith efforts to contact DBE firms set out in 40 CFR Section 33.301 whenever procuring construction services for the project.
- c. Comply with the administrative provisions found in 40 CFR Section 33.302.
- d. If the loan amount is greater than \$250,000, maintain a bidders list of contractors and subcontractors that have previously bid on municipality projects funded by KWPCRLF as required by 40 CFR Section 33.501(b).
- e. The Municipality agrees to submit to KDHE a completed EPA Form 5700-52A by April 15 and October 15, once the notice to proceed for construction has been issued, thru the semi-annual period in which construction has been completed.

9. The Municipality agrees that all bid solicitations will include the following statement:

“Bidders must fully comply with Subpart C of 40 CFR Part 32 entitled Responsibilities of Participants Regarding Transactions. Contractors, subcontractors, or suppliers that appear on the Excluded Parties List System at www.epls.gov are not eligible for award of any contracts funded by the Kansas Water Pollution Control Revolving Loan Fund.”

Subpart C of 40 CFR Part 32 must be included as part of the contract documents and EPA Form 5700-49 must be included in all contracts, completed and returned with the bid form.

The Municipality acknowledges that doing business with any part appearing in the "List of Parties Excluded from Federal Procurement or Non Procurement Programs" may result in disallowance of federal funds under this Loan Agreement and may also result in suspension or debarment under this Part.

10. The Municipality agrees that all bid solicitations will include the Anti-Lobbying Certification form, which must be completed and returned with the bid form.
11. The owner or successful bidder must obtain, prior to construction, permit coverage from KDHE to discharge stormwater runoff associated with construction activity for most any project which disturbs one acre or more of soils. A Notice of Intent form (NOI) must be submitted to KDHE 60 days before the start of construction and a permit determination from KDHE must be made before construction can begin. The Kansas construction stormwater general permit, a Notice of Intent (application form), a frequently asked questions file, and supplemental materials are available online on the KDHE Stormwater Web Page at www.kdhe.state.ks.us/stormwater.
12. The Municipality shall follow applicable state procurement laws and regulations, and procedures established by the Secretary of KDHE as presented in Water Quality Policy Memorandum No. 10-1 dated May 3, 2010 - Final. KDHE approval is required prior to procurement.
13. In accordance with OMB Circular A-133, which implements the Single Audit Act, the municipality hereby agrees to obtain a single audit from an independent auditor if it expends \$500,000 or more in total Federal funds in any fiscal year. Please note this loan is provided, in part, with federal funds (CFDA 66.458). Within nine months after the end of the recipient's fiscal year or 30 days after receiving the report from the auditor, the recipient shall submit a copy of the Audit Report to KDHE. Please note the cost of the Audit is an allowable cost to be paid with loan funds.
14. The Municipality agrees to make prompt payment to its contractor(s) of sums due for construction and to retain only such amounts as may be justified by specific circumstances and provisions of this Loan Agreement or the construction contract.
15. The Municipality hereby assures that the engineering firm principally responsible for supervising construction and for providing engineering services during construction will continue its relationship with the Municipality for a period of up to one year after initiation of operation of the Project. During this period, the engineering firm shall direct the operation of the Project, train operating personnel and prepare curricula and training material for operating personnel. The following specific requirements apply:

- a. The Municipality agrees the performance standards applicable to the Project are:
 - (1) All construction deficiencies have been resolved.
 - b. The final plan of operation (50 percent payment) submitted in accordance with Exhibit C, Condition No. 16 must include a draft proposal for these extended start-up services, based on the complexity of the Project, size and experience of the Municipality's operating staff, effluent characteristics, discharge requirements and other pertinent factors.
 - c. The final operation and maintenance manual (90 percent payment) submitted in accordance with Exhibit C, Condition No. 17 must be accompanied by a final proposal for these services.
 - d. One year after completion of construction and initiation of operation of the Project, the Municipality shall certify to KDHE whether or not such Project meets the design specifications and effluent limitations contained in subparagraph a. of this condition. Any statement of non-compliance must be accompanied by a corrective action report containing: an analysis of the cause of the Project's inability to meet performance standards; actions necessary to bring it into compliance, and a reasonably scheduled date for positive certification of the Project. Timely corrective action will be executed by the Municipality.
 - e. Municipality agrees to furnish KDHE with an annual report describing actions taken to date to achieve positive certification, planned future activities, the Project's status and potential for positive certifications.
16. A final plan of operation and draft operation and maintenance manual shall be submitted by the Municipality for approval by KDHE at or prior to 50 percent construction completion. The plan of operation must include, but is not limited to, an assessment of the employee skills necessary to carry out the operation and maintenance function and a training plan designed to provide employees with the necessary skills. Details on the skills assessment must be submitted along with the final plan of operation. Necessary training as indicated by the skills assessment must be provided in accordance with the approved training plan.
 17. The final operation and maintenance manual must be submitted to KDHE at or prior to 90 percent construction completion.
 18. The rates and ordinances enacting the approved user charge system and sewer use requirements as approved by KDHE shall be enacted prior to initiation of operation.
 19. This Project is consistent with the Kansas Water Quality Management Plan, subject to the provisions of Section 208(d) and 208(e) of the Federal Water Pollution Control Act, as amended. Service by the Project will not be denied or conditioned on the basis of factors or

issues unrelated to wastewater management.

20. The Loan Recipient must comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements.

Other civil rights laws may impose additional requirements on the Loan Recipient. These laws include, but are not limited to, Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

21. The Loan Recipient must comply with the "Cross-Cutting Federal Authorities: A Handbook on Their Application in the Clean Water and Drinking Water State Revolving Fund Programs", dated October 2003 and found at

<http://www.epa.gov/owm/cwfinance/cwsrf/enhance/DocFiles/Other%20Docs/Crosscutterhandbook.pdf>

22. The Municipality hereby agrees to implement measures to mitigate all known adverse environmental effects of the project. The following mitigate actions are required: Subject to Environmental Clearance.

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EXHIBIT D

USE OF LOAN PROCEEDS

The proposed project will provide for improvements including design and construction to increase the size of the incoming flow channel including new screening equipment and grit removal equipment of adequate size and capacity. In addition a new building will be constructed to house this headworks equipment.

The loan proceeds will be utilized to pay the costs of:

1. Construction: All actual construction costs of the wastewater collection, pumping, and treatment plant modifications.
2. Engineering: All actual costs of construction services including basic services, design, bidding, inspection, final plan of operation, user charge and sewer use ordinance development, one year project performance evaluation, and all items as included in the engineering contract between
3. Administrative: All reasonable costs of legal and financial administrative support directly provided for the project, including financial audits.

Unallowable Costs: The costs of full time employees of the municipality and purchase of land and easements.

EXHIBIT E

INSTRUCTIONS FOR REQUESTING DISBURSEMENTS

1. All payment requests must be filed on the Outlay Report and Request for Disbursement Form and represent the actual completion level of the project at the date the request is prepared.
2. All cost entries must be based upon allowable work in place, which is due and payable. This means that you may **not** request payment for:
 - a. Any work or services, which have not been explicitly approved by the KDHE in the Loan Agreement or subsequent amendments.
 - b. Any work performed under a change order unless written approval of the change order has been given by the State.
 - c. Any ineligible project costs.
 - d. Any retainage which you are withholding from the construction contractor, engineer, etc.
 - e. Expenditures relating to site acquisition, easements, rights-of way, EXCEPT: (1) additional work required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act such as appraisal and certification services; (2) when the site itself is allowable in accordance with Federal SRF regulations and guidance; and (3) costs incurred in eminent domain proceedings.
 - f. Costs associated with the approval, preparation, issuance and sale of Bonds, and other costs incidental to normal operating overhead of a Municipality, whether performed by Municipal employees, the engineer, or the attorney.

It is essential that you understand the cost basis of the approved Loan amount. It is, therefore, necessary that you read the Loan Agreement (including all conditions) and its transmittal letter, any Loan amendments and Project correspondence, and that you maintain current and accurate files on all approved change orders. Failure to follow these procedures may result in your requesting and subsequently receiving overpayment of loan funds, which later may, in turn, result in substantial inconvenience to you and the Municipality. This could include repayment or crediting to KDHE the interest earned on overpaid funds, and any penalties that can result from this action.

3. **INSTRUCTIONS** - Please type or print legibly. Items 4, 5, 6, and 8.o. are self-explanatory; specific instructions for other items are as follows:

Item	Entry	Item	Entry
			shown on line d.
2.	This space is reserved for the assigned KDHE project number. Enter complete project identification number e.g., C20 0681 02.	8f	Enter inspection and audit fees of construction and related programs.
3	Mark the appropriate box. If the request is final, the amounts billed should represent the final cost of the project.	8g	Enter those amounts associated with the actual construction of, addition to, or restoration of a facility.
7.	The employer identification number assigned by the U.S. Internal Revenue Service MUST be entered to assist in processing of your Disbursement Request.	8h	Enter amounts for all equipment, both fixed and movable, exclusive of equipment used for construction. For example, permanently attached laboratory tables, built-in audio visual systems, movable desks, chairs, and laboratory equipment.
8.	Use only columns (a), (b), and (c).		
8a	Enter amounts expended for such items as travel, legal fees, rental of vehicles and any other administrative expenses. Include the amount of interest expense when authorized by program legislation. Also show the amount of interest expense on a separate sheet.	8i	Enter the amounts for all items not specifically mentioned above.
		8j	Enter the total cumulative amount to date which should be the sum of lines a through i.
8b	Enter amounts pertaining to the work of location and designing, making surveys and maps, sinking test holes, and all other work required prior to actual construction.	8k	Enter the total amount of program income applied to the loan agreement. Identify on a separate sheet of paper the sources and types of the income.
8c	Enter all amounts directly associated with the acquisition of land, existing structures and related right-of-way.	8l	Enter the net cumulative amount to date which should be the amount shown on line j minus the amount on line k.
8d	Enter basic fees for services of architectural engineers.		
8e	Enter other architectural engineering services. Do not include any amounts	8m	Enter the amount of reimbursements paid to date.

8n Enter the amount now being requested for reimbursement. This amount should be the difference between the amounts shown on lines l and m. If different, explain on a separate sheet.

9b Leave blank, this is to be completed by the funding agency official representative who is certifying to the percent of project completion as provided for in the terms of the loan agreement.

9a To be completed and signed by the duly authorized recipient official. The date should be the actual date the form is submitted to the funding agency.

4. **NOTE: ONE ORIGINAL SIGNATURE DISBURSEMENT REQUESTS AND ONE SET OF SUPPORTING DOCUMENTATION MUST BE SUBMITTED.**

Submit disbursement requests directly to:

Kansas Department of Health & Environment
Bureau of Water
Municipal Programs
1000 SW Jackson Street, Suite 420
Topeka, Kansas 66612-1367

You should retain one copy for your records.

5. The Authorized Municipality Representative identified in the Loan Agreement remains the principal contact for all project matters.

[Balance of Page Intentionally Left Blank]

EXHIBIT E

KWPCRF or KPWSLF OUTLAY REPORT AND REQUEST FOR DISBURSEMENT (See Instructions)	1. AGENCY TO WHICH THIS REPORT IS SUBMITTED: KDHE - BUREAU OF WATER MUNICIPAL PROGRAMS SECTION OR PUBLIC WATER SUPPLY SECTION	2. KDHE PROJECT NUMBER ASSIGNED KWPCRF PROJECT # C20 _____ KPWSLF PROJECT # _____		
3. TYPE OF REQUEST: FINAL _____ PARTIAL _____	4. PAYMENT REQUEST NUMBER # _____	5. PERIOD COVERED BY THIS REPORT FROM (Mo, day, year) TO (Mo, day, year)		
6. RECIPIENT ORGANIZATION INFORMATION NAME : NO. & STREET : CITY : STATE AND ZIP CODE		7. FEIN NUMBER:		
8. TO: THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT, ACTING ON BEHALF OF THE STATE OF KANSAS UNDER THE LOAN AGREEMENT EFFECTIVE AS OF _____, BETWEEN KDHE AND the _____ The undersigned hereby requests that the following amounts be paid to the following payees for the following Project Costs as defined in said Agreement:				
CLASSIFICATION	(a) Total amount requested	(b) Payee	(c) Description	Total Approved (KDHE use only)
a. Administrative expense				See KDHE Attached Sheet or Reverse Side
b. Preliminary expense (Planning and Design)				
c. Land, structures, right-of-way (Not allowable)				
d. Architectural engineering basic fees				
e. Other architectural engineering fees				
f. Project inspection fees				
g. Construction and project improvement cost				
h. Equipment (By Separate Contract)				
i. Miscellaneous cost				
j. Total cumulative to date (sum of lines a thru i)	\$0.00			
k. Deductions for program income				
l. Net cumulative to date (Line j minus line k)	\$0.00			
m. Disbursements Paid to Date				
n. Amount due this Request (Line l minus Line m)	\$0.00			
o. Percentage of physical completion of project				
9. CERTIFICATION: I hereby state and certify that: (i) the amounts requested are or were necessary and appropriate in connection with the purchase, construction and installation of the Project, have been properly incurred and are a proper disbursement of the proceeds of the Loan and that an inspection has been performed and all work is in accordance with the terms of the Loan; have been paid or are justly due to the persons whose names and addresses are stated above; and have not been the basis of any previous requisition from the proceeds of the Loan; (ii) as of this date, except for the amounts specified above, there are no outstanding statements which are due and payable for labor, wages, materials, supplies or services in connection with the acquisition, purchase, construction, improvement, repair, rehabilitation or extension of the Wastewater Treatment Works or the Water Supply/Treatment/Distribution Works; (iii) all representations made in the Agreement remain true as of the date of this request; and (iv) no adverse developments affecting the financial condition of the Recipient or its ability to complete the Project or to repay the Loan have occurred.				
a. RECIPIENT:		b. KDHE Representative Certifying to line 8.n. Rodney R. Geisler or David F. Waldo		
Signature of Authorized Certifying Official		Signature of Authorized Certifying Official See KDHE Attached Sheet or Reverse Side		
Typed or Printed Name and Title		Typed or Printed Name and Title Chief, Municipal Programs Section or Public Water Supply		
Date Submitted	Telephone (Area Code, number & ext.)	Date Approved	Telephone (Area Code, number & ext.) 785-296-5527 or 296-5503	

*** AMOUNT ROUNDED DOWN TO NEAREST WHOLE DOLLAR PER KWPCRF PROGRAM REQUIREMENT.**

EXHIBIT F

FORM OF MUNICIPALITY ORDINANCE

EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF _____, KANSAS
HELD ON [ORDINANCE DATE]

The Governing Body of the City met in [regular/special] session at the usual meeting place in the City, at [meeting time], the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

(Other Proceedings)

Thereupon, there was presented an Ordinance entitled:

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN OSAWATOMIE, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT FOR THE PURPOSE OF OBTAINING A LOAN FROM THE KANSAS WATER POLLUTION CONTROL REVOLVING FUND FOR THE PURPOSE OF FINANCING A WASTEWATER TREATMENT PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.

Thereupon, Council member _____ moved that said Ordinance be passed. The motion was seconded by Council member _____. Said Ordinance was duly read and considered, and upon being put, the motion for the passage of said Ordinance was carried by the vote of the Governing Body, the vote being as follows:

Yes: _____.

No: _____.

Thereupon, the Mayor declared said Ordinance duly passed and the Ordinance was then duly numbered Ordinance No. _____ and was signed and approved by the Mayor and attested by the Clerk. The Clerk was directed to publish the Ordinance one time in the official newspaper of the City.

(Other Proceedings)

On motion duly made, seconded and carried, the meeting thereupon adjourned.

(SEAL)

Clerk

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(Published in [Official City Newspaper] on [publication date])

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN OSAWATOMIE, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT FOR THE PURPOSE OF OBTAINING A LOAN FROM THE KANSAS WATER POLLUTION CONTROL REVOLVING FUND FOR THE PURPOSE OF FINANCING A WASTEWATER TREATMENT PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.

WHEREAS, the Federal Water Quality Act of 1987 (the "Federal Act") established revolving fund program for public wastewater treatment systems to assist in financing the costs of infrastructure needed to achieve or maintain compliance with the Federal Act and to protect the public health and authorized the Environmental Protection Agency (the "EPA") to administer a revolving loan program operated by the individual states; and

WHEREAS, to fund the state revolving fund program, the EPA will make annual capitalization grants to the states, on the condition that each state provide a state match for such state's revolving fund; and

WHEREAS, by passage of the Kansas Water Pollution Control Revolving Fund Act, K.S.A. 65-3321 through 65-3329, inclusive (the "Loan Act"), the State of Kansas (the "State") has established the Kansas Water Pollution Control Revolving Fund (the "Revolving Fund") for purposes of the Federal Act; and

WHEREAS, under the Loan Act, the Secretary of the Kansas Department of Health and Environment ("KDHE") is given the responsibility for administration and management of the Revolving Fund; and

WHEREAS, the Kansas Development Finance Authority (the "Authority") and KDHE have entered into a Pledge Agreement (the "Pledge Agreement") pursuant to which KDHE agrees to enter into Loan Agreements with Municipalities for public wastewater treatment projects (the "Projects") and to pledge the Loan Repayments (as defined in the Pledge Agreement) received pursuant to such Loan Agreements to the Authority; and

WHEREAS, the Authority is authorized under K.S.A. 74-8905(a) and the Loan Act to issue revenue bonds (the "Bonds") for the purpose of providing funds to implement the State's requirements under the Federal Act and to loan the same, together with available funds from the EPA capitalization grants, to Municipalities within the State for the payment of Project Costs (as said terms are defined in the Loan Act); and

WHEREAS, Hesston, Kansas (the "Municipality") is a municipality as said term is defined in the Loan Act which operates a wastewater collection and treatment system (the "System"); and

WHEREAS, the System is a public Wastewater Treatment Works, as said term is defined in the Loan Act; and

WHEREAS, the Municipality has, pursuant to the Loan Act, submitted an Application to KDHE to obtain a loan from the Revolving Fund to finance the costs of improvements to its System consisting of the following:

Improvements include design and construction to increase the size of the incoming flow channel including new screening equipment and grit removal equipment of adequate size and capacity. In addition a new building will be constructed to house this headworks equipment (the "Project"); and

WHEREAS, the Municipality has taken all steps necessary and has complied with the provisions of the Loan Act and the provisions of K.A.R. 28-16-110 to 28-16-138 (the "Regulations") applicable thereto necessary to qualify for the loan; and

WHEREAS, KDHE has informed the Municipality that it has been approved for a loan in amount of not to exceed One Million Two Hundred Seventy Two Thousand Seven Hundred Fourteen Dollars [\$1,272,714] (the "Loan") in order to finance the Project; and

WHEREAS, the governing body of the Municipality hereby finds and determines that it is necessary and desirable to accept the Loan and to enter into a loan agreement and certain other documents relating thereto, and to take certain actions required in order to implement the Loan Agreement.

THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE, KANSAS:

Section 1. Authorization of Loan Agreement. The Municipality is hereby authorized to accept the Loan and to enter into a certain Loan Agreement, with an effective date of _____ DRAFT _____, with the State of Kansas acting by and through the Kansas Department of Health and Environment (the "Loan Agreement") to finance the Project Costs (as defined in the Loan Agreement). The Mayor and Clerk are hereby authorized to execute the Loan Agreement in substantially the form presented to the governing body this date, with such changes or modifications thereto as may be approved by the Mayor and the City Attorney, the Mayor's execution of the Loan Agreement being conclusive evidence of such approval.

Section 2. Establishment of Dedicated Source of Revenue for Repayment of Loan. Pursuant to the Loan Act, the Municipality hereby establishes a dedicated source of revenue for repayment of the Loan. In accordance therewith, the Municipality shall impose and collect such rates, fees and charges for the use and services furnished by or through the System, including all improvements and additions thereto hereafter constructed or acquired by the Municipality as will provide System Revenues or levy ad valorem taxes without limitation as to rate or amount upon all the taxable tangible property, real or personal, within the territorial limits of the Municipality to produce amounts which are sufficient to (a) pay the cost of the operation and maintenance of the System, (b)

pay the principal of and interest on the Loan as and when the same become due, and (c) pay all other amounts due at any time under the Loan Agreement; provided, however, no lien or other security interest is granted by the Municipality to KDHE on the System Revenues under this Agreement. In the event that the System Revenues are insufficient to meet the obligations under the Loan and the Loan Agreement, the Municipality shall levy ad valorem taxes without limitation as to rate or amount upon all the taxable tangible property, real or personal, within the territorial limits of the Municipality to produce the amounts necessary for the prompt payment of the obligations under the Loan and Loan Agreement.

In accordance with the Loan Act, the obligations under the Loan and the Loan Agreement shall not be included within any limitation on the bonded indebtedness of the Municipality.

Section 3. Further Authority. The Mayor, Clerk and other City officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance, and to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 4. Governing Law. The Ordinance and the Loan Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

Section 5. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City and publication in the official City newspaper.

PASSED by the governing body of the City on [Ordinance Date] and [signed][and **APPROVED**] by the Mayor.

(SEAL)

Mayor

ATTEST:

Clerk

[APPROVED AS TO FORM ONLY.]

[City Attorney]

EXHIBIT G

FORM OF OPINION OF MUNICIPALITY'S COUNSEL

[Date]

Kansas Development Finance Authority
Topeka, Kansas

The Kansas Department of Health and
Environment, acting on behalf of
The State of Kansas
Topeka, Kansas

Re: Loan Agreement effective as of _____ DRAFT _____, between the Kansas Department of Health and Environment ("KDHE"), acting on behalf of the State of Kansas (the "State"), and Osawatomie, Kansas (the "Municipality")

I have acted as counsel to the Municipality in connection with the authorization, execution and delivery of the above referenced Loan Agreement (the "Loan Agreement"). In my capacity as counsel to the Municipality, I have examined original or certified copies of minutes, ordinances of the Municipality and other documents relating to the authorization of the Project, the authorization, execution and delivery of the Loan Agreement, and the establishment of a Dedicated Source of Revenue (as defined in the Loan Agreement) for repayment of the Loan evidenced by the Loan Agreement. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Loan Agreement.

In this connection, I have examined the following:

- (a) an executed or certified copy of the Loan Agreement;
- (b) proceedings adopted or taken by the Municipality to authorize and approve the Project to be constructed with the proceeds of the Loan evidenced by the Loan Agreement;
- (c) Ordinance No. ____ of the Municipality (the "Ordinance") adopted on [Ordinance Date], and other proceedings of the Municipality taken and adopted in connection with the authorization, execution and delivery of the Loan Agreement, and the establishment of a Dedicated Source of Revenue for repayment of the Loan evidenced by the Loan Agreement; and

(d) such other proceedings, documents and instruments as I have deemed necessary or appropriate to the rendering of the opinions expressed herein.

In this connection, I have reviewed such documents, and have made such investigations of law, as deemed relevant and necessary as the basis for the opinions hereinafter expressed.

Based upon the foregoing, it is my opinion, as of the date hereof, that:

1. The Municipality is a municipal corporation duly created, organized and existing under the laws of the State.
2. The Municipality operates a public Wastewater Treatment Works, as said term is defined in the Loan Act.
3. The Project has been duly authorized by the Municipality.
4. The Municipality has all requisite legal power and authority to, and has been duly authorized under the terms and provisions of the Ordinance to, execute and deliver, and perform its obligations under, the Loan Agreement.
5. The Loan Agreement has been duly authorized, executed and delivered by the Municipality and constitutes a valid and binding agreement of the Municipality enforceable in accordance with its terms, subject as to enforcement of remedies to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights heretofore or hereafter enacted, and subject further to the exercise of judicial discretion in accordance with general principles of equity. In rendering this opinion I have assumed due authorization, execution and delivery of the Loan Agreement by the State, acting by and through KDHE.
6. The Municipality has duly authorized the Dedicated Source of Revenue for repayment of the Loan to be made pursuant to the Loan Agreement.
7. To the best of my knowledge, the execution and delivery of the Loan Agreement by the Municipality will not conflict with or result in a breach of any of the terms of, or constitute a default under, any ordinance, indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Municipality is a party or by which it or any of its property is bound or any of the rules or regulations applicable to the Municipality or its property or of any court or other governmental body.

Very truly yours,

EXHIBIT H

MUNICIPALITY'S NOTICE ADDRESS

**Mayor and City Council
City Hall – PO Box 37
439 Main Street
Osawatomie, Kansas 66064**



MARTIN | PRINGLE
ATTORNEYS AT LAW

MARTIN, PRINGLE, OLIVER, WALLACE & BAUER, L.L.P.

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Overland Park, KS 66211

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T 316.265.9311

F 316.265.2955

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RICHARD S. WETZLER

Overland Park Office

rswetzler@martinpringle.com

November 13, 2013

Kansas Development Finance Authority
Topeka, Kansas

The Kansas Department of Health and
Environment, acting on behalf of
The State of Kansas
Topeka, Kansas

Re: Loan Agreement effective as of _____, 2013, between the Kansas Department of Health and Environment (“KDHE”), acting on behalf of the State of Kansas (the “State”), and Osawatomie, Kansas (the “Municipality”)

I have acted as counsel to the Municipality in connection with the authorization, execution and delivery of the above referenced Loan Agreement (the “Loan Agreement”). In my capacity as counsel to the Municipality, I have examined original or certified copies of minutes, ordinances of the Municipality and other documents relating to the authorization of the Project, the authorization, execution and delivery of the Loan Agreement, and the establishment of a Dedicated Source of Revenue (as defined in the Loan Agreement) for repayment of the Loan evidenced by the Loan Agreement. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Loan Agreement.

In this connection, I have examined the following:

- (a) An executed or certified copy of the Loan Agreement;
- (b) Proceedings adopted or taken by the Municipality to authorize and approve the Project to be constructed with the proceeds of the Loan evidenced by the Loan Agreement;
- (c) Ordinance No. _____ of the Municipality (the “Ordinance”) adopted on November 14, 2013, and other proceedings of the Municipality taken and adopted in connection with the authorization, execution and delivery of the Loan Agreement, and the establishment of a Dedicated Source of Revenue for repayment of the Loan evidenced by the Loan Agreement; and
- (d) Such other proceedings, documents and instruments as I have deemed necessary or appropriate to the rendering of the opinions expressed herein.

In this connection, I have reviewed such documents, and have made such investigations of law, as deemed relevant and necessary as the basis for the opinions hereinafter expressed.

Based upon the foregoing, it is my opinion, as of the date hereof, that:

1. The Municipality is a municipal corporation duly created, organized and existing under the laws of the State.
2. The Municipality operates a public Wastewater Treatment Works, as said term is defined in the Loan Act.
3. The Project has been duly authorized by the Municipality.
4. The Municipality has all requisite legal power and authority to, and has been duly authorized under the terms and provisions of the Ordinance to execute and deliver, and perform its obligations under, the Loan Agreement.
5. The Loan Agreement has been duly authorized, executed and delivered by the Municipality and constitutes a valid and binding agreement of the Municipality enforceable in accordance with its terms, subject as to enforcement of remedies to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights heretofore or hereafter enacted, and subject further to the exercise of judicial discretion in accordance with general principles of equity. In rendering this opinion, I have assumed due authorization, execution and delivery of the Loan Agreement by the State, acting by and through KDHE.
6. The Municipality has duly authorized the Dedicated Source of Revenue for repayment of the Loan to be made pursuant to the Loan Agreement.
7. To the best of my knowledge, the execution and delivery of the Loan Agreement by the Municipality will not conflict with or result in a breach of any of the terms of, or constitute a default under, any ordinance, indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Municipality is a party or by which it or any of its property is bound or any of the rules or regulations applicable to the Municipality or its property or of any court or other governmental body.

Very truly yours,

MARTIN, PRINGLE, OLIVER,
WALLACE & BAUER, L.L.P.

Richard S. Wetzler

Sewer Loan Projections

Combined Loans

Project Principal	\$ 1,256,947.20
Interest during Construction	14,372.08
Service Fee during Const.	<u>1,395.21</u>

<u>Years</u>	<u>Interest Rate</u>	<u>Service Fee</u>	<u>Gross Rate</u>	<u>Total</u>	\$ 1,272,714.49
15	2.500%	0.250%	2.750%		

<u>Year</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Service Fee</u>	<u>Total</u>	<u>Annual</u>	<u>Balance</u>
2013							
2014	1	\$2,500.18	\$15,908.93	\$ 1,590.89	\$ 20,000.00		\$ 1,270,214.31
	2	2,531.43	15,877.68	1,590.89	20,000.00	\$ 40,000.01	1,267,682.88
2015	3	2,563.07	15,846.04	1,590.89	20,000.00		1,265,119.81
	4	2,595.11	15,814.00	1,590.89	20,000.00	40,000.00	1,262,524.70
2016	5	2,627.55	15,781.56	1,590.89	20,000.00		1,259,897.15
	6	2,660.39	15,748.71	1,590.89	20,000.00	40,000.00	1,257,236.76
2017	7	27,712.99	15,715.46	1,571.55	45,000.00		1,229,523.77
	8	28,094.05	15,369.05	1,536.90	45,000.00	90,000.00	1,201,429.72
2018	9	28,480.34	15,017.87	1,501.79	45,000.00		1,172,949.38
	10	28,871.95	14,661.87	1,466.19	45,000.00	90,000.00	1,144,077.43
2019	11	29,268.94	14,300.97	1,430.10	45,000.00		1,114,808.49
	12	29,671.38	13,935.11	1,393.51	45,000.00	90,000.00	1,085,137.11
2020	13	54,131.83	13,564.21	1,356.42	69,052.47		1,031,005.27
	14	54,808.48	12,887.57	1,288.76	68,984.80	138,037.27	976,196.79
2021	15	55,493.59	12,202.46	1,220.25	68,916.29		920,703.20
	16	56,187.26	11,508.79	1,150.88	68,846.93	137,763.22	864,515.95
2022	17	56,889.60	10,806.45	1,080.64	68,776.69		807,626.35
	18	57,600.72	10,095.33	1,009.53	68,705.58	137,482.27	750,025.63
2023	19	58,320.73	9,375.32	937.53	68,633.58		691,704.90
	20	59,049.74	8,646.31	864.63	68,560.68	137,194.26	632,655.17
2024	21	59,787.86	7,908.19	790.82	68,486.87		572,867.31
	22	60,535.21	7,160.84	716.08	68,412.13	136,899.00	512,332.10
2025	23	61,291.90	6,404.15	640.42	68,336.46		451,040.21
	24	62,058.05	5,638.00	563.80	68,259.85	136,596.31	388,982.16
2026	25	62,833.77	4,862.28	486.23	68,182.28		326,148.39
	26	63,619.19	4,076.85	407.69	68,103.73	136,286.01	262,529.20
2027	27	64,414.43	3,281.61	328.16	68,024.21		198,114.77
	28	65,219.61	2,476.43	247.64	67,943.69	135,967.90	132,895.15
2028	29	66,034.86	1,661.19	95.40	67,791.45		66,860.29
	30	66,860.29	835.75	47.97	67,744.02	135,535.47	(0.00)

Past-Current-Proposed Sewer Loans
2010-2029

	<u>2008A</u>	<u>SRF 1314</u>	<u>SRF 1395</u>	<u>2012A Refi*</u>	<u>Combined New Loan**</u>	<u>Total</u>	<u>Change From 2010 Pmt</u>
Beginning Balance	\$ 3,520,000.00	\$ 616,020.46	\$ 1,284,420.42	\$ 1,410,618.72	\$ 1,272,714.49	\$6,693,155.37	
Payments							
2010	\$ 192,400.00	\$ 100,128.96	\$ 150,584.50			\$ 443,113.46	
2011	192,870.00	100,128.96	150,584.50			443,583.46	\$ 470.00
2012	192,250.00	50,064.48	75,292.25	\$ 115,914.75		433,521.48	(9,591.98)
2013	192,585.00			241,271.48		433,856.48	(9,256.98)
2014	193,830.00			241,271.50	\$ 40,000.01	475,101.51	31,988.05
2015	192,940.00			241,271.48	40,000.00	474,211.48	31,098.02
2016	193,005.00			241,271.47	40,000.00	474,276.47	31,163.01
2017	193,980.00			144,659.82	90,000.00	428,639.82	(14,473.64)
2018	192,820.00			144,659.83	90,000.00	427,479.83	(15,633.63)
2019	193,615.00			144,659.81	90,000.00	428,274.81	(14,838.65)
2020	193,275.00				138,037.27	331,312.27	(111,801.19)
2021	193,845.00				137,763.22	331,608.22	(111,505.24)
2022	193,280.00				137,482.27	330,762.27	(112,351.19)
2023	192,625.00				137,194.26	329,819.26	(113,294.20)
2024	193,880.00				136,899.00	330,779.00	(112,334.46)
2025	193,955.00				136,596.31	330,551.31	(112,562.15)
2026	192,895.00				136,286.01	329,181.01	(113,932.45)
2027	193,745.00				135,967.90	329,712.90	(113,400.56)
2028	193,415.00				135,535.47	328,950.47	(114,162.99)
2029	192,950.00				-	192,950.00	(250,163.46)
Principal Balance							
End of 2029	\$ 2,430,000.00	\$ -	\$ -	\$ -	\$ -	\$2,430,000.00	

*Balance is double counted. Subtracted from Beginning Balance Total

** Estimated Loan Payments

KANSAS WATER POLLUTION CONTROL REVOLVING LOAN FUND

Project Principal: 1,256,925.01
 Interest During Const.: 14,680.36
 Service Fee During Const.: 1,394.63
 Gross Loan Costs: 1,273,000.00

Estimated Draws - Actual Interest Rate
 Amortization of Loan Costs

Prepared for:
 City of Osawatomie, Project No. C20 1961-01

11/12/2013 Gross Rate: 2.83%
 Service Fee Rate: 0.25% 1st Payment Date: 9/1/2014
 Loan Interest Rate: 2.58% Number of Payments: 30

Payment Number	Payment Date	Beginning Balance	Interest Payment	Principal Payment	Service Fee	Total Payment	Ending Balance
1	9/1/2014	1,273,000.00	16,421.70	1,987.05	1,591.25	20,000.00	1,271,012.95
2	3/1/2015	1,271,012.95	16,396.07	2,015.16	1,588.77	20,000.00	1,268,997.79
3	9/1/2015	1,268,997.79	16,370.07	2,043.68	1,586.25	20,000.00	1,266,954.11
4	3/1/2016	1,266,954.11	16,343.71	2,072.60	1,583.69	20,000.00	1,264,881.51
5	9/1/2016	1,264,881.51	16,316.97	2,101.93	1,581.10	20,000.00	1,262,779.58
6	3/1/2017	1,262,779.58	16,289.86	27,131.67	1,578.47	45,000.00	1,235,647.91
7	9/1/2017	1,235,647.91	15,939.86	27,515.58	1,544.56	45,000.00	1,208,132.33
8	3/1/2018	1,208,132.33	15,584.91	27,904.92	1,510.17	45,000.00	1,180,227.41
9	9/1/2018	1,180,227.41	15,224.93	28,299.79	1,475.28	45,000.00	1,151,927.62
10	3/1/2019	1,151,927.62	14,859.87	28,700.22	1,439.91	45,000.00	1,123,227.40
11	9/1/2019	1,123,227.40	14,489.63	29,106.34	1,404.03	45,000.00	1,094,121.06
12	3/1/2020	1,094,121.06	14,114.16	50,594.90	1,367.65	66,076.71	1,043,526.16
13	9/1/2020	1,043,526.16	13,461.49	51,310.81	1,304.41	66,076.71	992,215.35
14	3/1/2021	992,215.35	12,799.58	52,036.86	1,240.27	66,076.71	940,178.49
15	9/1/2021	940,178.49	12,128.30	52,773.19	1,175.22	66,076.71	887,405.30
16	3/1/2022	887,405.30	11,447.53	53,519.92	1,109.26	66,076.71	833,885.38
17	9/1/2022	833,885.38	10,757.12	54,277.23	1,042.36	66,076.71	779,608.15
18	3/1/2023	779,608.15	10,056.95	55,045.25	974.51	66,076.71	724,562.90
19	9/1/2023	724,562.90	9,346.86	55,824.15	905.70	66,076.71	668,738.75
20	3/1/2024	668,738.75	8,626.73	56,614.06	835.92	66,076.71	612,124.69
21	9/1/2024	612,124.69	7,896.41	57,415.14	765.16	66,076.71	554,709.55
22	3/1/2025	554,709.55	7,155.75	58,227.57	693.39	66,076.71	496,481.98
23	9/1/2025	496,481.98	6,404.62	59,051.49	620.60	66,076.71	437,430.49
24	3/1/2026	437,430.49	5,642.85	59,887.07	546.79	66,076.71	377,543.42
25	9/1/2026	377,543.42	4,870.31	60,734.47	471.93	66,076.71	316,808.95
26	3/1/2027	316,808.95	4,086.84	61,593.86	396.01	66,076.71	255,215.09
27	9/1/2027	255,215.09	3,292.27	62,465.42	319.02	66,076.71	192,749.67
28	3/1/2028	192,749.67	2,486.47	63,349.30	240.94	66,076.71	129,400.37
29	9/1/2028	129,400.37	1,669.26	64,245.70	161.75	66,076.71	65,154.67
30	3/1/2029	65,154.67	840.50	65,154.67	81.54	66,076.71	0.00
		Totals	321,321.58	1,273,000.00	31,135.91	1,625,457.49	



STAFF AGENDA MEMORANDUM

DATE OF MEETING: November 14, 2013

AGENDA ITEM: LMI Survey Contract

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: Earlier this year we discussed needing to perform a Low to Moderate Income (LMI) survey to be eligible for CDBG grants. Because of rule changes and census errors, we have been unable to apply in 2012 or 2013. According to the state, if we conduct a survey it will be good until we receive census numbers in 2022. In the next few years we will need to apply for funds for Main Street reconstruction, water line replacements and hopefully the Library expansion project.

I discussed this project with two vendors that we currently have a working relationship. Rita Clary indicated that we are too large of a community for her to do a door to door survey. Donna Crawford of Governmental Assistance Services (GAS) provided a bid of \$26,284 for conducting a door to door survey. In fact, Rita Clary recommended GAS for this work.

According to the survey, the work will be completed by September 15, 2014 which will provide adequate time to complete our 2014 CDBG application. We would need to pay half of the bill in advance and half upon completion of the survey.

COUNCIL ACTION NEEDED: Review and discuss.

STAFF RECOMMENDATION TO COUNCIL: Approve the contract with GAS for an LMI survey, as presented.

CONTRACT FOR SERVICES

THIS AGREEMENT, made and entered into this 14TH day of NOVEMBER, 2013 between GOVERNMENTAL ASSISTANCE SERVICES, 905 Joseph Drive, Lawrence, Kansas 66049, hereafter referred to as "CONSULTANT", and the CITY OF OSAWATOMIE, KANSAS, hereafter referred to as "CITY".

WHEREAS, the CITY desires to engage in a Low-to-Moderate Income survey to qualify the CITY for present and future grants, and

WHEREAS, the CITY understands that before it can compete for Community Improvement grant funds its Low-to-Moderate Income (LMI) population must comprise of at least 51% of its total population.

WHEREAS, the CITY understands the best way to establish its LMI percentage is to conduct a door-to-door survey.

NOW, THEREFORE, the CITY engages the CONSULTANT upon the following terms and conditions:

CONSULTANT AGREES TO PERFORM THE FOLLOWING to-wit:

- A. Do all background work and prepare all forms for survey according to Kansas Department of Commerce CDBG regulations;
- B. Provide all personnel necessary to conduct survey in professional and timely manner;
- C. Furnish all forms and materials necessary to conduct and tabulate survey;
- D. Conduct honest and accurate door-to-door LMI survey following all CDBG guidelines;
- E. Conduct survey and submit final tabulations to the CITY; Supply explanation of percentage of LMI to the Kansas Department of Commerce within the grant submission.

THE CITY AGREES TO PERFORM THE FOLLOWING, to-wit:

- A. Provide CONSULTANT access to all CITY records necessary for preparation of the survey.

In exchange for performance of said services related to preparation, conducting and final tabulation of survey, the CITY shall authorize payment in the amount of \$26,284.00 to CONSULTANT, to-wit:

- A. Payment of \$13,142.00 due upon the signing of the contract. Final payment of \$13,142.00 upon CONSULTANT submitting tabulation form of the final survey numbers with the final billing. Work will begin when the initial check is issued. The survey is to be completed by September 15, 2014 to assure the CITY can obtain higher than the 51% LMI rating required if possible.

THE CITY and CONSULTANT agree that the survey will speak for itself.

Therefore, CONSULTANT cannot offer any guarantee as to the final LMI percentage as produced by this survey.

IN WITNESS WHEREOF, the parties hereto have signed their names the month, day and year first mentioned above.

L. Mark Govea, Mayor
City of Osawatomie, Kansas

Donna J. Crawford, Owner
Governmental Assistance Services



STAFF AGENDA MEMORANDUM

DATE OF MEETING: November 14, 2013

AGENDA ITEM: Street Sweeper Purchase

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: In the 2014 budget we budgeted \$30,000 for annual payments towards a street sweeper. At the time, I told you staff would look at alternatives, such as rental from another community or sharing. That hasn't gained much traction. Also, we contracted for sweeping services and learned that we would pay about \$20,000 for sweeping the town 4 times a year. Any additional sweeping would be fairly expensive.

As an alternative, we began looking again at new and used equipment. I have attached several bids for new equipment. We looked mostly at Tymco and Elgin. Below is a comparison of the units we considered.

Year	Make	Model	Hours	Mileage	Price	Options	Status	Warranty
2005	Elgin	Eagle	5,472	46,018	95,000	Repaint - \$5,000	Will be rebuilt	90 days, less eng.
2008	Elgin	Eagle	2,345	52,057	151,000	none	As is, good condition	None
2010	Elgin	Eagle	78,925	4,772	155,000	none	As is, good condition	None
2013	Elgin	Eagle	new	new	256,495	none	new	unknown
2014	Tymo	600 - Regen Air	new	new	180,275	Hose/Cleaning Package	demo unit	unknown
2014	Tymo	600 - Regen Air	new	new	185,872	new	demo unit	unknown

After weighing all the options, proposing that we purchase a rebuilt 2005 Elgin Eagle truck mounted unit. The unit was a trade in from the St. Louis area. It has 5,472 hour and has 46,000 miles. This is similar to a unit Paola got a couple of years ago. Theirs was a 2007 with about 5,200 hours. They paid around \$115,000 using a 4-year lease arrangement.

I am requesting that the City Council authorize the me to negotiate on this item and to work on lease arrangements through either a local bank or through Key Equipment. Any such financing I would try to secure would be around \$25,000, plus interest.

COUNCIL ACTION NEEDED: Review and discuss.

STAFF RECOMMENDATION TO COUNCIL: Authorize the city manager to purchase the 2005 Elgin Eagle sweeper for an amount not to exceed \$100,000 and to secure and execute a four-year lease purchase on the sweeper.



Corporate Office

P.O. Box 2007
Maryland Heights, MO 63043
314-298-8330

Branch Office

P.O. Box 11035
Kansas City, KS 66111
913-371-8260

Branch Office

P.O. Box 692109
Tulsa, OK 74169
918-809-8011



November 11th, 2013

Mr. Brent Hurt, Street Superintendent
City of Osawatomie
9th & Lincoln
Osawatomie, Kansas 66064

Dear Brent,

Please see the following proposal:

2005 Elgin Eagle mounted on a 2005 Sterling SC8000 Chassis. It includes all standard features and the following: SB pressure gauge – dual; side broom tilt RH & LH; conveyor stall alarm; ss remote controlled heated mirrors; AM/FM radio; 2 Bostrom air ride vinyl seats; auto lubrication (sweeper); oil pressure/coolant temperature/oil level shutdown; front and rear strobe lights with limb protector; return to sweep after transport; rear mounted hydraulic pressure gauge and engine compartment cover. **Hours- 5472**





This machine will be refurbished at our facility and will be available in approximately 4 weeks for delivery, but is subject to prior sale.

A partial list of parts to be installed on this machine are as follows:

- Debris hopper door/chute
- Pin weldment (4) for door/chute
- Side broom bushings
- Side brooms (2) and main broom (1) hydraulic motors
- 2 main broom bearings
- 2 main broom shock absorbers
- centerboard assembly
- Main broom Drive flange weldment
- Shaft weldment, main broom drive, (RH)
- Air bag, rear suspension
- Tow bar (LH) assembly
- Tow bar (RH) assembly
- Dirt shoe assembly (RH)
- Dirt shoe assembly (LH)
- Linear actuator
- Weldment, Upper RH side panel, (rear of machine)
- Weldment, Upper LH side panel, (rear of machine)

- Conveyor assembly which includes:
 - Upper and lower rollers
 - Upper and lower bearings
 - Conveyor structure, (weldment)
 - Lower curtains
 - Side curtains and brush
 - Side deflectors
 - Side curtains
 - Lower roller scraper
 - Conveyor belt (Heavy Duty)
 - Hanger kit
 - Bottom tray
 - Conveyor hydraulic motor and coupling kit

- Pro-sweep main broom
- New side brooms

In addition to the above listed parts, we plan on installing new cab doors and front panel.

All the above work will be performed as well as hydraulic system flush with new oil and filters, both engines will have new oil and filters as well.

This machine will have a 90-day warranty less engines.

This machine is priced at **\$95,000.00** delivered to your location with full operational and mechanical training included.

Optional pricing for blasting and new paint for sweeper and cab is: **\$5,000.00**.

With all work and paint, this machine total would be **\$100,000.00**.

Thank you again for the opportunity to be of service to you and your city!

Steve Williams

Territory Manager
Key Equipment & Supply Company



Branch Office

P.O. Box 692109
Tulsa, OK 74169
918-809-8011

Branch Office

P.O. Box 11035
Kansas City, KS 66111
913-371-8260

Main Office

P.O. Box 2007
Maryland Heights, MO 63043
314-298-8330



Mr. Brent Hurt

RE: 2008 Elgin Eagle



2008 Elgin Eagle:

52,057 miles on chassis

2,345 hours on sweeper module

No warranty expressed on this vehicle, but in outstanding condition, ready to work

Delivered price to your location with full operational and mechanical training is **\$151,000.00**

Subject to prior sale



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918-809-8011

Branch Office

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913-371-8260

Main Office

P.O. Box 2007
Maryland Heights, MO 63043
314-298-8330



Mr. Brent Hurt

RE: 2010 Elgin Eagle



2010 Elgin Eagle:

78,925 miles on chassis

4,772 hours on sweeper module

No warranty expressed on this vehicle, but in outstanding condition, ready to work

Delivered price to your location with full operational and mechanical training is **\$155,000.00**

Subject to prior sale



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Tulsa, OK 74169
918-809-8011

Branch Office
P.O. Box 11035
Kansas City, KS 66111
913-371-8260

Main Office
P.O. Box 2007
Maryland Heights, MO
63043
314-298-8330

February 8, 2013

Tom Veasman, GS Specialist/Buyer
MODOT
P.O. Box 270
Jefferson City, MO 65102

Dear Tom,

Thank you for the opportunity to provide all MODOT Districts the 2013 updated Elgin Eagle Twin Engine Four Wheel Mechanical Street Sweeper. Key Equipment and Supply Company is proud to provide the safest, durable and most dependable street sweepers on the market today.

Please review the following standard features:

Air conditioning	Hopper window and skylight
Air cleaner, dry type with safety element and restriction indicator, truck & sweeper engines	Hose, hydrant fill, 16'8" (5080 mm) with strainer and coupling
Air dryer, Bendix AD-9	Lights, automatic backup
Alternator, 120 amp, sweeper	Lights, 2 combination, tail/stop lights
Alternator, 130 amp, truck	Lights, flood light, one per broom
Auxiliary engine, John Deere 4024TF270, in-line 4 cylinder	Lights, headlights, 2 dual rectangular
Camera, Rear View (Color Camera)	Light, water level
Horsepower: 49 HP (36.7 kW) at 2800 RPM	Manuals, operator and parts
Displacement: 149 cu. in. (2.3 L)	Mirrors, West Coast type with 8" diameter convex, both sides
Torque: 127 lb ft (172 Nm) at 1680 RPM	Signals, self-canceling directional with hazard switch
Axle, rear, two-speed	Sun visors
Back-up alarm, electric	Tachometer, engine, truck and sweeper
Battery, maintenance free, two	Touch controls for all sweep hydraulic functions
Brakes, full air	Tow loops or tow pins, front only; tie-down hooks, rear
Broom, main air suspension, cab-controlled	Transmission, Allison, standard with oil cooler
Broom, main, position indicator	Water spray, anti-siphon fill
Broom, main, prefab disposable	Water tank, molded polyethylene, 280 gallon nominal capacity
Conveyor, flushing system	Wheels, dual rear with tubeless radial tires
Conveyor, lower roller washout	Windshield washer
Engine, block heater, chassis	Windshield wipers, two-speed, intermittent feature
Engine, hour meter, sweeper	
Fresh air ventilator/heater/defroster	
Fuel tank, 50 gallon	
Hopper inspection door	

In addition to the standard features, the following product enhancements meet and or exceed the current MODOT specifications:

- Robert Shaw automatic lubrication system with an individual pump for each zerk
- Complete hopper constructed of grade 304 Stainless Steel
- Front and rear LED strobe lights with limb protectors
- Left and Right gutter broom tilt angle control from in cab
- All brooms raise when vehicle is placed in reverse
- AM/FM stereo weatherband with CD player and two speakers
- Cab painted yellow to match sweeper
- Sweeper painted yellow
- Heated remote controlled West Coast mirrors
- Alternating LED strobe lights flush mounted to rear of sweeper
- Sweep resume after transport
- Turbo II air precleaner
- Front spray bar
- (2) Bostrom 905 mid-back air suspension seats
- Low hydraulic oil level / high temperature automatic engine shutdown
- Service, parts and operators manuals to meet specifications
- Chassis hour meter, aux. engine hour meter, side broom hour meter
- MODOT special arrowboard

Delivered Price per Unit **\$256,495.00**

Price is good through February 28, 2014

Includes on site factory certified training by Key Equipment for service and operation

Payment Terms are Net 10

Delivery in approximately 90 days A.R.O.

Bases chassis bid is the latest model Freightliner M2 with dualization. Subject to availability – other chassis are available.

Other product enhancements are available to add to these specifications...see enclosure.

If you need any information, please call our Kansas City office at 800-262-0149 or our St. Louis office at 800-325-4323. If I am traveling and you have an urgent need for information, a message will be forwarded immediately to my mobile phone. I am also available by e-mail at steve@keyequipment.com .

Yours truly,

Steven Hyink
President



No Jam Debris Conveyor

Features molded-in full-width cleats that move large debris without jamming. High-strength belt material provides long wear and maximum uptime. Controlled from in-cab, including reverse. Built-in washdown for quick, easy cleanup.

Wide Sweeping Path

Hydraulically-driven main and side brooms create wide 10 ft. (3048 mm) sweeping path for maximum productivity.

Minimal Noise Levels

Cab, chassis and sweeping system designed for low in-cab and drive-by noise levels, providing maximum operator comfort and safety.

Fully Air-Sprung Side Brooms

Exclusive trailing arm design and four-way spring mounted movement (side-to-side, up-and-down) minimize broom damage while maximizing surface contact and efficiency. Large 42 in. (1067 mm) brooms provide maximum digging power.

Hydraulically Driven Main Broom

The main broom, 60 inch (1524 mm) long x 35 inch (889 mm) in diameter is hydraulically driven and has in-cab variable broom speed for flexibility in varying sweeping conditions. Down pressure can be adjusted by the operator from the cab while moving.

Patented Air Bag Suspension

Provides fully sprung rear axle for transport comfort, plus solid axle for superior sweeping and stable dumping operations.

Variable High Dump Hopper

Unloads at any point from chassis level to 10 ft. (3048 mm). Hopper lifts on trouble-free, twin hydraulic cylinder, dual stage mechanism. Center position keeps weight between dual tires during dumping operations and maintains proper weight distribution as sweeper loads. Load is clearly visible through tempered safety glass window. Up to 11 inches (279 mm) of side shift allows greater truck mirror/container clearance and extends hopper reach into container.



High Capacity Tool Box

Large, uniquely designed 15 cubic foot toolbox, provides space for long handled broom and shovels and bulky items like grease pails.

Dual Diesel Engine Design

Power to the sweep system is provided by an efficient John Deere® 4 cylinder, turbocharged 49 HP @2800 RPM engine. The dedicated sweep system engine produces superior digging at required ground speed. Truck engine RPM or ground speed do not affect broom or conveyor speed.

Easy In-Cab Operation

Center-mounted console provides access to all sweeper controls from either driving position. Includes hopper, conveyor, rear suspension, adjustable water and broom controls, plus full load indicator. Broom speed, conveyor speed and digging pressure are adjustable independently of truck RPM. Reverse gear automatically raises sweeping components to prevent damage.

Proven Cab-Over Chassis

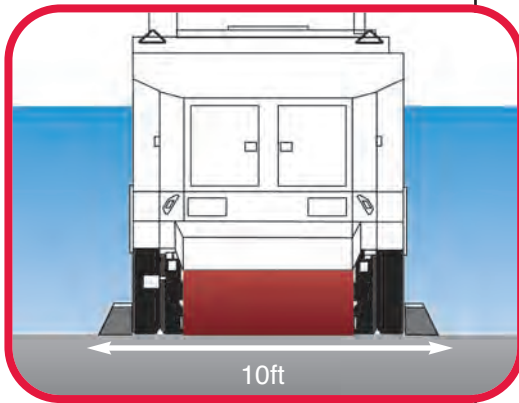
High visibility commercial-grade cab dualized with genuine OEM parts. Fully sprung chassis minimizes rough road conditions and maximizes operator comfort and control. Complies with FMVSS standards.

Corrosion-Resistant Water System

Minimizes dust generation by spraying directly at the source. Large 280 gallon (1060 L) capacity maximizes sweeping time. System includes long-life run-dry pump, polyethylene tanks, brass fittings and nozzles, and anti-syphon fill.

Helpful Maintenance Features

Four access doors (with locks) open wide for easy access to all sweep system components and auxiliary engine. Built-in steps and steel service platform provide stable work surfaces.



A Closer Look



If you need a proven broom sweeper with high dump capability, superior operator comfort and safety at highway transport speed, the Elgin Eagle® is the solution. With its exclusive No Jam conveyor, wide sweep path and trouble-free

lift mechanism, the Eagle provides unequalled productivity in a variety of applications, including municipal and contractor sweeping to road construction and resurfacing work.

The Eagle is easy to operate, easy to maintain and built to last. Customized with your choice of options, the Eagle is sure to fit your sweep-



ing application. The Elgin Eagle has been designed and manufactured to the exacting

quality standards that have made Elgin a world leader in sweeper manufacturing. And thanks to a worldwide factory trained dealer network, you can be sure of complete satisfaction on delivery and far down the road.



Options



Front Spray Bar

Cab controlled water spray bar helps settle debris under extremely dusty conditions. Constructed from corrosion-resistant copper pipe and brass nozzles (4).



In-Cab Side Broom Tilt

Allows operator to sweep effectively in variably-pitched gutters. On-the-go pitch adjustment with a simple variable rocker switch ensures proper broom angle.



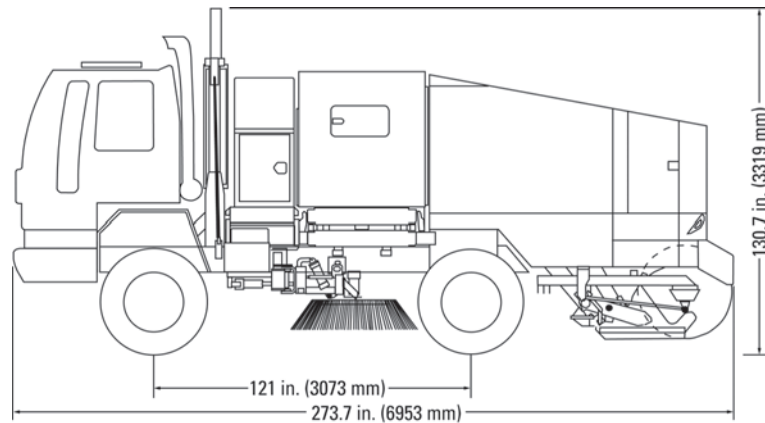
LifeLiner® Hopper System

The LifeLiner® hopper system is a specially designed hopper liner and finish system that greatly improves the life, durability, and functionality of a sweeper hopper.

Additional Options

- Rotating beacon or strobe light
- Rotating beacon/strobe light guard
- Air conditioner
- Carbide dirt shoes
- Arrowboard
- Auto-Lube automatic lubrication system
- Auxiliary engine automatic shutdown
- Silicone hoses on auxiliary engine
- Extended side broom reach
- Main broom hour meter
- Side broom position indicators
- One-touch sweep resume system
- Alternative fuel
- Waterless dust control

Dimensions



Value-Added Services

Elgin's commitment to the customer continues long after the sale.

- Factory-trained worldwide dealer network for assistance with service and maintenance
- Genuine OEM Parts
- Elgin Training Center with hands-on instruction for operators and service personnel
- Customized leasing and financial services

Warranty

Elgin Sweeper Company backs the Eagle sweeper with a one-year limited warranty. The Eagle is warranted against defects in material or workmanship for a period of 12 months from the date of delivery to the original purchaser. Optional extended warranty packages are available. Consult your Elgin dealer for complete warranty information.

Your Elgin Dealer is:



Elgin Sweeper Company
 Subsidiary of Federal Signal Corporation
 1300 W. Bartlett Road
 Elgin, Illinois, U.S.A. 60120-7529
 (847) 741-5370 Phone
 (847) 742-3035 Fax
 www.elginsweeper.com

ISO-9001 and PM-10 Advantages

The Eagle is manufactured in an ISO-9001 facility and offers an optional package to meet PM-10 requirements for compliance with SCAQMD Rule 1186. John Deere is a registered trade mark of Deere & Company.

Specifications subject to change without notice. Some items shown may be optional. Elgin® and Eagle® are registered trademarks of Elgin Sweeper Company. Effective 5/08 P/N 0705289D Printed in U.S.A. © 2008 Federal Signal Corporation Federal Signal Corporation is listed on the NYSE by the symbol FSS.



QUOTATION

Name	FOB	Delivery Date	Date
CITY OF OSAWATOMIE	OSAWATOMIE, KS		11/06/13
Address		Other	
493 MAIN STREET		DEMO UNIT	
City, State, ZIP	Contact	Telephone	Fax
OSAWATOMIE, KS 66064	BRENT HUNT	913-755-4525	913-755-4164

Quantity	Description	Each	Total
1	TYMCO MODEL 600 REGENERATIVE AIR SWEEPER	\$178,412.00	\$178,412.00
	WITH:		
	ABRASION PROTECTION PACKAGE		
	AUTO SWEEP INTERRUPT - ASI		
	BROOM ASSIST PICK-UP HEAD		
	VARIABLE SPEED GUTTER BROOM		
	GUTTER BROOM TILT ADJUSTER RH		
	HYD, LEVEL/TEMP SHUTDOWN		
	HIGH OUTPUT WATER SYSTEM		
	AUX. HAND HOSE W/CATCH BASIN CLEANING PKG		
	IN CAB DUMP SWITCH		
	PICK UP HEAD CURTAIN LIFTER		
	REVERSE PICK UP CHAINS		
	COMDEX EXTRA WATER PACKAGE		
	SWEEPER DELUGE		
	HOPPER DRAIN		
	LED LIGHTES STOP/TAIL/TURN/CLEARANCE		
	MOUNTED ON 2014 IHC 4300 M7 31,000 GVWR		
	AUTO TRANS. 2 SP. REAR AXLE		
	ADD: AUX. HAND HOSE WITH CATCH BASIN		
	CLEANING PKG		\$4,863.00
	LESS ADDITIONAL DEMO DISCOUNT		-\$3,000.00

Quoted by:	JOE WIGGINTON	Sub Total	\$180,275.00
Approved by:		Freight	INCLUDED
Accepted by:		Sales Tax	EXEMPT
		TOTAL	\$180,275.00



2014 IHC 4300 COMDEX 600BAH

SO #7085

STREET SWEEPERS



Make: INTERNATIONAL	Radio: YES
Model: 4300	Body Make: TYMCO
Year: 2014	Body Model: 600 BAH COMDEX
Mileage: NEW	Serial Number: 201305SNQ60583BAH
VIN: 1HTJTSKN0EH485154	Body Year: 2013
Color: WHITE	Hopper Capacity: 6 YD.
Engine Make: INTERNATIONAL	Aux Engine: JD 4045T 99 HP
Engine Horsepower: 200	Fuel: DIESEL
Engine Type/Fuel: M-7 6.4L V8 DIESEL	Hours: NEW
Fuel Tank: 50 GAL.	High Dump: NO
Transmission: 2500RDS-P	Hand Hose: YES 8" STD
Suspension: SPRING	Gutter Brooms: DUAL DIGGER RH TILT
Brakes: AIR	Aux Hydraulics: YES
Rear Axle: 22,000# W/ 31K SPRINGS	ASDS: YES
Front Axle: 10,000#	Hopper Drain: YES
GVWR: 32,000#	Hopper Deluge: YES
Rear End Ratio: 6.17 2 SPEED	Dust Control Sys: YES
Exhaust: HORIZONTAL	Rubber Lined Blower: YES
Wheelbase (inches): 165" 98" C.A.	Abrasion Protection Pkg: YES
Wheels, Front: DISC	Slide Out Screens: NO
Wheels, Rear: DISC	Wash Down Sys: YES
Tire Size: 11RX22.5 14 PLY	Other: HIGH OUTPUT WATER
Air Conditioning: YES	Other: AIR PURGE ASI
Power Steering: YES	Other: PUH CURTAIN LIFTER
Dual Steering: YES FONTAINE	Other: REV. PU CHAINS, DUMP IN-CAE
	Other: VARIABLE SPD GB



STAFF AGENDA MEMORANDUM

DATE OF MEETING: November 14, 2013

AGENDA ITEM: **Power Plant Relay Upgrades**

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: During this summer's budget review and review of the Capital Improvements Program, I recommended that we shift funding for breaker replacement to an upgrade of the switch relays in the power plant. The main reason for this recommendation was the problems experienced earlier in the year with switching power back in after a power outage from KCPL. We originally budgeted \$45,000 for the breaker replacement. However, the relay replacement, if all done in one trip, has been estimated at \$29,088 by Mid-States Energy Works, our plant repair contractor. If done, separately, the cost would be closer to \$35,000.

The new multifunction relays will replace the existing electromechanical relays on the tie at the power plant and the existing electromechanical relays on four of the six feeders at the power plant. The existing electromechanical relays are more than thirty years old. The new relays will maintain a history file that will let us look back at previous events and will record the time of the fault, as well as the current and phase angle on each phase at the time of the fault. This will tell us when the fault happened, what phases were affected, and how much current was flowing at the time of the fault. This can be very helpful in finding problem faults. The SEL relays are also capable of communicating with other devices. If we decide to install a SCADA system in the future, the relay can be monitored and controlled from a remote location.

The relays are already in Mid-State's shop and depending on budget we can possibly get them installed by the end of the year or wait and have them done in January.

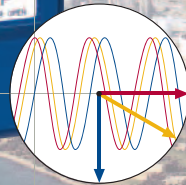
COUNCIL ACTION NEEDED: Review the proposal.

STAFF RECOMMENDATION TO COUNCIL: Approve the purchase and installation of the relays through Mid-States Energy Works.

SEL-751 Feeder Protection Relay



Choose the SEL-751 for feeder overcurrent protection with optional directional overcurrent, arc-flash detection, and Arc Sense™ technology.

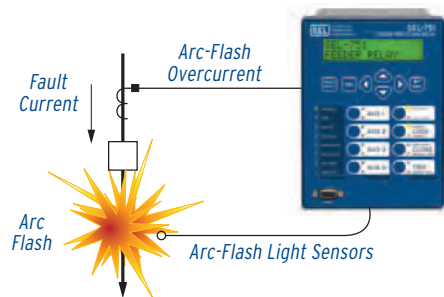


SEL IEC 61850 SEL Synchrophasors®

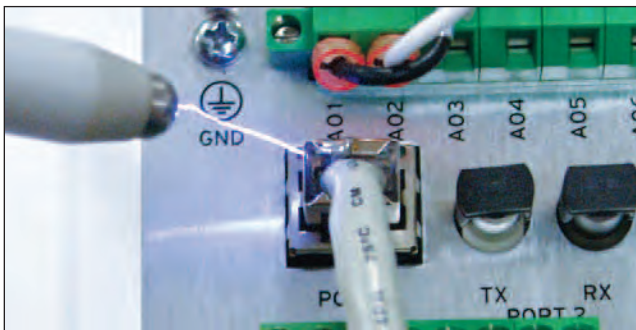
Detect High-Impedance Faults With Arc Sense Technology



High-Speed Arc-Flash Detection Improves Safety



Substation-Hardened Ethernet

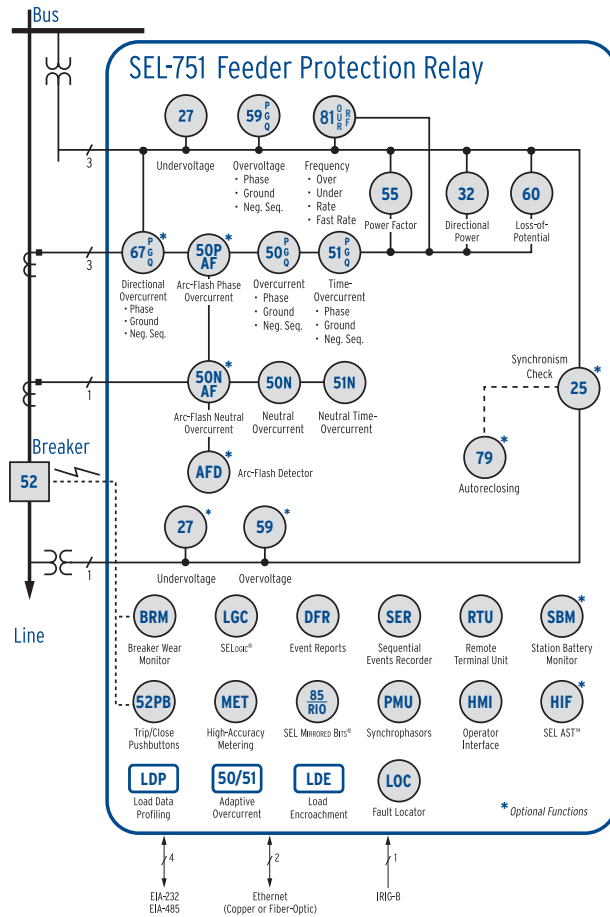


Industry-Leading Quality, Reliability, and Service



Making Electric Power Safer, More Reliable, and More Economical®

Functional Overview



Ordering Options

- Single or dual, copper or fiber-optic Ethernet port(s)
- Modbus® TCP, DNP3 serial and DNP3 LAN/WAN, FTP, and Telnet protocols
- IEC 61850
- DeviceNet™
- EIA-232 or EIA-485 communications
- Additional EIA-232 or EIA-485 port
- Analog I/O (4 AI/4 AO, 8 AI)
- Digital I/O (4 DI/4 DO, 4 DI/3 DO (2 Form C and 1 Form B), 8 DI, 8 DO, 3 DI/4 DO/1 AO)
- Vsync and Vbat input card with four arc-flash detection inputs
- 10 RTDs
- Conformal coating for chemically harsh and high-moisture environments
- Multishot reclosing
- Arc Sense technology (AST) for high-impedance fault (HIF) detection
- Directional overcurrent

Feature Overview

Available high-impedance fault detection with Arc Sense™ technology (AST)

Available with islanding detection (81RF element)

Large 2 x 16 character liquid crystal display.

Use default messages, or program up to 32 custom display labels.

Use default pushbuttons, or program your own pushbutton actions and labels.

Front-panel LEDs can be programmed to indicate custom alarms.

Optional multishot reclosing.

User-configurable labels.

Power supply options include: 110–250 Vdc, 110–230 Vac, 24–48 Vdc.

Optional copper or fiber-optic Ethernet port(s), Modbus® TCP, DNP3, or IEC 61850.

Fiber-optic serial port.

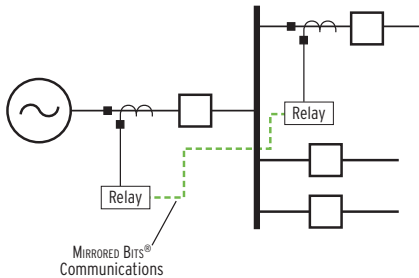
Positions for optional I/O or arc-flash detection/Vsync/Vbat card.

Phase current and phase voltage inputs on one card.

Reduce Arc-Flash Hazards

Combined light-sensing technology with fast overcurrent protection provides high-speed arc-flash detection without false tripping.

In addition to arc-flash detection, the SEL-751 provides several other methods to limit personnel exposure to arc-flash hazards. Reduce the danger of explosive arc-flash incidents by reducing the available fault current energy or removing personnel from the danger zone. Coordinate protection for faster clearing times, and stay outside the danger zone completely with wireless or remote communications.



Arc-Flash Overcurrent

Fault Current

Arc Flash

Line

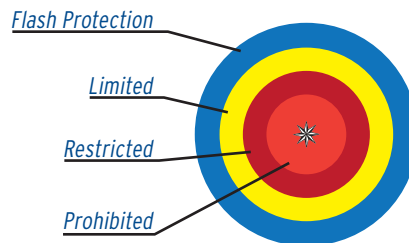
Arc-Flash Light Sensors (up to four)

Easily mounted point sensors detect light from the arc flash in confined areas.

Bare-fiber sensors detect light from the arc flash over the entire length of the fiber loop. This type of sensor is used for large areas, such as busbars.

Coordinate Protection

Use SEL MIRRORED BITS® communications to coordinate upstream protection if a fault occurs. Coordination and fast-bus trip schemes allow short delays (two or three cycles) for backup protection, reducing arc-flash energy.



Stay Outside the Danger Zone

Use Ethernet or serial communications to remotely obtain metering, event, and maintenance information from the relay. Optional delayed breaker tripping or closing via pushbuttons allows personnel to move to a safe distance.

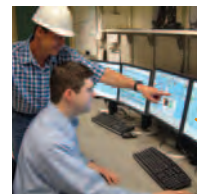
Flexible Communications

Communications Media

- Ethernet 10/100BASE-T
- Ethernet 100BASE-FX
- Single or dual Ethernet ports
- EIA-232 serial
- EIA-485 serial
- Fiber-optic, serial multimode ST®

Communications Protocols

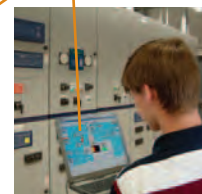
- MIRRORED BITS communications
- IEC 61850
- Modbus RTU/TCP
- DNP3 serial, LAN/WAN
- DeviceNet
- Telnet
- FTP
- Synchrophasors (IEEE C37.118)
- SNTP (Simple Network Time Protocol)



Central control room.



Field remote terminal.



Engineering access.

SEL-751A Feeder Protection Relay



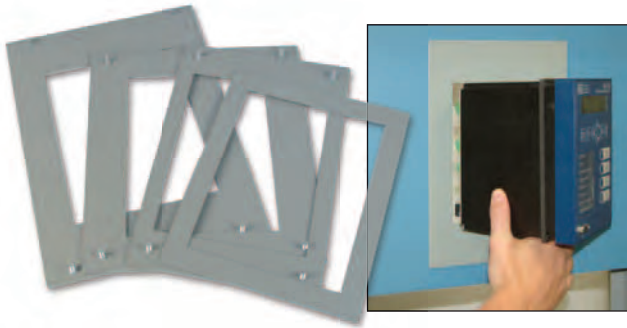
Choose the SEL-751A for feeder overcurrent protection with optional arc-flash detection.



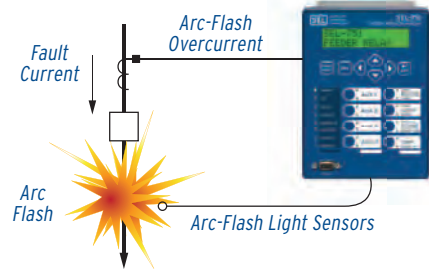
SEL IEC 61850

SEL Synchronphasors™

Easily Mount in Existing Cutouts With Optional Mounting Kits



High-Speed Arc-Flash Detection Improves Safety



Substation-Hardened Ethernet

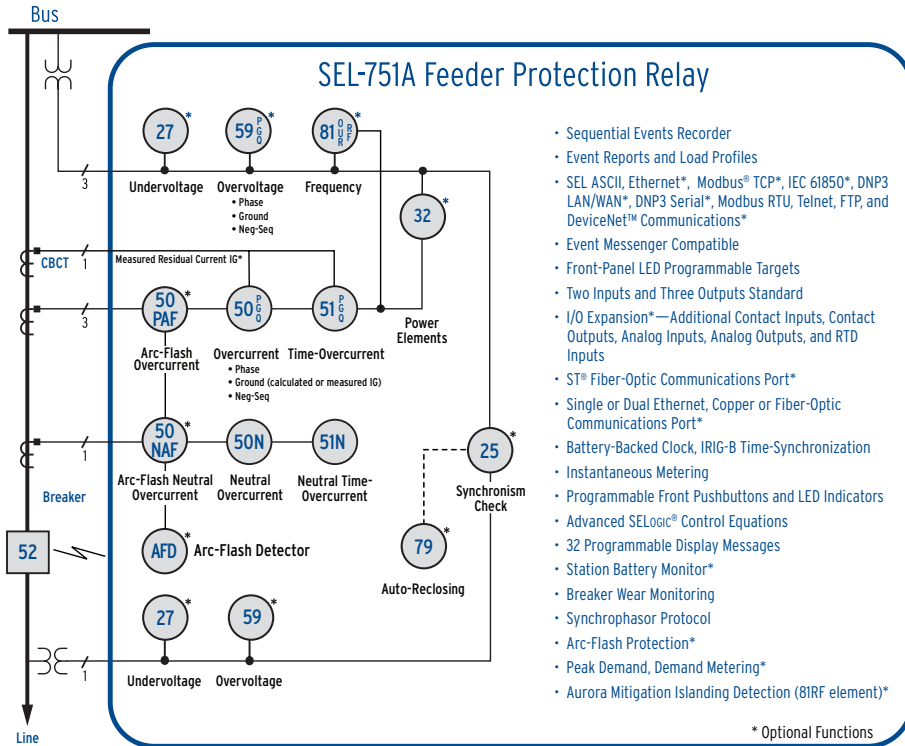


Industry-Leading Quality, Reliability, and Service



Making Electric Power Safer, More Reliable, and More Economical®

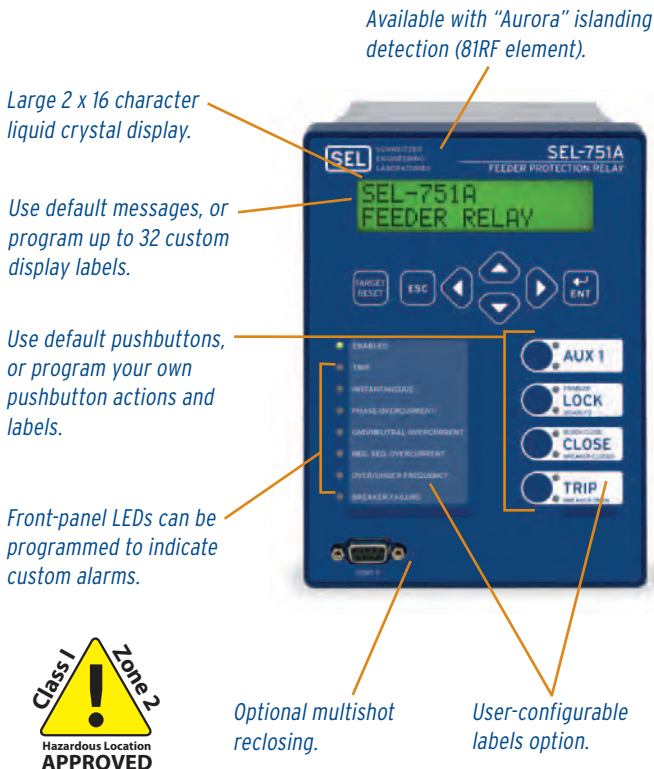
Functional Overview



Ordering Options

- Single or dual, copper or fiber-optic Ethernet port(s)
- Modbus® TCP, DNP3 serial and DNP3 LAN/WAN, FTP, and Telnet protocols
- IEC 61850
- DeviceNet™
- EIA-232 or EIA-485 communications
- Fiber-optic serial port
- Additional EIA-232 or EIA-485 port
- Analog I/O—4 AI/4 AO, 8 AI
- Digital I/O—4 DI/4 DO, 4 DI/3 DO (2 Form C and 1 Form B), 8 DI, 3 DI/4 DO/1 AO
- Voltage options, including monitoring package inputs (three-phase voltage input, synchronism-check input, and station battery monitor input); measured residual current input; Aurora islanding detection (81RF element); advanced monitoring and protection; and four-channel, fiber-optic AFD inputs and protection
- 10 RTDs
- Conformal coating for chemically harsh and high-moisture environments
- Multishot reclosing
- Configurable labels

Feature Overview



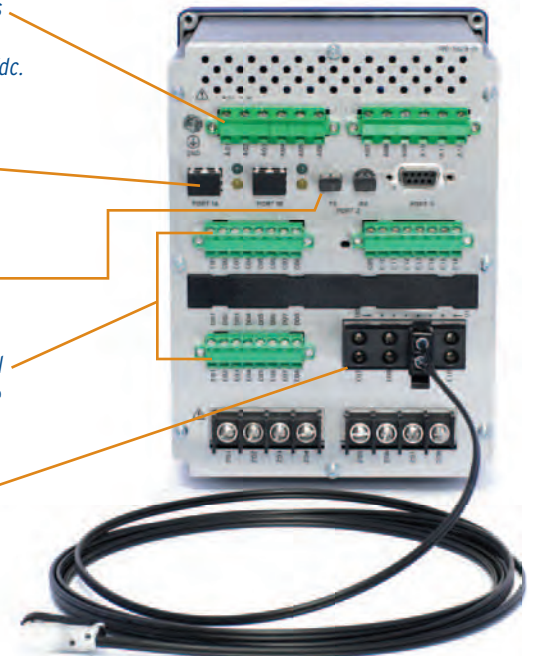
Power supply options include: 110–250 Vdc, 110–230 Vac, 24–48 Vdc.

Optional copper or fiber-optic Ethernet, Modbus® TCP, DNP3, or IEC 61850.

Fiber-optic serial port option.

Positions for optional I/O cards and voltage input card.

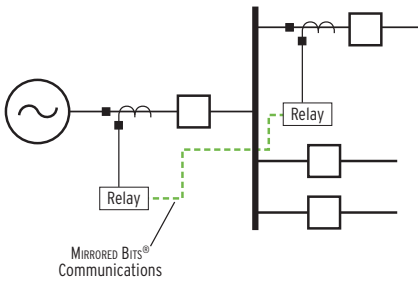
Optional arc-flash detection card and sensors.



Reduce Arc-Flash Hazard

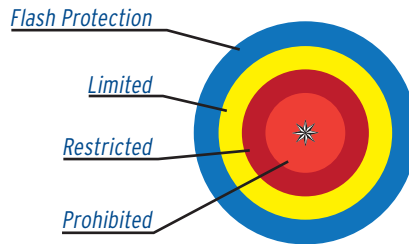
Combined light-sensing technology with fast overcurrent protection provides high-speed arc-flash detection without false tripping.

In addition to arc-flash detection, the SEL-751A provides several other methods to limit personnel exposure to arc-flash hazards. Reduce the danger of explosive arc-flash incidents by reducing the available fault current energy or removing personnel from the danger zone. Coordinate protection for faster clearing times, and stay outside the danger zone completely with wireless or remote communication.



Coordinate Protection

Use SEL MIRRORED BITS® communications to coordinate upstream protection if a fault occurs. Coordination and fast-bus trip schemes allow short delays (two or three cycles) for backup protection, reducing arc-flash energy.



Stay Outside the Danger Zone

Use Ethernet or serial communications to remotely obtain metering, event, and maintenance information from the relay. Optional delayed breaker tripping or closing via pushbuttons allows personnel to move to a safe distance.

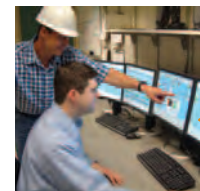
Flexible Communication

Communications Media

- Ethernet 10/100BASE-T
- Ethernet 100BASE-FX
- Single or dual Ethernet ports
- EIA-232 serial
- EIA-485 serial
- Fiber-optic, serial multimode ST® connectors

Communications Protocols

- MIRRORED BITS communications
- IEC 61850
- Modbus RTU/TCP
- DNP3 serial, LAN/WAN
- DeviceNet
- Telnet
- FTP
- Synchrophasors (IEEE C37.118)



Central control room.



Field remote terminal.



Engineering access.

SEL-751A Feeder Protection Relay

Easy to Set and Use

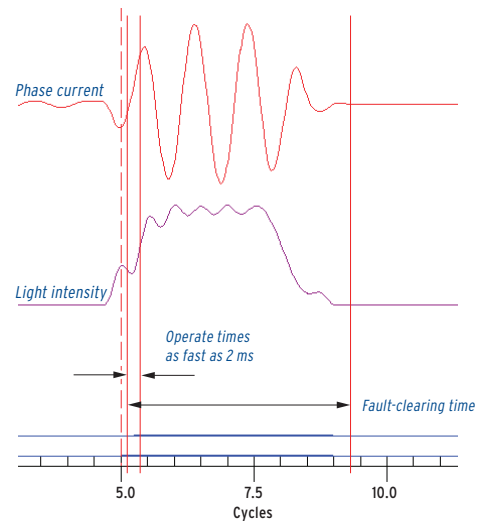
Use acSELERATOR QuickSet® SEL-5030 Software to Set, Monitor, and Control the SEL-751A

- Save engineering time while keeping flexibility. Communicate with the SEL-751A through any ASCII terminal, or use the acSELERATOR QuickSet graphical user interface.
- Develop settings offline with a menu-driven interface and completely documented help screens. Speed installation by copying existing settings files and modifying application-specific items.
- Simplify the setting procedure with rules-based architecture to automatically check interrelated settings. Out-of-range or conflicting settings are highlighted for correction.



Use acSELERATOR Software to Retrieve and Display Event Reports Recorded by the SEL-751A

- Display event report oscillograms. View each report as a plot of magnitude versus time. Select analog and digital points to build a custom display. Analyze arc-flash events using light intensity and phase current waveforms recorded during the arc fault.
- Display phase and symmetrical component phasors. Display the phasor view of electrical data to better understand asymmetrical three-phase faults. Build a custom plot using per-phase and symmetrical component sequence currents and voltages.
- Retrieve event reports using serial or Ethernet communications links.



Mounting and Enclosure Options

Mount the SEL-751A into multiple locations using our complete line of mounting and enclosure options. Choose from panel-mount, rack-mount, wall-mount, indoor, or outdoor configurations.

Panel-Mounting Kits

Replace existing feeder protection with the SEL-751A and the applicable mounting kit. These kits provide everything needed to replace many existing feeder relays with the SEL-751A.

19-Inch Rack Mounting Kits

Use a 19-inch rack mounting kit to easily install the SEL-751A and other SEL-700 series relays into 19-inch racks. A variety of kits are available for one or two relays, or to mount a relay with an FT-1 test switch (not included).

Wall-Mounting, Indoor, and Outdoor Enclosure Kits

Use one of the many option kits to install the SEL-751A and other SEL-700 series relays into a variety of configurations.

Visit www.selinc.com/mounting_selector to see the complete selection of mounting and enclosure kits.



No cutting or drilling is required when you use the optional mounting kits. Replacement of existing protection is quick and easy!

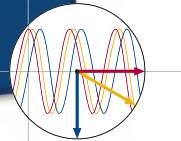


Pullman, Washington USA
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SEL-787 Transformer Protection Relay

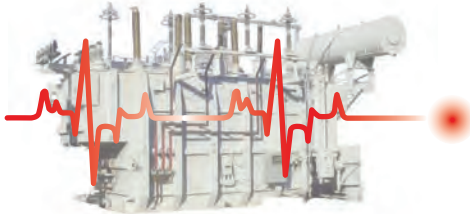


SEL Synchrophasors

SEL Advances the State of the Art in Transformer Protection

- **Synchrophasors** detect system oscillations and potential instability.
- **MIRRORED BITS® communications** is ideal for teleprotection and remote control applications.
- **Flexible communications** make control integration fast and easy.
- **Small form factor** speeds new installations and retrofits of electromechanical relays.
- **Commissioning Assistant** is the first transformer relaying software that recommends correction settings after identifying errors.

Optimize the Life of Your Transformers by Monitoring Key Health Indicators

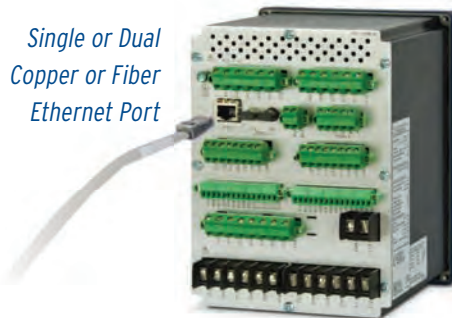


Cumulative Through-Fault Current Recording
Measurement and Logic Input

Flexible Communications

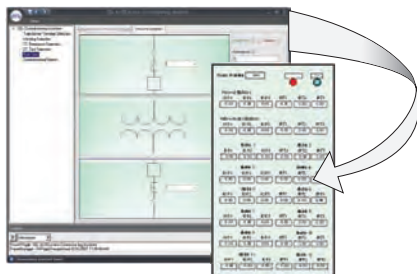
Single or Dual
Copper or Fiber
Ethernet Port

Three or Four*
Serial Ports



*Optional

Use Commissioning Assistant to Easily Generate Differential Compensation Settings

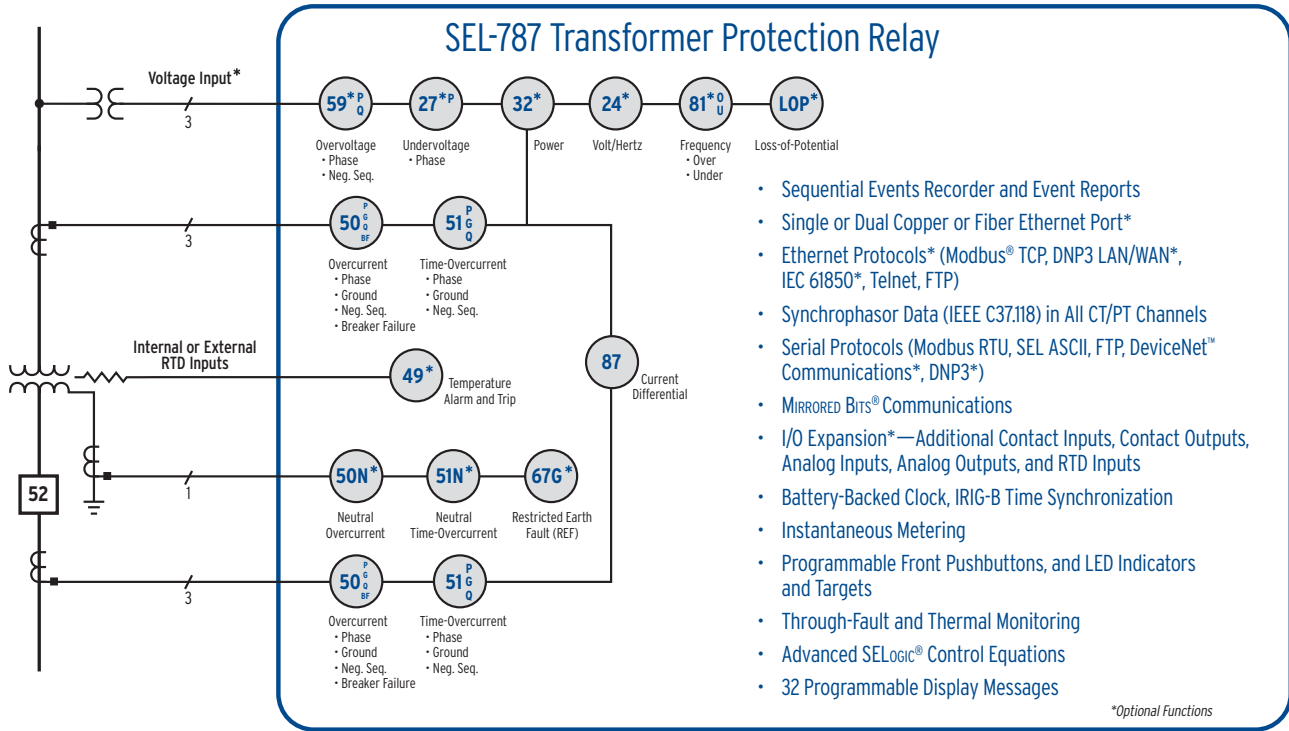


Industry-Leading Quality, Reliability, and Customer Service



Making Electric Power Safer, More Reliable, and More Economical®

Functional Overview



Feature Overview

Power supply options include:

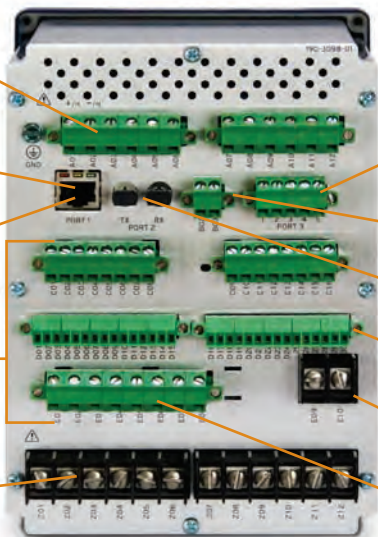
24–48 Vdc
110–250 Vdc
110–230 Vac

Modbus TCP, Telnet, and FTP, with optional IEC 61850 and DNP3 LAN/WAN.

Single or dual copper or fiber Ethernet port.

Positions for optional expansion cards.

Two-winding CT inputs.



Ordering Options

- CPU Board
 - Single or dual copper or fiber Ethernet port
 - EIA-232 or EIA-485 rear port
 - IRIG-B input
- Optional Expansion Cards
 - 3 digital inputs/4 digital outputs/4–20 mA analog output
 - 4 digital inputs/4 digital outputs (electromechanical)
 - 4 digital inputs/4 digital outputs (fast, high-current interrupting)
 - 4 analog inputs/4 analog outputs
 - EIA-232 or EIA-485 serial communication
 - EIA-485 DeviceNet communication
 - 8 digital inputs
 - 10 RTD inputs
 - Neutral ac current input
 - Neutral ac current input/three-phase ac voltage (300 Vac) input
- Conformal Coating



Pullman, Washington USA
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STAFF AGENDA MEMORANDUM

DATE OF MEETING: November 12, 2013

AGENDA ITEM: 2013 Budget Amendment

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: Each year at this time, the City must review its expenditures to make sure it is going to remain within its budget and to determine what, if any, adjustments must be made to leave adequate balances in funds. While the goals should always be to remain within the allotted budget, as published 16 months earlier, it is reasonable to assume that issues arise from the time of budget formation to the final execution of the operating year.

The process of changing expenditure limitations is a Budget Amendment, a process which is established in statute. Also, any fund which has increases transfers to another fund must be included in the amendment. The City must publish the proposed changes and then hold a hearing no earlier than 10 days after the publication. Because of our meeting schedule, if we do not set a hearing date at this meeting, we will be forced to have a hearing after our first meeting in December.

For 2013, I have included several summary spreadsheets and which provide the estimated status of all the funds and will highlight the budget amendments I am recommending for the current year. I have also included an official copy of the budget hearing publication. In this memo, I will outline the status of the major funds and the issues in each of the funds requiring a budget amendment or transfer to balance out the City's finances by December 31.

General Operating Fund. This summer we revised the approved 2013 budget to increase by approximately \$72,000. The increase in the current year was for accounting changes in motor fuels, insurance and street department expenditures. Also, we added \$20,000 in housing demolition for 2013 which was not in the original budget and we expected court expenses to rise by about \$8,000. Now that we are a few weeks away from the end of the year, we are estimating that increase to only be around \$50,000. I expect us to underspend this amount, but am leaving room for emergencies or surprises.

On the revenue side, we collected about \$42,000 more than expected in non-transfer revenue from the revised budget. However, because of shortfalls in the Golf Course and Electric Fund, I reduced transfers from Electric Fund (\$71,000) and diverted a portion to the Golf Course (\$53,000).

Water Fund. No Budget Amendment Necessary. Expenditures for 2013 are estimated to be around \$95,000 under the original budget. However, revenues are expected to also be about \$78,000 below projections, so the fund remains relatively stable. Upon a first review, we expect water usage for 2013 to be well below the 5-year average because of timely rains and a very mild summer. The majority of the reduction in expenditures is a result of projects that were not completed because of manpower issues.

Electric Fund. No Budget Amendment Necessary. Expenditures for 2013 are projected to be \$240,000 below the revised budget for 2013. Again, as with the Water Fund, revenues are also off sharply in 2013 as they are estimated at \$340,000 below the projection. Next week, I will be working with Scott Shreve to review the financials of the fund. The issue appears to be that while our electricity sold is around \$250,000 less than expected, our costs of purchased power is projecting to be more than 2012. We will review all billings and charges from KMEA and will also review our billed usage to see where this discrepancy may be.

Sewer Fund. No Budget Amendment Necessary. Expenditures and revenues in the fund are on target for 2013 estimates. The projected increase in revenue is a result of 2012 payments made in 2013 from the State Hospital. The 2013 budget also reflects about \$80,000 in being credited back to the Sewer Fund which will come from the loan proceeds drawn down in the next few weeks. I also expect actual expenses to out-perform this estimate as there are substantial funds left in the budget for year-end emergencies and repairs.

Refuse Fund. The fund projects to have about \$15,800 in expenditures for 2013. This fund is essentially revenue neutral as the expenses and receipts are borne by L&K Services.

Industrial Fund. The expenditure limit needs to be increased by \$27,500 to cover the expenditure for the Zoysia at the Golf Course. The project was actually \$42,000 and was not conceived until 2013.

Special Parks and Recreation Fund. The Special Parks and Recreation Fund expenditure limit needs to be increased to cover the additional \$42,000 spent for the installation of playground equipment and mulch at the sports complex. The budget is only being increased by just under \$35,000 as the program had operational savings to cover the other costs associated with the project. The increase amount is also equal to the grant we received from the Baehr Foundation for the project.

Golf Course Fund. While we have a significant shortfall in the Golf Course Fund for 2013, we also need a budget amendment for approximately \$31,000 to cover expenses for this year. The Golf Course budget was established at about \$10,000 below 2012 expenses. There was a hope we could realize savings in 2013 because of personnel changes and the elimination of the golf cart loan payment. Instead we had a perfect storm of revenue and expenditure issues that have created havoc with the budget and is going to call for a very in-depth analysis of our options.

Revenues for 2013 are about \$30,000 less than 2012. The major areas of change seem to be in membership fees and in food and beverage sales. Our numbers for 2012 were also skewed by a \$10,500 payment for repairs to cart shed from the storm that wasn't spent until 2013.

On the expenditure side, we made an accounting change which moved \$6,000 in insurance costs to the golf course. We also had the cart shed repair expenses of \$10,500 and sales tax payments (which were not budgeted) of approximately \$6,000. These changes along with an increase in salaries, created about a \$31,000 increase over what we expected. However, I have added about \$7,000, for budget purposes in the projected expenditures for 2013. Should we come in under projections, we will not transfer those amounts and will seek to maintain a \$5,000 balance in the fund for 2014.

I am working with Brad to see if we have some errors in our expenditures or accounting that have created these surprising numbers. I am also looking at alternatives for operating during the winter months that will reduce operating costs.

As for remedies for these issues in 2014, I believe we have 3 options:

1. Make some radical changes in our pricing structure to increase play and make some significant changes in how we assign costs to the course.
2. Develop an RFP to seek out contract providers for operation of the course, which we would hope would reduce our overall costs of operation and maintenance.
3. Cut our losses and look to sell the golf course either as a course or for other purposes.

These are the options that I will be examining over the next three weeks prior to making a recommendation to the Council. I will discuss options with the Golf Course Advisory Board and will also discuss it with the Economic & Community Development Committee. Furthermore, I want to state that we need to continue to fund the Golf Course for another year until these determinations can be made. In all cases, we would need to make sure that we take into account the efforts and financial investments made by members already at the OGC.

Tourism Fund. Expenditures are estimated to be approximately \$19,000 over the original budget. This increase is caused by activities related to the John Brown Jamboree and the increase in event activities for 2013.

COUNCIL ACTION NEEDED: Set public hearing date for the budget amendment.

STAFF RECOMMENDATION TO COUNCIL: Set for December 12, 2012 for hearing, to be part of the regular meeting to occur on that date.

**Revenue Changes
2013**

<u>No.</u>	<u>Fund</u>	<u>Budgeted Revenues</u>	<u>Rev. Budget Revenues</u>	<u>Change</u>	<u>Final Est. Revenues</u>	<u>Change from Original</u>	<u>Change from Revised</u>
1	General Operating Fund	\$ 2,184,577	\$ 2,234,063	\$ 49,485	\$ 2,205,084	\$ 20,507	\$ (28,978)
2	Water Fund	823,124	877,049	53,925	798,339	(24,785)	(78,710)
3	Electric Fund	4,038,147	3,992,258	(45,889)	3,652,078	(386,069)	(340,180)
4	Employee Benefit Fund	634,419	618,395	(16,024)	629,872	(4,547)	11,477
5	Refuse Fund	377,000	377,000	-	386,734	9,734	9,734
6	Library Fund	22,600	10,500	(12,100)	14,181	(8,419)	3,681
7	Recreation Fund	13,456	13,456	-	11,641	(1,815)	(1,815)
8	Rural Fire Fund	43,720	43,720	-	12,325	(31,395)	(31,395)
9	Industrial Fund	16,000	36,000	20,000	36,318	20,318	318
10	Revolving Loan Fund	500	500	-	-	(500)	(500)
11	Special Parks and Recreation Fund	242,000	248,500	6,500	246,862	4,862	(1,638)
12	Street Improvements Fund	120,840	116,680	(4,160)	120,094	(746)	3,414
13	Bond & Interest Fund	747,778	743,683	(4,095)	744,512	(3,266)	829
14	Public Safety Equipment Fund	-	-	-	8	8	8
15	Insurance Proceeds Fund	15,500	15,500	-	-	(15,500)	(15,500)
16	Sewer Fund	776,124	776,124	-	812,422	36,298	36,298
17	Recreation Employee Benefits Fund	2,419	2,419	-	1,457	(962)	(962)
18	Golf Course Fund	247,183	295,872	48,689	279,875	32,692	(15,997)
19	Special Revenue - Fire Equipment	-	-	-	-	-	-
20	Special Revenue - 911 Fund	-	-	-	-	-	-
21	LLEBG Grant	-	-	-	-	-	-
22	Tourism Fund	52,350	60,149	7,799	60,962	8,612	813
23	Evidence Liability	-	-	-	-	-	-
24	Capital Improvements - General	85,000	135,000	50,000	118,000	33,000	(17,000)
25	Capital Improvements - Streets	-	-	-	-	-	-
26	Capital Improvements - Sewer	-	-	-	-	-	-
27	Capital Improvements - Grants	-	-	-	590,000	590,000	590,000
50	Cafeteria 125	79,196	60,000	(19,196)	43,310	(35,887)	(16,690)
51	Court ADSAP	3,000	3,000	-	750	(2,250)	(2,250)
52	Court Bonds	20,000	15,000	(5,000)	6,086	(13,915)	(8,915)
53	Forfeitures	3,000	-	(3,000)	400	(2,600)	400
54	Old Stone Church Donations	1,000	1,000	-	-	(1,000)	(1,000)
55	PayPal - Jamboree	-	90	90	-	-	(90)
TOTAL		\$ 10,548,933	\$ 10,675,956	\$ 127,023	\$ 10,771,310	\$ 222,377	\$ 95,354

**Expenditure Changes
2013**

<u>No.</u>	<u>Fund</u>	<u>Original Expenditures</u>	<u>Rev. Budget Expenditures</u>	<u>Change</u>	<u>Final Est. Expenditures</u>	<u>Change from Original</u>	<u>Change from Revised</u>
1	General Operating Fund	\$ 2,140,660.54	\$ 2,212,654.61	\$ 71,994.07	\$ 2,189,999.80	\$ 49,339.26	\$ (22,654.81)
2	Water Fund	814,796.38	859,530.76	44,734.37	764,134.34	(50,662.04)	(95,396.42)
3	Electric Fund	4,017,520.17	3,952,610.51	(64,909.67)	3,711,688.01	(305,832.16)	(240,922.49)
4	Employee Benefit Fund	665,751.90	641,405.67	(24,346.24)	647,741.14	(18,010.76)	6,335.47
5	Refuse Fund	376,700.00	376,700.00	-	392,499.76	15,799.76	15,799.76
6	Library Fund	126,000.00	20,000.00	(106,000.00)	51,570.83	(74,429.17)	31,570.83
7	Recreation Fund	13,456.00	13,456.00	-	12,355.24	(1,100.76)	(1,100.76)
8	Rural Fire Fund	43,720.00	43,720.00	-	19,871.95	(23,848.05)	(23,848.05)
9	Industrial Fund	41,500.00	69,300.00	27,800.00	68,999.53	27,499.53	(300.47)
10	Revolving Loan Fund	-	-	-	-	-	-
11	Special Parks and Recreation Fund	240,278.40	269,902.79	29,624.39	275,000.12	34,721.72	5,097.33
12	Street Improvements Fund	129,000.00	122,000.00	(7,000.00)	113,524.35	(15,475.65)	(8,475.65)
13	Bond & Interest Fund	812,787.50	752,787.50	(60,000.00)	752,787.50	(60,000.00)	-
14	Public Safety Equipment Fund	-	-	-	9,855.17	9,855.17	9,855.17
15	Insurance Proceeds Fund	15,500.00	15,500.00	-	-	(15,500.00)	(15,500.00)
16	Sewer Fund	836,249.47	834,805.73	(1,443.75)	809,187.52	(27,061.95)	(25,618.20)
17	Recreation Employee Benefits Fund	2,419.00	2,419.00	-	1,457.19	(961.81)	(961.81)
18	Golf Course Fund	249,089.76	298,327.32	49,237.56	279,999.76	30,910.00	(18,327.56)
19	Special Revenue - Fire Equipment	-	-	-	-	-	-
20	Special Revenue - 911 Fund	9,897.41	-	(9,897.41)	-	(9,897.41)	-
21	LLEBG Grant	-	-	-	-	-	-
22	Tourism Fund	46,250.00	62,282.70	16,032.70	65,000.27	18,750.27	2,717.57
23	Evidence Liability	-	-	-	-	-	-
24	Capital Improvements - General	90,968.00	453,442.00	362,474.00	425,550.86	334,582.86	(27,891.14)
25	Capital Improvements - Streets	-	183,959.79	183,959.79	164,801.24	164,801.24	(19,158.55)
26	Capital Improvements - Sewer	-	-	-	-	-	-
27	Capital Improvements - Grants	525,000.00	-	(525,000.00)	228,486.93	(296,513.07)	228,486.93
50	Cafeteria 125	62,976.00	51,000.00	(11,976.00)	29,262.47	(33,713.53)	(21,737.53)
51	Court ADSAP	3,000.00	3,000.00	-	-	(3,000.00)	(3,000.00)
52	Court Bonds	20,000.00	15,000.00	(5,000.00)	6,882.01	(13,117.99)	(8,117.99)
53	Forfeitures	3,000.00	-	(3,000.00)	200.00	(2,800.00)	200.00
54	Old Stone Church Donations	1,000.00	1,000.00	-	-	(1,000.00)	(1,000.00)
55	PayPal - Jamboree	-	185.65	185.65	-	-	(185.65)
TOTAL		\$ 11,287,520.54	\$ 11,254,990.02	\$ (32,530.52)	\$ 11,020,855.99	\$ (266,664.55)	\$ (234,134.03)

**Projected Balances
2013**

<u>No.</u>	<u>Fund</u>	<u>Beginning Balance</u>	<u>Orig. Eff. Balance</u>	<u>Change</u>	<u>Rev. Ending Balance</u>	<u>Change</u>	<u>Final Est. Balance</u>	<u>Change</u>
1	General Operating Fund	\$ 111,385	\$ 155,302	\$ 43,917	\$ 132,793	\$ 21,408	\$ 126,469	\$ 15,085
2	Water Fund	176,093	184,420	8,327	193,611	17,518	210,297	34,205
3	Electric Fund	443,556	464,182	20,627	483,203	39,647	383,946	(59,610)
4	Employee Benefit Fund	52,082	20,749	(31,333)	29,072	(23,011)	34,213	(17,870)
5	Refuse Fund	6,252	6,552	300	6,552	300	486	(5,766)
6	Library Fund	115,754	12,354	(103,400)	106,254	(9,500)	78,364	(37,389)
7	Recreation Fund	714	714	-	714	-	-	(714)
8	Rural Fire Fund	763	763	-	763	-	(6,784)	(7,547)
9	Industrial Fund	61,237	35,737	(25,500)	27,937	(33,300)	28,556	(32,681)
10	Revolving Loan Fund	72,758	73,258	500	73,258	500	72,758	-
11	Special Parks and Recreation Fund	91,073	92,794	1,721	69,670	(21,403)	62,935	(28,138)
12	Street Improvements Fund	99,272	91,112	(8,160)	93,952	(5,320)	105,841	6,569
13	Bond & Interest Fund	96,892	31,883	(65,009)	87,787	(9,105)	88,617	(8,275)
14	Public Safety Equipment Fund	9,847	9,847	-	9,847	-	-	(9,847)
15	Insurance Proceeds Fund	1	1	0	1	0	1	-
16	Sewer Fund	335,552	275,426	(60,126)	276,870	(58,682)	338,786	3,234
17	Recreation Employee Benefits Fund	-	-	-	-	-	-	-
18	Golf Course Fund	4,804	2,897	(1,907)	2,348	(2,456)	4,679	(125)
19	Special Revenue - Fire Equipment	-	-	-	-	-	-	-
20	Special Revenue - 911 Fund	9,897	-	(9,897)	9,897	-	9,897	-
21	LLEBG Grant	-	-	-	-	-	-	-
22	Tourism Fund	9,423	15,523	6,100	7,289	(2,134)	5,384	(4,039)
23	Evidence Liability	-	-	-	-	-	-	-
24	Capital Improvements - General	357,727	351,759	(5,968)	39,285	(318,442)	50,176	(307,551)
25	Capital Improvements - Streets	183,960	183,960	-	-	(183,960)	19,159	(164,801)
26	Capital Improvements - Sewer	-	-	-	-	-	-	-
27	Capital Improvements - Grants	-	-	-	-	-	361,513	361,513
50	Cafeteria 125	4,926	21,146	16,220	13,926	9,000	18,973	14,047
51	Court ADSAP	6,911	6,911	-	6,911	-	7,661	750
52	Court Bonds	6,521	6,521	-	6,521	-	5,725	(797)
53	Forfeitures	57	57	-	57	-	257	200
54	Old Stone Church Donations	-	-	-	-	-	-	-
55	PayPal - Jamboree	96	96	-	-	(96)	96	-
		\$ 2,239,041	\$ 2,009,233	\$ (213,588)	\$ 1,651,102	\$ (579,034)	\$ 1,613,781	\$ (249,546)

**Budget Amendment Estimate - All Funds
2013**

No.	Fund	Orig. Budget Expenditures	Rev. Budget Expenditures	Final Est. Expenditures	Final Est. from Original	Recommended Budget Amend.
1	General Operating Fund	\$ 2,140,661	\$ 2,212,655	\$ 2,190,000	\$ 49,339	\$ 2,190,000
2	Water Fund	814,796	859,531	764,134	(50,662)	
3	Electric Fund	4,017,520	3,952,611	3,711,688	(305,832)	
4	Employee Benefit Fund	665,752	641,406	647,741	(18,011)	
5	Refuse Fund	376,700	376,700	392,500	15,800	392,500
6	Library Fund	126,000	20,000	51,571	(74,429)	
7	Recreation Fund	13,456	13,456	12,355	(1,101)	
8	Rural Fire Fund	43,720	43,720	19,872	(23,848)	
9	Industrial Fund	41,500	69,300	69,000	27,500	69,000
10	Revolving Loan Fund	-	-	-	-	
11	Special Parks and Recreation Fund	240,278	269,903	275,000	34,722	275,000
12	Street Improvements Fund	129,000	122,000	113,524	(15,476)	
13	Bond & Interest Fund	812,788	752,788	752,788	(60,000)	
14	Public Safety Equipment Fund	-	-	9,855	9,855	
15	Insurance Proceeds Fund	15,500	15,500	-	(15,500)	
16	Sewer Fund	836,249	834,806	809,188	(27,062)	
17	Recreation Employee Benefits Fund	2,419	2,419	1,457	(962)	
18	Golf Course Fund	249,090	298,327	280,000	30,910	280,000
19	Special Revenue - Fire Equipment	-	-	-	-	
20	Special Revenue - 911 Fund	9,897	-	-	(9,897)	
21	LLEBG Grant	-	-	-	-	
22	Tourism Fund	46,250	62,283	65,000	18,750	65,000
23	Evidence Liability	-	-	-	-	
24	Capital Improvements - General	90,968	453,442	425,551	334,583	
25	Capital Improvements - Streets	-	183,960	164,801	164,801	
26	Capital Improvements - Sewer	-	-	-	-	
27	Capital Improvements - Grants	525,000	-	228,487	(296,513)	
30	Clearing Fund	62,976	51,000	29,262	(33,714)	
50	Cafeteria 125	3,000	3,000	-	(3,000)	
51	Court ADSAP	20,000	15,000	6,882	(13,118)	
52	Court Bonds	3,000	-	200	(2,800)	
53	Forfeitures	1,000	1,000	-	(1,000)	
54	Old Stone Church Donations	-	186	-	-	
55	PayPal - Jamboree	-	-	-	-	
TOTAL		\$ 10,672,545	\$ 11,000,845	\$ 10,591,223	\$ (81,321)	

Fund #01
General Fund

	2009	2010	2011	2012	2013	2013	2014
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REVISED	ESTIMATE	APPROVED
BEGINNING CASH BALANCE	\$ 103,364	\$ 54,598	\$ 526,937	\$ 30,824	\$ 111,385	\$ 111,385	\$ 126,469
REVENUES							
Property & Vehicle Taxes	\$ 511,638	\$ 575,434			\$ 595,365	\$ 601,532	\$ 589,985
Sales & Liquor Taxes	611,940	591,694	628,641	642,306	639,774	653,021	641,590
Grants	2,429	14,049	11,391	10,791	17,000	17,930	17,000
Franchise Fees	164,289	164,775	156,721	125,529	122,450	139,350	124,535
Admin. & Internal Fees	-	-	-	357,000	403,144	19,968	411,362
Licenses & Permits	49,582	36,685	36,554	27,016	24,980	51,065	28,300
Charges for Services	43,548	39,651	55,826	55,131	41,100	117,595	39,900
Fines & Fees	96,009	118,835	101,608	130,323	122,000	20,822	122,000
Interest	30,259	25,114	22,095	22,656	20,000	164,750	23,000
Transfers	684,500	763,182	824,511	263,963	216,000	383,144	219,000
Sale of Assets	-	-	1,750	6,025	8,000	4,600	1,000
Miscellaneous	53,716	39,329	53,616	22,515	24,250	31,306	22,250
TOTAL REVENUES	\$ 2,247,910	\$ 2,368,749	\$ 1,892,714	\$ 1,663,253	\$ 2,234,063	\$ 2,205,084	\$ 2,239,922
TOTAL RESOURCES AVAILABLE	\$ 2,351,274	\$ 2,423,347	\$ 2,419,651	\$ 1,694,077	\$ 2,345,447	\$ 2,316,469	\$ 2,366,391
EXPENSES							
By Program							
101 General Administration	\$ 601,629	\$ 507,121	\$ 528,084	\$ 554,617	\$ 608,315	\$ 602,335	\$ 650,953
102 Sports Complex	100,665	82,314	81,789	-	-	-	-
103 Police & Fire	917,716	996,466	934,374	876,039	912,510	908,981	923,434
104 John Brown Cabin	41,725	43,398	41,507	39,328	41,691	35,466	39,752
105 Streets & Alleys	266,642	332,091	284,437	235,595	256,986	266,668	255,808
106 Swimming Pool	33,417	34,669	38,954	38,006	17,700	4,376	17,870
107 Cemeteries	108,378	119,784	117,328	121,049	108,455	106,920	108,683
108 Lakes & Parks	21,630	18,895	8,110	186	-	-	-
109 Municipal Court Services	77,330	98,426	120,656	123,576	114,928	122,708	116,900
110 Levees & Stormwater	126,510	14,607	121,175	28,176	12,050	6,863	12,335
111 Library	-	115,786	112,413	113,324	140,019	135,683	141,979
TOTAL EXPENSES	\$ 2,295,642	\$ 2,363,557	\$ 2,388,827	\$ 2,129,896	\$ 2,212,655	\$ 2,190,000	\$ 2,267,715
Revenues Over Expenditures	\$ (47,732)	\$ 5,192	\$ (496,113)	\$ (466,643)	\$ 21,408	\$ 15,085	\$ (27,792)
ENDING BALANCE	\$ 55,632	\$ 59,790	\$ 30,824	\$ (435,819)	\$ 132,793	\$ 126,469	\$ 98,677
<i>as a percentage of expenses</i>	<i>2.4%</i>	<i>2.5%</i>	<i>1.3%</i>	<i>-20.5%</i>	<i>6.0%</i>	<i>5.8%</i>	<i>4.4%</i>

Fund 01 - GENERAL FUND
REVENUES

	2009	2010	2011	2012	2013	2013	2014
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REVISED	ESTIMATE	APPROVED
5100 TAXES							
101 Ad Valorem Tax	\$ 452,215	\$ 510,994	\$ 432,233	\$ 477,203	\$ 534,383	\$ 537,005	\$ 516,859
102 Delinquent Ad Valorem Tax	8,877	17,249	17,886	23,241	12,960	13,559	16,000
Subtotal TAXES	\$ 461,092	\$ 528,243	\$ 450,119	\$ 500,444	\$ 547,343	\$ 550,564	\$ 532,859
5200 INTERGOVERNMENTAL							
201 City Sales Tax	\$ 242,597	\$ 232,888	\$ 241,692	\$ 245,948	\$ 245,892	\$ 249,087	\$ 246,331
202 County Sales Tax	294,913	286,796	307,604	310,121	315,684	323,073	316,821
203 City Comp Use Tax	68,094	66,085	75,716	83,658	28,054	33,250	28,054
204 County Comp Use Tax					46,600	44,278	46,600
205 Motor Vehicle Tax	49,826	46,375	50,360	45,790	47,081	50,310	55,936
206 Liquor Tax	6,336	5,926	3,630	2,580	3,544	3,333	3,784
215 RV Tax	720	816	731	696	692	657	803
216 16/20M Vechile Tax	-	-	-	273	249	-	387
220 Grant Receipts (Non-CDBG)	-	12,398	10,495	9,454	16,000	17,930	16,000
231 John Brown Cabin	2,429	1,652	897	1,337	1,000	-	1,000
Subtotal INTERGOVERNMENTAL	\$ 664,914	\$ 652,934	\$ 691,123	\$ 699,856	\$ 704,796	\$ 721,919	\$ 715,716
5300 FRANCHISE FEES							
301 Gas Company Franchise Fees	\$ 111,261	\$ 97,515	\$ 87,647	\$ 67,758	\$ 70,000	\$ 82,316	\$ 74,200
302 Cable TV Franchise Fees	35,744	43,201	35,085	27,253	21,150	20,500	19,035
303 Telephone Franchise Fees	16,303	22,582	29,596	28,424	29,500	34,435	29,500
304 Electric Franchise Fees	981	1,477	4,394	2,093	1,800	2,100	1,800
Subtotal FRANCHISE FEES	\$ 164,289	\$ 164,775	\$ 156,721	\$ 125,529	\$ 122,450	\$ 139,350	\$ 124,535
5400 LICENSES AND PERMITS							
401 CMB & Liquor Licenses	\$ 1,900	\$ 2,555	\$ 2,025	\$ 2,150	\$ 2,100	\$ 2,750	\$ 2,100
402 Animal Licenses	726	700	736	706	700	634	700
403 Building & Zoning Permits	37,247	23,173	24,202	16,946	15,080	9,514	18,000
404 Camping & Boating Permits	1,789	1,248	1,322	585	200	440	-
405 Miscellaneous Permits	2,420	3,600	4,240	3,180	3,500	3,450	3,500
406 Contractors Licenses	5,500	5,410	4,030	3,450	3,400	3,180	4,000
Subtotal LICENSES AND PERMITS	\$ 49,582	\$ 36,685	\$ 36,554	\$ 27,016	\$ 24,980	\$ 19,968	\$ 28,300
5500 CHARGES FOR SERVICES							
501 Sale of Cemetery Lots	\$ 3,550	\$ 7,220	\$ 5,340	\$ 14,435	\$ 6,200	\$ 6,650	\$ 5,000
502 Cemetery Charges	25,790	12,885	35,625	24,395	25,000	27,690	25,000
503 Auditorium Rent	3,547	3,890	3,445	3,340	3,400	4,415	3,400
504 Memorial Hall Rent	4,285	3,830	4,650	4,085	4,000	4,025	4,000
506 Swimming Pool Fees	4,308	4,210	4,340	-	-	213	-
520 Animal Control Charges	1,034	3,808	2,426	8,876	2,500	7,052	2,500
533 Drug Screening	1,034	3,808				1,020	
Subtotal CHARGES FOR SERVICES	\$ 43,548	\$ 39,651	\$ 55,826	\$ 55,131	\$ 41,100	\$ 51,065	\$ 39,900
5600 FINES AND FEES							
601 Police Fines & Fees	\$ 95,809	\$ 114,900	\$ 98,824	\$ 127,389	\$ 120,000	\$ 116,065	\$ 120,000
603 Library Fines & Fees		3,935	2,784	2,934	2,000	1,530	2,000
Subtotal FINES AND FEES	\$ 96,009	\$ 118,835	\$ 101,608	\$ 130,323	\$ 122,000	\$ 117,595	\$ 122,000
5700 INTEREST ON INVESTMENTS							
701 Interest	\$ 30,259	\$ 25,114	\$ 22,095	\$ 22,656	\$ 20,000	\$ 20,822	\$ 23,000

**Fund 01 - GENERAL FUND
REVENUES**

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 REVISED	2013 ESTIMATE	2014 APPROVED
5800 MISCELLANEOUS							
801 Miscellaneous	\$ 19,334	\$ 10,154	\$ 6,982	\$ 14,817	\$ 12,000	\$ 18,568	\$ 10,000
802 Reimbursed Expense	34,132	28,926	46,394	7,698	12,000	12,458	12,000
803 Council Scholarship	250	250	240	-	250	280	250
830 Transfer In from Electric	600,000	628,500	743,800	186,000	136,000	84,750	137,000
831 Transfer In from Sewer	39,500	84,500	77,900	39,000	39,000	39,000	39,000
833 Transfer In from Water	45,000	30,000	-	38,000	41,000	41,000	43,000
839 Transfer in from Library	-	20,182	2,811	963	-	-	-
Reimb - Utility Billing Admin			-	312,000	358,144	338,144	366,362
Reimb - Mechanic/Repair Fee			-	45,000	45,000	45,000	45,000
Subtotal MISCELLANEOUS	\$ 738,216	\$ 802,511	\$ 878,127	\$ 643,478	\$ 643,394	\$ 579,200	\$ 652,612
5900 SALE OF FIXED ASSETS							
901 Sale of Fixed Assets		\$ -	\$ 1,750	\$ 6,025	\$ 8,000	\$ 4,600	\$ 1,000
TOTAL GENERAL FUND RECEIPTS	\$ 2,247,910	\$ 2,368,749	\$ 2,393,923	\$ 2,210,457	\$ 2,234,063	\$ 2,205,084	\$ 2,239,922

01-101

General Administration

	<u>2009</u> <u>ACTUAL</u>	<u>2010</u> <u>ACTUAL</u>	<u>2011</u> <u>ACTUAL</u>	<u>2012</u> <u>ACTUAL</u>	<u>2013</u> <u>REVISED</u>	<u>2013</u> <u>ESTIMATE</u>	<u>2014</u> <u>APPROVED</u>
7100. PERSONNEL SERVICES							
101 Salaries	\$ 399,818	\$ 417,681	\$ 400,225	\$ 410,852	\$ 411,533	\$ 400,151	\$ 435,044
102 Salaries (Overtime)	102	797	272	8,082	18,673	7,481	17,986
TOTAL PERSONNEL SERVICES	\$ 399,920	\$ 418,478	\$ 400,497	\$ 418,934	\$ 430,205	\$ 407,632	\$ 453,030
7200. CONTRACTUAL SERVICES							
201 Communications	\$ 4,157	\$ 2,788	\$ 2,207	\$ 8,024	\$ 4,080	\$ 7,993	\$ 4,162
202 Utilities	3,496	6,067	2,056	1,653	4,080	1,584	4,162
203 Dues & Memberships	3,093	2,741	2,919	3,431	3,600	4,209	3,800
204 Insurance	3,525	10,104	5,509	5,948	21,000	20,957	27,000
205 Education, Meetings & Travel	5,994	4,771	4,085	6,643	7,500	7,002	5,500
206 Professional Services	121,458	30,376	37,488	47,079	50,000	54,781	50,000
207 Rentals	456	356	356	840	500	1,331	500
208 Printing & Advertising	4,485	3,035	2,877	1,986	3,700	3,337	3,800
209 Maint of Machinery & Equip	1,833	2,708	8,312	4,327	4,500	5,046	3,500
210 Maint of Buildings/Grounds	1,375	4,337	1,395	1,215	3,500	1,928	3,500
211 Memorial Hall Utilities	2,583	2,543	2,718	1,187	2,750	2,275	2,900
217 Memorial Hall Custodial	4,553	4,541	4,763	4,500	4,600	4,500	4,700
218 Housing Demolition			-	-	20,350	18,378	30,000
220 Other Contractual	559	1,056	13,771	5,370	16,500	3,663	16,500
TOTAL CONTRACTUAL SERVICES	\$ 157,567	\$ 75,423	\$ 88,457	\$ 92,204	\$ 146,660	\$ 136,984	\$ 160,023
7300. COMMODITIES							
301 Office Supplies	\$ 2,304	\$ 1,244	\$ 2,183	\$ 4,910	\$ 4,000	\$ 5,425	\$ 3,000
302 Clothing & Personal Supplies	-	-	77	1,237	-	315	-
303 Chemical/Seed/Fertilizer	3,353	210	1,241	565	750	250	750
304 Machine Parts & Supplies	977	1,627	603	590	1,250	816	1,750
305 Building Material & Supplies	3,140	2,654	6,720	5,480	5,000	6,954	3,250
307 Apparatus & Tools	58	142	348	530	250	468	250
309 Motor Fuels & Lubricants	-	-	-	310	4,000	6,577	4,000
311 Memorial Hall Miscellaneous	15,124	656	120	179	500	2,078	500
314 Computer Software	-	-	599	-	-	5,304	-
317 Food (Not for Resale)	-	-	-	129	-	1,415	-
320 Other Commodities	816	637	2,890	1,744	4,000	12,240	2,000
TOTAL COMMODITIES	\$ 25,772	\$ 7,170	\$ 14,782	\$ 15,674	\$ 19,750	\$ 41,841	\$ 15,500
7400. CAPITAL OUTLAY							
403 Office Furniture & Equipment	-	-	\$ 305	\$ -	\$ 1,200	\$ 220	\$ 1,400
405 Operational/Construction Equip			2,027	-	1,500	1,500	2,000
407 Other Equipment			-				10,000
413 Computer Equip & Software	974	-	1,738	7,338	2,000	2,000	2,000
TOTAL CAPITAL OUTLAY	\$ 974	\$ 240	\$ 4,070	\$ 7,338	\$ 4,700	\$ 3,720	\$ 15,400
7700. OTHER EXPENSES							
704 Election Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
705 Chamber of Commerce	15,000	-	15,000	15,000	-	5,000	-
706 Fireworks Display	1,900	5,074	5,028	5,268	6,700	6,878	6,700
713 Scholarship	250	300	250	200	300	280	300
TOTAL OTHER EXPENSES	\$ 17,396	\$ 5,810	\$ 20,278	\$ 20,468	\$ 7,000	\$ 12,158	\$ 7,000
TOTAL GENERAL ADMINISTRATIO	\$ 601,629	\$ 507,121	\$ 528,084	\$ 554,617	\$ 608,315	\$ 602,335	\$ 650,953

Fund # 02
Water

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 REVISED	2013 ESTIMATE	2014 PROPOSED
BEGINNING CASH BALANCE	\$ 3,847	\$ 25,873	\$ (2,047)	\$ 43,575	\$ 176,093	\$ 176,093	\$ 210,297
REVENUE							
510 Sales and Charges	\$ 738,137	\$ 748,638	\$ 741,505	\$ 805,842	\$ 630,189	\$ 534,967	\$ 630,621
511 Wholesale Water					210,432	232,296	210,000
512 Bulk Water Sales	11,877	11,693	17,128	20,087	16,000	14,388	17,000
513 New Utility Services	5,250	-	800	1,500	1,000	-	1,000
Other Charges			3,286				
801 Miscellaneous Revenue	2,565	2,866	76	551	1,000	1,200	1,000
802 Reimbursed Expense	4,994	591	-	8,785	4,000	593	4,000
808 Water Protection Tax	3,436	4,338	4,313	3,426	2,836	3,302	3,555
813 Tower Lease	7,695	11,592	11,592	11,592	11,592	11,592	11,592
TOTAL REVENUE	\$ 773,954	\$ 785,685	\$ 778,699	\$ 851,783	\$ 877,049	\$ 798,339	\$ 878,768
TOTAL RESOURCES AVAILABLE	\$ 777,801	\$ 811,558	\$ 776,652	\$ 895,358	\$ 1,053,142	\$ 974,432	\$ 1,089,065
EXPENSES							
Personnel							
Salaries	\$ 190,621	\$ 165,349	\$ 177,303	\$ 137,261	\$ 128,959	129,323	\$ 139,438
Health Insurance	30,642	34,277	32,581	19,236	24,545	24,545	29,232
All Other Benefits	30,700	42,559	35,755	27,352	26,595	24,006	29,488
Subtotal	251,963	242,185	245,639	183,849	180,099	177,874	198,159
Operating Expenses							
Utilities	77,703	86,258	81,483	85,849	91,003	80,079	94,171
Treatment Chemicals	130,132	171,378	138,701	137,076	145,150	143,119	148,050
Professional Services	4,495	13,501	12,481	3,649	12,250	1,960	12,750
Machine Parts & Supplies	6,996	14,453	19,320	12,124	15,000	14,057	16,500
State Taxes & Fees	13,738	38,827	37,603	40,151	41,985	18,172	44,237
All Other Expenses	124,370	128,983	98,055	81,441	108,871	92,416	112,458
Subtotal	357,434	453,400	387,642	360,290	414,259	349,803	428,167
Capital Outlay	10,548	19,989	34,813	-	77,000	48,284	85,000
Debt Service	64,983	64,983	64,983	32,491	-	-	-
Transfers	67,000	30,000	-	65,235	100,827	100,827	102,827
Overhead Fees	-	-	-	77,400	87,346	87,346	89,314
TOTAL EXPENSES	\$ 751,928	\$ 810,557	\$ 733,076	\$ 719,266	\$ 859,531	\$ 764,134	\$ 903,467
Revenues Over Expenditures	\$ 22,026	\$ (24,872)	\$ 45,623	\$ 132,517	\$ 17,518	\$ 34,205	\$ (24,699)
ENDING BALANCE	\$ 25,873	\$ 1,001	\$ 43,575	\$ 176,093	\$ 193,611	\$ 210,297	\$ 185,598
<i>as a percentage of expenses</i>	<i>3.4%</i>	<i>0.1%</i>	<i>5.9%</i>	<i>24.5%</i>	<i>22.5%</i>	<i>27.5%</i>	<i>20.5%</i>

Fund # 03
Electric

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 REVISED	2013 ESTIMATE	2014 APPROVED
BEGINNING CASH BALANCE	\$ 757,966	\$ 1,036,152	\$ 852,395	\$ 216,891	\$ 443,556	\$ 443,556	\$ 383,946
REVENUE							
Sales and Charges	\$ 3,271,573	\$ 3,529,088	\$ 3,612,738	\$ 3,476,687	\$ 3,570,686	\$ 3,230,177	\$ 3,754,871
Penalties and Fees	94,327	91,761	93,430	90,238	86,750	89,615	86,750
Utility Deposits	58,375	53,075	53,450	58,500	50,000	55,398	50,000
Sales Taxes Collected	97,081	106,511	113,888	109,636	109,852	103,261	114,826
Transfers In/Loan Reimb	-	-	22,000	291,162	160,970	160,970	-
Miscellaneous	116,565	14,540	52,716	56,740	14,000	12,658	14,000
TOTAL REVENUE	\$ 3,637,921	\$ 3,794,975	\$ 3,948,224	\$ 4,082,963	\$ 3,992,258	\$ 3,652,078	\$ 4,020,446
TOTAL RESOURCES AVAILABLE	\$ 4,395,887	\$ 4,831,127	\$ 4,800,618	\$ 4,299,853	\$ 4,435,813	\$ 4,095,634	\$ 4,404,392
EXPENSES							
Personnel							
Salaries	\$ 251,846	\$ 366,594	\$ 305,063	\$ 335,245	\$ 368,355	\$ 354,438	\$ 399,037
Health Insurance	34,263	22,533	21,279	31,187	43,381	43,381	49,254
All Other Benefits	58,338	69,144	65,635	64,783	73,549	66,924	81,052
Subtotal	344,447	458,271	391,978	431,215	485,286	464,743	529,343
Operating Expenses							
Purchased Power/Trans/Fuel	1,776,582	1,973,340	2,061,424	1,944,704	2,088,447	2,014,804	2,154,909
Insurance	56,487	70,219	72,910	75,958	63,000	61,630	60,060
Professional Services	12,880	26,794	39,886	16,245	35,000	12,010	37,000
Bldg & Mach Parts & Supplies	41,356	102,926	94,023	63,975	81,950	59,116	91,950
Motor Fuel	15,509	16,415	20,770	16,406	10,000	8,203	10,800
State & Local Taxes	105,248	123,080	131,481	125,583	127,352	121,062	125,149
Deposit Refunds/Interest	51,023	52,829	52,955	62,426	51,000	58,396	51,000
Other Expenses	87,708	105,832	137,694	72,787	152,973	124,116	145,544
Subtotal	2,146,793	2,471,435	2,611,142	2,378,083	2,609,722	2,459,336	2,676,412
Capital Expenses							
Poles/Transformers/Wire	14,010	46,295	39,407	32,366	60,000	44,372	60,000
Vehicles/Equipment	109,786	-	161,122	-	1,500	8,695	-
All Other	48,438	8,829	14,647	309,434	67,500	28,939	142,500
Subtotal	172,234	55,124	215,176	341,800	129,000	82,005	202,500
Debt Service	-	-	-	-	-	-	-
Transfers/Other Assistance	696,261	908,884	913,300	503,000	498,000	495,000	499,000
Loan for Street Project	-	-	452,132	-	-	-	-
Overhead Fees	-	-	-	202,200	230,603	210,603	235,859
TOTAL EXPENSES	\$ 3,359,735	\$ 3,893,714	\$ 4,583,727	\$ 3,856,298	\$ 3,952,611	\$ 3,711,688	\$ 4,143,114
<i>Expenses Less Transfers</i>	<i>\$ 2,663,474</i>	<i>\$ 2,984,830</i>	<i>\$ 3,218,296</i>	<i>\$ 3,353,298</i>	<i>\$ 3,454,611</i>	<i>\$ 3,216,688</i>	<i>\$ 3,644,114</i>
<i>Expenses Less Energy</i>	<i>1,583,153</i>	<i>1,920,374</i>	<i>2,070,171</i>	<i>1,911,594</i>	<i>1,864,164</i>	<i>1,696,884</i>	<i>1,988,205</i>
<i>Sales Less Energy Cost</i>	<i>\$ 1,589,318</i>	<i>\$ 1,647,509</i>	<i>\$ 1,644,744</i>	<i>\$ 1,622,221</i>	<i>\$ 1,568,989</i>	<i>\$ 1,304,988</i>	<i>\$ 1,686,712</i>
Revenues Over Expenditures	\$ 278,186	\$ (98,739)	\$ (635,504)	\$ 226,665	\$ 39,647	\$ (59,610)	\$ (122,667)
<i>Less Transfers</i>	<i>974,447</i>	<i>810,145</i>	<i>707,928</i>	<i>438,503</i>	<i>537,647</i>	<i>435,390</i>	<i>376,333</i>
ENDING BALANCE	\$ 1,036,152	\$ 937,413	\$ 216,891	\$ 443,556	\$ 483,203	\$ 383,946	\$ 261,279
<i>as a percentage of expenses</i>	<i>30.8%</i>	<i>24.1%</i>	<i>4.7%</i>	<i>11.5%</i>	<i>12.2%</i>	<i>10.3%</i>	<i>6.3%</i>

Fund # 16
Sewer

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 REVISED	2013 ESTIMATE	2014 APPROVED
BEGINNING CASH BALANCE	\$ 386,964	\$ 449,525	\$ 428,138	\$ 361,440	\$ 335,552	\$ 335,552	\$ 338,786
REVENUE							
510 Sales/Charges	\$ 778,941	\$ 775,883	\$ 771,765	\$ 748,972	\$ 775,624	\$ 791,801	\$ 775,624
513 New Utility Services	400	700	350	-	500	-	500
802 Reimbursed Expense	3,060	339				20,621	
TOTAL REVENUE	\$ 782,401	\$ 776,922	\$ 772,115	\$ 748,972	\$ 776,124	\$ 812,422	\$ 776,124
TOTAL RESOURCES AVAILABLE	\$ 1,169,365	\$ 1,226,447	\$ 1,200,253	\$ 1,110,413	\$ 1,111,675	\$ 1,147,974	\$ 1,114,910
EXPENSES							
By Object							
Salaries & Wages	\$ 98,950	\$ 123,915	\$ 114,949	\$ 107,078	\$ 112,360	\$ 113,321	\$ 130,266
Utilities	25,852	40,380	35,475	33,363	35,000	31,408	40,000
Prof Services & Contract Maint	23,681	33,248	11,752	32,067	22,500	3,033	30,000
Chemicals	17,548	9,477	9,566	13,801	13,000	7,271	13,000
Parts & Supplies	32,503	24,954	25,489	18,013	25,000	26,656	25,000
All Other Capital Outlay	17,213	8,625	88,161	-	30,000	30,000	25,000
Debt Service	250,714	250,714	250,713	125,357	-	-	-
New Sewer Loan (interest only)		-	-	-	-	-	20,200
Transfer to Bond & Interest	200,000	200,000	200,000	310,000	434,000	434,000	435,000
Transfer to General Fund	39,500	84,500	77,900	39,000	39,000	39,000	39,000
Administrative Fee	-	-	-	62,400	71,629	71,629	73,272
Mechanic/Repair Fee	-	-	-	15,000	15,717	15,717	16,042
All Other Expenses	13,879	20,849	24,808	18,782	36,600	37,154	47,100
TOTAL EXPENSES	\$ 719,840	\$ 796,662	\$ 838,813	\$ 774,861	\$ 834,806	\$ 809,188	\$ 893,880
Revenues Over Expenditures	\$ 62,561	\$ (19,740)	\$ (66,698)	\$ (25,889)	\$ (58,682)	\$ 3,234	\$ (117,757)
ENDING BALANCE	\$ 449,525	\$ 429,785	\$ 361,440	\$ 335,552	\$ 276,870	\$ 338,786	\$ 221,029
<i>as a percentage of expenses</i>	<i>62.4%</i>	<i>53.9%</i>	<i>43.1%</i>	<i>43.3%</i>	<i>33.2%</i>	<i>41.9%</i>	<i>24.7%</i>

Fund # 18
Osawatomie Golf Course

	2009	2010	2011	2012	2013	2013	2014
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REVISED	ESTIMATE	PROPOSED
BEGINNING CASH BALANCE	\$ 27,019	\$ 26,340	\$ (33)	\$ 3,328	\$ 4,804	\$ 4,804	\$ 6,438
REVENUE							
Greens & Range Fees	\$ 65,119	\$ 59,323	\$ 57,653	\$ 57,133	\$ 58,684	\$ 56,647	\$ 56,647
Member Fees	78,122	82,672	83,138	70,046	72,993	47,755	78,728
Cart Related Fees	50,853	41,672	36,409	23,488	25,618	39,299	39,299
Food & Beverage	42,228	37,961	37,558	39,338	42,877	24,349	24,349
Miscellaneous	10,386	1,856	2,684	21,189	9,700	13,575	8,755
Transfer from Electric	24,000	65,000	65,000	45,000	45,000	98,250	45,000
Loans from Other Funds	6,000	5,000	-	-	41,000	-	-
TOTAL REVENUE	\$ 276,708	\$ 293,484	\$ 282,442	\$ 256,194	\$ 295,872	\$ 279,875	\$ 252,778
<i>Less Transfers & Loans</i>	\$ 246,708	\$ 223,484	\$ 217,442	\$ 200,694	\$ 209,872	\$ 181,625	\$ 207,778
TOTAL RESOURCES AVAILABLE	303,727	319,824	\$ 282,409	\$ 259,522	\$ 300,675	\$ 284,679	\$ 259,216
EXPENSES							
By Object							
Salaries & Wages	\$ 119,379	\$ 147,537	\$ 140,264	\$ 120,680	\$ 121,453	\$ 127,315	\$ 122,585
Utilities	13,296	15,666	15,649	15,998	17,253	14,132	18,116
Rentals	7,074	5,099	5,068	5,292	5,250	6,956	5,250
Chemicals/Seed/Fertilizer	20,774	20,102	14,583	14,970	15,000	17,238	14,000
Fuels	8,010	5,351	13,308	12,675	13,000	15,854	13,000
Food & Beverage	21,535	20,324	21,025	20,169	20,000	18,665	20,000
Construction Equipment	20,283	5,532	2,817	-	-	-	-
Seasonal Leases	9,639	3,871	-	-	-	-	-
Debt Service	19,693	34,941	45,832	28,188	17,312	21,371	22,772
All Other Expenditures	37,704	27,132	20,533	36,746	89,059	56,711	39,400
TOTAL EXPENSES	\$ 277,387	\$ 285,555	\$ 279,081	\$ 254,718	\$ 298,327	\$ 278,241	\$ 255,123
Revenues Over Expenditures	\$ (679)	\$ 7,929	\$ 3,361	\$ 1,475	\$ (2,456)	\$ 1,634	\$ (2,345)
<i>Less Transfers and Loans</i>	(30,679)	(62,071)	(61,639)	(43,525)	(88,456)	(96,616)	(47,345)
ENDING BALANCE	\$ 26,340	\$ 34,269	\$ 3,328	\$ 4,804	\$ 2,348	\$ 6,438	\$ 4,093
<i>as a percentage of expenses</i>	9.5%	12.0%	1.2%	1.9%	0.8%	2.3%	1.6%

**Notice of Budget Hearing for Amending the
2013 Budget**

The governing body of

City of Osawatomie

will meet on the day of December 12, 2012 at 6:30 p.m. at Memorial Hall for the purpose of hearing and answering objections of taxpayers relating to the proposed amended use of funds.

Detailed budget information is available at City Hall
and will be available at this hearing.

Summary of Amendments

Fund	2013 Adopted Budget			2013 Proposed Amended Expenditures
	Actual Tax Rate	Amount of Tax that was Levied	Expenditures	
General Fund	25.365	576,535	2,140,661	2,190,000
Refuse Fund			376,700	392,500
Industrial Fund			41,500	69,000
Special Parks & Rec Fund			240,278	275,000
Public Safety Equipment Fund			0	9,855
Golf Course Fund			249,090	280,000
Tourism Fund			46,250	65,000

Ann Elmquist

Official Title: City Clerk



STAFF AGENDA MEMORANDUM

DATE OF MEETING: November 12, 2013

AGENDA ITEM: **2014 Employee Increases**

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: During the budget process, the City Council set aside approximately \$65,000 to be used for salary increases or bonuses for 2014. Attached is a sheet which shows some options for increases and the funding impact associated with each choice.

COUNCIL ACTION NEEDED: Review and discuss.

STAFF RECOMMENDATION TO COUNCIL: This decision needs to be reached either at this meeting or at the December 12 meeting so that we can implement changes effective the first paycheck in 2014. The chosen recommendation only needs to be made by a simple motion.

2014 PAY INCREASE SCENARIOS

		Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7 0.5% COLA;
	Current	.25 Rate Inc	.50 Rate Inc	2% COLA	.25 Rate Inc & \$500 Bonus	1% COLA & \$500 Bonus	0.5% COLA & .25 Rate Inc	.15 Rate Inc; & \$350 Bonus
Wages	2,411,158	2,443,395	2,475,632	2,458,409	2,472,380	2,463,768	2,455,208	2,463,187
Benefits	787,742	793,782	799,822	796,810	799,199	797,692	796,049	797,507
Total	3,198,899	3,237,177	3,275,455	3,255,219	3,271,579	3,261,461	3,251,257	3,260,694
Increase		38,278	76,555	56,319	72,679	62,561	52,357	61,794
		22,967		14,080	24,081			

Impact Examples

\$9.00 / hr (.6 PT)	11,232	11,544	11,856	11,457	11,844	11,644	11,600	11,685
<i>Increase</i>		312	624	225	612	412	368	453
\$16.66/hr (NE)	37,652	38,217	38,782	38,405	38,717	38,528	38,405	38,529
<i>Increase</i>		565	1,130	753	1,065	877	753	877
\$30.03/hr (EX)	63,045	63,565	64,085	64,294	64,065	64,169	63,877	64,019
<i>Increase</i>		520	1,040	1,249	1,020	1,125	832	974

	General Fund	Emp Ben	Water	Electric	Spec P&R	Sewer	Golf	TOTAL
Option 1	20,580	4,509	2,625	4,661	2,031	1,763	2,110	38,278
Option 2	41,160	9,018	5,249	9,321	4,062	3,526	4,220	76,555
Option 3	29,619	6,441	3,699	9,339	2,282	2,542	2,397	56,319
Option 4	39,480	8,664	4,747	8,664	3,916	3,099	4,110	72,679
Option 5	33,709	7,375	3,972	8,673	3,026	2,607	3,198	62,561
Option 6	27,984	6,119	3,549	6,995	2,601	2,398	2,709	52,357
Option 7	33,563	7,306	3,987	7,934	3,110	2,629	3,265	61,794
Budgeted	38,001	8,069	3,699	9,107	2,282	2,542	2,243	65,943