

OSAGE CITY COUNCIL

Regular Meeting

February 11, 2025

7:00 p.m.

City Council Chambers – 221 S. 5th- Osage City, Ks

To join the meeting from your computer, tablet, or smartphone:

<https://tinyurl.com/33jwjbu5>

Meeting ID: 271 752 002 176

Passcode: oe3Cf6cj

Dial in by phone: 1-872-215-6905

Phone Conference ID: 531 886 86#



I. Routine Business

1. Call to Order
2. Additions or Deletions to the Agenda
3. Approval of the Agenda
4. Recognition of Visitors

II. Consent Agenda

1. Approval of January 28, 2025 Regular Meeting Minutes

III. Business Before the Council

1. Public Hearing for the purpose of evaluating the performance of Grant No. 22-CR-002 for the downtown commercial rehabilitation of 520-522 Market Street Star Block Building (Action Required)-Rose Mary Saunders, Municipal Consultant/Ranson Financial
2. Approval of the Mayor to sign the closeout documents for Grant No. 22-CR-002 (Action Required)- Rose Mary Saunders, Municipal Consultant/Ranson Financial
3. Review and Approval Resolution No. 1131 authorizing the power purchase agreement between the City of Osage City and Kansas Municipal Energy Agency (KMEA) secure power from the Grand River Dam Authority (GRDA) (Action Required)-Dale Schwieger, Utilities Director
4. Review and approval of BG Consultants request for reimbursement of additional work performed related to the Flint Hills Trail Project that was incurred from KDOT/Contractor changes.
5. Review and approval of the connecting link agreement between Osage City and Osage County for .57 miles at \$342 reimbursement
6. Executive session for Data Relating to Financial Affairs or trade secrets of second parties for 15 minutes -Katie Hodge, City Manager

IV. Adjournment

Next Ordinance # 1696

Next Resolution # 1132

Next Charter Ordinance # 20

The City of
Osage City
Kansas

CITY OF OSAGE CITY
COUNCIL MEETING
January 28, 2025

ROLL CALL: Now on this 28th day of January 2025, the Governing Body of the City of Osage City, Kansas, met at the Osage City Council Chamber in said City. The following members being present and participating to wit: Mayor: Brian Stromgren. Council Members: Kathy Ayers, Shirley Bausman, Mike Handly, Mike Gilliland, Susan Smith, Jeff Tice, Cathryn Houghton. Absent: Jeanette Swarts. City Staff present: Rick Godderz, City Attorney; Katie Hodge, City Manager; Dale Schwieger, Utilities Director; Amy Woodward, City Clerk; Tom Harm, Police Chief. Absent: Sadie Boos, City Treasurer. Others Present: Jeanette Stromgren, Osage City Public Library Director; Sydney Stromgren.

APPROVAL OF THE AGENDA:

Motion by Gilliland, second by Tice to approve the agenda. The motion was declared carried (7-0).

RECOGNITION OF VISITORS: None

APPROVAL OF THE CONSENT AGENDA:

1. Approval of January 14, 2025 Regular Meeting Minutes
2. Approval of December 24, 2024 No Meeting Minutes

Motion by Tice, second by Gilliland to approve the consent agenda. The motion was declared carried (7-0).

BUSINESS BEFORE THE COUNCIL:

- 1. Community Sign Purchase (Action Required)-Katie Hodge, City Manager & Jeanette Stromgren, Osage City Public Library Director**

Osage City Public Library Director, Jeanette Stromgren, discussed the need to replace the current Community Sign located near the Fire Department. She shared improvements to the new design that should allow it to last longer. Stromgren also shared the amounts donated by Stakeholders for the project which reimburses the City for the purchase. The City will provide ongoing maintenance and insurance coverage for the sign.

Motion made by Smith, second by Houghton, to approve the purchase of the electronic community sign from Schurle Signs in the amount of \$38,940.00. The motion was declared carried (7-0).

**2. Purchase of a 2022 Dodge Charger for the Police Department (Action Required)-
Chief Tom Harm**

Police Chief, Tom Harm, discussed the potential purchase of a used Kansas Highway Patrol 2022 Dodge Charger. He noted the car comes equipped with nearly everything they need excluding branding.

Motion made by Gilliland, second by Ayers to approve the purchase of the 2022 Dodge Charger from the Kansas Highway Patrol for \$31,225.00. The motion was declared carried (7-0).

3. Highlights of the Mayor's Summit held in Burlingame on January 23rd

City Manager, Katie Hodge, reviewed the January 23rd Mayor's summit.

ADJOURNMENT: *At the request of Council Member Tice and on his motion, seconded by Council Member Ayers and carried unanimously, the meeting adjourned.*

APPROVED: _____
Brian D. Stromgren, Mayor

ATTESTED: _____
Amy Woodward, City Clerk

CITY OF OSAGE CITY

REQUEST FOR CITY COUNCIL ACTION

DATE
02/11/2025

TIME
7:00 P.M.

AGENDA SECTION NO: III	ORIGINATING DEPARTMENT: Administration	APPROVED FOR AGENDA:
ITEM NO. 1 & 2	BY: Katie Hodge, City Manager	BY: KH

ITEM:

Public Hearing for the evaluation of the performance of the (CDBG) Grant No. 22-CR-002 for the Star Block building and review/approval of related close out document

BACKGROUND:

The exterior of the Star Block building has been completed with the support of this grant. The building has received extension improvements to the exterior and window, along with roof rehab and new skylights.

FISCAL NOTE:

The final 10% of the grant retainage (\$2500) will be released upon completing the close out process.

COUNCIL ACTION:

1. Approve the Mayor to sign the related close out documents for Grant No. 22-CR-002

MOTION:

I move that we authorize the Mayor to sign the related documents for the close out of Grant No. 22-CR-002

GRANTEE'S RELEASE FORM

1 Pursuant to the terms on Grant Agreement Number 22-CR-002 and in consideration of
2 the sum of Two Hundred Fifty Thousand & 00/100 (\$ 250,000.00) which has been
3 or is to be paid under the said contract to City of Osage City, Kansas,
4 grantee upon payment of the said sum by the State of Kansas, Department of Commerce, hereinafter
5 called the grantor, does remise, release, and discharge the grantor, its officers, agents and employees
6 of and from all liabilities, obligations, claims, and demands whatsoever under or arising from the
7 said contract.

8 IN WITNESS WHEREOF, this release has been executed this 11th day of
9 February, 2025.

10 Signature of Authorized Elected Official: _____

11 Typed Name and Title: Brian Stromgren, Mayor

ATTEST AND SEAL

12 _____

13 _____

(Rev. 2-2018)

FINAL INDEPENDENT AUDITOR'S REPORT

If the grantee expends \$750,000 or more from all Federal sources in any fiscal year in which the grant is open, a 2 CFR Part 200 audit is required from the grantee. If you expend or expect to expend this amount in the current fiscal year, please indicate below. If required, a copy of the entire audit report must be submitted to Commerce in the required time period.

- A. 2 CFR Part 200 audit is not required.
- B. Audit is complete and one copy is enclosed.
- C. Audit is in progress or not yet begun.

Auditor's Name: _____

Address: _____

Telephone: _____

Contact person with firm: _____

Date audit to begin: _____

How the audit will be paid for: _____

Date audit to be completed: _____

**QUARTERLY PROGRESS REPORT - PAGE 1
KANSAS DEPARTMENT OF COMMERCE**

SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Grantee: <u>City of Osage City, Knass</u>	Report #: <u>11 Final</u>
Grant #: <u>22-CR-002</u>	Quarter Ending: <u>02-11-2025</u>
Address: <u>20 S. 5th Street, Osage City, KS 66523</u>	Contract Award End Date: <u>10130-2024</u>
Company Name (ED Projects): <u>n/a</u>	Date Prepared: <u>02-11-2025</u>
Current Chief Elected Official: <u>Brian Stromgren, Mayor</u>	Date of ER Clearance: <u>6-28-2022</u>
Name and phone number of person who prepared this report: <u>Rose Mary Saunders</u> <u>316-264-3400</u>	
<hr/>	
Name Telephone Number	
<hr/>	

Financial Status:	Total Grant: \$ <u>250,000</u>	Total Local Injection: \$ <u>86,867</u>
	Drawdowns received to date: \$ <u>250,000</u>	Local spent to date: \$ <u>141864.77</u>
	Drawdowns requested and not yet received: \$ _____	Initial Monitoring Conducted <input type="checkbox"/>
	Total Grant available \$ <u>0</u>	Final Monitoring Conducted <input type="checkbox"/>

Contracts Awarded This Quarter With All Monies: * QPR #1 should have Grant Administration and Engineering/Architectural Contracts

Name & Address, UEI#	Total Contract Amount	Local	CDBG	Activity		Contractor Data				
				No.	Title	Type of Procurement	Section 3	** MBE	** WBE	Davis-Bacon
None		<input type="checkbox"/>	<input type="checkbox"/>							
		<input type="checkbox"/>	<input type="checkbox"/>							
		<input type="checkbox"/>	<input type="checkbox"/>							
		<input type="checkbox"/>	<input type="checkbox"/>							
		<input type="checkbox"/>	<input type="checkbox"/>							
		<input type="checkbox"/>	<input type="checkbox"/>							
		<input type="checkbox"/>	<input type="checkbox"/>							
		<input type="checkbox"/>	<input type="checkbox"/>							
		<input type="checkbox"/>	<input type="checkbox"/>							

* Attach additional pages if needed.
 ** Categories are: 1-White, 2-Black/African American, 3-Asian, 4-American Indian/Alaskan Native, 5-Native Hawaiian/Other Pacific Islander, 6-American Indian/Alaskan Native & White, 7-Asian & White, 8-Black/African American & White, 9-American Indian/Alaskan Native & Black/African American, 10-Other Multi Racial, 11-Hispanic, 12-Non-Hispanic

Describe project accomplishments this quarter:
 Monitoring Visit held on January 14, 2025. No deficiencies were found. Prepared and sent Project Performance Hearing to newspaper. Held Clsое Out Hearing on February 11, 2025. Council approved Mayor signing close out documents.

Planned activities next quarter:
 n/a Project is complete.

Technical assistance needs:

QUARTERLY PROGRESS REPORT - PAGE 2

You must complete this page if you have a:

1. Community Improvement or Urgent Need grant and this is your **first** or **final** report
2. Economic Development grant
3. Attach housing log for housing projects

Complete for all circumstances listed above:

		Number of Beneficiaries	Number of LMI Beneficiaries
1.	Target	2,943	1,514
2.	Total to Date	2,943	1,514

	*	White	BAA	BAA/W	AI/AN	NH/PI	A	A/W	AI/AN/BAA	AI/AN/W	Other
1.	Total Beneficiaries	29,04	6	6	3	0	12	0	0	3	0
2.	Hispanic Beneficiaries	9	0	0	0	0	0	0	0	0	0

*BAA-Black African American; BAA/W-Black African American & White; AI/AN-American Indian or Alaskan Native; NH/PI-Native Hawaiian or Pacific Islander; A-Asian; A/W-Asian & White; AI/AN/BAA-American Indian or Alaskan Native & Black African American; AI/AN/W-American Indian or Alaskan Native & White

- | | |
|--|-------|
| 3. Total Number of Households Benefiting to Date | 1,142 |
| 4. Total Number of Female Heads of Households Benefiting | 276 |
| 5. Total Number of Disabled Persons Benefiting | 287 |

NOTE: Beneficiaries are to be reported cumulatively as they occur

Economic Development Grants only:

Proposed (FTE - Jobs Count)

	QTR 1	QTR 2	QTR 3	QTR 4	QTR 5	QTR 6	QTR 7	QTR 8
1. Total Jobs Retained _____								
2. Total LMI Jobs Retained _____								
3. Total Jobs Created _____								
4. Total LMI Jobs Created _____								
5. Total Jobs to be generated _____								

Accomplishments

	a. Planned this Quarter	b. Completed this Quarter	c. Completed to Date
6. Number of Jobs Retained			
7. Number of LMI Jobs Retained			
8. Number of Jobs Created			
9. Number of LMI Jobs Created			

10. Explain any variances from planned number of jobs:

CERTIFICATE OF COMPLETION

A. Name of Grant Recipient City of Osage City, Kansas	B. Grant Agreement Number 11-CR-002
---	---

C. Final Statement of Cost				
Program Activity Categories	To Be Completed By The Recipient			To Be Completed By CDBG
	Paid Costs (a)	Local Unpaid Costs (b)	Total Costs (c)	Approved Total Costs
1. Administration	17,000.00	0.00	17,000.00	
2. Architectural Design	44,325.00	0.00	44,325.00	
3. Inspection	3,800.00	0.00	3,800.00	
4. Building Construction	326,739.77	0.00	326,739.77	
5.				
6.				
7.				
8.				
9. Total Program Costs	391,864.77	0.00	391,864.77	
10. Less Other Funds Applied	141,864.77	0.00	141,864.77	
11. CDBG Grant Amount Applied	250,000.00	0.00	250,000.00	

D. Computation of Grant Balance		
	To Be Completed By The Recipient	To Be Completed By CDBG
12. Total Amount Applied (Line 11a)	250,000.00	
13. Estimated for Unsettled Third-Party Claims	0.00	
14. Subtotal (Line 11c)	250,000.00	
15. Grant Amount Per Agreement (from contract)	250,000.00	
16. Unutilized Grant to be Canceled (Line 15 less Line 14)	0.00	
17. Grant Funds Received	250,000.00	
18. Balance of Grant Payable (Refundable) (Line 14 less Line 17)*	0.00	

* If Line 17 exceeds Line 14, enter excess as a negative amount. This amount shall be repaid to the Department by check.

CERTIFICATE OF COMPLETION - PAGE 2

E. Unpaid Costs and Unsettled Third-Party Claims (Local Only)

List amounts and describe circumstances

n/a

Check if continued on additional sheet and attach

F. Remarks

n/a

Check if continued on additional sheet and attach

G. Certification of Recipient

It is hereby certified that all activities undertaken by the recipient with funds provided under the Grant Agreement identified as Item B above have, to the best of my knowledge, been carried out in accordance with the Grant Agreement; that proper provision had been made by the recipient for payment of all unpaid costs and unsettled third-party claims identified in Item E above; that the Department, the State of Kansas, and the United States of America are under no obligation to make any further payment to the recipient under the Grant Agreement in excess of the amount identified on Line 18 above; and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date.

2-11-2025

Date

Signature of Chief Elected Official

Brian Stromgren, Mayor

Typed Name and Title

H. Department Approval

This Certificate of Completion is hereby approved. Therefore, I authorize cancellation of the unutilized contract agreement and related funds reservation and obligations _____ (line 16 above).

Date

Signature for CDBG Program

Typed Name

Osage City, Kansas
 CDBG Project No. 22-CR-002

Employee Restitution

Name of Contractor or Subcontractor	Name of Affected Employee(s)	Amount of Restitution Paid to Employee	Nature of Violation Leading to Restitution
Evergreen Design Build	Brian Smiley	\$331.87	Used wrong pay amount
Evergreen Design Build	Taylor J. Redelfs	\$28.77	Used wrong pay amount
Evergreen Design Build	Hugo Magana	\$113.25	Used wrong pay amount
Evergreen Design Build	Darrin T. Lowry	\$123.86	Used wrong pay amount
Evergreen Design Build	Jermome W. Ferguson	\$246.98	Used wrong pay amount
Evergreen Design Build	Trey J. Templeton	\$31.50	Used wrong pay amount
Subtotal		\$876.23	
Lewis Street Glass	Jose Martinez	\$43.44	Used wrong pay amount
Lewis Street Glass	Cort Ryalls	\$156.52	Used wrong pay amount
Subtotal		\$199.96	
Total Gross Restituion prior to taxes, etc.		\$1,076.19	

Safe Harbor Compliance Form
Form E

Additional reporting if Section 3 benchmarks are not met. If the recipient's reporting under paragraph (a) of this section indicates that the recipient has not met the Section 3 benchmarks described in § 75.23, the recipient must report in a form prescribed by HUD on the qualitative nature of its activities and those its contractors and subcontractors pursued. Such qualitative efforts may, for example, include but are not limited to the following:

- Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
- Provided training or apprenticeship opportunities.
- Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
- Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
- Held one or more job fairs.
- Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care).
- Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- Assisted Section 3 workers to obtain financial literacy training and/or coaching.
- Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
- Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
- Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
- Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

Other: _____

Justin Mallon Owner Justin Mallon 2-8-2023
Business Owner or Designee Name (Print) Signature Date

Section 3 Labor Hours Tracking Form

Labor Hours Totals for All Companies

Company Name	Total Labor Hours	Section 3 Worker Hours		Targeted Section 3 Worker Hours	
		Number	Percentage	Number	Percentage
Company 1 Lewis Street Glass	36	0	0.0%	0	0.0%
Company 2 Evergreen Design Build LLC page 1	927	0	0.0%	0	0.0%
Company 3 Evergreen Design Build LLC page 2	173	0	0.0%	0	0.0%
Company 4	0	0	0.0%	0	0.0%
Company 5	0	0	0.0%	0	0.0%
Company 6	0	0	0.0%	0	0.0%
Company 7	0	0	0.0%	0	0.0%
Company 8	0	0	0.0%	0	0.0%
Company 9	0	0	0.0%	0	0.0%
Company 10	0	0	0.0%	0	0.0%
Total	1,136	0	0.0%	0	0.0%

Instructions

This form should be used for tracking Total labor hours, Section 3 labor hours, Targeted Section 3 labor hours worked for CDBG construction projects that meet the requirements for Section 3 eligibility. These requirements can be found in the CDBG Manual. The labor hours worked by employees of each company on the project will be listed in a separate tab/worksheet.

One for each company, the hours worked for each week where labor is performed should be included. No-work weeks are not necessary to be included. On the table enter the payroll number associated with that week of work in the row labeled "Payroll #". Each employee for the company who works in the project should be listed, and his/her weekly hours included under the column with the associated payroll number. Non-Section 3 worker hours may be combined for each payroll; simply enter "Non-Section 3 Workers" under the Employee Name. Employees who are listed should be marked "Yes" or "No" as being a Section 3 or Targeted Section 3 worker.

The Total labor hours, Section 3 labor hours, Targeted Section 3 labor hours worked will be automatically calculated and will be shown on this worksheet. If more than 10 companies are on the project, start a second workbook with the additional companies.

Section 3 Labor Hours Tracking Form

Total Labor Hours	Number	Percentage
Section 3 Worker Hours	936.77	0.0%
Target Section 3 Worker Hours	0	0.0%

Company: Evergreen Design Build LLC page 1

Notes
 All non-Section 3 worker labor hours for each company can be aggregated using "Non-Section 3 Workers" for the worker name. All Section 3 and Targeted Section 3 workers must be listed individually by name.

Only list the payroll numbers for weeks where work occurred. Do not include "no work" payrolls.

Worker Name	Section 3	Targeted Section 3	Hours / Work Week																	Total Hours				
			Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8	Wk 9	Wk 10	Wk 11	Wk 12	Wk 13	Wk 14	Wk 15	Wk 16	Wk 17		Wk 18	Wk 19	Wk 20	
Payroll #:	5/4/2024	5/11/2024	5/18/2024	5/25/2024	6/1/2024	6/8/2024	6/15/2024	6/22/2024	6/29/2024	7/6/2024	7/13/2024	7/20/2024	7/27/2024	8/3/2024	8/10/2024	8/17/2024	8/24/2024	8/31/2024	9/7/2024	9/14/2024	9/21/2024	9/28/2024		
Darrin Lowry			2.5	10.32	41.5	46.41	22.99	5.72	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	179.44
Luko Phillips			2.5	10.35	36.71	45.05	5.71	5.71	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20.62
Taylor Redels			0	0	13.46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	105.95
Jerome Ferguson			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20.62
Hugo Masano			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	154.42
Daniel Neill			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	204.49
Byron Smiley			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	163.86
Trey Templeton			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20.59
Humberto Ramirez			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3.45
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0
																								0

CITY OF OSAGE CITY

REQUEST FOR CITY COUNCIL ACTION

DATE
02/11/2025

TIME
7:00 P.M.

AGENDA SECTION NO: III	ORIGINATING DEPARTMENT: Administration	APPROVED FOR AGENDA:
ITEM NO. 3	BY: Katie Hodge, City Manager	BY: KH

ITEM:

Contract renewal approval with the KMEA and GRDA

BACKGROUND:

The City of Osage has partnered with KMEA and GRDA for energy under the following contract since 2005. Under the current contract, the City of Osage City is receiving 2.75 MW of energy. For the renewal contract the City of Osage City will reduce the energy needed from 2.75 MW to 1.75 MW. KMEA representatives have reviewed the City's energy needs, along with our energy consultant, Greg Wright, and they have recommended a reduction due to our recent addition of the solar field north of Osage City in combination with our other contracted energy resources.

The appendix A purchase power and sale agreement is noted as a "draft" on it because not all the other partner cities in this agreement have finalized their energy allocations.

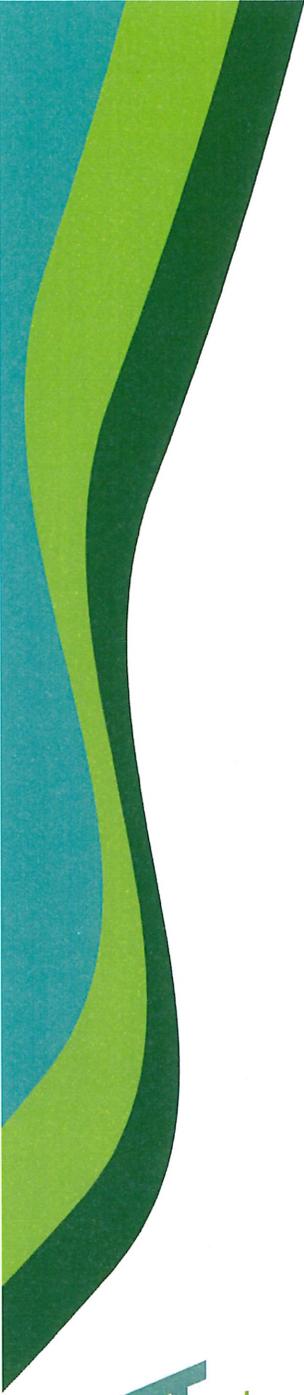
FISCAL NOTE:

COUNCIL ACTION:

1. Approve Resolution No. 1131 authorizing the power purchase agreement for the Grand River Dam Authority between the City of Osage City and the Kansas Municipal Energy Agency
2. Reject Resolution No. 1131 authorizing the power purchase agreement for the Grand River Dam Authority between the City of Osage City and the Kansas Municipal Energy Agency
3. Table for a discussion later
4. Authorize the Mayor to sign the purchase power agreement on behalf of the City of Osage City

MOTION:

1. I move that we approve Resolution No. 1131 authoring the execution of the power purchase agreement (Grand River Dam Authority Power Supply Project No. 2) between the City of Osage City, Kansas and the Kansas Municipal Energy Agency; and making certain covenants and agreements to provide for the payment and security and authorizing certain documents and actions in connection.
2. I move that we authorize the mayor to sign the purchase power agreement



Osage City, KS

Current & Future Power Supply Options

May 2, 2024



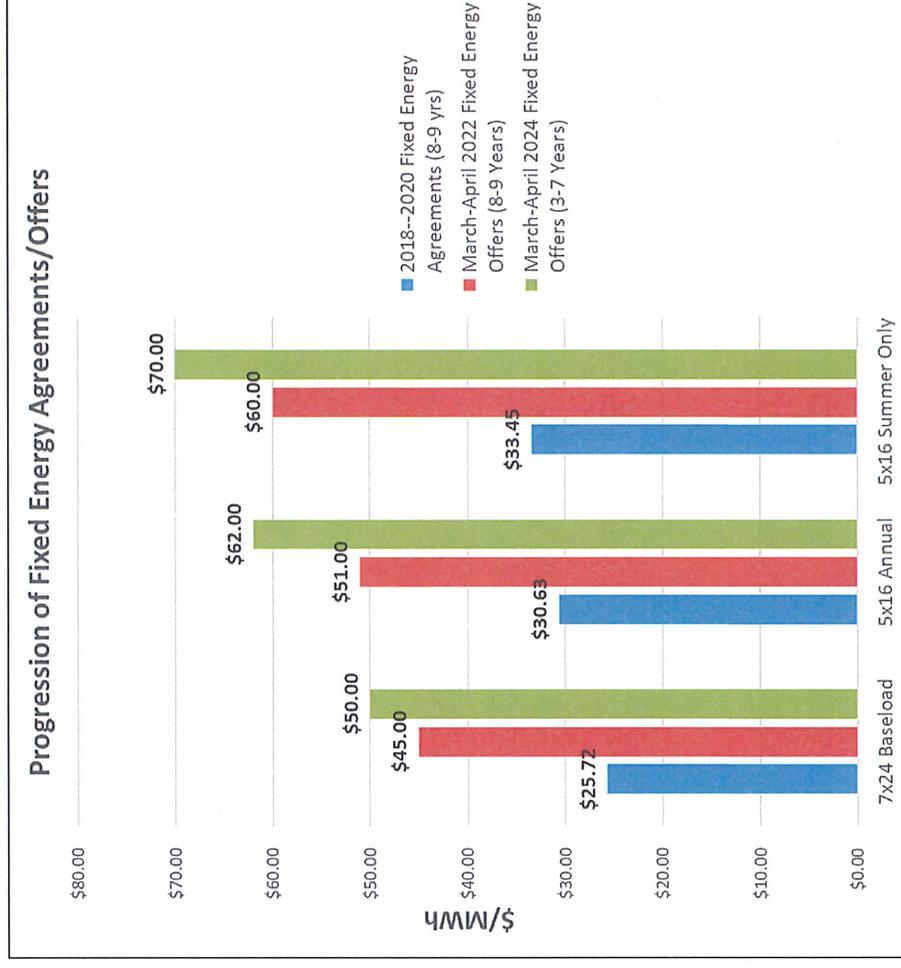
City of Osage City 2023 Load Duration Curve (LDC)

Osage City 2023 Load Duration Curve with Existing Resources
(~970 MWhs or ~3% oversubscribed certain hours with fixed price resources)



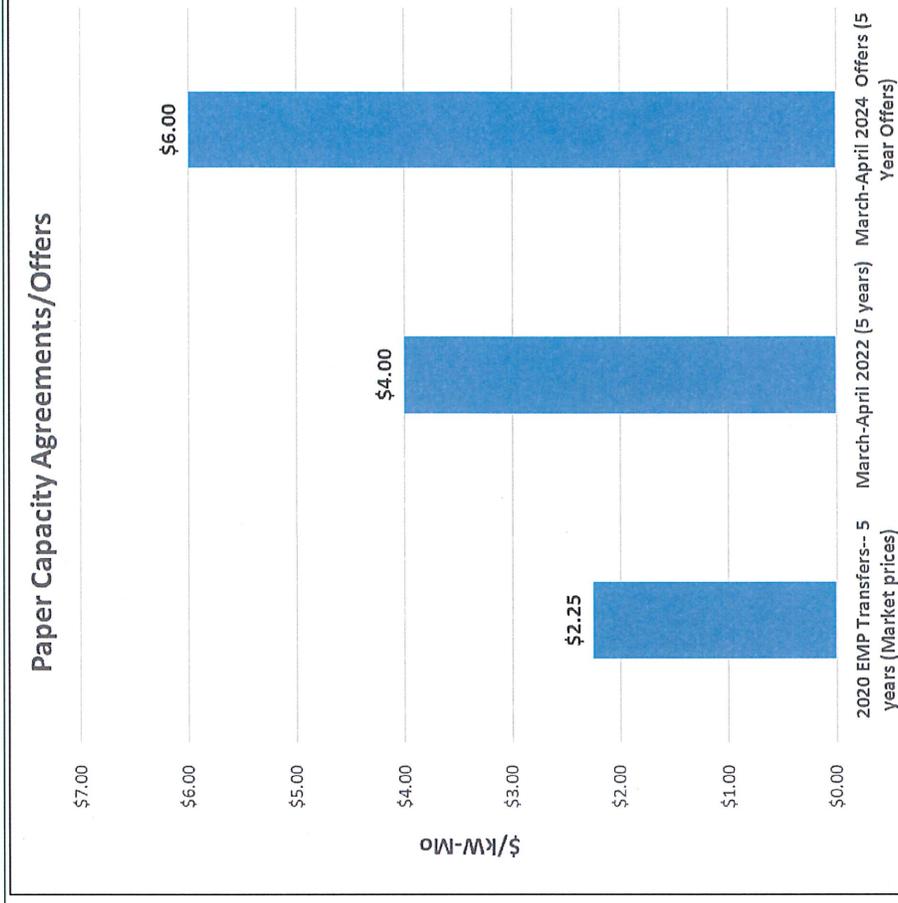
Fixed Energy Market—Historical & Future

- Natural gas is currently trading at ~\$2/MMBtu in the near term and \$3-5/MMBtu over the next 10 year forecasts. That “should” translate into favorable long-term energy pricing.
- Unfortunately, it hasn’t translated yet and offers continue to trend upward with no relief in sight.
- The uncertainty with natural gas pricing (the pricing spikes), coal retirement, energy policies, load growth, and other drivers have caused marketers and utilities to include large risk premiums in their energy offers.



Capacity Market—Historical & Future

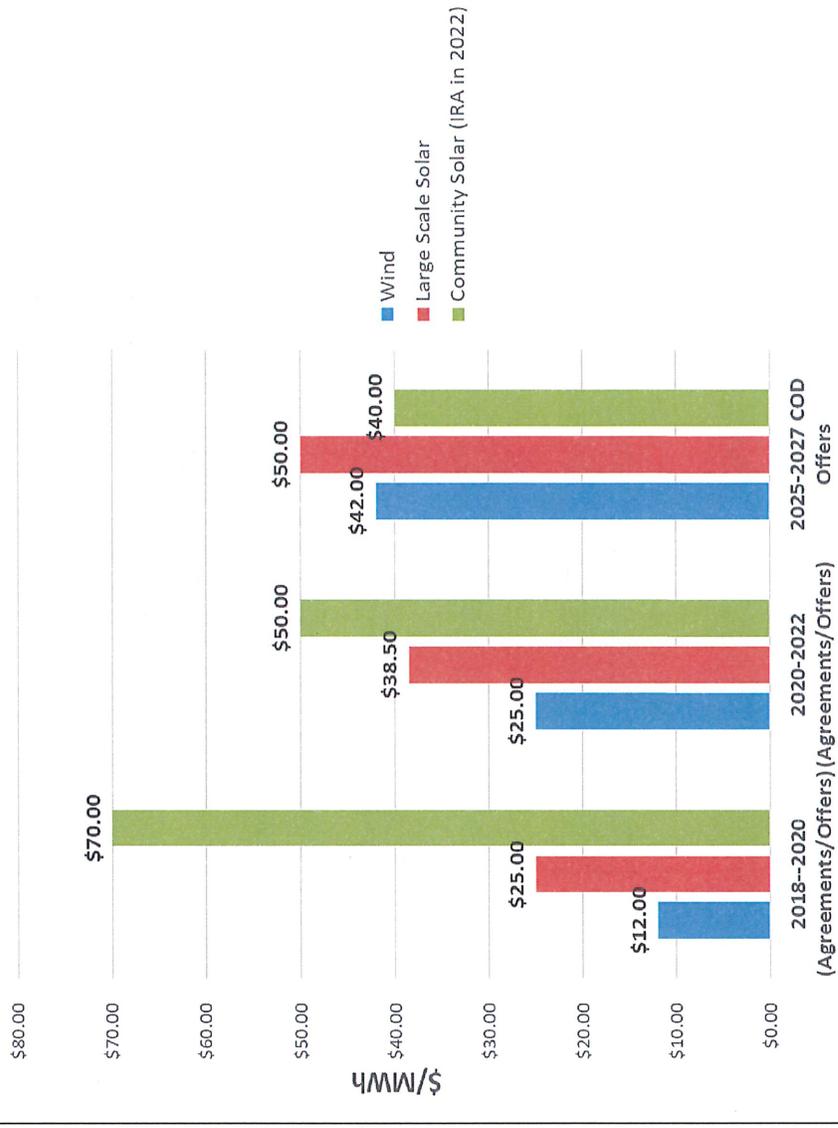
- The excess “paper” capacity market is becoming more scarce too—due to thermal retirements, increased regulations, SPP Changes (planning reserve margins, fuel assurance requirements and performance-based accreditation rules)
- Many SPP utilities will be “short” or “just meeting” the new SPP capacity requirements
- Others SPP entities that may be “long” are waiting until the dust settles at SPP/FERC for 2026 changes before committing beyond 2026.



Renewables—Historical & Future

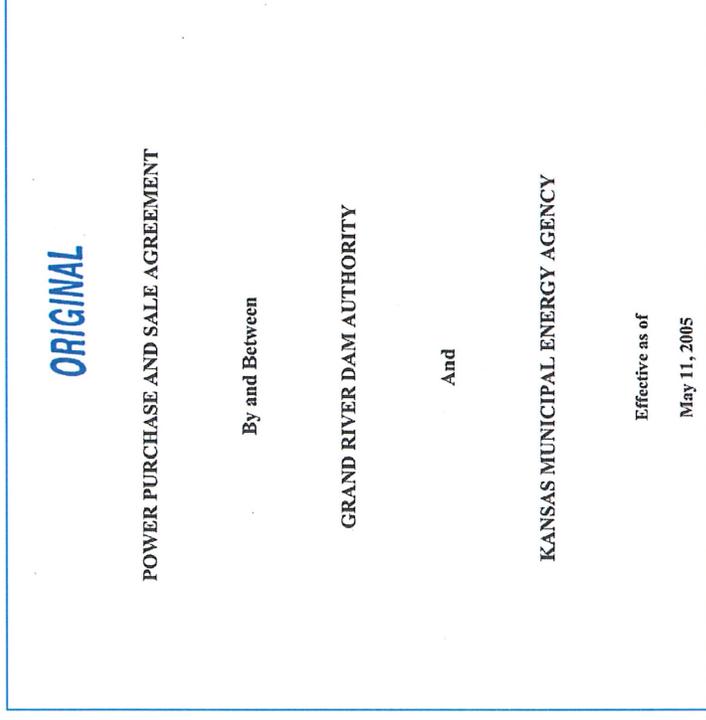
- [2025/2026 Wind Projects](#)—20 year PPA offers in the low \$40/MWh.
- [2027 Large Scale Solar](#)—20 year PPA offers from \$50-\$65/MWh.
- [2025/2026 Community Solar](#)—~\$40-\$50/MWh (ownership/PPA)

Progression of Renewable Agreements/Offers



GRDA Contract Extension Option

- GRDA is willing to extend existing agreement with same terms
- Currently in the process of construction of new gas generation project
- Thereby requiring 25-year Term
- Lowest cost option for baseload needs
- Need to know indication of interest level by June 1

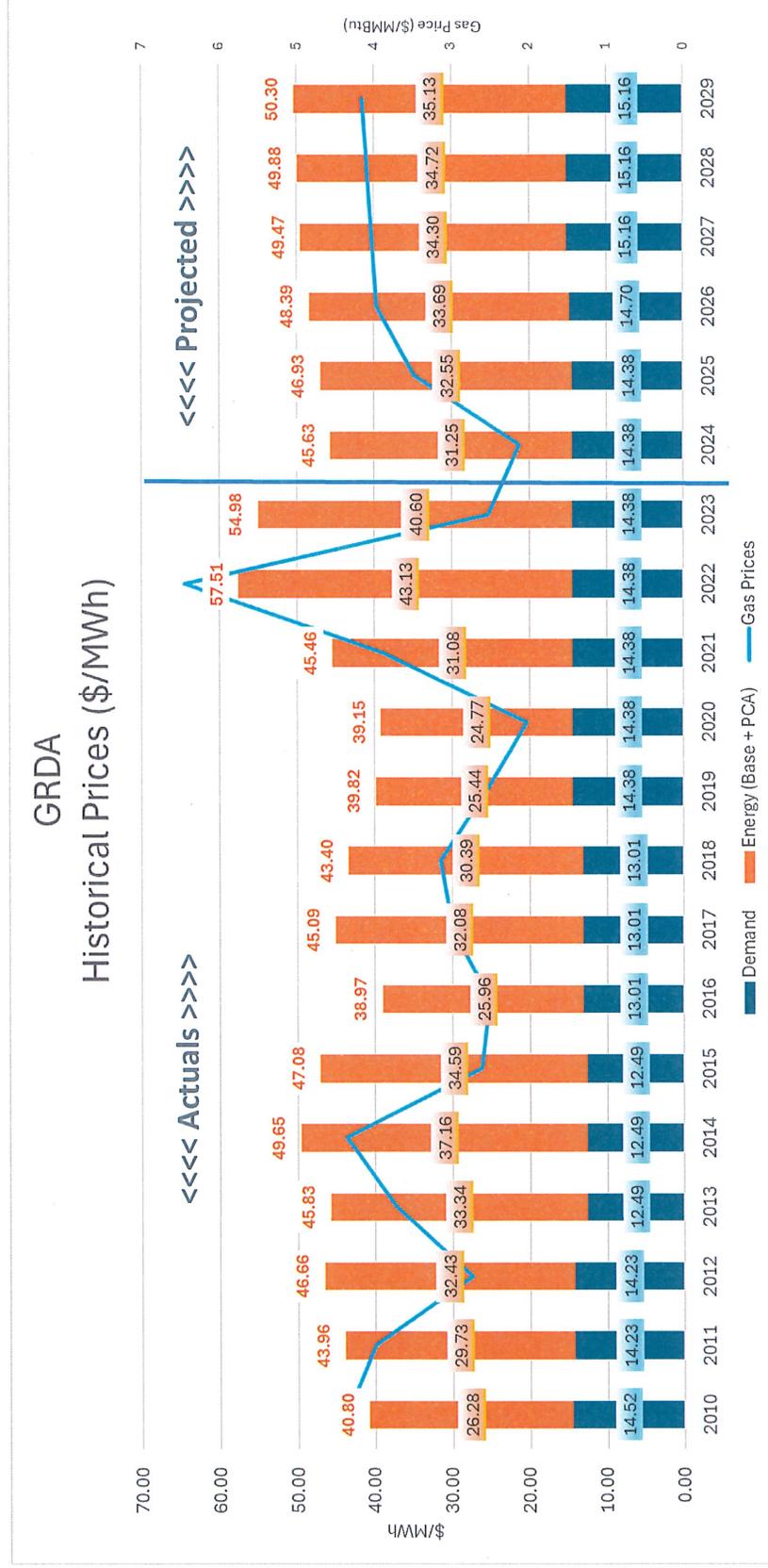


GRDA Rates

- GRDA just completed a Cost-of-Service/Rate Study performed by Outside Consultant (Guernsey)
- Designed to fund construction of new gas generation unit (GREC 4)
- GRDA Board to consider rate changes at their April 10th meeting

GRDA Proposed Action on Rates				
	Current	Effective 10/1/2024	Effective 10/1/2025	Effective 10/1/2026
Basic Charge (\$/mo.)	\$2,000	\$2,000	\$2,040	\$2,100
Capacity (\$/kW-Mo)	\$10.50	\$10.50	\$10.73	\$11.07
Energy (\$/kWh)				
- On Peak	\$0.01002	\$0.01002	\$0.01024	\$0.01056
- Off Peak	\$0.00341	\$0.00341	\$0.00348	\$0.00359
* No changes to the PCA calculation				
Percent Increase		0.00%	2.15%	3.15%

GRDA Historical Rates & Future Projections

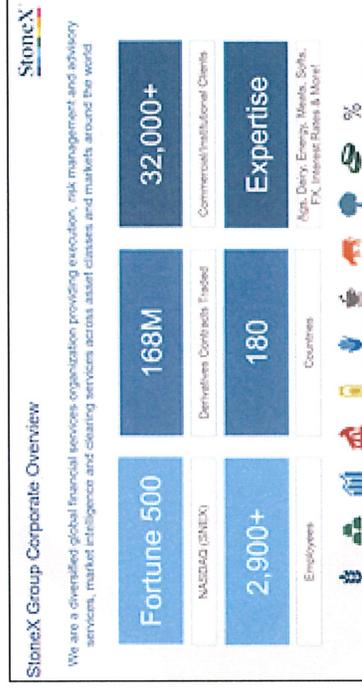


*Since start of SPP Day 2 in 2013—GRDA, on avg., has injected ~\$3-5/MWh higher than EMP load price



GRDA Gas Hedging Strategy and StoneX Partnership

- In 2021, after Winter Storm Uri, GRDA partnered with StoneX (Fortune 500 Company) to refine GRDA's existing policies, procedures, and hedging strategies.



- By 2026, GRDA is phasing out of coal completely.

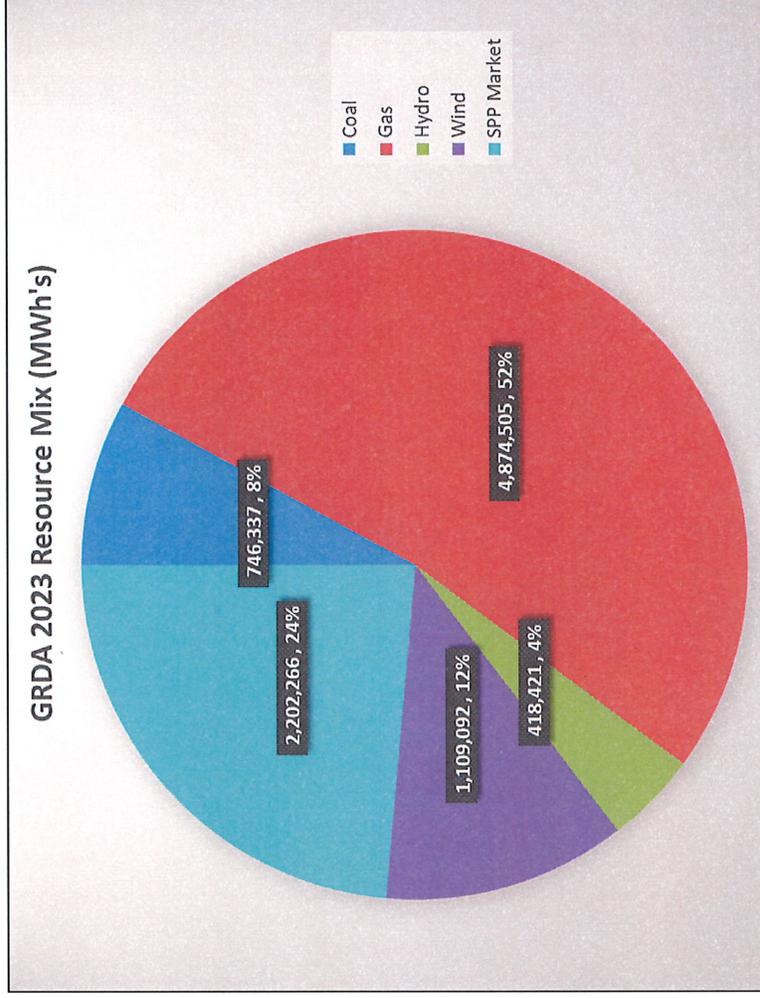


- Per GRDA's risk policy, they have hedging matrix that looks out 60 months.

Months	Minimum Hedge Level	Intermediate Hedge Level	Maximum Hedge Level
1-6	30%	60%	90%
7-12	25%	50%	80%
13-18	20%	45%	70%
19-24	15%	40%	60%
25-30	10%	30%	50%
31-36	5%	20%	40%
37-42	0%	15%	30%
43-48	0%	10%	30%
49-54	0%	5%	30%
55-60	0%	3%	30%

GRDA Characteristics

- **Advantages:**
 - Cost-based, “system” baseload product
 - 100% Available
 - Diversified Generation Mix
 - Gas, Wind, Solar, Hydro, SPP Market
 - 25 year capacity and energy agreement
 - Have transmission rollover rights for existing GRDA Cities
 - Capacity comes with reserves (15% today)
 - i.e., 3 MW allocation= 3.45 MW
 - GRDA implemented a more robust gas hedging strategy in 2021.
 - Ability to Reduce Capacity level in non-summer months
 - Weighted avg. of annual capacity charge is reduced with this ability to ramp down in 8 non-summer months.
 - **Effective price = \$7.95/kW-Mo**
- **Disadvantages:**
 - Subject to rate changes as needed
 - Majority of portfolio is linked to natural gas pricing



KMEA Recommendation for GRDA

- With all the uncertainty in the foreseeable future in the energy sector, KMEA is recommending that our Members contract for approximately 1/3 of your annual load requirements.
 - KMEA is big proponent in diversity of product type, terms, and fuel type. We believe this product solves a portion of your long-term baseload needs to help stabilize rates for your customer base.
- For the City of **Osage City**, an allocation to represent 1/3 would be an allocation of ~1.75 MW. Osage City currently has a 2.75 MW allocation.
 - KMEA modeled a 1.75 MW GRDA extension for cost estimates. We can easily adjust to whatever the City desires.

Osage City 2024-2029 - Capacity Position w/GRDA Extension

Description - Capacity Requirement	2023 Actuals	2024	2025	2026	2027	2028	2029
<i>Peak Demand</i>	9.06	9.19	9.33	9.47	9.61	9.76	9.91
Capacity Reserve Margin	0.83	0.85	0.87	1.11	1.14	1.16	1.18
Capacity - System Requirement	9.89	10.05	10.21	10.59	10.75	10.92	11.09
Installed							
1 Non-Rice	0.74	0.74	0.74	0.59	0.47	0.38	0.30
2 Non-Rice	0.98	0.98	0.98	0.88	0.88	0.88	0.88
IC3 Non-Rice	1.77	1.77	1.77	1.42	1.13	0.91	0.73
4 Non-Rice	1.60	1.60	1.60	1.28	1.03	0.82	0.66
5 Non-Rice	1.65	1.65	1.65	1.48	1.48	1.48	1.48
IC6 Non-Rice	0.78	0.78	0.78	0.62	0.50	0.40	0.32
7 Non-Rice	1.37	1.37	1.37	1.23	1.23	1.23	1.23
<i>Community Solar</i>	1.75	1.75	0.79	0.71	0.71	0.71	0.71
Capacity - Internal Generation	8.88	8.88	9.67	8.22	7.43	6.81	6.31
Allocation							
WAPA	0.76	0.76	0.76	0.76	0.76	0.76	0.76
GRDA	2.75	2.75	2.75	*			
GRDA (Proposed- 2026)	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Capacity - Firm Purchases with Reserves	3.51	3.51	3.51	2.51	2.51	2.51	2.51
Contracted							
Buckeye Wind	0.50	0.15	0.15	0.13	0.13	0.13	0.13
Large Scale Solar (Proposed- 2027)	1.5	(1.00)	(1.00)		0.61	0.61	0.61
Paper Capacity (Sale/Purchase)	(3.79)	(0.86)	(0.86)	0.13	0.08	0.87	1.54
Capacity - Firm Purchases without Reserves	(3.65)	(0.86)	(0.86)	0.13	0.81	1.61	2.28
Contracted							
Total Accredited Capacity	8.74	11.54	12.32	10.85	10.75	10.92	11.09
Net Generating Capacity	(1.15)	1.49	2.12	0.26	0.00	0.00	0.00



Osage City 2024-2029 -- Total Capacity \$ by Resource

Description - Capacity Requirement	2023 Actuals		2024		2025		2026		2027		2028		2029	
	Extended	Extended												
Peak Demand														
Capacity Reserve Margin														
Capacity - System Requirement														
	Installed													
1	Non-Rice	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
2	Non-Rice	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
IC3	Non-Rice	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
4	Non-Rice	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
5	Non-Rice	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
IC6	Non-Rice	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
7	Non-Rice	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
	<i>Community Solar</i>	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
	<i>In Process</i>	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
	<i>1.75</i>	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Capacity - Internal Generation														
	Allocation													
	<i>WAPA</i>	\$	39,897	\$	40,495	\$	41,103	\$	41,719	\$	42,345	\$	42,980	\$
	<i>GRDA</i>	\$	305,762	\$	293,773	\$	298,180	\$	124,242	\$	195,486	\$	198,418	\$
	<i>GRDA</i>	\$		\$		\$		\$	112,348	\$	237,831	\$	241,399	\$
	(Proposed- 2026)	\$		\$		\$		\$		\$		\$		\$
Capacity - Firm Purchases with Reserves														
	Contracted													
	<i>Buckeye Wind</i>	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
	<i>Large Scale Solar</i>	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
	<i>(Proposed- 2027)</i>	\$		\$		\$		\$		\$		\$		\$
	Paper Capacity (Sale/Purchase)	\$	(102,411)	\$	(27,000)	\$	(27,000)	\$	(27,000)	\$	4,782	\$	52,375	\$
	Reserves	\$	(102,411)	\$	(27,000)	\$	(27,000)	\$	(27,000)	\$	4,782	\$	52,375	\$
Capacity - Firm Purchases without Reserves														
	Contracted													
	Total Accredited Capacity	\$	243,248	\$	307,269	\$	312,283	\$	278,309	\$	242,613	\$	293,774	\$
	Net Generating Capacity													



Osage City 2024-2029 -- Total Energy by Resource (MWhs)

Description - Energy Requirement	2023 Actuals	2024	2025	2026	2027	2028	2029
<i>City Energy - Load</i>	35,233	35,522	35,767	36,005	36,243	36,484	36,726
Energy Increases	0	0	0	0	0	0	0
Energy - System Requirement	35,233	35,522	35,767	36,005	36,243	36,484	36,726
Installed							
1	4	4	4	4	4	4	4
2	5	5	5	5	5	5	5
IC3	9	9	9	9	9	9	9
4	8	8	8	8	8	8	8
5	8	8	8	8	8	8	8
IC6	4	4	4	4	4	4	4
7	7	7	7	7	7	7	7
<i>Community Solar</i>			3,833	3,833	3,833	3,833	3,833
<i>In Process</i>							
Energy - Internal Generation	44	44	3,877	3,877	3,877	3,877	3,877
Allocation							
<i>WAPA</i>	2,434	2,434	2,434	2,434	2,434	2,434	2,434
<i>GRDA</i>	2,105	2,003	2,003	834	834	834	834
<i>GRDA (Proposed-2026)</i>				743	1,274	1,274	1,274
Energy - Firm Purchases with Reserves	23,485	22,465	22,465	18,216	15,181	15,181	15,181
Contracted							
<i>Buckeye Wind</i>	1,787	1,787	1,787	1,787	1,787	1,787	1,787
<i>Large Scale Solar (Proposed-2027)</i>							
Energy - Firm Purchases without Reserves	1,787	1,787	1,787	1,787	5,203	5,203	5,203
Contracted							
<i>NEPM</i>	6,570	6,570	6,570	6,570	6,570	6,570	6,570
<i>SPP JM</i>	3,346	4,653	1,068	5,554	5,412	12,222	12,464
Energy Only - No Capacity Attributes	9,916.17	11,225.39	7,638.26	12,124.50	11,981.91	12,222.30	12,464.29
Total Energy	35,232.81	35,522.03	35,767.41	36,004.64	36,243.45	36,483.85	36,725.83



Osage City 2024-2029 — Total Energy \$ by Resource

Description - Energy Requirement		2023 Actuals	2024	2025	2026	2027	2028	2029
City Energy - Load Energy Increases		Energy Costs - Extended						
Energy - System Requirement		741	741	741	741	741	741	741
1	Installed	\$	\$	\$	\$	\$	\$	\$
2	0.7	975	975	975	975	975	975	975
IC3	1.0	1,771	1,771	1,771	1,771	1,771	1,771	1,771
4	1.8	1,603	1,603	1,603	1,603	1,603	1,603	1,603
5	1.6	1,648	1,648	1,648	1,648	1,648	1,648	1,648
IC6	1.6	775	775	775	775	775	775	775
7	0.8	1,371	1,371	1,371	1,371	1,371	1,371	1,371
	1.4							
	<i>Community Solar</i>							
	<i>In Process</i>							
	1.75							
		\$ 8,884	\$ 8,884	\$ 210,788	\$ 210,788	\$ 210,788	\$ 210,788	\$ 210,788
		\$	\$	\$	\$	\$	\$	\$
	Energy - Internal Generation							
	Allocation							
	WAPA	\$ 44,571	\$ 45,239	\$ 45,918	\$ 46,607	\$ 47,306	\$ 48,015	\$ 48,735
	GRDA	\$ 854,671	\$ 625,969	\$ 652,009	\$ 281,185	\$ -	\$ -	\$ -
	GRDA	\$ -	\$ -	\$ -	\$ 250,510	\$ 437,222	\$ 442,576	\$ 447,802
	(Proposed- 2026)							
	1.75							
	Energy - Firm Purchases with Reserves	\$ 899,241	\$ 671,208	\$ 697,927	\$ 578,302	\$ 484,528	\$ 490,591	\$ 496,538
	Contracted							
	Buckeye Wind	\$ 21,146	\$ 21,463	\$ 21,785	\$ 22,111	\$ 22,443	\$ 22,780	\$ 23,121
	Large Scale Solar	\$ -	\$ -	\$ -	\$ -	\$ 187,902	\$ 187,902	\$ 187,902
	(Proposed- 2027)							
	1.5							
	Energy - Firm Purchases without Reserves	\$ 21,146	\$ 21,463	\$ 21,785	\$ 22,111	\$ 210,345	\$ 210,682	\$ 211,023
	Contracted							
	NEPM	\$ 168,517	\$ 168,521	\$ 168,521	\$ 168,521	\$ 168,521	\$ -	\$ -
	SPP IM	\$ 50,192	\$ 116,385	\$ 32,048	\$ 180,521	\$ 178,525	\$ 409,231	\$ 423,593
	ATC 2018 - 12/31/2027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	6389	\$ 218,710	\$ 284,905	\$ 200,568	\$ 349,042	\$ 347,046	\$ 409,231	\$ 423,593
	Energy Only - No Capacity Attributes							
	Total Energy	\$ 1,147,981	\$ 986,460	\$ 1,139,951	\$ 1,169,127	\$ 1,261,590	\$ 1,330,175	\$ 1,350,826

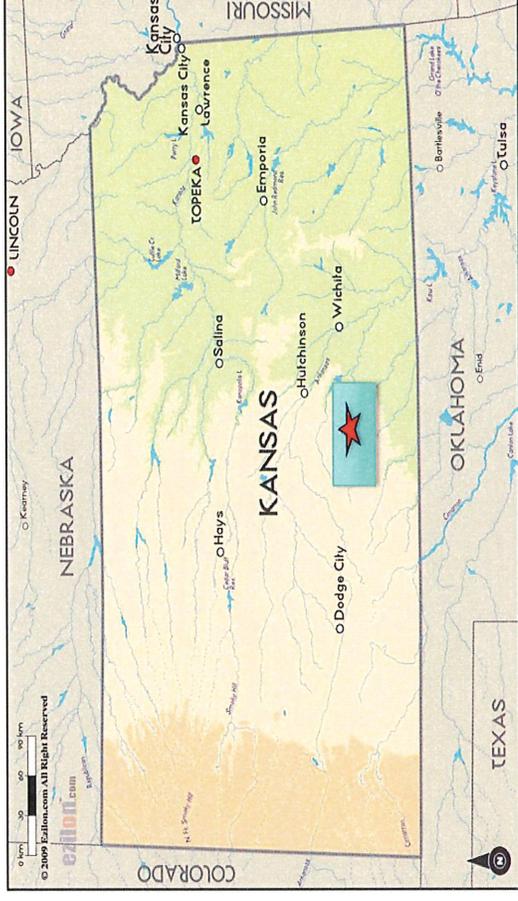


NextEra Large Scale Solar Project



Project Summary

- **Location:** Pratt County, KS—about 70 miles west of Wichita
- **Nameplate:** 200 MW
- **Technology:** Single-axis tracker
- **Anticipated COD:** December 31, 2026
- **GIA:** Nearly complete
- **POI:** Buffalo Flats 345 KV via existing gen-tie from NextEra’s Ninnescah Wind
- **PPA price:**
 - 20 year fixed at \$49.87/MWh



NextEra Large Scale Solar Project

- KMEA staff believes that a large scale solar project will cover several long-term needs for our Members:
 - Provides fixed, long-term pricing during on-peak hours—hours which have been historically the highest.
 - The capacity (~50% of nameplate) comes with the PPA price at no additional cost.
 - For Members that have GRDA, this project would cover a portion of your on-peak hours and enable more purchasing from the off-peak market—hours which have historically been the lowest with all the installed wind in SPP.
 - If the project is down for maintenance for an extended period of time, you won't pay for the energy/debt service under a PPA structure.

	2023	2026	2028
20 Year Fixed PPA (\$/MWh)	\$49.87	\$49.87	\$49.87
Paper Capacity (\$/kW-Mo)	\$2.25	\$5.00	\$6.00
\$/MWh--(Net of Capacity)	\$ 43.99	\$ 36.80	\$ 34.18

Community Solar

- Visible in the community
- No congestion, price risk
- Price is comparable to large scale with the 50-60% community tax incentives (i.e. 2022 IRA bill)
- Same capacity accreditation as large scale—about 50% of nameplate

(PPA vs. Ownership):

PPA—O&M, insurance, replacement costs is covered in the PPA price

Ownership—City is responsible for the O&M, debt service, replacement/warranty issues
KMEEA Financing

KMEEA will assume all debt and bill city for all cost associated with the project

City can work directly with developer of choice; KMEEA can provide preferred developer list;
KMEEA can aid with RFP/RFQ and contract review.



Elective Pay Incentives

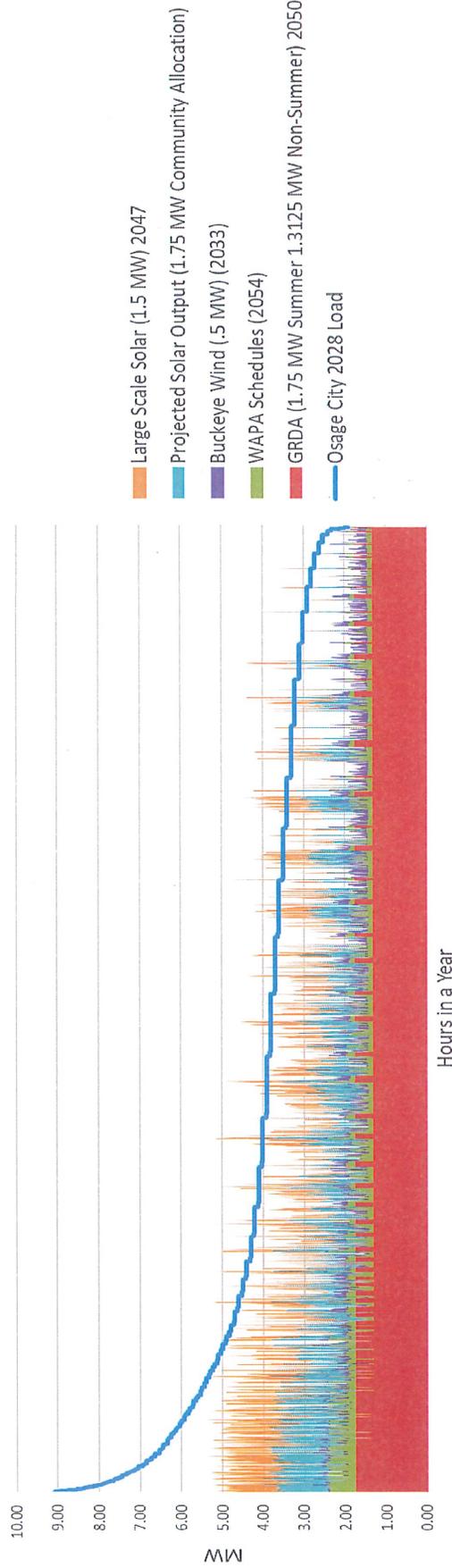
- 30% Base
- 10% Low Moderate Income (Must Apply)
- 10% Energy Community
- 10% Domestic Content
- 10% (Qualified Benefit Program)

Site Details

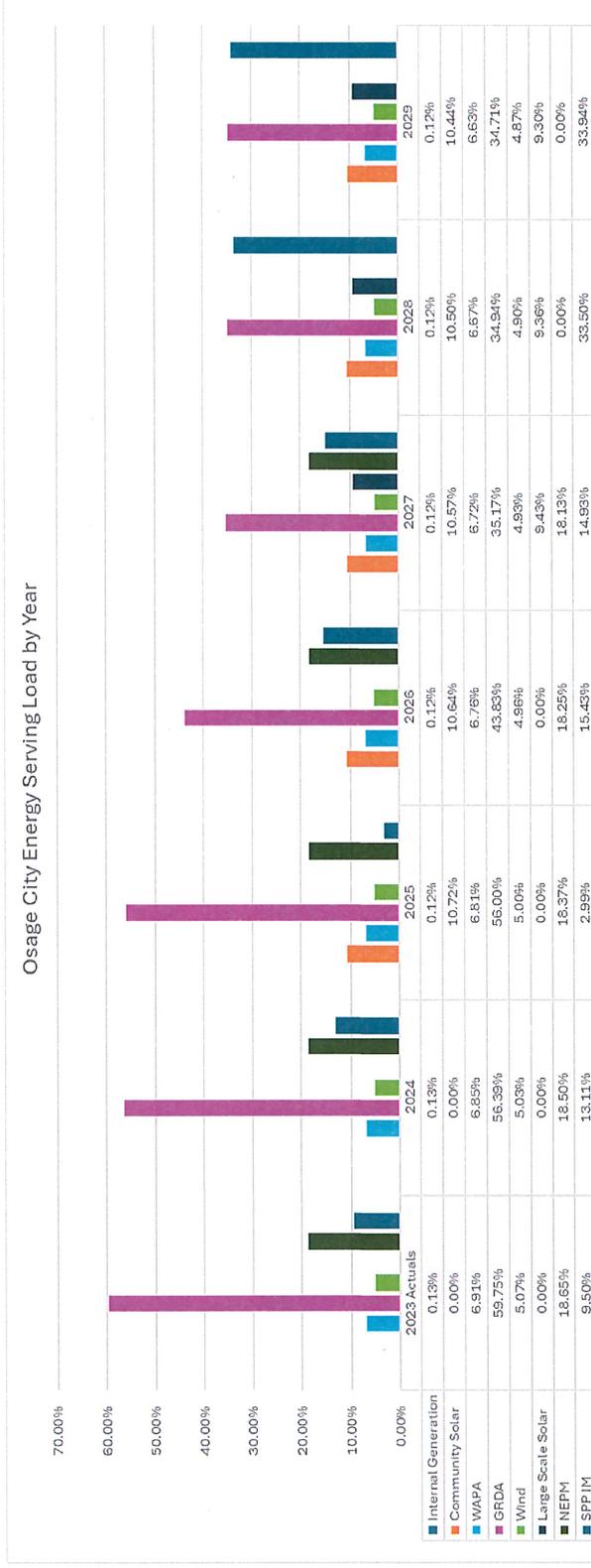
- 5-7 Acres Per Megawatt
- Interconnection directly into city distribution system

Osage—2028 Possible LDC with GRDA 1.75 MW & Comm. & Large Scale Solar

Osage City 2028 Possible LDC with 1.75 MW GRDA, Community Solar 1.75 MW Large Scale Solar 1.5 MW, WAPA and Buckeye Wind (~370 MWhs or ~1% oversubscribed certain hours with fixed price resources)



Osage City—Energy Serving Load by Year & “All in” Forecast



	2023 Actuals	2024	2025	2026	2027	2028	2029
Total Capacity Costs	\$ 243,248	\$ 307,269	\$ 312,283	\$ 278,309	\$ 242,613	\$ 293,774	\$ 337,628
Total Energy	\$ 1,147,981	\$ 986,460	\$ 1,139,951	\$ 1,169,127	\$ 1,261,590	\$ 1,330,175	\$ 1,350,826
Transmission	\$ 495,952	\$ 619,940	\$ 650,937	\$ 683,484	\$ 717,658	\$ 753,541	\$ 791,218
Administrative	\$ 92,000	\$ 93,380	\$ 94,781	\$ 96,202	\$ 97,645	\$ 99,110	\$ 100,597
Load	35,233	35,522	35,767	36,005	36,243	36,484	36,726
\$/KWhr	\$ 0.0562	\$ 0.0565	\$ 0.0615	\$ 0.0619	\$ 0.0640	\$ 0.0679	\$ 0.0703

Questions?



Osage City Electric Purchases

2025 Projected Osage City Power Supply Mix	MWhs	Percentages
Internal Generation	45	0.13%
GRDA (2.75 MW, 2.06 MW) thru 2026	20,068	57%
WAPA (.749 MW) thru 2054	2,422	7%
Buckeye Wind (.5 MW) thru 2033	1,882	5%
Community Solar (1.75 MW) thru 2055	3,489	10%
NextEra (7x24) fixed energy thru 2027	6,571	19%
SPP Market Energy	761	2%
Totals	35,237	100%

2028 Projected Osage City Power Supply Mix	MWhs	Percentages
Internal Generation	42	0.12%
GRDA (1.75 MW, 1.31 MW) thru 2051	12,780	36%
WAPA (.749 MW) thru 2054	2,422	7%
Buckeye Wind (.5 MW) thru 2033	1,882	5%
Community Solar (1.75 MW) thru 2055	3,489	10%
SPP Market Energy	14,622	41%
Totals	35,237	100%

KMEA

When staff considered installing our solar field, they felt it would help replace GRDA. However, due to weather and other events and talking to KMEA and Greg Wright from Priority Power, they think we must stay diverse in product type, terms, and fuel type.

The internal generation is low only because it has not been required and is not expected to not needing to run, and does not go toward our total capacity requirements of the city (not included in these charts) but if the SPP market trends a lot higher for whatever reason, or one of these resources become unavailable for some reason, then the percentage of MWhs covered by internal generation could go up to offset the decrease from these other resources. It serves as a “backstop” to the other resources.

Greg recommendations is to proceed with the GRDA extension at the lower level.

We received 2.75 MW from GRDA, which will be reduced to 1.75 MW beginning in April 2026. This contract for GRDA will expire in 2051.

RESOLUTION NO. 1131

A RESOLUTION OF THE CITY OF OSAGE CITY KANSAS, AUTHORIZING THE EXECUTION OF THE POWER PURCHASE AGREEMENT (GRAND RIVER DAM AUTHORITY POWER SUPPLY PROJECT NO. 2) BETWEEN THE CITY OF OSAGE CITY KANSAS, AND THE KANSAS MUNICIPAL ENERGY AGENCY; AND MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, KMEA is a municipal energy corporation organized and existing under the laws of the State of Kansas, including K.S.A. 12-885 *et seq.*; and

WHEREAS, City owns or operates a utility furnishing electricity, and the City is a member in good standing of KMEA; and

WHEREAS, City is authorized to enter into contracts for the supply of electricity from any person, firm, corporation or other municipality for a period not in excess of forty (40) years under K.S.A. 12-825j; and

WHEREAS, KMEA contracted with the Grand River Dam Authority ("GRDA") under a Power Purchase and Sale Agreement, and related amendments (the "GRDA Agreement"); and

WHEREAS, City entered into a Power Purchase Agreement with KMEA to take power under the GRDA Agreement, and said Power Purchase Agreement expires April 30, 2026; and

WHEREAS, KMEA has negotiated with GRDA an extension of the GRDA Agreement and has or will execute an amendment to the GRDA Agreement extending the term of the GRDA Agreement from May 1, 2026 through April 30, 2051; and

WHEREAS, City desires to purchase electricity associated with the GRDA Agreement from KMEA for a period from May 1, 2026 through April 30, 2051; and

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OSAGE CITY, KANSAS:

Section 1. Approval. The Power Purchase Agreement (Grand River Dam Authority Power Supply Project No. 2) is hereby approved in substantially the form presented to the governing body this date, with such changes or additions as the Mayor and Clerk shall deem necessary and appropriate.

Section 2. Execution of the Power Purchase Agreement (Grand River Dam Authority Power Supply Project No. 2). The Mayor and Clerk are hereby authorized to execute the Power Purchase Agreement (Grand River Dam Authority Power Supply Project No. 2) in substantially the form presented to the governing body this date, with such changes or additions as the Mayor

and Clerk shall deem necessary and appropriate, such official's signature thereon being conclusive evidence of such official's and the City's approval thereof. The Mayor and Clerk are authorized and directed to execute any and all other documents or certificates necessary to effect the purposes set forth in this Resolution and the Power Purchase Agreement (Grand River Dam Authority Power Supply Project No. 2).

Section 3. This Resolution shall take effect and be in full force from and after its adoption by the governing body of the City.

ADOPTED by the governing body of the City and signed by the Mayor this 11th day of February, 2025

Mayor

(SEAL)

ATTEST:

City Clerk

**POWER PURCHASE AGREEMENT
(GRAND RIVER DAM AUTHORITY POWER SUPPLY PROJECT NO. 2)**

This Power Purchase Agreement (the "Agreement") is dated as of the 11th day of February, 2025 by and between the City of Osage City, Kansas, (the "City") and the Kansas Municipal Energy Agency ("KMEA") (collectively, the City and KMEA are referred to as the "Parties" or singularly as the "Party").

WHEREAS, KMEA is a municipal energy corporation organized and existing under the laws of the State of Kansas, including K.S.A. 12-885 *et seq.*; and

WHEREAS, City owns or operates a utility furnishing electricity, and the City is a member in good standing of KMEA; and

WHEREAS, City is authorized to enter into contracts for the supply of electricity from any person, firm, corporation or other municipality for a period not in excess of forty (40) years under K.S.A. 12-825j; and

WHEREAS, KMEA contracted with the Grand River Dam Authority ("GRDA") under a Power Purchase and Sale Agreement, and related amendments (the "GRDA Agreement"), attached hereto as *Appendix A*; and

WHEREAS, City entered into a Power Purchase Agreement with KMEA to take power under the GRDA Agreement, and said Power Purchase Agreement expires April 30, 2026; and

WHEREAS, KMEA has negotiated with GRDA an extension of the GRDA Agreement and has or will execute an amendment to the GRDA Agreement extending the term of the GRDA Agreement from May 1, 2026 through April 30, 2051; and

WHEREAS, City desires to purchase electricity associated with the GRDA Agreement from KMEA for a period from May 1, 2026 through April 30, 2051, in the quantities set forth on *Appendix B* and subject to the terms of this Agreement; and

NOW, THEREFORE, THE CITY OF OSAGE CITY, KANSAS AND THE KANSAS MUNICIPAL ENERGY AGENCY, AGREE AS FOLLOWS:

Article 1. DEFINITIONS

Capitalized words and terms used herein, unless otherwise defined herein or the context requires otherwise, shall have the same meanings ascribed to such words and terms in the GRDA Agreement. Words, phrases or expressions used in this Agreement which are not capitalized terms or otherwise defined herein, and which have an accepted meaning in the custom and usage of the business of buying, selling, generating, delivering, and transmitting electrical capacity, energy or ancillary services or have an accepted meaning according to the North American Electric Reliability Council, hereinafter referred to as NERC, shall have that meaning.

1.01 "Effective Date" shall mean the date first written above.

- (e) A reference to a document or agreement, including this Agreement, includes a reference to that document or agreement (including any attachments, schedules, appendices and exhibits thereto) as notated, amended, supplemented, or restated from time to time.
- (f) Unless otherwise expressly provided herein, any consent, acceptance, satisfaction, cooperation, or approval required of a Party under this Agreement shall not be unreasonably withheld or delayed.
- (g) Unless otherwise expressly provided herein, “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term.
- (h) The words “hereof,” “herein,” “hereunder,” and other words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

2.02 **Captions.** All indices, titles, subject headings, section titles, and similar items in this Agreement are provided for the purpose of reference and convenience only and are not intended to be inclusive or definitive or to affect the meaning of the contents or scope of this Agreement.

Article 3. RELATIONSHIP WITH DOCUMENTS

3.01 Other GRDA Power Supply Project No. 2 Agreements. Except for the identity of the Participants and each City’s capacity and energy amounts as set forth in *Appendix B* (and, as applicable, other information specific to each individual Participant), this Agreement is and shall remain identical to the other GRDA Power Supply Project No. 2 Agreements.

3.02 Relationship to SPP Markets. The Parties agree that this Agreement is premised on the continuing ability of KMEA to implement the GRDA Power Supply Project No. 2 within the transmission footprint of SPP and the operation of SPP’s centralized markets. If, during the Term, the GRDA Product is no longer located within the SPP footprint or otherwise operating within SPP’s centralized markets, or if the City’s load will no longer be located within SPP, or if for any other reason the implementation of the GRDA Power Supply Project No. 2 will no longer be conducted within SPP’s centralized markets, then the Parties agree to undertake in good faith negotiations to amend this Agreement to provide for physical delivery to the City of its properly allocable share of the GRDA Product. The Parties acknowledge that no such amendments shall diminish City’s obligation to make payments to KMEA as required pursuant to Article 5.

Article 4. SALE AND PURCHASE

4.01 KMEA agrees to sell to the City, and the City agrees to purchase from KMEA, commencing on the Service Commencement Date and extending through the Term hereof, Electricity in the quantities set forth on *Appendix B* to this Agreement, at the prices specified in Exhibit A to the

Article 6. PAYMENTS AND BILLING

- 6.01 KMEA is required to pay GRDA either by mail or wire transfer by the due date shown on the bill from GRDA pursuant to Schedule WP-OCA. In order to permit the appropriate transfer of funds from KMEA to GRDA, KMEA will bill the City in advance for deliveries to be made in the following calendar month. KMEA will send the bill to the City by the 20th day of the preceding month, and the City must pay the invoiced amount within thirty (30) days of the date of the bill. If such due date falls on a Saturday, Sunday or holiday, the payment shall be due on the next business day following such Saturday, Sunday or holiday. If payment is not received by KMEA by the date specified in the invoice to the City, a **1.5% per month, late charge** shall be assessed on the full past due amount from the due date until the invoice is paid in full by the City.
- 6.02 In the event the City, acting in good faith, disagrees with the amount of a monthly bill, it shall notify KMEA in writing within eighty (80) days of receiving the bill from KMEA. If the dispute involves amounts billed by GRDA, KMEA will submit a written notice to GRDA contesting such portion of the monthly bill. KMEA is required to submit such written notices to GRDA within ninety (90) days of the date KMEA received the bill from GRDA. Failure of the City to send written notice to KMEA within the eighty-(80) day period shall constitute final agreement with the bill. The City agrees that in no event will it withhold payment to satisfy its disagreement with any bill submitted by KMEA. KMEA shall credit to the City its prorata portion of any refund plus accrued interest which is credited to KMEA's account by GRDA.

Article 7. INDEMNIFICATION OF KMEA

- 7.01 City expressly agrees to the fullest extent permitted by law, to indemnify, hold harmless and defend KMEA against any and all claims, liability, costs or expenses (including without limitation attorneys' fees and expenses) for loss, damage or injury to persons or property in any manner directly or indirectly connected with or growing out of the GRDA Power Supply Project No. 2, KMEA's participation in the GRDA Power Supply Project No. 2, and/or the generation, transmission or distribution of capacity and energy from the GRDA Product, unless such loss, damage or injury is the result of bad faith, gross negligence, or reckless or willful misconduct of KMEA or its employees acting within the course and scope of their employment.
- 7.02 The City assumes responsibility at the Point(s) of Delivery for the electric service to be delivered by GRDA as well as for the wires, apparatus and appurtenances used in connection therewith, located on its own side of the Point(s) of Delivery, and the parties acknowledge that the electric service supplied under the GRDA Agreement through this GRDA Power Supply Project No. 2 will become the property of the City after it passes the metering equipment of GRDA or other Point(s) of Delivery.

Article 8. FORCE MAJEURE AND CURTAILMENTS

- 8.01 GRDA has committed to provide electric service continuously except for (a) interruptions due to Force Majeure, (b) in the event conditions occur which threaten the reliability to the Southwest Power Pool (SPP) Transmission System or the GRDA transmission system, or (c) curtailments by SPP or (d) GRDA curtailments under emergency procedures specified by

demand charges) or obligate the purchaser to have output requirement resales that require the purchaser to pay reasonable and customary damages (including liquidated damages) in the event of a default, or to pay a specified amount to terminate the contract or arrangement with the City while the purchaser has requirements, in each case if the amount of the payment is reasonably related to the purchaser's obligations to buy requirements that is discharged by the payment.

- 10.02 The City shall immediately notify KMEA if the City makes any resale of any capacity or energy sold by KMEA to City under this Agreement. Nothing contained in **Section 10.01** shall affect the ability of the City to make resales to any persons under any conditions if and to the extent such resales are made from resources other than the capacity or energy sold to the City by KMEA under this Agreement.

Article 11. BREACH OF GRDA AGREEMENT AND REMEDIES

- 11.01 The City acknowledges that each of the following constitutes a breach of the GRDA Agreement:

- (a) the failure of KMEA to pay any amount that is past due if such failure is not remedied within three (3) business days after receiving written notice from GRDA;
- (b) the failure of KMEA or GRDA to comply with any material term or condition of the GRDA Agreement which is not corrected within a commercially reasonable period of time;
- (c) the failure of KMEA to provide the documentation as to creditworthiness of KMEA, as described in Section 7.05 of the GRDA Agreement, and the failure of KMEA to provide documentation as to compliance with the provisions of Section 15.07 of the GRDA Agreement relating to resales of energy and capacity that constitute private business use;
- (d) the filing by KMEA or GRDA of a voluntary petition in bankruptcy under any provision of any federal or state law; or
- (e) the entry of a decree adjudicating KMEA or GRDA bankrupt or insolvent, if such decree is continued undischarged and unstayed for a period of sixty (60) days.

- 11.02 Upon any breach by one party, the non-breaching party under the GRDA Agreement may, at its option:

- (a) continue performance and exercise such other rights and remedies as it may have in equity, at law or under the terms of the GRDA Agreement; or
- (b) terminate the GRDA Agreement by providing ten (10) days advance written notice to the breaching party. Termination of the GRDA Agreement shall not relieve either party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective. The non-breaching party may also exercise such other rights and remedies as it may have in equity, at law or under the terms of the GRDA Agreement.

- 11.03 In the event of a breach of the GRDA Agreement, the exercise of any remedy will correspondingly apply to this Agreement between KMEA and the City. In no event will

arbitrators, it is not the Parties' intention to require use of AAA or any other organization to administer any arbitration.

- (d) The Party asserting a claim for relief and the Party opposing such relief shall each select one arbitrator within ten (10) days of the receipt of the Demand, or if such Party fails to make such selection within ten (10) days from the receipt of the Demand, the AAA shall make such appointment upon the written request of the other Party. The two arbitrators thus appointed shall select the third arbitrator, who shall act as the chairman of the panel. If the two arbitrators fail to agree on a third arbitrator within thirty (30) days of the selection of the second arbitrator, the AAA shall make such appointment.
- (e) The award shall be in writing (stating the award and the reasons therefor) and shall be final and binding upon the Parties, and shall be the sole and exclusive remedy regarding any claims, counterclaims, issues, or accountings presented to the arbitration panel. The arbitration panel shall be authorized in its discretion to grant pre-award and post-award interest at commercial rates. Judgment upon any award may be entered in any court having jurisdiction.
- (f) This Agreement and the rights and obligations of the Parties shall remain in full force and effect pending the award in any arbitration proceeding hereunder.
- (g) Unless otherwise ordered by the arbitrators, each Party shall bear its own costs and fees, including attorneys' fees and expenses. The Parties expressly agree that the arbitrators shall have no power to (1) consider or award any form of damages barred by Article 7 or any other multiple or enhanced damages, whether under statutory or common law, or (2) require any modifications to this Agreement.
- (h) Each Party understands that it will not be able to bring a lawsuit concerning the affected dispute, except as necessary to enforce this Section 12.4 or an arbitration award.

12.05 Agency Jurisdiction. Notwithstanding anything to the contrary in Section 12.04, the Parties acknowledge and agree that a dispute over which a Governmental Authority has exclusive jurisdiction shall, in the first instance, be brought before and resolved by such Governmental Authority.

Article 13. REPRESENTATIONS, WARRANTIES, AND COVENANTS

13.01 KMEA's Representations. KMEA hereby makes the following representations, warranties and covenants to City as of the Effective Date and through the end of the Term:

- (a) KMEA is a governmental entity and body public and corporate duly organized, validly existing and in good standing under the laws of the State, and has the legal power to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.
- (b) The execution, delivery and performance by KMEA of this Agreement have been duly authorized by all necessary action.
- (c) This Agreement constitutes the legal, valid and binding obligation of KMEA, enforceable in accordance with its terms.

- (i) The City shall not sell, lease or otherwise dispose of all or substantially all of its electric system, nor shall the City assign all or any part of its GRDA Product or any or all of its interests under this Agreement, except upon the approval of KMEA pursuant to Article 14 such approval not to be unreasonably withheld or delayed.
- (j) City's electric utility system shall not be made a part of an integrated utility system subsequent to the Effective Date of this Agreement if, in the opinion of a consulting engineer of national reputation selected by KMEA, the revenues of any other utility system(s) to be so integrated would not reasonably be expected to equal or exceed the costs and expenses thereof.

Article 14. MISCELLANEOUS

- 14.01 Applicable Law. The rights and obligations of the Parties under this Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Kansas, without regard to conflicts of law doctrines.
- 14.02 This Agreement shall be binding upon and inure to the benefit of the successor, legal representative, and assignees of the respective Parties; provided, however, except for the assignment by KMEA as provided in this subsection, neither this Agreement, nor any interest herein shall be transferred or assigned by either party hereto except with the prior written consent of the other Party, which consent shall not be unreasonably withheld. The City acknowledges and agrees that KMEA may assign and pledge all of, or any interest in, KMEA's right, title and interest in and to all payments to be made to KMEA under the provisions of this Agreement, as security for the payment of any obligation of KMEA, including interest thereon, created under any power purchase contract, reimbursement agreement, loan, bond or other instrument (collectively, "Contract Obligations"). In connection with such assignment and pledge, KMEA may deliver possession of this Agreement to such assignee and pledgee and grant such assignee and pledgee any rights and remedies herein provided to KMEA, and such assignee and pledgee shall be a third party beneficiary of the covenants and agreements of the City herein contained; provided, however, that nothing herein is intended to allow KMEA in the absence of an event of default under any Contract Obligations, to convey its operating responsibilities to any such assignee and pledgee.
- 14.03 This Agreement shall in all respects be subject to the rules, regulations and orders of all governmental authorities having jurisdiction of the subject matter hereof, and subject to the rules and regulations as may be applied to the Parties by such governmental authorities. In the event that the extension of the GRDA Agreement is not achieved and the GRDA Agreement is not amended and is terminated as a result, this Agreement will become null and void and of no force or effect.
- 14.04 This Agreement may be amended from time to time by mutual agreement of KMEA and the City; provided, however, that any such amendment must have the approval, in writing, of the governing boards of each of the Parties.
- 14.05 This Agreement, together with the Appendices attached hereto and made a part hereof, constitutes the entire agreement between KMEA and the City regarding the subject matter hereof, and supersedes any and all previous or contemporaneous understandings between KMEA and the City, whether written or oral.

IN WITNESS HEREOF, the Parties hereto have executed this Power Purchase Agreement on the date set forth above.

CITY OF OSAGE CITY, KANSAS

Mayor

(Seal)

ATTEST:

City Clerk

KANSAS MUNICIPAL ENERGY AGENCY

**Paul N. Mahlberg
General Manager**

Appendix B

Capacity Billing Demand and Billing Energy

The Capacity Billing Demand and Billing Energy for each month of the Term shall be as follows.

The Capacity Billing Demand and Billing Energy for the months of June through September for the Term shall be the Nominal Capacity Billing Demand as follows.

Month	Nominal Capacity Billing Demand (kW)	Minimum Capacity Billing Demand (kW)	Maximum Capacity Billing Demand (kW)	Billing Energy (kWh)
June	1,750	1,750	1,750	1,260,000
July	1,750	1,750	1,750	1,302,000
August	1,750	1,750	1,750	1,302,000
September	1,750	1,750	1,750	1,260,000

ORIGINAL

POWER PURCHASE AND SALE AGREEMENT

By and Between

GRAND RIVER DAM AUTHORITY

And

KANSAS MUNICIPAL ENERGY AGENCY

Effective as of

May 11, 2005

POWER PURCHASE AND SALE AGREEMENT

This Power Purchase and Sale Agreement, together with the exhibits hereto (this "Agreement") is made and entered into on this 11th day of May, 2005 (the "Effective Date"), between **GRAND RIVER DAM AUTHORITY**, a governmental agency of the State of Oklahoma, body politic and corporate, created and existing under the laws of the State of Oklahoma, including particularly Title 82, Oklahoma Statutes, Sections 861 et seq. (the "Grand River Dam Authority Act", or the "Act"), hereinafter referred to as "GRDA", and the **KANSAS MUNICIPAL ENERGY AGENCY**, a legally constituted municipal energy agency and quasi-municipal corporation duly created, organized, and existing under and by virtue of the laws of the State of Kansas, including particularly K.S.A. 12-885 to 12-8,111, inclusive as amended and supplemented, hereinafter referred to as "KMEA" and "Customer" (hereinafter each referred to individually as a "Party" and collectively as the "Parties").

WITNESSETH:

WHEREAS, GRDA was created by the Act as a conservation and reclamation district with powers of government to function in competition with private industry within the competitive electric power market and with the authority to exercise certain rights, privileges and functions, including preservation and distribution of the waters of the Grand River and its tributaries, for irrigation, power generation, and other useful purposes and the conservation and development of hydroelectric and other sources of electric energy, from whatever source derived, in the State of Oklahoma; and

WHEREAS, KMEA was created for the purpose of supplying economical electric power and energy to certain municipal electric utility systems in the State of Kansas that are members of KMEA; and

WHEREAS, GRDA desires to sell and furnish to KMEA, and KMEA desires to purchase and receive from GRDA, electric power and energy for resale by KMEA to certain participating municipal electric utility system members; and

WHEREAS, Oklahoma statutes provide all contracts may contain such reasonable provisions, limitations, qualifications, protective clauses and rights and obligations of purchase and sale, and such provisions for the dedication of the use of facilities and the construction of additional facilities to serve the load requirements of all the parties as may be deemed advisable by the District (GRDA) to safeguard the business and properties of all the parties to such contracts, all within the limits of sound business judgment and practice, good conscience, and not contrary to the public policy of the state; and

APPENDIX A to PPA-GRDA Power Supply Project No. 2

- 1.03 “*Business Day*” shall mean any day on which Federal Reserve member banks in New York City, New York are open for business provided, however, that a Business Day shall begin at 8:00 am and shall end at 5:00 pm CPT.
- 1.04 “*Capacity Billing Demand*” shall mean, for the months of June through September, the amount of Nominal Capacity Billing Demand, scheduled in kW, set forth in Exhibit B for the applicable month. For the months of October through May, the Capacity Billing Demand shall be the Nominal Capacity Billing Demand, unless revised by written notice from KMEA to GRDA provided by the first day of the preceding month to a quantity not less than the Minimum Capacity Billing Demand nor greater than the Maximum Capacity Billing Demand set forth in Exhibit B.
- 1.05 “*Capacity Margin*” shall have the meaning ascribed to that term in the SPP Criteria.
- 1.06 “*CPT*” shall mean Central Prevailing Time as observed in Tulsa, Oklahoma, and which shall be either Central Standard Time or Central Daylight Savings Time, as applicable.
- 1.07 “*Firm Capacity*” shall mean capacity supplied by GRDA from any resource available to it and subject to curtailment only in accordance with Article 3.05 and 3.06,
- 1.08 “*Firm Power*” shall have the meaning ascribed to that term in the SPP Criteria.
- 1.09 “*Force Majeure*” shall mean any cause beyond the control of the affected Party, including, but not limited to, failure of facilities or water supply, flood, earthquake, storm, lightning, fire, epidemic, war, riot, terrorist activities, civil disturbance, labor disturbance, sabotage, or an event or circumstance which prevents performance of the affected Party’s obligations under this Agreement, which event could not have been reasonably anticipated, which is not within the reasonable control of, or the result of the negligence of the affected Party and which, by exercise of due diligence, the affected Party is unable to overcome or avoid or cause to be overcome or avoided. Market factors are not considered *Force Majeure*.
- 1.10 “*Network Resource*” shall have the meaning ascribed to that term in the SPP Transmission Tariff.
- 1.11 “*Participating Member(s)*” shall mean the KMEA members receiving capacity and energy pursuant to this agreement as listed in Exhibit C, as amended from time to time with GRDA written approval, each of which owns and operates an electric utility system in the State of Kansas and is party to an agreement with KMEA under which KMEA sells electric power and energy to the Participating Member for resale by the Participating Member to its retail

1.22 “*Transmission Service*” shall have the meaning ascribed to that term in the SPP Transmission Tariff.

Article 2. CONSTRUCTION

2.01 **Interpretation.** Unless the context otherwise requires:

- (a) Words singular and plural in number shall be deemed to include the other and pronouns having masculine or feminine gender shall be deemed to include the other.
- (b) Subject to Article 14, any reference in this Agreement to any entity or governmental authority, shall include its successors and assigns and, any entity(ies) succeeding to its functions, authority, and capacities.
- (c) Any reference in this Agreement to any section, subsection, attachment, article, schedule, or exhibit means and refers to the section or article contained in, or attachment, schedule, or exhibit attached to, this Agreement. All attachments, schedules, and exhibits referred to herein are hereby incorporated by reference.
- (d) Other grammatical forms of defined words or phrases have corresponding meanings.
- (e) A reference to writing includes typewriting, printing, lithography, photography, and any other mode of representing or reproducing words, figures, or symbols in a lasting and visible form, including writing communicated electronically.
- (f) A reference to a specific time for the performance of an obligation is a reference to that time in the place where that obligation is to be performed unless the text indicates otherwise.
- (g) Subject to Article 14, any reference to a Party includes that Party’s successors and permitted assignees.
- (h) A reference to a document or agreement, including this Agreement, includes a reference to that document or agreement (including any attachments, schedules, and exhibits thereto) as notated, amended, supplemented, or restated from time to time.

APPENDIX A to PPA-GRDA Power Supply Project No. 2

- 3.05 The delivery of the Firm Capacity and associated energy to the Points of Delivery may only be restricted by GRDA (i) due to Force Majeure as provided in Article 9, or (ii) in the event conditions occur which threaten the reliability to the SPP Transmission System or the GRDA transmission system, or (iii) in the event that the associated energy schedule is curtailed by the Southwest Power Pool, or GRDA under emergency procedures pursuant to NERC criteria. In the event that GRDA curtails deliveries to its Firm Power customers, GRDA may curtail deliveries of the Firm Capacity and associated energy to KMEA. In the event of Force Majeure, GRDA shall notify KMEA's office as soon as commercially practicable (in accordance with industry standard operating procedures for dispatch communications) of the amount of energy it is unable to deliver in each hour, the reason(s) it is unable to deliver the energy, and the expected duration of the Force Majeure. Upon receiving notice that the Southwest Power Pool requires curtailment of the energy schedule, the Parties shall follow the curtailment instructions provided by the Southwest Power Pool. The Parties shall also follow the instructions specified in the NERC criteria for emergency curtailments.
- 3.06 KMEA is relieved of its obligation to receive the power and energy provided under this Agreement only to the extent that KMEA is unable to receive the energy due to Force Majeure as defined in Article 9 or in the event the associated energy schedule is curtailed by the Southwest Power Pool. In the event of Force Majeure, KMEA shall notify GRDA's dispatch office as soon as commercially practicable (in accordance with industry standard operating procedures for dispatch communications) of the amount of energy it is unable to receive in each hour, the reason(s) it is unable to receive the energy, and the expected duration of the Force Majeure. Upon receiving notice that the Southwest Power Pool requires curtailment of the energy schedule, the Parties shall follow the curtailment instructions provided by the Southwest Power Pool.
- 3.07 Subject to the terms and conditions in this Agreement, KMEA hereby commits itself to receive all of the electric power and energy, which it is obligated to purchase under this Agreement, at the Point(s) of Delivery, and GRDA hereby commits itself to deliver all of the electric power and energy, which it is obligated to deliver under this Agreement, at the Point(s) of Delivery.
- 3.08 The electric power and energy supplied under this Agreement is supplied under the express condition that before it passes the Point(s) of Delivery, it is the sole property of GRDA, and after it passes the Point(s) of Delivery, it becomes the sole property of KMEA. Each Party shall be severally liable only for its own acts and not jointly or severally liable for the acts, omissions, or obligations of others, including any loss or damage to any person or property whatsoever resulting directly, or indirectly, from the use, misuse, or presence of said electric power and

APPENDIX A to PPA-GRDA Power Supply Project No. 2

Exhibit B, Exhibit B shall be modified to reflect the amount of firm transmission approved. GRDA will continue to deliver the quantities specified in the contract dated the 19th day of January, 2000 until the Service Commencement Date.

Article 5. SCHEDULING

- 5.01 Power and energy shall be delivered by GRDA to the Point(s) of Delivery in accordance with hourly schedules provided by KMEA or by KMEA's nominated scheduling agent. Effective on the Service Commencement Date, the hourly schedules for Firm Capacity and associated energy shall be in an amount greater than or equal to the minimum Capacity Billing Demand and less than or equal to the maximum Capacity Billing Demand for the applicable month shown on Exhibit B. The hourly schedules shall be submitted to GRDA's system dispatchers not later than 10:00 a.m., CPT, the first of the preceding month for which the schedule has been submitted, or on such other advance notice on which GRDA and KMEA shall agree. Each Party shall be responsible for complying with the SPP Protocols, including those portions related to scheduling.
- 5.02 Hourly schedules shall be for each clock hour of each calendar day. Each hour shall be the antecedent sixty (60) minutes ending with the designated clock hour. Hourly schedules shall be expressed in megawatts per hour in increments of one (1) megawatt.

Article 6. RATES

- 6.01 Effective on January 1, 2006 or the Service Commencement Date if earlier than January 1, 2006, KMEA shall pay GRDA monthly for the Capacity Billing Demand and Billing Energy as specified in Section 3.02 hereof at the rate or rates and on the terms and conditions set forth in the Rate Schedule(s) attached as Exhibit A.
- 6.02 Effective on January 1, 2006 or the Service Commencement Date if earlier than January 1, 2006, the minimum monthly charge shall be the Capacity Billing Demand as specified in Section 3.02 hereof multiplied by the capacity charge(s) set forth in the Rate Schedules identified in Exhibit A, plus the Minimum Billing Energy in Exhibit B multiplied by the energy charge(s) set forth in the Rate Schedule identified in Exhibit A.

APPENDIX A to PPA-GRDA Power Supply Project No. 2

- 7.03 Payment shall be made by KMEA in a manner to allow funds to be available to GRDA upon presentation. Credit on the books of GRDA will not be made until such funds are actually available to GRDA through normal bank clearing channels, and any delays of such availability may result in a late payment charge imposed on KMEA. Payments hereunder are not deemed to have been received until credited on GRDA's books.
- 7.04 If GRDA does not receive payment by the twenty-fourth (24th) day of the month following the month of service on the monthly bill, GRDA may assess a late payment charge as provided in the applicable Rate Schedules on the full past-due amount and such late payment charge shall continue to accrue on said past-due amount until the same is paid in full.
- 7.05 Should GRDA, in its sole discretion, have reasonable grounds to believe that the creditworthiness of KMEA may be questionable and KMEA's ability to fulfill its obligation to pay under this Agreement may be in jeopardy, GRDA may, by written notice, require the KMEA to provide commercially reasonable performance assurance, to the extent permitted under the laws of the state of Kansas, in a form acceptable to GRDA. Failure to comply within ten (10) business days following receipt of such notice by GRDA of the need for commercially reasonable performance assurance to satisfy such requirement shall constitute a breach of this Agreement and allow GRDA to exercise its option to continue performance or terminate this Agreement as provided in Article 13.
- 7.06 KMEA's obligations under this Article 7 are not subject to delay or excuse by reason of Force Majeure or any other cause or event not within the reasonable control of GRDA.

Article 8. CONTINUITY OF SERVICE

- 8.01 GRDA shall endeavor to make the Firm Capacity and associated energy contracted for hereunder available continuously at the Point(s) of Delivery, except for (a) interruptions caused by Force Majeure, (b) curtailments by the Southwest Power Pool, or (c) GRDA curtailments under emergency procedures specified by SPP or NERC criteria. As soon as commercially reasonable, GRDA will give KMEA notice of such interruptions or reductions so as to cause the least amount of inconvenience to both Parties hereto. Notwithstanding the foregoing, in no event shall GRDA be liable to KMEA or its Participating Members for loss or damage arising from failure, interruption or suspension of service due to one of the exceptions stated in this Section 8.01. GRDA reserves the right to suspend service due to one of the exceptions stated in this Section 8.01, without liability on its part at such times and for such periods and in such manner as it may

Article 10. SUSPENSION OF SERVICE

- 10.01 Whenever KMEA has failed to pay any monthly bill accruing under this Agreement on or before forty (40) days following the first day of the calendar month in which such monthly bill was received pursuant to the terms set forth in Article 7, GRDA may suspend providing electric power and energy upon giving written notice to KMEA of GRDA's intention to do so, and GRDA shall not be liable to KMEA for any damages whether regular, special, punitive, consequential or otherwise for its discontinuance of delivery of such electric power and energy.

Article 11. CONTRACT TERM AND TERM EXTENSION PROVISIONS

- 11.01 Service under this Agreement shall commence on the Service Commencement Date, and shall continue in effect through the Termination Date.
- 11.02 The Term may be extended only by mutual written agreement of the Parties. If KMEA desires a contract extension, KMEA must notify GRDA prior to April 30, 2021. GRDA may, at its sole discretion, agree or refuse to extend the Term. In the absence of a written agreement to the contrary, KMEA agrees that it will not claim that it has relied on an extension of this Agreement as grounds for not terminating this agreement.

Article 12. INVESTMENT PARTICIPATION

- 12.01 At GRDA's sole discretion, KMEA may be provided the opportunity to participate in future generation and transmission facilities initiated by GRDA.
- 12.02 The successful execution of an Investment Participation agreement may allow for the mutual agreement to change the demand and energy quantities in Exhibit B of this Agreement for the remaining Term.

Article 13. BREACH OF AGREEMENT AND REMEDIES

- 13.01 Each of the following shall constitute a breach of this Agreement:

APPENDIX A to PPA-GRDA Power Supply Project No. 2

limited to, the recovery of court costs and attorney fees incurred by non-breaching party in the course of enforcement of its rights under this Agreement. The non-breaching party, however, has the obligation to mitigate damages in the event of a default. This provision shall survive termination of this Agreement.

- 13.06 Except as otherwise provided in this Agreement, in no event will the non-breaching party be liable under this Agreement, or under any cause of action relating to the subject matter of this Agreement, for any special, indirect, incidental, punitive, exemplary or consequential damages, including but not limited to loss of profits or revenues, loss of use of any property, cost of substitute equipment, facilities, or services, downtime costs or claims of third parties for such damages. This provision shall survive termination of this Agreement.

Article 14. NOTICE, ASSIGNMENT, AND AMENDMENT

- 14.01 Notices and communications shall be delivered to:

Chief Executive Officer
Grand River Dam Authority,
Administrative Headquarters,
226 W. Dwain Willis Ave.
P.O. Box 409,
Vinita, Oklahoma 74301-0409

Telephone (918-256-5545)

by: United States mail, overnight courier service, or facsimile (918-256-2333).

- 14.02 Notice to GRDA Dispatcher as required:

Superintendent of Transmission Operations,
PO Box 772,
Locust Grove, OK 74352

Phone: 918-825-1053

by: United States mail, overnight courier service,
or facsimile (918-825-1053 ext. 1353).

- 14.03 Payment of monthly billing or other charges or assessments by United States mail shall be delivered to:

Grand River Dam Authority
Dept 2110
Tulsa, Oklahoma 74182

APPENDIX A to PPA-GRDA Power Supply Project No. 2

Article 15. MISCELLANEOUS

- 15.01 This Agreement, together with the Exhibits attached hereto and made a part hereof, constitutes the entire agreement between GRDA and KMEA regarding the subject matter hereof, and supersedes any and all previous or contemporaneous understandings between GRDA and KMEA, whether written or oral.
- 15.02 Upon the Service Commencement Date, this Agreement is intended to supersede, negate, and cancel the existing contract dated the 19th of January, 2000 between the Parties, however, the termination of the existing contract shall not discharge either party hereto from any obligation it owes to the other party under the existing contract by reason of any transaction, loss, cost, damage, expense, or liability which shall occur or arise (or the circumstances, events, or basis of which shall occur or arise) prior to such termination.
- 15.03 This Agreement shall be governed by and construed, enforced and performed in accordance with the laws of the State of Oklahoma.
- 15.04 To the extent any provision of this Agreement is held unenforceable or invalid under applicable law, such invalidity shall not affect any other provisions of this Agreement which can be given effect without the invalid provisions and, to this end, the provisions hereof are severable.
- 15.05 Both parties acknowledge that the SPP is the current regional transmission organization and that during the term of this agreement, another organization may succeed the SPP. Due to the changing nature of the wholesale power market rules and regulations, any successor organization protocols and operating procedures shall, to the extent practical, be adopted for use by this agreement.
- 15.06 KMEA agrees to maintain rates for electric power and energy to Participating Members which shall provide to KMEA revenues, which, together with other funds estimated to be available, will be sufficient to meet its obligations to the GRDA under this Agreement.
- 15.07 KMEA represents and warrants to GRDA that it and its Participating Members will not sell in excess of seven percent (7%) of any capacity or energy sold by GRDA to KMEA under this Agreement in any manner that would cause such sale to result in any facility of GRDA being deemed to be used for a private business use under the Internal Revenue Code of 1986 and the regulations promulgated thereunder. To that end, KMEA and its Participating Members covenant not to make any resale in excess of seven percent (7%) of capacity or energy sold to KMEA under the Agreement to a purchaser for resale by such purchaser, if it would obligate the purchaser to make payments that are not contingent on the output requirements of the

APPENDIX A to PPA-GRDA Power Supply Project No. 2

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be executed by its duly authorized representative and its corporate seal to be affixed hereto on the dates below each signature, to be effective on the date first above written.

ATTEST:

GRAND RIVER DAM AUTHORITY

Donna M. Jones
By: Donna M. Jones
Title: Secretary

By: *Al Easley* MK
Title: CEO
Date: 7-14-05

ATTEST:

KANSAS MUNICIPAL ENERGY AGENCY

James B. Bradley
By: James B. Bradley
Title: Vice President

By: *Jan R. Widen*
Title: General Manager
Date: July 14, 2005

GRAND RIVER DAM AUTHORITY
P.O. Box 409
Vinita, Oklahoma 74301

SCHEDULE WP-OCA – WHOLESALE POWER SERVICE OUTSIDE CONTROL AREA

Page 2 of 2

DETERMINATION OF BILLING ENERGY:

The billing energy shall be the amount established in the Customer's Power Purchase and Sale Agreement with GRDA.

TRANSMISSION:

Customer shall be solely responsible for all transmission arrangements, including associated costs, necessary to receive power and energy from GRDA.

OTHER TAXES, FEES AND DUTIES:

The Customer shall pay, in addition to the other rates and charges set forth on this schedule, any taxes, fees and duties required to be collected by GRDA and paid to the proper agency charged with the collection of such taxes, fees and duties.

CONDITIONS OF SERVICE FOR FIRM PARTIAL REQUIREMENTS:

1. The minimum monthly load factor scheduled shall be seventy-five percent (75%) or greater calculated on the peak kW established for the month.
2. Other conditions in accordance with the Customer's Power Purchase and Sale Agreement with GRDA.

TERMS OF PAYMENT:

Bills shall be considered past due if not paid by the due date shown on the bill. A late payment fee of the greater of \$100.00 or 1.5% of the total past due amount shall be applied to the total past due amount.

CHANGES TO RATE SCHEDULE:

The terms and charges in this rate schedule may be changed by GRDA from time to time as provided by the "Grand River Dam Authority Act" (82 O.S.A. § 861, et seq., as amended and supplemented).

GRAND RIVER DAM AUTHORITY
P.O. Box 409
Vinita, Oklahoma 74301

SCHEDULE PCA – POWER COST ADJUSTMENT

Page 2 of 2

RPC = Recovered Power Cost is determined by summing the Power Cost Adjustment billed for the period and the result of multiplying the kWh Sales for the period by the Base Power Cost.

kWh Sales = The AUTHORITY will determine the actual kWh sales excluding off-system kWh sales for the period. If actual kWh sales are not available for all months of the period, the AUTHORITY may estimate the kWh sales for any period for which actual kWh is not available.

Base Power Cost = \$0.013 per kWh sold.

EFkWhS = Estimated Future kWh Sales. In December each year, the AUTHORITY will estimate the kWh sales excluding off-system sales for the next calendar year.

GRDA may recalculate the PCA factor as actual power cost and kWh sales data becomes available and may revise estimated power cost and kWh sales for the remainder of the calendar year.

CHANGES IN POWER COST ADJUSTMENT:

The terms and charges in this power cost adjustment may be changed by GRDA from time to time as provided by the “Grand River Dam Authority Act” (82 O.S.A. § 861, et seq., as amended and supplemented).

Exhibit B (continued)

Capacity Billing Demand and Billing Energy

The Capacity Billing Demand and Billing Energy for the months of October through May for the Term shall be the Nominal Capacity Billing Demand as follows, unless, KMEA notifies GRDA by the first day of the preceding month of a revised Nominal Capacity Billing Demand, which will not be less than the Minimum Capacity Billing Demand nor greater than the Maximum Capacity Billing Demand. The Billing Energy for any such month will be calculated to be the revised monthly capacity billing demand for the month scheduled at a 100% monthly load factor.

Month	Nominal Capacity Billing Demand (kW)	Minimum Capacity Billing Demand (kW)	Maximum Capacity Billing Demand (kW)	Billing Energy (kWh)
October	63,000	63,000	84,000	46,935,000
November	63,000	63,000	84,000	45,360,000
December	63,000	63,000	84,000	46,872,000
January	63,000	63,000	84,000	46,872,000
February	63,000	63,000	84,000	42,336,000
March	63,000	63,000	84,000	46,872,000
April	63,000	63,000	84,000	45,297,000
May	63,000	63,000	84,000	46,872,000

Notes:

1. The Billing Energy is calculated by multiplying the Capacity Billing Demand times the number of hours in the applicable month (a 100% monthly load factor).
2. The number of hours in October is 745 to reflect the change from daylight savings time to standard time.
3. The number of hours in April is 719 to reflect the change from standard time to daylight savings time.
4. For leap years, the number of hours in February is 696.

FIRST AMENDMENT TO THE POWER PURCHASE AND SALE AGREEMENT

THIS first amendment to the May 11, 2005, Agreement by and between **GRAND RIVER DAM AUTHORITY**, a governmental agency of the State of Oklahoma, body politic and corporate, created and existing under the laws of the State of Oklahoma, including particularly Title 82, Oklahoma Statutes, Sections 861 et seq. (the “Grand River Dam Authority Act”, or the “Act”), hereinafter referred to as “GRDA” and **KANSAS MUNICIPAL ENERGY AGENCY**, a legally constituted municipal energy agency and quasi-municipal corporation duly created, organized, and existing under and by virtue of the laws of the State of Kansas, including particularly K.S.A. 12-885 to 12-8,111, inclusive as amended and supplemented, hereinafter referred to as “KMEA” and “Customer”(hereinafter each referred to individually as a “Party” and collectively as the “Parties”), is entered into this 14th day of October, 2009.

WHEREAS, the Customer desires to purchase and GRDA desires to sell an additional 4 MW of electric power and energy commencing upon June 1, 2010;

NOW, THEREFORE, for and in consideration of the covenants and agreements set forth herein contained, it is agreed by and between the parties hereto, that the said Agreement is hereby amended as follows:

- (1) Exhibit “B” shall be modified to reflect an additional 4,000 kW of Capacity Billing Demand and Billing Energy for a total of 67,000 kW effective June 1, 2010.

Except as amended by the above, all provisions of the Agreement between the parties remains in full force and effect.

Exhibit B**Capacity Billing Demand and Billing Energy**

Commencing on June 1, 2010 and continuing for the months of June through September for the remainder of the Term, the Capacity Billing Demand and Billing Energy for the months of June through September shall be the Nominal Capacity Billing Demand as follows:

Month	Nominal Capacity Billing Demand (kW)	Minimum Capacity Billing Demand (kW)	Maximum Capacity Billing Demand (kW)	Billing Energy (kWh) ¹
June	67,000	67,000	67,000	48,240,000
July	67,000	67,000	67,000	49,848,000
August	67,000	67,000	67,000	49,848,000
September	67,000	67,000	67,000	48,240,000

Capacity Billing Demand and Billing Energy

Commencing on October 1, 2010 and continuing for the months of October through May during the remainder of the Term, the Capacity Billing Demand and Billing Energy for the calendar months of October through May shall be the Nominal Capacity Billing Demand as follows, unless KMEA notifies GRDA by the first day of the preceding month of a revised Nominal Capacity Billing Demand, which will be not less than Minimum Capacity Billing Demand nor greater than the Maximum Capacity Billing Demand. The Billing Energy for each month will be calculated on the revised monthly capacity billing demand scheduled at 100% monthly load factor.

Month	Nominal Capacity Billing Demand (kW)	Minimum Capacity Billing Demand (kW)	Maximum Capacity Billing Demand (kW)	Billing Energy (kWh) ¹
October	50,000	50,000	67,000	37,200,000
November ²	50,000	50,000	67,000	35,950,000
December	50,000	50,000	67,000	37,200,000
January	50,000	50,000	67,000	37,200,000
February ³	50,000	50,000	67,000	33,600,000
March	50,000	50,000	67,000	37,250,000
April ²	50,000	50,000	67,000	36,000,000
May	50,000	50,000	67,000	37,200,000

Notes:

1. The Billing Energy is calculated by multiplying the Capacity Billing Demand times the number of hours in the applicable month (a 100% monthly load factor).
2. The number of hours in a month will reflect both the change from daylight savings time to standard time and the change from standard time to daylight savings time during the applicable months as defined by federal law.
3. For leap years, the number of hours in February is 696.

(ii) Exhibit B was modified in April 2007 to provide for delivery of electric power and energy up to 81,000 kW of Maximum Capacity Billing Demand on and after May 1, 2009;

(iii) Exhibit B was modified in April 2009 to provide for delivery of electric power and energy up to 63,000 kW of Maximum Capacity Billing Demand on and after May 1, 2009, and Exhibit C was modified to list the Participating Members of KMEA as of the current date;

WHEREAS, the Parties entered into the First Amendment to the Agreement on October 4, 2009 to modify Exhibit B to increase the delivery of electric power and energy up to 67,000 kW of Maximum Capacity Billing Demand on June 1, 2010;

WHEREAS, the Customer desires to purchase and GRDA desires to sell an additional 17,000 kW of electric power and energy commencing on June 1, 2010, which is subject to receipt of transmission approval from SPP, for a total up to 84,000 kW of electric power and energy;

WHEREAS, both parties desire to modify Exhibit C to list Participating Members of KMEA as of June 1, 2010;

NOW, THEREFORE, for and in consideration of the covenants and agreements set forth herein contained, it is agreed by and between the parties hereto, that the said Agreement is hereby amended as follows:

Section 1. The Parties agree to amend "Exhibit B" to reflect a schedule adding 17,000 kW of Capacity Billing Demand and Billing Energy, subject to transmission approval by SPP for such volume, up to a total of 84,000 kW effective June 1, 2010. In the event, KMEA is unable, after using commercially reasonable efforts, to execute firm transmission service agreements for amounts sufficient for full deliveries pursuant to Exhibit B on or before August 1, 2010, Exhibit B shall be modified to reflect the amount of firm transmission secured with written service agreements. The form of the amended Exhibit B is attached hereto and incorporated herein by reference.

Exhibit B**Capacity Billing Demand and Billing Energy****As approved by Second Amendment dated June 9, 2010**

Commencing on June 1, 2010 and continuing for the months of June through September through the remainder of the Term, the Capacity Billing Demand and Billing Energy for the months of June through September shall be the Nominal Capacity Billing Demand as follows:

Month	Nominal Capacity Billing Demand (kW)	Minimum Capacity Billing Demand (kW)	Maximum Capacity Billing Demand (kW)	Billing Energy (kWh)
June	84,000	84,000	84,000	60,480,000
July	84,000	84,000	84,000	62,496,000
August	84,000	84,000	84,000	62,496,000
September	84,000	84,000	84,000	60,480,000

Commencing on October 1, 2010 and continuing for the months of October through May through the remainder of the Term, the Capacity Billing Demand and Billing Energy for the calendar months of October through May shall be the Nominal Capacity Billing Demand as follows, unless KMEA notifies GRDA by the first day of the preceding month of a revised Nominal Capacity Billing Demand, which will be not less than Minimum Capacity Billing Demand nor greater than the Maximum Capacity Billing Demand. The Billing Energy for each month will be calculated on the revised monthly capacity billing demand scheduled at 100% monthly load factor.

Month	Nominal Capacity Billing Demand (kW)	Minimum Capacity Billing Demand (kW)	Maximum Capacity Billing Demand (kW)	Billing Energy (kWh)
October	63,000	63,000	84,000	46,872,000
November	63,000	63,000	84,000	45,360,000
December	63,000	63,000	84,000	46,872,000
January	63,000	63,000	84,000	46,872,000
February	63,000	63,000	84,000	42,336,000
March	63,000	63,000	84,000	46,872,000
April	63,000	63,000	84,000	45,360,000
May	63,000	63,000	84,000	46,872,000

Notes:

1. The Billing Energy is calculated by multiplying the Capacity Billing Demand times the number of hours in the applicable month (a 100% monthly load factor).
2. The number of hours in a month will reflect both the change from daylight savings time to standard time and the change from standard time to daylight savings time during the applicable months as defined by federal law.
3. For leap years, the number of hours in February is 696.

**THIRD AMENDMENT TO THE SERVICE
POWER PURCHASE AND SALE AGREEMENT**

This Third Amendment to the Power Purchase And Sale Agreement (“Third Amendment”) is executed and made effective as of _____, 2024, by and between the Grand River Dam Authority, a governmental agency of the State of Oklahoma created and existing pursuant to 82 O.S. § 861, *et seq.* (“GRDA”), and Kansas Municipal Energy Agency, a legally constituted municipal energy agency and quasi-municipal corporation duly created, organized, and existing under and by virtue of the laws of the State of Kansas, including particularly K.S.A. 12-885 to 12-8,111, inclusive as amended and supplemented (“KMEA”) (hereinafter each referred to individually as a “Party” and collectively, the “Parties”).

WHEREAS, GRDA and KMEA are Parties to that certain Power Purchase and Sale Agreement dated as of May 11, 2005, as amended by that certain First Amendment to the Power Purchase and Sale Agreement dated as of October 14, 2009, and as further amended by that certain Second Amendment to the Power Purchase and Sale Agreement dated as of June 9, 2010 (collectively, the “Agreement”)

WHEREAS, the Parties agree to amend on the terms set forth herein certain sections of the Agreement to allow for the extension of the term of the Agreement and reduce the Capacity Billing Demand and Billing Energy.

NOW, THEREFORE, for and in consideration of the covenants and agreements contained herein, the Parties agree to the following:

1. **Article 1. Definitions, Section 1.21** “*Termination Date*” shall be deleted in its entirety and replaced with the following:

“1.21 “Termination Date” shall mean April 30, 2051, or such other date as the Parties may agree in writing in accordance with Article 11, unless terminated earlier in accordance with Article 13.”

2. **Article 11. Contract Term and Term Extension, Section 11.02** is amended by deleting the second sentence of the section which removes the following language:

~~“If KMEA desires a contract extension, KMEA must notify GRDA prior to April 30, 2021.”~~

3. **Article 14. Notices** shall be amended and updated as follows:

14.01 Notices and communications shall be delivered to:

Chief Executive Officer
Grand River Dam Authority
Administrative Center
8624 OK-412B
Chouteau, OK 74337
Telephone (918) 256-5545
Email: legal.notices@grda.com

With a CC to:

Executive Vice President, External Relations
Grand River Dam Authority
9933 East 16th Street
Tulsa, OK 74128

by: electronic mail, United States mail, or overnight courier service.

CITY OF OSAGE CITY

REQUEST FOR CITY COUNCIL ACTION

DATE
02/11/2025

TIME
7:00 P.M.

AGENDA SECTION NO: III	ORIGINATING DEPARTMENT: Administration	APPROVED FOR AGENDA:
ITEM NO. 4	BY: Katie Hodge, City Manager	BY: KH

ITEM:

BG Consultants is request approval of a supplemental agreement to be submitted to KDOT for reimbursement of work performed for the Flint Hills Trail Project above the initial maximum fee based on the original contract time. Due to KDOT/Contractor changes that extended the project an additional 22 days.

BACKGROUND:

This would be a final submission to close out the Flint Hill Trails Project.

FISCAL NOTE:

The agreement between KDOT and the City of Osage City is an 80/20 split. The City of Osage City submitted \$421,000 to KDOT for their 20% portion of the estimated project cost. Jason Hoskinson, BG Consultants Project Engineer, is reviewing the close out of the project and believes the total project cost is likely to be less than the estimated amount. Therefore, the City may not need to pay out anything additional. At this point, KDOT will not require the City to send more money now. Instead, they will complete a final audit once the contract is closed and will produce the final project cost. If the final project cost is below the estimated project cost, then the City will receive a refund. If not, then the City will need to pay their 20% of the overage.

COUNCIL ACTION:

1. Approve BG Consultants' request for reimbursement to KDOT to help cover the final work for completing the close-out of the project.

MOTION:

I move that we approve BG Consultants' supplemental agreement reimbursement request to KDOT for final work to be performed to close out the Flint Hill Trail Project.



Outlook

RE: Osage City KDOT Project (Flint Hills Trail)

From Jason Hoskinson <jason.hoskinson@bgcons.com>

Date Thu 2/6/2025 3:22 PM

To Katie Hodge <katie@osagecity.com>

Katie:

I did just get word back from KDOT that they removed the cap, so it's 80/20 up to the total cost of the project (within reason....can't go adding \$15M more work).

So that being said, the City's responsibility would be 20% of the expense charged to that supplemental agreement for our additional work.

KDOT won't require the City to send more money now. Instead, they'll do a final audit once the contract is closed out and see where the final cost comes in at. If it's under the amount associated with the original \$421,000 you sent them, you'll be getting a refund check. It sounds like there's a good chance of that since the Contractor was able to use the existing RR rock instead of bringing in new rock.

I'll keep you posted.

Thanks,
Jason Hoskinson, P.E., PTOE
Corporate Secretary

 **BG Consultants**

1405 Wakarusa Drive | Lawrence, KS 66049

O: 785.749.4474 x 2131

C: 785.840.7299 (Personal)

Web: www.bgcons.com | [Map](#) | [Email](#)

This message, including attachments, may contain confidential and legally privileged information intended solely for the intended recipient. If you are not the intended recipient, please notify the sender and do not take any action based on the information and do not disclose, store or distribute the information to any third party. Nothing in this email shall be construed as a legally binding contract or offer to contract unless expressly written. BG Consultants, Inc. accepts no liability for the information contained in this email or for the consequences of any action taken unless the information is expressly confirmed as a representation of the company.

From: Katie Hodge <katie@osagecity.com>

Sent: Thursday, February 6, 2025 3:10 PM

To: Jason Hoskinson <jason.hoskinson@bgcons.com>

Subject: Re: Osage City KDOT Project (Flint Hills Trail)

Ok. It looks like we sent \$421,000 to KDOT

services charged to this supplemental (assuming KDOT doesn't need us to do more work) is going to be in the ballpark of \$2,000....of which \$400 would be the City's responsibility.

Thanks,

Jason Hoskinson, P.E., PTOE

Corporate Secretary

 **BG Consultants**

1405 Wakarusa Drive | Lawrence, KS 66049

O: 785.749.4474 x 2131

C: 785.840.7299 (Personal)

Web: www.bgcons.com | [Map](#) | [Email](#)

This message, including attachments, may contain confidential and legally privileged information intended solely for the intended recipient. If you are not the intended recipient, please notify the sender and do not take any action based on the information and do not disclose, store or distribute the information to any third party. Nothing in this email shall be construed as a legally binding contract or offer to contract unless expressly written. BG Consultants, Inc. accepts no liability for the information contained in this email or for the consequences of any action taken unless the information is expressly confirmed as a representation of the company.

From: Katie Hodge <katie@osagecity.com>
Sent: Tuesday, February 4, 2025 1:33 PM
To: Jason Hoskinson <jason.hoskinson@bgcons.com>
Subject: Re: Osage City KDOT Project (Flint Hills Trail)

Hi Jason,

When you get a chance, could you please call me to discuss this, so I have a better understanding of who is responsible for these fees.

Thanks!

From: Jason Hoskinson <jason.hoskinson@bgcons.com>
Sent: Tuesday, February 4, 2025 11:46 AM
To: Katie Hodge <katie@osagecity.com>
Subject: Osage City KDOT Project (Flint Hills Trail)

Katie:

You're probably aware of this....our contract for construction phase services on the recently completed Flint Hills Trail project is a 3-party work order agreement with KDOT and KDOT takes care of invoices and payments. That makes it eligible for the Grant funding.

During the project, changes to the project resulted in 22 additional working days for the Contractor to complete the project. Our initial maximum fee was set up based on the original contract time.

As a result our team had more time spent on the project due to KDOT/Contractor changes than what we originally contracted to perform.

I submitted this change request for additional fee to KDOT, but they wanted me to run it through the City first. It's hourly with no profit (cost only) per KDOT's contracting process and will help us cover the final

WORK ESTIMATE FORM
Cost plus Net Fee

Work Scope Defined by Project Plans

Date _____

Consultant's Name BG Consultants, Inc.

Project No. 70 TE-0481-01

Mailing Address 1405 Wakarusa Drive
Lawrence, KS 66049

County/City Osage City

Working Days 22

Work Estimate No. _____

CMS Contract No. _____

Project Location Osage City - Flint Hills Nature Trail Improvement Project

Name of Project Eng/Manager Jason Hoskinson

Phone Number 785-749-4474 x.2131

Name of Chief Inspector Dan Byers

Phone Number 620-664-3333

1. Pre-construction preparation	Eng(s) &/or Mang.	_____ @	<u>\$36.00 =</u>	\$0.00
	Techn(s)	_____ @	<u>\$25.00 =</u>	\$0.00
	Others(s)	_____ @	<u>\$65.00 =</u>	\$0.00
	Clerical	_____ @	<u>_____ =</u>	\$0.00
	Subtotal			<u>\$0.00</u>

2. Field Inspection daily contract documents	Eng(s) &/or Mang.	<u>176</u> @	<u>\$37.98 =</u>	\$6,684.48
	Techn(s)	_____ @	<u>\$25.00 =</u>	\$0.00
	Others(s)	_____ @	<u>\$65.00 =</u>	\$0.00
	Clerical	_____ @	<u>\$0.00 =</u>	\$0.00
	Subtotal			<u>\$6,684.48</u>

3. On-site Testing	Eng(s) &/or Mang.	_____ @	<u>\$37.98 =</u>	\$0.00
	Techn(s)	_____ @	<u>\$25.00 =</u>	\$0.00
	Others(s)	_____ @	<u>\$65.00 =</u>	\$0.00
	Clerical	_____ @	<u>\$0.00 =</u>	\$0.00
	Subtotal			<u>\$0.00</u>

4. Surveying	Eng(s) &/or Mang.	_____ @	<u>\$37.98 =</u>	\$0.00
	Techn(s)	_____ @	<u>\$25.00 =</u>	\$0.00
	Others(s)	_____ @	<u>\$65.00 =</u>	\$0.00
	Clerical	_____ @	<u>\$0.00 =</u>	\$0.00
	Subtotal			<u>\$0.00</u>

5. Final Paper Preparation	Eng(s) &/or Mang.	_____ @	<u>\$37.98 =</u>	\$0.00
	Techn(s)	_____ @	<u>\$25.00 =</u>	\$0.00
	Others(s)	_____ @	<u>\$65.00 =</u>	\$0.00
	Clerical	_____ @	<u>\$0.00 =</u>	\$0.00
	Subtotal			<u>\$0.00</u>

Total Direct Payroll Costs \$6,684.48

Summary Total Direct Payroll Costs

	Hours	Rate	Extension
Eng(s) &/or Mang.	<u>176 @</u>	<u>\$37.98 =</u>	\$6,684.48
Techn(s)	<u>0 @</u>	<u>\$25.00 =</u>	\$0.00
Others(s)	<u>0 @</u>	<u>\$65.00 =</u>	\$0.00
Clerical	<u>0 @</u>	<u>\$0.00 =</u>	\$0.00
Total Direct Payroll Costs			\$6,684.48
B. Salary Related Overhead	<u>148.96 %</u>		\$9,957.20
C. Total Payroll plus Overhead			\$16,641.68
D. Net Fee			
E. Direct Expenses (Travel, Postage, Misc.)			
	Days		
Per Diem & Subsistence	<u> @</u>	<u> =</u>	\$0.00
Lodging	<u> @</u>	<u> =</u>	\$0.00
Mileage	miles	\$0.00/mile	
Auto	<u> @</u>		\$0.00
Pickup	<u> @</u>		\$0.00
Postage	<u> @</u>		\$0.00
Testing Laboratory or Consulting Firm to Assist (Name of Lab or Firm) (Details Needed)	<u> @</u>		\$0.00
Equipment Rental (Details \$500 +)	<u> @</u>		\$0.00
Total Other Direct Expenses			<u>\$0.00</u>
TOTAL COST PLUS NET FEE ESTIMATE			<u>\$16,641.68</u>

Consultant Representative  Date 1/7/2025
 LPA Authorized Representative _____ Date _____
 Approving KDOT Representative _____ Date _____

CITY OF OSAGE CITY

REQUEST FOR CITY COUNCIL ACTION

DATE
02/11/2025

TIME
7:00 P.M.

AGENDA SECTION NO: III	ORIGINATING DEPARTMENT: Administration	APPROVED FOR AGENDA:
ITEM NO. 5	BY: Katie Hodge, City Manager	BY: KH

ITEM:

Osage City and Osage County Connecting Link Agreement

BACKGROUND:

This has been an ongoing annual agreement with the City of Osage City and Osage County. Osage County maintain California Street from Shuey to Indian Hills. This connecting link agreement is for Osage City to maintain California Street from Shuey to 9th Street.

FISCAL NOTE:

\$342 per year

COUNCIL ACTION:

1. Approve the connecting link agreement between Osage City and Osage County
2. Reject the connecting link agreement between Osage City and Osage County
3. Table for a discussion later

MOTION:

I move that we approve the connecting link agreement between the City of Osage City and Osage County for \$342 for .57 miles for link No. OS C-1b.

Osage County Highway Department
128 West 15th St.
Lyndon, Ks 66451

Ph. (785) 828-4416 Fax: (785)828-3432

January 27, 2025

To Mayor and City Council Members:

Enclosed is a proposed agreement for City-County "Connecting Links" maintenance.

Please review, execute and return this agreement at your earliest convenience.

The City will be responsible for furnishing, installing and maintaining all stop signs, speed limit signs, railroad crossing signs and any other signs that may be required. The City will be responsible for all entrances, all drainage and drainage structures. Connecting link routes will be considered as snow routes. The City shall be responsible for removal of parked vehicles along these roads when any maintenance is required.

In the absence of an agreement between the city and the county, the county will maintain the road surface **up to 24 feet** on "Connecting Links" as its finances allow for these and other county-maintained road surfaces.

Thank you for your response in this matter. If the agreement is not to be accepted and signed, please return the unsigned copy to the Osage County Highway Department's Office.

Director of Public Works
Osage County, Kansas



Ryan Fine



Date

CITY-COUNTY "CONNECTING LINKS" AGREEMENT

Whereas, in accordance with K.S.A. 68-169 and K.S.A. 68-401 et. seq., all Kansas Counties and Cities of 5,000 or less population are designed by the State Secretary of Transportation to levy taxes for and to maintain certain bridges and streets called connectine links: in their jurisdiction: and

Whereas in accordance with K.S.A. 68-506e (now repealed) and, currently K.S.A. 68-506f, the governing bodies of these jurisdictions have traditionally, and are required in the future to tax the people for the above named purpose,

The Osage County Board of Commissioners and the City Council of Osage City do hereby agree, that in order to continue the maintenance of "Connecting Link" No. OS.C-1b and No. * through the City of Osage City, the cost and work of maintaining this .57 mile(s) of city street will be shared as follows:

- (1) Osage County, as authorized by this Agreement, will contribute \$342 fot .57mi/\$600 for link No. OS.C-1b (FAS 1250) and for link No.

- (2) All City expenditures from Osage County's contribution will be accounted for separately, by the city, and copies of said expenditures will be supplied to the County annually, by January 15 of the succeeding calendar year.

This agreement will remain in force until December 31, 2025, at which time it will be renegotiated.

This agreement approved and Adopted this day of City Council Mayor Council Member Council Member Council Member Council Member

This agreement approved and adopted this 27 day of January, 2025. Board of County Commissioners Osage County, Kansas Chairman Heather Kuehl Member Member

Fund Status Report

City of Osage City

Report Selection Criteria:

Selected Fund Type: ALL
 Include Encumbrances? NO
 Include Pri Yr Liabilities? NO
 Printed in Alpha by Fund Name? NO
 Exclude Additional Cash? NO
 Include Pending Cash? NO
 Fiscal Year: 2025
 From Date: 1/1/2025
 Thru Date: 1/31/2025
 From Period: 1
 To Period: 1
 Option: Date Range
 Exclude Transfers Breakdown? NO

Selected Funds :

	Beginning Balance	Receipts	Disbursements	Transfers	Ending Balance
General Fund (01)					
010 - General Fund	\$3,334,379.74	\$342,865.62	(\$256,959.35)	\$0.00	\$3,420,286.01
011 - Special Sfty Equipment	\$68,984.68	\$24,760.15	(\$50.00)	\$0.00	\$93,694.83
012 - Library Fund	\$0.00	\$97,346.56	(\$97,346.56)	\$0.00	\$0.00
014 - Airport Fund	\$371,930.12	\$293,266.57	(\$24,818.12)	\$0.00	\$640,378.57
016 - Bond & Interest Fund	\$205,098.82	\$69,681.93	(\$3,206.25)	\$0.00	\$271,574.50
021 - Electric Fund	\$4,965,264.93	\$280,115.11	(\$211,856.46)	\$0.00	\$5,033,523.58
023 - Water Fund	\$3,103,835.29	\$108,705.60	(\$43,668.66)	\$0.00	\$3,168,872.23
025 - Gas Fund	\$1,343,088.89	\$177,574.13	(\$112,920.39)	\$0.00	\$1,407,742.63
027 - Sewer Fund	\$747,726.42	\$42,481.71	(\$24,913.84)	\$0.00	\$765,294.29
029 - Sanitation Fund	\$663,923.64	\$42,032.89	(\$42,678.81)	\$0.00	\$663,277.72
031 - Special Highway	\$15,327.29	\$18,837.58	\$0.00	\$0.00	\$34,164.87
032 - Alcohol Safety Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
033 - Special Parks & Rec	\$45,385.16	\$0.00	\$0.00	\$0.00	\$45,385.16
034 - Special Enf. Trust	\$495.85	\$0.02	\$0.00	\$0.00	\$495.87
035 - Fire Insurance Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
038 - Energy Efficiency	\$6,087.07	\$202.14	(\$220.44)	\$0.00	\$6,068.77
043 - Pool Cip	\$1,473,907.29	\$0.00	\$0.00	\$0.00	\$1,473,907.29
050 - Capital Improvement	\$757,024.54	\$0.00	(\$63,288.79)	\$0.00	\$693,735.75
055 - Equipment Reserve	\$435,037.21	\$0.00	(\$26,717.84)	\$0.00	\$408,319.37
071 - LIEAP Liability	\$172,965.61	\$2,149.00	\$0.00	\$0.00	\$175,114.61
072 - Utility Deposits	\$86,799.18	\$3,600.00	(\$3,150.00)	\$0.00	\$87,249.18
073 - Court Bond Fund	\$2,318.00	\$0.00	\$0.00	\$0.00	\$2,318.00
080 - Sewer Improvement	\$1,128,870.65	\$0.00	\$0.00	\$0.00	\$1,128,870.65
081 - Water Improvement	\$100,000.00	\$0.00	\$0.00	\$0.00	\$100,000.00
082 - Public Bldg Commission	\$113,435.35	\$2,591.08	\$0.00	\$0.00	\$116,026.43
083 - Street Improvement	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Fund Status Report

City of Osage City

Report Selection Criteria:

Selected Fund Type: ALL
 Include Encumbrances? NO
 Include Pri Yr Liabilities? NO
 Printed in Alpha by Fund Name? NO
 Exclude Additional Cash? NO
 Include Pending Cash? NO

Fiscal Year: 2025

From Date: 1/1/2025

From Period: 1

Thru Date: 1/31/2025

To Period: 1

Option: Date Range

Exclude Transfers Breakdown? NO

Selected Funds :

	Beginning Balance	Receipts	Disbursements	Transfers	Ending Balance
084 - Sewer Reserve	\$95,000.00	\$0.00	\$0.00	\$0.00	\$95,000.00
086 - Electric Improvement	\$956,400.64	\$0.00	\$0.00	\$0.00	\$956,400.64
090 - Golf Course	\$8,626.92	\$0.00	\$0.00	\$0.00	\$8,626.92
091 - Huffman Park Tree Donations	\$1,437.68	\$0.00	\$0.00	\$0.00	\$1,437.68
092 - CDBG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
093 - MIH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
094 - ARPA	\$11,195.40	\$0.00	\$0.00	\$0.00	\$11,195.40
099 - Clearing Fund	\$11,936.23	\$17,101.72	(\$17,110.81)	\$0.00	\$11,927.14
996 - Misc Accounts Receivable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
997 - Write Offs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
998 - Long Term Debt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
999 - Accounts Receivable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
* Fund Type Total *	\$20,226,482.60	\$1,523,311.81	(\$928,906.32)	\$0.00	\$20,820,888.09
* Report Total *	\$20,226,482.60	\$1,523,311.81	(\$928,906.32)	\$0.00	\$20,820,888.09



Proud Past • Brilliant Future

City of Osage City
201 South 5th Street
P.O. Box 250
Osage City, Kansas 66523-0250
785-528-3714 office
785-528-3022 fax
osagecity@osagecity.com

January 31, 2025

Dear Kansas Senators and Representatives,

I am writing today in support of meaningful PBM reform in Kansas. I ask that you refer to our local pharmacist, Mandy Gibson at AuBurn Pharmacy in Osage City, for all the ways that PBMs are harming our local pharmacy. The City of Osage City is a rural community with a population of 2,800 whose incomes are low to moderate. Our rural community is the largest in Osage County and serves the needs of our citizens, along with the surrounding communities in the area by offering access to many resources such as fuel stations, restaurants, retail stores, grocery stores, healthcare, pharmacy, and a fitness center.

It is imperative that our rural community and our surrounding rural communities have access to healthcare and medications, reducing the need to travel to larger cities. Often people in our community and surrounding communities do not have the money for travel or even the means to travel. Our local pharmacy has highly valued relationships with each of their customers and our local medical clinic. As a result, the pharmacy provides tailored advice and healthcare support to ensure better outcomes for our citizens, especially our seniors. This close-knit relationship happens at the local level and not with non-local pharmacies or PBM's.

I implore you to talk to our local pharmacist - Mandy Gibson at 785-528-4415 or mgibson@auburnpharmacies.com for more information about what PBMs are doing to community pharmacies and how PBM reform is critical for not only these Kansas small businesses but its citizens as well.

Thank you for your time. Your support of meaningful PBM reform will help keep our local pharmacy here for years to come.

Sincerely,

A handwritten signature in black ink that reads "Katie Hodge". The signature is written in a cursive, flowing style.

Katie Hodge
City Manager