

# OSAGE CITY COUNCIL

Regular Meeting  
November 12, 2024  
7:00 p.m.

City Council Chambers – 221 S. 5<sup>th</sup>- Osage City, Ks

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- **MEETING ID:** 480-138-133
- **Audio only:** 1-(872) 240-3311

## 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 October 22, 2024 Regular Meeting Minutes

## III. Business Before the Council

1. Update from Eileen Davis on the South 9<sup>th</sup> Street Cemetery
2. Progress Report from Vanessa Burkdoll on 204 Lord (Information)
3. Progress Report from Sterling Hughs on 277 Market (Information)
4. Approval of the Killough Construction bid for milling and overlay of Main Street from 6<sup>th</sup>-7<sup>th</sup> Street (Action Required)—Fred Hallowell, Street Superintendent
5. Approval of the execution of the amended No. 2 loan agreement, Ordinance 1689 and supporting documents between the City of Osage City and Kansas Department of Health and Environment for KWPCRF Project No. C20 1677 01 (Phase 2 of the Sewer Improvement Project)—Katie Hodge, City Manager
6. Authorize City Manager Katie Hodge to sign the USDA application and supporting documentation via the web RD Apply for Phase 5 of our Sewer Improvement Project (Action Required)—Sadie Boos, City Treasurer
7. Brightspeed project overview, Pole Agreement, and Franchise Fee Ordinance 1691 (Action Required)—John Idoux, Brightspeed and Dale Schwieger, Utilities Director



**CITY OF OSAGE CITY**  
**COUNCIL MEETING**  
**October 22, 2024**

**ROLL CALL:** Now on this 22<sup>nd</sup> day of October 2024, 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: Susan Smith, Mike Gilliland, Shirley Bausman, Mike Handly, Jeanette Swarts, Cathryn Houghton, Jeff Tice, Kathy Ayers. Officials present: Rick Godderz, City Attorney; Katie Hodge, City Manager; Sadie Boos, City Treasurer; Amy Woodward, City Clerk; Dale Schwieger, Utilities Director. Others Present: Brett Waggoner, Governmental Assistance Services; Teresa Nell.

**APPROVAL OF THE AGENDA:**

*Motion by Smith, second by Houghton to approve the agenda. The motion was declared carried (8-0).*

**RECOGNITION OF VISITORS:** Tyler Parsons, Flint Hills Beverage

**APPROVAL OF THE CONSENT AGENDA:**

1. Approval of October 8, 2024 Regular Meeting Minutes
2. Appointment of Teresa Nell to the Planning and Zoning Committee as recommended by the Planning and Zoning Committee

*Motion by Swarts, second by Gilliland to approve the consent agenda. The motion was declared carried (8-0).*

**BUSINESS BEFORE THE COUNCIL:**

1. **Public Meeting to present and discuss alternatives for the wastewater collection system project—Brett, Waggoner, Governmental Assistance Services**

Mayor Stromgren opened the Public Meeting to discuss alternatives for the wastewater collection system. No public comments were presented. Mayor Stromgren closed the Public Meeting.

2. **Public Hearing to present and discuss alternatives for the wastewater collection system project—Brett, Waggoner, Governmental Assistance Services**

Mayor Stromgren opened the Public Hearing to discuss alternatives for the wastewater collection system. No public comments were presented. Mayor Stromgren closed the Public Hearing.

3. **Approve the KDHE Sewer Application documents (Action Required) -- Brett, Waggoner, Governmental Assistance Services**

City Manager, Hodge, shared with Council the needed improvements for the Airport and the available options to fund the necessary improvements to the Airport runway and apron, and runway lighting & beacon.

*Motion made by Gilliland, second by Tice to enter into an agreement with Kirkham Michael to provide services as outlined in the agreement for the Airport Improvement Program Project No. 3-20-01220-015-2025 and the BIL No. 3-20-0120-014-2025 in an amount not to exceed \$342,797.25. The motion was declared carried (8-0).*

**6. Interconnection discussion—Katie Hodge, City Manager, and Dale Schwieger, Utilities Director**

City Manager, Hodge, explained to council the differences in allowed percentages, and the financial impact of allowing a lesser percentage on City revenue.

Flint Hills Beverage representative, Tyler Parsons, spoke regarding business needs with solar and potential future plans to utilize electric vehicles, which will increase the need for energy in the non-daylight hours.

*Motion made by Tice, second by Gilliland to change the interconnection agreement to 25% for commercial and industrial solar users, and keep residential at 35%. The motion was declared carried (8-0).*

**7. BNSF railroad crossing discussion (Discussion)-- Katie Hodge, City Manager**

City Manager, Hodge, shared with council a discussion had with representatives from BNSF. In this discussion BNSF asked Hodge if there was interest in closing any of the City's railway crossings for safety purposes. Council declined interest.

**8. October 24<sup>th</sup> @ 1:00 pm Ribbon Cutting for Solar Farm. Need a count for the number of council members who will be attending (Information)—Katie Hodge, City Manager**

City Manager, Hodge, informed Council of the Ribbon Cutting event at the Solar Farm at 1:00 PM Thursday, October 24<sup>th</sup>.

**ADJOURNMENT:**

*At the request of Council Member Smith and on her motion, seconded by Council Member Gilliland and carried unanimously, the meeting adjourned.*

APPROVED: \_\_\_\_\_  
Brian D. Stromgren, Mayor

ATTESTED: \_\_\_\_\_  
Amy Woodward, City Clerk

# NOTICE OF CALLED MEETING

You are hereby notified that I have called and do hereby call a special meeting of the Governing Body of the City of Osage City, Kansas, on **Tuesday, October 22, 2024 at 6:30 p.m.** at the City Council Chambers purpose of discussing the following items:

1. Touring real estate purchased by the City of Osage City to gather information to assist with future decisions regarding the property.

Dated this 22nd day of October, 2024.

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Brian Stromgren, Mayor

## CONSENT TO MEETING

We, the undersigned, being all the members of the Governing Body of the City of Osage City, Kansas hereby accept service of the foregoing notice, waving any and all irregularities in such service and in such notice and consent to agree that said Governing Body shall meet at the time and place therein.

Dated this 22nd day of October, 2024.

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COUNCILMEMBERS

# CITY OF OSAGE CITY

REQUEST FOR CITY COUNCIL ACTION

DATE  
10/22/2024

TIME  
7:00 P.M.

AGENDA SECTION NO: III	ORIGINATING DEPARTMENT:  Administration	APPROVED FOR AGENDA:
ITEM NO. 4	BY: Fred Hallowell, Street Superintendent	BY: KH

**ITEM:**

Killough bid for mill and overlay of Main from 6<sup>th</sup> to 7<sup>th</sup> Street

**BACKGROUND:**

Please refer to the Killough bid immediately following this page

**FISCAL NOTE:**

\$45,000 in the CIP budget

**COUNCIL ACTION:**

1. Approve Killough's bid
2. Reject Killough's bid

**STAFF RECOMMENDATION:**

Approve the bid

**MOTION:**

I make a motion to approve the Killough mill and overlay bid, not to exceed \$45,0000

# CITY OF OSAGE CITY

REQUEST FOR CITY COUNCIL ACTION

DATE  
11/12/2024

TIME  
7:00 P.M.

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

**ITEM:**

Execution of the amended No. 2 loan agreement and supporting documents between the City of Osage City and Kansas Department of Health and Environment for KWPCRF Project No. C20 1677 01 (Phase 2 of the Sewer Improvement Project)

**BACKGROUND:**

This is the loan agreement that was amended to increase the loan from \$1,500,000 (original loan amount) to \$3,174,104.79 (\$1,674,107.79 additional loan increase request) to finish Phase 2 of the ongoing Sewer Improvement Project.

Municipal Pipe has been contracted to finish the project that was started by Utility Solutions

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**FISCAL NOTE:**

Increase original loan by \$1,674,107.79, thus, our new total loan amount is \$3,174104.79

**COUNCIL ACTION:**

1) Approve and execute the loan agreement

**STAFF RECOMMENDATION:**

Authorize Mayor Stromgren to sign the loan agreement and supporting documents requiring a city official's signature

**MOTION:**

I make a motion to authorize Mayor Stromgren, on behalf of Osage City, to sign the Kansas Department of Health and Environment Amendment No. 2 loan agreement and supporting documents for KWPCRF Project No.: C20 1677 01

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SECOND AMENDMENT TO THE  
LOAN AGREEMENT

By and Between

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

AND

CITY OF OSAGE CITY, KANSAS  
KWPCRF PROJECT NO.: C20 1677 01

ORIGINAL LOAN AGREEMENT  
EFFECTIVE AS OF APRIL 15, 2016

AMENDMENT NO.: 2  
EFFECTIVE AS OF OCTOBER 2, 2024

=====

IN WITNESS WHEREOF, KDHE and the Municipality have caused this Second Amendment to the Loan Agreement for the Municipality to be executed, sealed and delivered, effective as of October 2, 2024.



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

By Janet Stanek  
Janet Stanek  
Secretary  
Kansas Department of Health and Environment

Date: 10-17-2024

OSAGE CITY, KANSAS

By \_\_\_\_\_

Title: \_\_\_\_\_

(Seal)

ATTEST:

By \_\_\_\_\_  
Title: \_\_\_\_\_

The "Municipality"

Date: \_\_\_\_\_

## ARTICLE II

### LOAN TERMS

**Section 2.01. Amount of the Loan.** Subject to all of the terms, provisions and conditions of this Loan Agreement, and subject to the availability of State and Federal funds, KDHE will loan an amount not to exceed ~~One Million Five Hundred Thousand Dollars [\$1,500,000]~~ Three Million One Hundred Seventy-Four Thousand One Hundred Four Dollars and Seventy-Nine Cents [\$3,174,104.79] (comprised of \$1,500,000 of the Original Loan Amount with the effective date of April 15, 2016 plus \$1,674,104.79 from the Supplemental Loan Amount with the effective date of October 2, 2024) to the Municipality to pay the costs of the Project described in **Exhibit A** hereto. The final actual amount of the Loan may be reduced without revision of any other terms, provisions or conditions of this Loan Agreement, other than the Loan Repayment Schedule (**Exhibit B** hereto), to reflect reductions in the estimated or actual total Project Costs as impacted by opening of bids for construction, change orders, final actual costs, and prepayments. The Municipality shall be responsible for any costs incurred by the Municipality in connection with the Project in addition to the amount of the Loan. An amendment to **Exhibit B** must be accomplished by an Amendment to the Loan Agreement executed by all parties.

**Section 2.02. Interest Rate.** The gross interest rate on the amount of the Original Loan Amount with effective date April 15, 2016 shall be 2.02% per annum, and the interest rate on the amount of the Supplemental Loan Amount with the effective date October 2, 2024 shall be 2.33% per annum, which shall be assessed on the unpaid principal balance to be paid as set out in the Loan Repayment Schedule, **Exhibit B** hereto. This gross interest rate consists of a net loan interest rate, and a service fee, as described in **Exhibit B**.

KANSAS WATER POLLUTION CONTROL REVOLVING FUND

Estimated Draws - Actual Interest Rate  
 Amortization of Loan Costs for **Total Loan Amount**  
 As of 10/2/2024

Project Costs: 3,174,104.79  
 Interest Capitalized: 0.00  
 Service Fee Capitalized: 0.00  
 Gross Loan Costs: 3,174,104.79

Prepared for:  
 City of Osage City, Project No. C20 1677 01

Gross Rate: blended  
 Service Fee Rate: 0.25%  
 Interest Rate: blended  
 First Payment Date: 9/1/2018  
 Number of Payments: 40

Payment Number	Payment Date	Beginning Balance	Interest Payment	Principal Payment	Service Fee	Total Payment	Ending Balance
1	9/1/2018	3,174,104.79	5,017.06	40,044.51	708.62	45,770.19	3,134,060.28
2	3/1/2019	3,134,060.28	4,662.66	40,448.96	658.57	45,770.19	3,093,611.32
3	9/1/2019	3,093,611.32	4,304.69	40,857.49	608.01	45,770.19	3,052,753.83
4	3/1/2020	3,052,753.83	4,515.51	40,616.90	637.78	45,770.19	3,012,136.93
5	9/1/2020	3,012,136.93	5,014.68	40,047.22	708.29	45,770.19	2,972,089.71
6	3/1/2021	2,972,089.71	5,257.76	39,769.81	742.62	45,770.19	2,932,319.90
7	9/1/2021	2,932,319.90	5,781.59	39,171.99	816.61	45,770.19	2,893,147.91
8	3/1/2022	2,893,147.91	6,691.34	38,133.75	945.10	45,770.19	2,855,014.16
9	9/1/2022	2,855,014.16	6,459.83	38,397.96	912.40	45,770.19	2,816,616.20
10	3/1/2023	2,816,616.20	6,120.00	38,785.78	864.41	45,770.19	2,777,830.42
11	9/1/2023	2,777,830.42	5,776.75	39,177.51	815.93	45,770.19	2,738,652.91
12	3/1/2024	2,738,652.91	5,430.03	39,573.21	766.95	45,770.19	2,699,079.70
13	9/1/2024	2,699,079.70	5,079.81	39,972.89	717.49	45,770.19	2,659,106.81
14	3/1/2025	2,659,106.81	26,127.96	85,036.04	3,323.88	114,487.88	2,574,070.77
15	9/1/2025	2,574,070.77	25,293.05	85,977.24	3,217.59	114,487.88	2,488,093.53
16	3/1/2026	2,488,093.53	24,448.85	86,928.91	3,110.12	114,487.88	2,401,164.62
17	9/1/2026	2,401,164.62	23,595.27	87,891.15	3,001.46	114,487.88	2,313,273.47
18	3/1/2027	2,313,273.47	22,732.18	88,864.11	2,891.59	114,487.88	2,224,409.36
19	9/1/2027	2,224,409.36	21,859.50	89,847.87	2,780.51	114,487.88	2,134,561.49
20	3/1/2028	2,134,561.49	20,977.10	90,842.58	2,668.20	114,487.88	2,043,718.91
21	9/1/2028	2,043,718.91	20,084.88	91,848.35	2,554.65	114,487.88	1,951,870.56
22	3/1/2029	1,951,870.56	19,182.73	92,865.31	2,439.84	114,487.88	1,859,005.25
23	9/1/2029	1,859,005.25	18,270.55	93,893.57	2,323.76	114,487.88	1,765,111.68
24	3/1/2030	1,765,111.68	17,348.21	94,933.28	2,206.39	114,487.88	1,670,178.40
25	9/1/2030	1,670,178.40	16,415.60	95,984.56	2,087.72	114,487.88	1,574,193.84
26	3/1/2031	1,574,193.84	15,472.61	97,047.53	1,967.74	114,487.88	1,477,146.31
27	9/1/2031	1,477,146.31	14,519.12	98,122.32	1,846.44	114,487.88	1,379,023.99
28	3/1/2032	1,379,023.99	13,555.03	99,209.07	1,723.78	114,487.88	1,279,814.92
29	9/1/2032	1,279,814.92	12,580.19	100,307.92	1,599.77	114,487.88	1,179,507.00
30	3/1/2033	1,179,507.00	11,594.51	101,418.98	1,474.39	114,487.88	1,078,088.02
31	9/1/2033	1,078,088.02	10,597.86	102,542.41	1,347.61	114,487.88	975,545.61
32	3/1/2034	975,545.61	9,590.10	103,678.34	1,219.44	114,487.88	871,867.27
33	9/1/2034	871,867.27	8,571.12	104,826.93	1,089.83	114,487.88	767,040.34
34	3/1/2035	767,040.34	7,540.80	105,988.28	958.80	114,487.88	661,052.06
35	9/1/2035	661,052.06	6,499.01	107,162.55	826.32	114,487.88	553,889.51
36	3/1/2036	553,889.51	5,445.61	108,349.91	692.36	114,487.88	445,539.60
37	9/1/2036	445,539.60	4,380.47	109,550.49	556.92	114,487.88	335,989.11
38	3/1/2037	335,989.11	3,303.48	110,764.42	419.98	114,487.88	225,224.69
39	9/1/2037	225,224.69	2,214.49	111,991.86	281.53	114,487.88	113,232.83
40	3/1/2038	113,232.83	1,113.39	113,232.83	141.66	114,487.88	0.00
		Totals	453,425.38	3,174,104.79	58,655.06	3,686,185.23	

KANSAS WATER POLLUTION CONTROL REVOLVING FUND

Project Costs: 1,674,104.79  
 Interest Capitalized: 0.00  
 Service Fee Capitalized: 0.00  
 Gross Loan Costs: 1,674,104.79

Estimated Draws - Actual Interest Rate  
 Amortization of Loan Costs for **Supplemental Loan Amount**  
 As of 10/2/2024

Prepared for:  
 City of Osage City, Project No. C20 1677 01

Gross Rate: 2.33%  
 Service Fee Rate: 0.25%  
 Interest Rate: 2.08%  
 First Payment Date: 9/1/2018  
 Number of Payments: 40

Payment Number	Payment Date	Beginning Balance	Interest Payment	Principal Payment	Service Fee	Total Payment	Ending Balance
1	9/1/2018	0.00	0.00	0.00	0.00	0.00	0.00
2	3/1/2019	0.00	0.00	0.00	0.00	0.00	0.00
3	9/1/2019	0.00	0.00	0.00	0.00	0.00	0.00
4	3/1/2020	0.00	0.00	0.00	0.00	0.00	0.00
5	9/1/2020	0.00	0.00	0.00	0.00	0.00	0.00
6	3/1/2021	0.00	0.00	0.00	0.00	0.00	0.00
7	9/1/2021	0.00	0.00	0.00	0.00	0.00	0.00
8	3/1/2022	0.00	0.00	0.00	0.00	0.00	0.00
9	9/1/2022	0.00	0.00	0.00	0.00	0.00	0.00
10	3/1/2023	0.00	0.00	0.00	0.00	0.00	0.00
11	9/1/2023	0.00	0.00	0.00	0.00	0.00	0.00
12	3/1/2024	0.00	0.00	0.00	0.00	0.00	0.00
13	9/1/2024	0.00	0.00	0.00	0.00	0.00	0.00
14	3/1/2025	1,674,104.79	17,410.69	53,120.15	2,092.63	72,623.47	1,620,984.64
15	9/1/2025	1,620,984.64	16,858.24	53,739.00	2,026.23	72,623.47	1,567,245.64
16	3/1/2026	1,567,245.64	16,299.35	54,365.06	1,959.06	72,623.47	1,512,880.58
17	9/1/2026	1,512,880.58	15,733.96	54,998.41	1,891.10	72,623.47	1,457,882.17
18	3/1/2027	1,457,882.17	15,161.97	55,639.15	1,822.35	72,623.47	1,402,243.02
19	9/1/2027	1,402,243.02	14,583.33	56,287.34	1,752.80	72,623.47	1,345,955.68
20	3/1/2028	1,345,955.68	13,997.94	56,943.09	1,682.44	72,623.47	1,289,012.59
21	9/1/2028	1,289,012.59	13,405.73	57,606.47	1,611.27	72,623.47	1,231,406.12
22	3/1/2029	1,231,406.12	12,806.62	58,277.59	1,539.26	72,623.47	1,173,128.53
23	9/1/2029	1,173,128.53	12,200.54	58,956.52	1,466.41	72,623.47	1,114,172.01
24	3/1/2030	1,114,172.01	11,587.39	59,643.36	1,392.72	72,623.47	1,054,528.65
25	9/1/2030	1,054,528.65	10,967.10	60,338.21	1,318.16	72,623.47	994,190.44
26	3/1/2031	994,190.44	10,339.58	61,041.15	1,242.74	72,623.47	933,149.29
27	9/1/2031	933,149.29	9,704.75	61,752.28	1,166.44	72,623.47	871,397.01
28	3/1/2032	871,397.01	9,062.53	62,471.69	1,089.25	72,623.47	808,925.32
29	9/1/2032	808,925.32	8,412.82	63,199.49	1,011.16	72,623.47	745,725.83
30	3/1/2033	745,725.83	7,755.55	63,935.76	932.16	72,623.47	681,790.07
31	9/1/2033	681,790.07	7,090.62	64,680.61	852.24	72,623.47	617,109.46
32	3/1/2034	617,109.46	6,417.94	65,434.14	771.39	72,623.47	551,675.32
33	9/1/2034	551,675.32	5,737.42	66,196.46	689.59	72,623.47	485,478.86
34	3/1/2035	485,478.86	5,048.98	66,967.64	606.85	72,623.47	418,511.22
35	9/1/2035	418,511.22	4,352.52	67,747.81	523.14	72,623.47	350,763.41
36	3/1/2036	350,763.41	3,647.94	68,537.08	438.45	72,623.47	282,226.33
37	9/1/2036	282,226.33	2,935.15	69,335.54	352.78	72,623.47	212,890.79
38	3/1/2037	212,890.79	2,214.06	70,143.30	266.11	72,623.47	142,747.49
39	9/1/2037	142,747.49	1,484.57	70,960.47	178.43	72,623.47	71,787.02
40	3/1/2038	71,787.02	746.59	71,787.02	89.86	72,623.47	0.00
		Totals	255,963.88	1,674,104.79	30,765.02	1,960,833.69	

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

Yes: \_\_\_\_\_.

No: \_\_\_\_\_.

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

(Other Proceedings)

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

(SEAL)

Clerk

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

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

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

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

Very truly yours,

the Loan Act which operates a wastewater collection, pumping, and treatment system (the "System"); and

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

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

The project is to rehabilitate the wastewater collection and treatment system within the city to reduce sanitary sewer backups and overflows (the "Project"); and

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

**WHEREAS**, KDHE has informed the Municipality that it has been approved for a loan in amount of not to exceed Three Million One Hundred Seventy-Four Thousand One Hundred Four Dollars and Seventy-Nine Cents [\$3,174,104.79] (the "Loan") in order to finance the Project; and

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

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

**Section 1. Authorization of the Second Amendment to the Loan Agreement.** The Municipality is hereby authorized to accept the Loan and to enter into a certain Second Amendment to the Loan Agreement, with an effective date of October 2, 2024, with the State of Kansas acting by and through the Kansas Department of Health and Environment (the "Second Amendment to the Loan Agreement") to finance the Project Costs (as defined in the Second Amendment to the Loan Agreement). The Mayor and Clerk are hereby authorized to execute the Second Amendment to the Loan Agreement in substantially the form presented to the governing body this date, with such changes or modifications thereto as may be approved by the Mayor and the City Attorney, the Mayor's execution of the Second Amendment to the Loan Agreement being conclusive evidence of such approval.

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

**PASSED** by the governing body of the City on November 12, 2024 and [signed][and **APPROVED**] by the Mayor.

(SEAL)

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Mayor

ATTEST:

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Clerk

[APPROVED AS TO FORM ONLY.]

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[City Attorney]

# CITY OF OSAGE CITY

REQUEST FOR CITY COUNCIL ACTION

DATE  
11/12/2024

TIME  
7:00 P.M.

AGENDA SECTION NO: III	ORIGINATING DEPARTMENT:  Administration	APPROVED FOR AGENDA:
ITEM NO. 7	BY: Dale Schwieger, Utilities Director	BY: KH

**ITEM:**

Brightspeed and Franchise agreement

**BACKGROUND:**

Bright Speed has purchased the Embarq area here in Osage City. They would like to have an agreement with the city to provide fiberoptics to the residents of Osage City. They would like to have Franchise and pole attachment agreement approved so they can begin updating their equipment here in Osage City.

**FISCAL NOTE:**

- The Franchise Agreement is 1% of Brightspeed's local exchange access service Gross Revenue and is paid quarterly.
- The Pole Attachment Agreement is \$9 per pole is paid annually.

**COUNCIL ACTION:**

1. Approve the franchise and pole attachment agreements
2. Reject franchise and pole attachment agreements
3. Table to a later meeting for discussion

**STAFF RECOMMENDATION:**

Approve the agreements

**Motion:**

1. I make a motion to approve the Ordinance No. 1689 establishing a Franchise agreement with Brightspeed
2. I make a motion to approve the Pole Attachment agreement with Brightspeed

**SECTION 7. City Regulatory Authority.** The City reserves the right to adopt such additional ordinances and regulations as may be deemed necessary in the exercise of its police power for the protection of the health, safety and welfare of its citizens and their properties consistent with applicable federal and state law.

**SECTION 8. Indemnification.** The City shall not be liable for any property damage or loss or injury to or death of any person that occurs in the construction, operation or maintenance by Brightspeed of its Facilities. Brightspeed shall indemnify, defend and hold the City harmless from and against third party claims, demands, liens and all liability or damage of whatsoever kind on account of Brightspeed's use of the Public Ways. The City shall: (a) give prompt written notice to Brightspeed of any claim, demand or lien with respect to which the City seeks indemnification hereunder; and (b) permit Brightspeed to assume the defense of such claim, demand, or lien. Brightspeed shall not be subject to liability for any settlement made without its consent. Notwithstanding the other provisions contained herein, Brightspeed shall in no event be required to indemnify the City for any claims, demands, or liens arising from the negligence or wrongful actions or inactions of the City, its officials, boards, commissions, agents, contractors, and/or employees.

**SECTION 9. Insurance Requirements.** Brightspeed will maintain in full force and effect for the Term of the Franchise, at Brightspeed's expense, a comprehensive liability insurance policy written by a company authorized to do business in the Commonwealth of Virginia, or will provide self-insurance reasonably satisfactory to the City, protecting it against liability for loss, personal injury and property damage occasioned by the operation of the System by Brightspeed. Such insurance will be in an amount not less than \$1,000,000.00. Brightspeed will also maintain Worker's Compensation coverage throughout the term of this Franchise as required by law. The City may review the status of Brightspeed's insurance at [www.Brightspeed.com/moi](http://www.Brightspeed.com/moi).

**SECTION 10. Annexation.** When any territory is approved for annexation to the City, the City shall within ten (10) business days notify Brightspeed: (a) each site address to be annexed as recorded on City assessment and tax rolls; (b) a legal description of the proposed boundary change; and (c) a copy of the City's ordinance approving the proposed annexation.

**SECTION 11. Plan, Design, Construction and Installation of Brightspeed's Facilities.**

**11.1** All Facilities under authority of this Ordinance shall be used, constructed and maintained in accordance with applicable law.

**11.2** Brightspeed shall, prior to commencing new construction or major reconstruction work in Public Ways or other public places, apply for any required permit from the City, which permit shall not be unreasonably withheld, conditioned, or delayed. Brightspeed will abide by all applicable ordinances and reasonable rules, regulations and requirements of the Town consistent with applicable law, and the City may inspect the manner of such work and require remedies as may be reasonably necessary to assure compliance. Notwithstanding the foregoing, Brightspeed shall not be obligated to obtain a permit to perform emergency repairs.

**12.3 Alternatives to Relocation.** Brightspeed may, after receipt of written notice requesting a relocation of Facilities, submit to the City written alternatives to such relocation. Such alternatives shall include the use and operation of temporary transmitting facilities in adjacent Public Ways. The City shall promptly evaluate such alternatives and advise Brightspeed in writing if one or more of the alternatives are suitable. If requested by the City, Brightspeed shall promptly submit additional information to assist the City in making such evaluation. The City shall give each alternative proposed by Brightspeed full and fair consideration. In the event the City ultimately determines that there is no other reasonable alternative, Brightspeed shall relocate the components of the System as otherwise provided herein. Notwithstanding the foregoing, Brightspeed shall in all cases have the right to abandon the Facilities.

**SECTION 13. Vegetation Management.** Brightspeed shall have the authority to trim trees and other natural growth in the Public Ways in order to access and maintain the Facilities in compliance with applicable law and industry standards. This grant shall in no way impose a duty on Brightspeed; instead, this grant gives permission to Brightspeed should Brightspeed elect to conduct such activities from time-to-time in order to access and maintain its Facilities.

**SECTION 14. Renewal.** At least one hundred twenty (120) days prior to the expiration of this Franchise, Brightspeed and the Town shall either agree to extend the Term or use best faith efforts to renegotiate a replacement Franchise agreement.

**SECTION 15. Revocation of Franchise for Noncompliance.**

**15.1** In the event that the City believes that Brightspeed has not complied with the terms of the Franchise, the City shall informally discuss the matter with Brightspeed. If these discussions do not lead to resolution of the problem, the City shall notify Brightspeed in writing of the exact nature of the alleged noncompliance.

**15.2** Brightspeed shall have thirty (30) days from receipt of the written notice described in subsection 15.1 to either respond to the City, contesting the assertion of noncompliance, or otherwise initiate reasonable steps to remedy the asserted noncompliance issue, notifying the City of the steps being taken and the projected date that they will be completed.

**15.3** In the event that Brightspeed does not comply with subsection 15.2, above, the City shall schedule a public hearing to address the asserted noncompliance issue. The City shall provide Brightspeed at least ten (10) days prior written notice of and the opportunity to be heard at the hearing.

**15.4** Subject to applicable federal and state law, in the event the City, after the hearing set forth in subsection 15.3, determines that Brightspeed is noncompliant with this Ordinance, the City may:

- A. Seek specific performance of any provision which reasonably lends itself to such remedy, as an alternative to damages; or
- B. Commence an action at law for monetary damages or other equitable relief; or

The City:  
The City of Osage City, KS

Brightspeed:  
1120 S. Tryon St., Ste. 700  
Charlotte, NC 28203

**SECTION 20. Publication.** In accordance with Kansas law, the city shall be responsible for publication of this Ordinance, and any amendments thereof. Brightspeed shall be responsible for payment of all necessary and reasonable costs of publication of this Ordinance, and any amendments thereof.

**SECTION 21. Severability.** If any section, sentence, paragraph, term or provision hereof is for any reason determined to be illegal, invalid, or superseded by other lawful authority, including any state or federal regulatory authority having jurisdiction thereof, or unconstitutional, illegal or invalid by any court of common jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such determination shall have no effect on the validity of any other section, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise or any renewal or renewals thereof.

CONSIDERED and APPROVED this 12th day of November, 2024.

CITY OF OSAGE CITY

By: \_\_\_\_\_  
Brian Stromgren, Mayor

ACCEPTED BY BRIGHTSPEED:

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

4. **Rent.** Upon the Commencement Date, Lessee shall pay Lessor in advance on a yearly basis the sum of per year (“  9.00  ”) per Pole, Facility or Site. Rent shall be prorated for the initial year per Pole, Facility or Site, and thereafter, Lessee shall pay a full year’s Rent on the first day of each calendar year, except that payment shall be prorated if this Lease terminates before the expiration of the then current calendar year.
  
5. **Termination.** Either party may terminate this Lease only with respect to each affected Site(s), Facility(ies) or Pole(s); (a) in the event of a material breach of this Lease by the other party which has not been cured within ten (10) days from the date of receipt of written notice of such breach from the non-breaching party, with the exception of Section 9 hereof; (b) in the event of any condemnation of the Site(s), Facility (ies), or Pole(s) by any governmental authority; or (c) in the event of any damage, destruction or other causality that renders the Site(s), Facility(ies), or Pole(s) temporarily or permanently unsuitable for Lessee’s intended use. Termination shall be effective (a) as of the end of the cure period in the case of any uncured material breach; (b) as of the date of possession in the case of any condemnation; or (c) as of the date of any occurrence described in clause (c) of the immediately preceding sentence. Lessee may terminate this Lease only with respect to each affected Site(s), Facility(ies) or Pole(s), for any reason at any time prior to installing its Equipment. Thereafter, Lessee may terminate this Lease only with respect to each affected Site(s), Facility(ies) or Pole(s), prior to the expiration of the initial Term and any Additional Term upon not less than thirty (30) days prior written notice to Lessor in the event that: (a) Lessee is unable to use a Site, Facility or Pole as desired by Lessee; (b) Lessee is unable to obtain any certificate, license, permit, recorded easement, authority or approval from any governmental authority or property owned that is necessary for Lessee’s intended use of a Site, Facility or Pole; or (c) any certificate, license, permit, recorded easement, authority or approval previously issued or given is cancelled, expires, lapses or is otherwise withdrawn or terminated.
  
6. **Access/Utilities.** Lessee shall install and maintain its own Equipment at its own expense. Only electrically qualified personnel of the Lessee and/or only electrically qualified personnel of the Lessee’s designee shall have access to the Site(s), Facility(ies) and/or Pole(s) 24 hours/day, 7 days/week or as stipulated in any certificate, license, permit, recorded easement, authority or approval in effect. Lessor agrees to provide power and to connect the electricity source to Lessee’s Equipment to enable Lessee to use its Equipment as per Lessor’s membership agreement, rate, Bylaws and policies as they exist and as may be amended by the Lessor or its members. Upon termination of its operations at the Site(s), Facility(ies) and/or Pole(s), Lessee shall remove all of its Equipment and surrender the Site(s), Facility(ies) and/or Pole(s) to Lessor in good condition, ordinary wear and tear expected.
  
7. **Interference.** Lessee shall not permit any use of the Site(s), Facility(ies) and/or Pole(s) in any way which interferes with the operations of the Lessor. Lessor shall have the authority to immediately, without prior notice, disconnect any Equipment of the Lessee at any Site(s), Facility(ies) and/or Pole(s) that are believed to interfere with the operations

property damage. Lessor shall receive a minimum thirty (30) day notice in the event of cancellation of insurance required by this Lease. Lessee shall furnish a certificate of insurance to Lessor showing the above obligations and requirements are provided for by a qualified insurance carrier, and showing the Lessor as an additional insured on such insurance.

- c. *Miscellaneous.* Each party represents that it has the authority to enter into this Lease. Neither party has been represented by any real estate broker in this transaction. Lessor warrants that the Lessee shall have enjoyment of the Site(s), Facility(ies) and/or Pole(s) upon attainment of any certificate, license, permit, recorded easement, authority or approval necessary under the terms of this Lease. This Lease represents the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, and negotiations, whether oral or written, with respect thereto. No amendment, change of waiver of any of the terms and conditions to this Lease shall be effective unless in writing and signed by both parties except as otherwise stated in this Lease. No waiver of any provision of this Lease shall constitute a waiver of any other provision of this Lease or of the same or any other provision in any other instance. If any term of this Lease is deemed invalid, the remainder of this Lease shall not be affected. This Lease shall inure to the benefit of and be binding upon the successors or assigns of each party and their successors or assigns. This Lease may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument. Facsimile signatures shall be deemed original signatures.
- d. *Applicable Law.* This Lease shall be governed by and construed in accordance with the laws of the State of Kansas.

The parties' authorized representatives have duly executed this Lease as of the dates set forth below.

**LESSOR:**

**LESSEE:**

**By:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Interconnection Standards for  
Installation and Parallel Operation of  
Customer-Owned Renewable  
Electric Generation Facilities  
25 kW<sub>AC</sub> or Less for Residential Service and  
200 kW<sub>AC</sub> or Less for Commercial Service**

**City of Osage City, Kansas**

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**September 18 November 12<sup>th</sup>, 2024**

[Model Standards by Kansas Municipal Utilities]

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7. Contains a Utility-approved mechanism(s) that automatically disconnects the Generation Facility and interrupts the flow of power to the Electric Distribution System in the event that electric service to the Customer is interrupted.
8. Meets all of the following generating capacity limitations:
  - a. Generator annual energy generation shall not exceed Customer's annual energy requirements.
  - b. Customer's Generator Facility in kW<sub>AC</sub> shall not exceed Customer's average monthly demand or estimated average annual demand when historical demand (kW) meter readings are unavailable for the previous 12-month period starting January 1 and ending December 31, or 25 kW<sub>AC</sub> for residential and 200 kW<sub>AC</sub> for commercial, whichever is less. Customer's estimated average annual demand shall be calculated by using said customer's historical annual energy usage in kWh divided by 8,760 hours and further dividing by 35% for residential and 25% for commercial if demand meter readings are not available.
  - c. Total Customer-owned generating capacity shall not exceed four percent (4%) of the previous year Utility peak demand. No Generation Facility shall be interconnected that would cause total Customer-owned Generation Facility capacity to exceed four percent (4%) of the previous year Utility peak demand.
- h. **Governmental Authority** – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Customer or any Affiliate thereof.
- i. **Harmonic Distortion** – Distortion of the normal AC sine wave typically caused by non-linear loads or inverters.
- j. **Initial Operation Date** – The date on which the Generation Facility is operating and is in compliance with the requirements of these Interconnection Standards for Installation and Parallel Operation of Customer-Owned Renewable Electric Generation Facilities 25 kW<sub>AC</sub> or Less for Residential Service and 200 kW<sub>AC</sub> or less for Commercial Service as determined by the Utility.
- k. **Interconnection** – The point of common coupling (PCC) of a Generation Facility to the Utility Electric Distribution System.

**3. ELIGIBILITY:**

- a. Must be a Residential or Commercial electric customer with a Customer-owned inverter-based renewable energy Generation Facility as defined herein that is interconnected behind the meter (connected to the customer side of the electric meter or meters) and single-phase standard voltage or three phase standard voltage as provided by the utility furnished through a single bidirectional electric meter or multiple meters capable of recording the flow of electricity in each direction. Specific metering shall be at Utility discretion.
- b. Customer's utility account must be in good standing and in compliance with Utility electric rate schedules and Electric Rules and Regulations.
- c. A Generation Facility that does not meet all requirements, including capacity limitations, of Section 2g., above, is not eligible to interconnect with the Electric Distribution System under this Interconnection Agreement.

**4. INTERCONNECTION REQUEST:**

The Customer shall request interconnection of a Generation Facility by completing and submitting to the Utility the attached document entitled "Interconnection Application". The Utility may require additional information or clarification to evaluate the Customer Interconnection Request. Interconnection Applications will be reviewed by the Utility in the order in which they are received. If an Interconnection Application is viewed as deficient, the Utility will provide notice to the Customer that the Application is incomplete or inconsistent and the application does not meet the interconnection standard, provide a description of the information needed to perfect the Application, and include a statement that processing of the Application cannot begin until the Application is sufficient.

**5. ELECTRIC DISTRIBUTION SYSTEM IMPACT ANALYSIS:**

The purpose of the Distribution System Impact Analysis is to determine if the Generation Facility will have an adverse impact on the Electric Distribution System equipment. If the proposed Generation Facility meets all of the requirements in a. through k. below, it will not be necessary to prepare a Feasibility Analysis and the proposed Generation Facility maybe installed without further analysis. After receiving a properly completed Interconnection Application, the Utility will analyze the potential impact of the proposed Generation Facility on the Electric Distribution System and on other Utility customers. Such analyses will be based on Prudent Utility Practice to determine thermal effects, voltage ranges, power quality, system stability, etc., and will include the following:

- a. The Customer Generation Facility's proposed interconnection point is on a radial distribution circuit and not a transmission line.

### **Feasibility Analysis**

If the proposed Generation Facility fails to meet one or more of the above requirements, the Customer may request that the Utility complete an analysis to determine the feasibility of interconnecting the proposed Generation Facility to the Electric Distribution System. The Feasibility Analysis shall include:

1. Initial identification of any upstream protection device short-circuits capability limits exceeded as a result of the interconnection.
2. Initial identification of any thermal overload or voltage limit violations resulting from the interconnection.
3. Initial review of grounding requirements and system protection.
4. A description and nonbinding estimated cost of facilities required to interconnect the Generation Facility to the Electric Distribution System in a safe and reliable manner.

The actual cost of the Feasibility Analysis shall be paid by the Customer. The Utility will provide an estimated cost of the Feasibility Analysis to Customer and Customer shall advance 50% of such estimate to Utility if Customer wants Utility to prepare a Feasibility Analysis. When Feasibility Analysis cost exceeds 50% of the estimated cost, Utility shall bill Customer as such fees are incurred.

### **System Impact Study**

If the Feasibility Analysis concludes that interconnection of the proposed Generation Facility would create an adverse system impact, a System Impact Study is required.

A System Impact Study shall evaluate the impact of the proposed Generation Facility interconnection on the safety and reliability of the Electric Distribution system. The study shall:

1. Identify and detail the system impacts that result if the proposed Generation Facility is interconnected without project or system modifications.
2. Consider the adverse system impacts or potential impacts identified in the Feasibility Analysis.
3. Consider all Generating Facilities that, on the date the System Impact Study is commenced, are directly interconnected with the Electric Distribution System.
4. Consider pending Interconnection Applications of Generation Facilities requesting interconnection to the Electric Distribution System.

The System Impact Study shall consider the following criteria:

1. A load flow study.

ancillary structures to be installed that are required by any Governmental Authority having jurisdiction.

- b. The Generation Facility and interconnecting equipment shall meet all requirements in "Part 2. Technical Requirements" of these Interconnection Standards.
- c. The construction and facilities shall meet all applicable building and electrical codes.

**9. CERTIFICATE OF COMPLETION:**

Upon completion of the Generation Facility and prior to the Initial Operation Date of said Facility, the Customer shall complete and submit a signed copy of the attached document entitled "Certificate of Completion."

**10. NORMAL OPERATION:**

The Customer may begin initial operation of the Generation Facility upon receipt of written approval from the Utility.

installed such that the aggregated gross output is balanced between the two phases of the single-phase voltage and the maximum aggregated Gross Ratings for all the Generating Facilities shall not exceed the transformer rating.

**4.1 LIMITS SPECIFIC TO THREE-PHASE GENERATION FACILITIES:**

The applicant must balance the demand load and the Generation Facility as nearly as practical between all phases of a three-phase service. The difference in amperes between any two phases at the customer's peak load should not be greater than 10 percent or 50 amperes (at the service delivery voltage), whichever is greater; except that the difference between the load on the lighting phase of a four-wire delta service and the load on the power phase may be more than these limits. It will be the responsibility of the customer to keep the demand load balanced within these limits.

**5. SYSTEM PROTECTION:**

The owner of the customer owned generator is responsible for providing adequate protection to electric Utility facilities for conditions arising from the operation of generation under all Utility distribution system operating conditions. The owner is also responsible for providing adequate protection to its facility under any Utility distribution system operating condition whether or not its customer owned generator is in operation. Conditions may include but are not limited to:

- a. Loss of a single phase of supply.
- b. Distribution system faults,
- c. Equipment failures,
- d. Abnormal voltage or frequency,
- e. Lightning and switching surges,
- f. Excessive harmonic voltages,
- g. Excessive negative sequence voltages,
- h. Separation from supply,
- i. Synchronizing generation,
- j. Re-synchronizing the Owner's generation after electric restoration of the supply.

**6. FAULT CURRENT DISCONNECTION:**

The Generation Facility shall be equipped with protective equipment designed to automatically disconnect from the Electric Distribution System during fault current

- f. IEEE Standard C37.90.1-2012, *IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems*
- g. IEEE Standard C37.90.2 (2004), *IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers*
- h. IEEE Standard C37.108-2021, *IEEE Guide for the Protection of Network Transformers*
- i. IEEE Standard C57.12.44-2014, *IEEE Standard Requirements for Secondary Network Protectors*
- j. IEEE Standard C62.41.2-2002, *IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits*
- k. IEEE Standard C62.45-2002, *IEEE Recommended Practice on Surge Testing for Equipment Connected to Low-Voltage (1000V and Less) AC Power Circuits*
- l. IEEE Standard 100-2000, *IEEE Standard Dictionary of Electrical and Electronic Terms*
- m. ANSI C84.1-2020 *Electric Power Systems and Equipment – Voltage Ratings (60 Hertz)*
- n. NEMA MG 1-1998, *Motors and Generators, Revision 3 (2002)*
- o. IEEE Standard 2030.2-2015, *Guide for the Interoperability of Energy Storage Systems Integrated with the Electric Power Infrastructure (Including use of IEEE 2030.3 testing protocols to establish conformity).*

**10. ACCESS AND INSPECTION BY UTILITY:**

Customer shall provide the Utility reasonable opportunity to inspect the Generation Facility prior to its interconnection and Initial Operation Date and to witness initial testing and commissioning of the Generation Facility. The Utility may witness any commissioning tests required by IEEE 1547/UL 1741.

Following initial testing and inspection of the Generation Facility and upon reasonable advance notice to Customer, the Utility shall have access at all reasonable times to the Generation Facility to perform on-site inspections to verify that the installation, maintenance and operation of the Generation Facility complies with the requirements of these Interconnection Standards. A third-party licensed electrical inspector is required to do an inspection that will be completed at the owner's expense, completed by other than the installer, to provide to the City that it complies with these interconnection standards set within this document. The Utility shall not be responsible for any cost the Customer may incur as a result of such inspection(s). Upon written request, the Customer shall inform the Utility of the next scheduled maintenance and allow the Utility to witness the maintenance program and any associated testing. The Utility shall at all times have immediate access

after service is restored on the Electric Distribution System. Additionally, if the fault is on Customer's electric system, such automatic disconnecting device shall not be reclosed until after the fault is isolated from the Customer's electric system.

**12. RIGHT TO DISCONNECT GENERATION FACILITY:**

The Utility shall have the right and authority to disconnect and isolate the Generation Facility without notice at Utility's sole discretion if the Utility believes that any of the following has occurred or is occurring:

- a. Electric service to Customer's premises is discontinued for any reason;
- b. Adverse electrical effects (such as power quality problems) on the Electric Distribution System and/or the electrical equipment of other Utility customers attributed to the Generation Facility as determined by the Utility.
- c. Electric Distribution System emergencies or maintenance requirements
- d. Hazardous conditions existing on the Electric Distribution System as a result of the operation of the Generation Facility or protective equipment
- e. Failure of the Customer to obtain and maintain required insurance and to provide the Utility with proof of insurance within ten (10) days of request.
- f. Utility identification of uninspected or unapproved equipment or modifications to the Generation Facility after initial approval.
- g. Recurring abnormal operation, substandard operation or inadequate maintenance of the Generation Facility.
- h. Noncompliance with the obligations under the Interconnection Agreement. In non-emergency situations, the Utility shall give Customer notice of noncompliance including a description of the specific noncompliance condition and allow Customer a reasonable time to cure the noncompliance prior to disconnecting and isolating the Generation Facility.
- i. Failure to remit payment to the Utility for any amounts owed, including but not limited to, amounts invoiced pursuant to Paragraph 15 of this Agreement.
- j. In the event that the Utility disconnects the Generation Facility for routine maintenance, the Utility shall make reasonable efforts to reconnect the Generation Facility as soon as practicable.
- k. The Customer retains the option to temporarily disconnect its Generation Facility from the Electric Distribution System at any time. Such temporary disconnection shall not constitute termination of the Interconnection Agreement unless the Customer exercises its termination rights under Section 16 of Part 2.

**14. LIMITATION OF LIABILITY AND INDEMNIFICATION:**

**a. Limitation of Liability**

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees and court fees, relating to or arising from any act or omission in its performance of the Interconnection Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall the Utility or the City of Osage City be liable for any indirect, special, consequential, or punitive damages.

**b. Indemnity**

Customer assumes all liability for, and shall indemnify, defend and hold the Utility and the City of Osage City harmless from, any and all claims, losses, costs, and expenses of any kind or character, direct or indirect, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, labor costs, and all other obligations by or to third parties arising out of or resulting from the design, construction, operation or maintenance of the Generation Facility, or the Customer's actions or omissions in breach of its obligations under the Interconnection Agreement. Such indemnity shall include, but is not limited to, financial responsibility for: (a) Utility monetary losses; (b) reasonable costs and expenses of defending an action or claim made by a third party; (c) damages related to the death or injury of a third party; (d) damages to Utility property; (e) damages to the property of a third party; (f) damages for the disruption of the business of a third party. The limitations of liability provided in this paragraph do not apply in cases of gross negligence or intentional wrongdoing. If the Utility or the City of Osage City incurs any costs as to which the indemnity provided in this section applies, the Utility or City of Osage City shall invoice the Customer for such costs in writing. Customer shall remit payment to the Utility or the City of Osage City, as appropriate, within 45 calendar days of the date of such invoice.

**15. EFFECTIVE TERM AND TERMINATION RIGHTS:**

The Interconnection Agreement shall become effective when executed by both Parties and shall continue in effect until terminated in accordance with the provisions of this Section. The Interconnection Agreement may be terminated for the following reasons:

- a. Electric service to Customer's premises is discontinued for any reason. If electric service is disconnected for any reason or a change occurs in the account holder, a new Interconnection Application must be submitted to the electric Utility for consideration;

Majeure, including, but not limited to, the following: acts of God, strikes, lockouts, or other industrial disturbances; acts of public enemies; orders or permits or the absence of the necessary orders or permits of any kind which have been properly applied for from the government of the United States, the State of Kansas, any political subdivision or municipal subdivision or any of their departments, agencies or officials, or any civil or military authority; unavailability of a fuel or resource used in connection with the generation of electricity; extraordinary delay in transportation; unforeseen soil conditions; equipment, material, supplies, labor or machinery shortages; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; drought; arrest; war; civil disturbances; explosions; breakage or accident to machinery, transmission lines, pipes or canals; partial or entire failure of utilities; breach of contract by any supplier, contractor, subcontractor, laborer or materialman; sabotage; injunction; blight; famine; blockade; or quarantine. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

If either Party is rendered wholly or partially unable to perform its obligations under the Interconnection Agreement because of Force Majeure, both Parties shall be excused from whatever obligations under the Agreement are affected by the Force Majeure (other than the obligation to pay money) and shall not be liable or responsible for any delay in the performance of, or the inability to perform, any such obligations for so long as the Force Majeure continues. The Party suffering an occurrence of Force Majeure shall, as soon as is reasonably possible after such occurrence, give the other Party written notice describing the particulars of the occurrence and shall use reasonable efforts to remedy its inability to perform; provided, however, that the settlement of any strike, walkout, lockout or other labor dispute shall be entirely within the discretion of the Party involved in such labor dispute.

System Design Capacity: (kW<sub>AC</sub>) \_\_\_\_\_ (kVA<sub>AC</sub>) \_\_\_\_\_

Energy Source: Solar  Wind  Battery/Storage

Is the Generation Facility equipment IEEE 1547/UL 1741 Certified?  Yes  No

[Note: Requires a Yes for an application to be considered complete.]

If Yes, attach manufacturer's documentation and technical specification sheet showing IEEE 1547/UL 1741 certification.

Have all necessary government permits and approvals been obtained for the project prior to this application?

Yes  No [Note: Requires a yes for an application to be considered complete.]

Is Utility Accessible External Generator AC Disconnect Switch Provided? (Required)  Yes  No

Location of Accessible External Generator AC Disconnect Switch \_\_\_\_\_  
(e.g. Two feet west of utility electric meter)

Estimated Generation Facility Installation Date: \_\_\_\_\_

Estimated Generation Facility Initial Operation Date: \_\_\_\_\_

List components of the Generation Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

**Equipment Installation Contractor:** Indicate installation by owner if applicable

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Contact Person (If other than Above): \_\_\_\_\_

Telephone (Daytime): \_\_\_\_\_

(Evening): \_\_\_\_\_ Facsimile Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**Contingent Approval to Interconnect the Generation Facility**

Interconnection of the Generation Facility is approved contingent upon Customer compliance with all terms and conditions of the electric Utility's Interconnection Standards and upon return of the Certificate of Completion prior to commencement of commercial operation of said Generation Facility.

Signature: \_\_\_\_\_

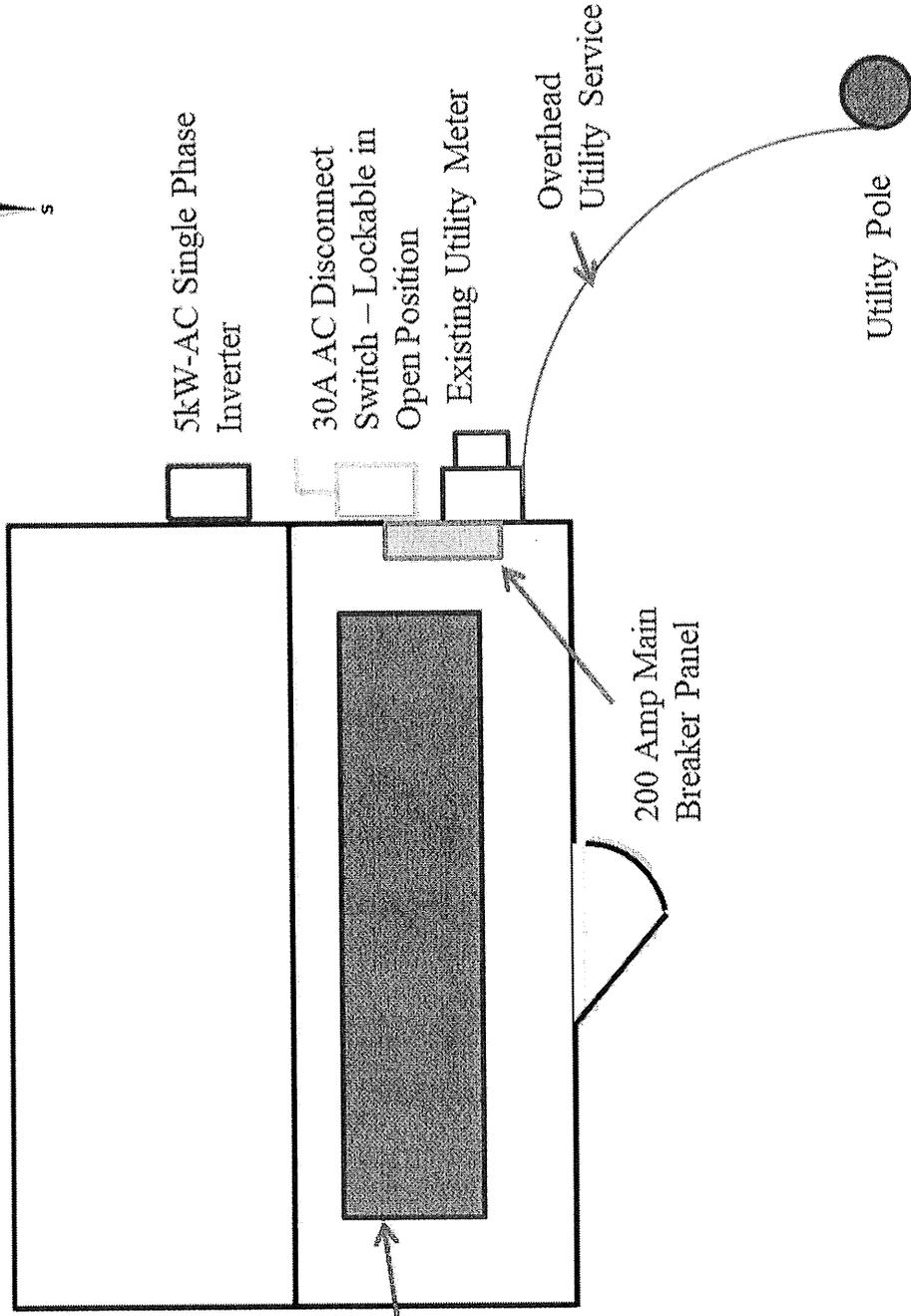
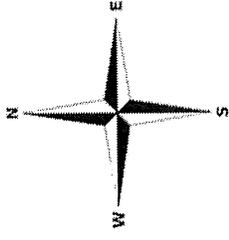
Title: \_\_\_\_\_ Date: \_\_\_\_\_

Application Number: \_\_\_\_\_

Electric Utility waives inspection/witness test?  Yes  No Initial \_\_\_\_\_

# Sample Site Layout

JohnDoe  
111 E. Main St.  
City, State Zip Code



E. Main St.

have the right to have representatives present during initial testing of the Generation Facility and its protective apparatus.

**4. INTERCONNECTION COSTS:**

The Utility has estimated the costs, including overheads, for necessary System Upgrades to its Electric Distribution System and Customer service connection, if any, and has provided a detailed itemization of such costs in the attached description of estimated System Upgrade costs. Prior to commencement of System Upgrades that are required to allow interconnection of the Customer- owned Generation Facility, Customer shall deposit with the Utility an amount equal to the estimated cost of said System Upgrades. If the actual costs of said System Upgrades are less than the amount deposited by the Customer, the Utility shall refund the difference to the Customer within 60 days of completing said System Upgrades. If the actual costs of said System Upgrades exceed the amount deposited by the Customer, the Utility shall bill the Customer for the difference. Customer agrees to pay the invoiced amount within 30 days of the invoice date. The utility will supply, own, and maintain all necessary meters and associated equipment utilized for billing. In addition, and for the purposes of monitoring customer generation and load, the utility may install at its expense, load research metering. The customer shall supply, at no expense to the utility, a suitable location for meters and associated equipment used for billing and for load research. All costs related to installation of said meter or meters shall be borne by the Customer.

**5. INTERRUPTION OR REDUCTION OF DELIVERIES:**

The Utility may require the Customer to interrupt or reduce energy deliveries when the Utility determines, in its sole discretion, that curtailment, interruption or reduction is necessary because of maintenance, safety, emergency, Force Majeure or compliance with Prudent Utility Practice. No compensation or credit will be provided to the Customer by the Utility for such interruptions or reductions in energy deliveries.

**6. ADVERSE OPERATING EFFECTS:**

The interconnection of the Generation Facility shall not reduce the reliability and quality of Utility Electric Distribution System service. This includes, but is not limited to power quality issues such as Harmonic Distortion, Voltage Flicker and frequency deviations. The Utility shall notify the Customer as soon as practicable if, based on Prudent Utility Practice, operation of the Generation Facility causes disruption in or deterioration of service to other Utility electric customers or if operating the Generation Facility could damage the Electric Distribution System. If, after notice, the Customer fails to timely remedy the adverse operating effect, the Utility may disconnect the Generation Facility with no further notice.

This Agreement incorporates all other provisions and related documents of these Interconnection Standards for Installation and Parallel Operation of Customer-Owned Renewable Electric Generation Facilities 25 kW<sub>AC</sub> or Less for Residential Service and 200 kW<sub>AC</sub> or Less for Commercial Service as the same may be amended from time to time.

**11. NOTICES:**

All written notices shall be directed as follows:

**Customer:**

Name:

\_\_\_\_\_

Address:

\_\_\_\_\_

City/State/Zip:

\_\_\_\_\_

**City of Osage City :**

Name:

\_\_\_\_\_

Title: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

**12. TERM OF AGREEMENT:**

This Agreement shall be in effect when executed by the Customer and the City of Osage City and shall remain in effect thereafter month to month unless terminated in accordance with the provisions of Section 16 of "Part 2 Technical Requirements".

**IN WITNESS WHEREOF**, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

PART 5. CERTIFICATE OF COMPLETION

Application No. \_\_\_\_\_

City of Osage City

**Customer-Owned Renewable Electric Generation Facility**

Is the Generation Facility installed, tested and ready for operation? Yes \_\_\_\_\_ No \_\_\_\_\_

Customer: \_\_\_\_\_ Utility Account Number: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone (Day): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Location of the Generation Facility (if different from above):  
\_\_\_\_\_

Has the Generation Facility been installed in accordance with all applicable building codes, permits and ordinances (if applicable)? Yes \_\_\_\_\_ No \_\_\_\_\_

**Electrician/Service Company:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_

Telephone (Day): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

License number: \_\_\_\_\_

Date electric Utility approved Interconnection Application \_\_\_\_\_

Application Number: \_\_\_\_\_

**Inspection:**

The Generation Facility has been installed and inspected in compliance with all applicable electrical codes.

A copy of the signed electrical inspection form is attached.  Yes  No (If inspection form is not attached)

\_\_\_\_\_  
Signature of Inspector:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Printed name of Inspector

**Insurance:**

The Generation Facility is covered with an insurance policy as described in the Technical Requirements, 14 and 15. A copy of proof of insurance is attached.  Yes  No

PART 7. RENEWABLE ENERGY PARALLEL GENERATION APPLICATION FOR SERVICE

Application No. \_\_\_\_\_

**City of Osage City**

Customer Name: \_\_\_\_\_

Service Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Utility Account Number: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

This application is for electric service under the City of Osage City ("Utility") and operating in parallel with the City ~~Renewable Parallel Generation – Residential Service rate schedule or Renewable Parallel Generation – Commercial Service for the~~ by the above customer ("Customer"). The Customer Generation Facility is a renewable energy Generation Facility as defined in Utility Interconnection Standards for Installation and Parallel Operation of Customer-Owned Renewable Electric Generation Facilities 25 kW<sub>AC</sub> or Less for Residential Service and 200 kW<sub>AC</sub> or Less for Commercial Service.

The Generation Facility qualifies for the ~~Renewable Parallel Generation – Residential Service rate or Parallel Generation – Commercial Service for~~ service under electric rate schedules as it meets the definitions and requirements of said Interconnection Standards. Total rated output of the Generation Facility under the Renewable Parallel Generation – Residential Service rate schedule, is

\_\_\_\_\_ kW<sub>AC</sub>. Customer acknowledges that he/she has read the rate schedule and agrees to all terms and conditions contained therein, including without limitation those specified in the Interconnection Standards for Installation and Parallel Operation of Customer-Owned Renewable Electric Generation Facilities 25 kW<sub>AC</sub> or Less for Residential Service and 200 kW<sub>AC</sub> or Less for Commercial Service. Specifically, the Customer understands and agrees that an electric meter or meters capable of registering the flow of electricity in each direction must be in service at the facility. In addition, and for the purposes of monitoring customer generation and load, the utility may install at its expense, load research metering. The customer shall supply, at no expense to the utility, a suitable location for meters and associated equipment used for billing and for load research. All costs related to installation of said meter or meters shall be borne by the Customer. Customer

offset part of Customer's electricity requirements, and that the Generation Facility is not sized to exceed the annual electric energy requirements of the Customer's premises. Customer further acknowledges and agrees that the Utility shall not provide credit for surplus energy generated by the Generation Facility under the Renewable Parallel Generation – Residential Service rate schedule or Renewable Parallel Generation – Commercial Service rate schedule that exceeds the Customer's annual energy consumption starting January 1 and ending December 31.

Requested By:

Approved By:

\_\_\_\_\_  
Customer Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Utility Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Rejected:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Utility Signature

\_\_\_\_\_  
Reason for Rejection

\_\_\_\_\_  
Date

ORDINANCE NO. 1678

AN ORDINANCE ADOPTING NET METERING POLICY & PROCEDURES FOR CUSTOMER-OWNED RENEWABLE ENERGY REOURCES AND REPEALING ORDINANCE 1617.

WHEREAS, The Governing Body of the City of Osage City, Kansas, finds that there is increasing interest in customer-owned renewable energy resources;

WHEREAS, Policies and procedures are necessary for the health, safety and welfare of the citizens and city employees for the interconnection of such customer-owned renewable energy resources with the City's electric utility system; and

WHEREAS, the Governing Body of the City of Osage City, Kansas, desires to enact certain uniform policies and procedures for such customer-owned renewable energy electrical generation.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF OSAGE CITY, KANSAS, AS FOLLOWS:

SECTION 1: There is hereby adopted the Net Metering Policy and Procedures for Customer-Owned Renewable Energy Resources with attached Exhibit "A".

SECTION 2: Net Metering Customer Generators must meet all the applicable requirements of the City's Interconnection Standards for Parallel Installation and Operation of Customer-Owned Electric Generating Facilities in addition to the requirements of the Net Metering Policy and Procedures for Customer-Owned Renewable Energy Resources.

SECTION 3: This ordinance shall be effective upon its adoption and publication in the official city newspaper.

SECTION 4: Ordinance No. 1617 is hereby repealed.

APPROVED AND ADOPTED by the governing body of the City of Osage City, Kansas, this 11th day of July, 2023.

ATTEST:

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City Clerk

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Mayor

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- d. Customer Generators shall be equipped with properly approved City metering equipment that can measure the flow of electricity in both directions at the same rate, typically through use of a single bi-directional meter. Necessary metering will be supplied and installed by the City.
- e. Whenever the amount of electricity delivered by an eligible Customer Generator in a billing period exceeds the electricity supplied by the City in such billing period, the City shall settle with the Customer Generator for the excess kilowatt-hours (kWh) in accordance with the billing practices described in this policy.
- f. If a Customer Generator formally terminates Net Metering, the City shall treat the end of the service period as if it were the end of the billing period and, if applicable, settle with the Customer Generator according to the appropriate billing practices.
- g. The City shall not charge a Customer Generator any fee or charge, or require additional equipment or any other requirement, unless the fee, charge, or other requirement is specifically authorized under the terms of the Interconnection Agreement, this Policy or if the fee, charge or other requirement would apply to other customers that are not Customer Generators. Any insurance coverage that may be required is specifically exempted from this paragraph, however, and is subject to the terms of the Interconnection Standards for Parallel Installation and Operation of Customer-Owned Electric Generating Facilities.
- h. Nothing in this Policy shall abrogate any Customer's obligation to comply with all applicable Federal, State, or local laws, codes, or ordinances; nor with the Standards, Service Regulations, and Policies of the City.

### 3. INTERCONNECTION STANDARDS

- a. To qualify for Net Metering, Customer Generators must comply with the City's Interconnections Standards for Parallel Installation and Operation of Customer Owned Electric Generating Facilities.

6. ELIGIBILITY:

Interconnection to the electric system shall be granted only to new or existing customers, in good standing, under the City's electric service schedules. All agreements hereunder shall be between the Customer Generator and the City and will not include third parties.

7. REQUEST:

The Customer Generator shall make a request by completing the attached documents entitled "Application for Net Metering" and "Application for Interconnection." The City may require additional information or clarifications as needed to properly evaluate the applications.

8. SYSTEM EFFECTS:

The City will analyze the overall impact of the proposed generating facility on the transmission and distribution system. Such analyses will be based on Good Utility Practice to determine thermal effects, voltage ranges, power quality, system stability, etc.

9. SYSTEM UPGRADES:

As a result of the above analysis, the City will provide the Customer Generator with a cost estimate and projected timeframe for any system upgrades, to be paid for by the Customer Generator, that may be necessary to accommodate the generating facility.

10. CODES AND PERMITS:

- a. The Customer Generator shall be responsible for procuring all building, operating and environmental permits that are required by any Governmental Authority having jurisdiction for the type of generating facility and for the necessary ancillary structures to be installed.
- b. The equipment shall meet the standards listed in the attached document entitled "National Certification Codes and Standards".
- c. The construction and facilities shall meet all local building and electrical codes.

Application for Net Metering

This Application is considered complete when it provides all applicable and correct information required below. Additional information or clarification to evaluate the Application may be requested by the City.

Customer Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone (Mobile): \_\_\_\_\_ (Home): \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Customer Signature: \_\_\_\_\_

I agree to abide by the terms and conditions of the City's Net Metering Policy & Procedures for Customer-Owned Renewable Energy Resources:

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

---

*For Office Use Only*

Requirements for Approval of Net Metering

The City must verify that the following requirements are met in order for Customer Generator to qualify for Net Metering:

- Qualified Renewable Energy Resource
- Application for Interconnection
- Interconnection Agreement
- Certificate of Completion

City Signature: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

Application ID Number: \_\_\_\_\_

**Force Majeure** - A Force Majeure event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control". A Force Majeure event does not include an act of negligence or intentional wrongdoing.

**Good Utility Practice** - Any of the practices, methods and acts engaged in or approved by a significant portion of the electronic industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

**Governmental Authority** - Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Customer or any Affiliate thereof.

**Interconnection Application** - The Customer's request to interconnect a new Customer-Owned Generating Facility, or to increase the capacity of, or make a material modification to the operating characteristics of, an existing Customer-Owned Generating Facility that is interconnected with the City's electrical system.

**Net Metering** - A bi-directional metering process using equipment sufficient to measure the difference between the electrical energy supplied by a Customer Generator to the City's Distribution System and the electrical energy supplied by the Customer Generator to the City and over an applicable billing period.