

OSAGE CITY COUNCIL

Regular Meeting

November 12, 2024

7:00 p.m.

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

Please join the meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/480138133>

- **You can also dial in using your phone. Long distance charges may be applied.**

United States: 1-(872) 240-3311

Access Code: 480138133#

New to GoToMeeting? Get the app now and be ready when your first meeting starts <https://global.gotomeeting.com/join/480138133>

- **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 9th 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 6th-7th 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

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 6th to 7th 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

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

Division of Environment
Curtis State Office Building
1000 SW Jackson St., Suite 400
Topeka, KS 66612-1367



Phone: 785-296-1535
Fax: 785-559-4264
www.kdheks.gov

Janet Stanek, Secretary

Laura Kelly, Governor

October 18, 2024

The Honorable Brian Stromgren, Mayor
City of Osage City
P. O. Box 250
Osage County, Kansas 66523

Attention: Katie Hodge, City Manager

Re: KWPCRF Project No.: C20 1677 01

Dear Mayor Stromgren:

Two copies of Amendment No. 2 to the Loan Agreement for the referenced project are enclosed for your review. This Second Amendment modifies the amount of the loan to \$3,174,104.79. If acceptable, please sign both copies, keep one copy for the city's records and return the other copy with the two signature pages to KDHE. Since the Amendment increases the loan amount, a new ordinance with proof of publication, meeting minutes, and attorney opinion letter will be necessary.

Please call me at (785) 296-5527 or Ms. Brenda Diegel at (785) 296-4262, if you have any questions.

Sincerely yours,

Division of Environment

A handwritten signature in blue ink, appearing to read "Cara C. Hendricks".

Cara C. Hendricks, P.E.
Chief, Municipal Programs
Bureau of Water

CCH:bd
Enclosure
Second Amendment

pc: Northeast District
Ryan Eldredge/2.1 File w/enclosure

=====

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

=====

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 the City of Osage City, Kansas
Effective As of October 2, 2024

WHEREAS, the City of Osage City, Kansas (the Municipality) has entered into a Loan Agreement with the Kansas Department of Health and Environment, acting on behalf of the State of Kansas, effective as of April 15, 2016 (the "Loan Agreement"); and

WHEREAS, said Loan Agreement was entered into for the benefit of Osage City, Kansas, KWPCRF Project No. C20 1677 01; and

WHEREAS, the Municipality and KDHE hereby determines that it is necessary to amend certain exhibits to the Loan Agreement, and

WHEREAS, pursuant to Section 6.04 of the Loan Agreement, this Second Amendment to the Loan Agreement has been duly authorized and approved by the Kansas Development Finance Authority (attached hereto as Exhibit J).

WHEREAS, this Second Amendment to the Loan Agreement is entered into and effective as of October 2, 2024;

SECTION 1. Article I, Definitions, Section 1.01, Definitions of the Loan Agreement is hereby amended to include the following terms and meanings, all other terms and meanings not included below remain the same:

“Original Loan Amount” means the amount loaned by KDHE to the Municipality to refinance a portion of the Project Costs pursuant to the Loan Agreement and prior to any subsequent amendments to the Loan Agreement.

“Supplemental Loan Amount” means the additional amount loaned by KDHE to the Municipality to finance or refinance a portion of the Project Costs pursuant to the Second Amendment to the Loan Agreement between the Kansas Department of Health and Environment Acting on behalf of the State of Kansas and Osage City, Kansas.

SECTION 2. Article II, Loan Terms, Section 2.01, Amount of Loan, Exhibit B, Exhibit F, and Exhibit G of the LOAN AGREEMENT BY AND BETWEEN THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT AND THE CITY OF OSAGE CITY, KANSAS are/is hereby amended to read as set forth on the pages attached hereto.

SECTION 3. Except as herein specifically set out, the Loan Agreement is confirmed and ratified.

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: _____

EXHIBIT K
CONSENT OF THE KANSAS DEVELOPMENT FINANCE AUTHORITY
FOR EXECUTION OF THE SECOND AMENDMENT TO THE LOAN AGREEMENT
BY AND BETWEEN
THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
AND OSAGE CITY, KANSAS

WHEREAS, pursuant to the Kansas Water Pollution Control Revolving Fund Act, K.S.A. 65-3321 et seq. (the "Act"), the State of Kansas has established the Kansas Water Pollution Control Revolving Fund for the purposes of the Federal Water Quality Act of 1987 to be administered and managed by the Secretary of the Kansas Department of Health and Environment ("KDHE"); and

WHEREAS, the Kansas Development Finance Authority (the "Authority"), the Kansas Department of Administration, and the Secretary of KDHE have entered into an Inter-Agency Agreement dated as of March 1, 1999, and a Pledge Agreement as amended, pursuant to which KDHE agrees to enter into Loan Agreements with Municipalities for Wastewater Treatment Projects and to pledge the interest portion of the Loan Repayments received pursuant to such Loan Agreements and certain other revenues to the Authority and the Authority, in turn, pledges its rights to the Revenues under the Agreement to the payment of the principal of, premium, if any, and interest on the Bonds issued for the purpose of loaning the proceeds thereof to the participating municipalities; and

WHEREAS, based on said Pledge Agreement, KDHE has entered into a Loan Agreement effective October 2, 2024 with Osage City, Kansas (the Municipality) for the benefit of KWPCRF Project No. C20 1677 01; and

WHEREAS, KDHE has expressed the need and intent to amend certain provisions and exhibits of said Loan Agreement with the Municipality in the form as set forth in a Second Amendment to the Loan Agreement as attached hereto; and

WHEREAS, pursuant to Section 6.04 of the Loan Agreement, the Authority must consent, in writing, to any amendment, supplement or modifications to the Loan Agreement.

WITNESSETH, the Kansas Development Finance Authority hereby agrees as follows:

- (1) The Authority acknowledges receipt of the Second Amendment to the Loan Agreement between the Kansas Department of Health and Environment and Osage City, Kansas effective as of October 2, 2024;
- (2) The Authority consents to the execution of the Second Amendment to the Loan Agreement by KDHE and the Municipality.

KANSAS DEVELOPMENT FINANCE AUTHORITY

By  _____
Executive Director

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**.

EXHIBIT B
LOAN REPAYMENT SCHEDULE
(See Pages 7-9)

DEDICATED SOURCE OF REVENUES AND LOAN REPAYMENT SCHEDULE

Dedicated Source of Revenue

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

Loan Repayment Schedule

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

KANSAS WATER POLLUTION CONTROL REVOLVING FUND

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

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

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

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

Project Costs: 1,500,000.00
 Interest Capitalized: 0.00
 Service Fee Capitalized: 0.00
 Gross Loan Costs: 1,500,000.00

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

Gross Rate: 2.02%
 Service Fee Rate: 0.25%
 Interest Rate: 1.77%
 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	1,500,000.00	5,017.06	40,044.51	708.62	45,770.19	1,459,955.49
2	3/1/2019	1,459,955.49	4,662.66	40,448.96	658.57	45,770.19	1,419,506.53
3	9/1/2019	1,419,506.53	4,304.69	40,857.49	608.01	45,770.19	1,378,649.04
4	3/1/2020	1,378,649.04	4,515.51	40,616.90	637.78	45,770.19	1,338,032.14
5	9/1/2020	1,338,032.14	5,014.68	40,047.22	708.29	45,770.19	1,297,984.92
6	3/1/2021	1,297,984.92	5,257.76	39,769.81	742.62	45,770.19	1,258,215.11
7	9/1/2021	1,258,215.11	5,781.59	39,171.99	816.61	45,770.19	1,219,043.12
8	3/1/2022	1,219,043.12	6,691.34	38,133.75	945.10	45,770.19	1,180,909.37
9	9/1/2022	1,180,909.37	6,459.83	38,397.96	912.40	45,770.19	1,142,511.41
10	3/1/2023	1,142,511.41	6,120.00	38,785.78	864.41	45,770.19	1,103,725.63
11	9/1/2023	1,103,725.63	5,776.75	39,177.51	815.93	45,770.19	1,064,548.12
12	3/1/2024	1,064,548.12	5,430.03	39,573.21	766.95	45,770.19	1,024,974.91
13	9/1/2024	1,024,974.91	5,079.81	39,972.89	717.49	45,770.19	985,002.02
14	3/1/2025	985,002.02	8,717.27	31,915.89	1,231.25	41,864.41	953,086.13
15	9/1/2025	953,086.13	8,434.81	32,238.24	1,191.36	41,864.41	920,847.89
16	3/1/2026	920,847.89	8,149.50	32,563.85	1,151.06	41,864.41	888,284.04
17	9/1/2026	888,284.04	7,861.31	32,892.74	1,110.36	41,864.41	855,391.30
18	3/1/2027	855,391.30	7,570.21	33,224.96	1,069.24	41,864.41	822,166.34
19	9/1/2027	822,166.34	7,276.17	33,560.53	1,027.71	41,864.41	788,605.81
20	3/1/2028	788,605.81	6,979.16	33,899.49	985.76	41,864.41	754,706.32
21	9/1/2028	754,706.32	6,679.15	34,241.88	943.38	41,864.41	720,464.44
22	3/1/2029	720,464.44	6,376.11	34,587.72	900.58	41,864.41	685,876.72
23	9/1/2029	685,876.72	6,070.01	34,937.05	857.35	41,864.41	650,939.67
24	3/1/2030	650,939.67	5,760.82	35,289.92	813.67	41,864.41	615,649.75
25	9/1/2030	615,649.75	5,448.50	35,646.35	769.56	41,864.41	580,003.40
26	3/1/2031	580,003.40	5,133.03	36,006.38	725.00	41,864.41	543,997.02
27	9/1/2031	543,997.02	4,814.37	36,370.04	680.00	41,864.41	507,626.98
28	3/1/2032	507,626.98	4,492.50	36,737.38	634.53	41,864.41	470,889.60
29	9/1/2032	470,889.60	4,167.37	37,108.43	588.61	41,864.41	433,781.17
30	3/1/2033	433,781.17	3,838.96	37,483.22	542.23	41,864.41	396,297.95
31	9/1/2033	396,297.95	3,507.24	37,861.80	495.37	41,864.41	358,436.15
32	3/1/2034	358,436.15	3,172.16	38,244.20	448.05	41,864.41	320,191.95
33	9/1/2034	320,191.95	2,833.70	38,630.47	400.24	41,864.41	281,561.48
34	3/1/2035	281,561.48	2,491.82	39,020.64	351.95	41,864.41	242,540.84
35	9/1/2035	242,540.84	2,146.49	39,414.74	303.18	41,864.41	203,126.10
36	3/1/2036	203,126.10	1,797.67	39,812.83	253.91	41,864.41	163,313.27
37	9/1/2036	163,313.27	1,445.32	40,214.95	204.14	41,864.41	123,098.32
38	3/1/2037	123,098.32	1,089.42	40,621.12	153.87	41,864.41	82,477.20
39	9/1/2037	82,477.20	729.92	41,031.39	103.10	41,864.41	41,445.81
40	3/1/2038	41,445.81	366.80	41,445.81	51.80	41,864.41	0.00
		Totals	197,461.50	1,500,000.00	27,890.04	1,725,351.54	

KANSAS WATER POLLUTION CONTROL REVOLVING FUND

Project Costs: 1,674,104.79

Interest Capitalized: 0.00

Estimated Draws - Actual Interest Rate

Service Fee Capitalized: 0.00

Amortization of Loan Costs for **Supplemental Loan Amount**

Gross Loan Costs: 1,674,104.79

As of 10/2/2024

Prepared for:

City of Osage City, Project No. C20 1677 01

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

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	

EXHIBIT F

FORM OF MUNICIPALITY ORDINANCE

* * * * *

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

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

Absent:

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

(Other Proceedings)

Thereupon, there was presented an Ordinance entitled:

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

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

Yes: _____.

No: _____.

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

(Other Proceedings)

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

(SEAL)

Clerk

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

EXHIB/TG

FORM OF OPINION OF MUNICIPALITY'S COUNSEL

November 12, 2024

Kansas Development Finance Authority
Topeka, Kansas

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

Re: Second Amendment to the Loan Agreement effective as of October 2, 2024, between the Kansas Department of Health and Environment ("KDHE"), acting on behalf of the State of Kansas (the "State"), and Osage City, Kansas (the "Municipality")

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

In this connection, I have examined the following:

- (a) an executed or certified copy of the Second Amendment to the Loan Agreement;
- (b) proceedings adopted or taken by the Municipality to authorize and approve the Project to be constructed with the proceeds of the Loan evidenced by the Second Amendment to the Loan Agreement;
- (c) Ordinance No. 1689 of the Municipality (the "Ordinance") adopted on November 12, 2024 and other proceedings of the Municipality taken and adopted in connection with the authorization, execution and delivery of the Second Amendment to the Loan Agreement, and the establishment of a Dedicated Source of Revenue for repayment of the Loan evidenced by the Second Amendment to the Loan Agreement; and

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

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

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

1. The Municipality is a municipal corporation duly created, organized and existing under the laws of the State.
2. The Municipality operates a public Wastewater Treatment Works, as said term is defined in the Loan Act.
3. The Project has been duly authorized by the Municipality.
4. The Municipality has all requisite legal power and authority to, and has been duly authorized under the terms and provisions of the Ordinance to, execute and deliver, and perform its obligations under, the 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,

(Published in *Osage County Herald-Chronicle* on November 21,2024)

ORDINANCE NO. 1689

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

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

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

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

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

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

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

WHEREAS, Osage City, Kansas (the "Municipality") is a municipality as said term is defined in

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

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

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

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

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

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

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

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

(SEAL)

Mayor

ATTEST:

Clerk

[APPROVED AS TO FORM ONLY.]

[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: Sewer	APPROVED FOR AGENDA:
ITEM NO. 6	BY: Sadie Boos, City Treasurer	BY: KH

ITEM:

Authorize City Manager, Katie Hodge, to sign USDA loan application and supporting documents submitted through RD Apply.

BACKGROUND:

We recently submitted the loan application to the Kansas Water Pollution Control Revolving Fund for completion of the South Area (Phase 5) of the Sewer Improvement Project. Once construction of this phase is completed, the City will need to roll the funding into a loan from the USDA. The USDA Loan Application must be completed prior to the end of the construction phase. To complete the loan application, the City Council will need to approve City Manager, Katie Hodge, to sign RD Apply applications and supporting documents. RD Apply is the application intake process used by the USDA.

FISCAL NOTE:

The amount needed to complete Phase 5 of the sewer improvement project is \$1,600,000.00

COUNCIL ACTION:

- 1) To accept the recommendation
- 2) To reject the recommendation

STAFF RECOMMENDATION:

Authorize City Manager Katie Hodge to sign RD Apply application and supporting documents.

MOTION:

I make a motion to authorize City Manager, Katie Hodge, to sign and submit the USDA loan application and supporting documents through the RD Apply.

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

ORDINANCE NO. 1691

AN ORDINANCE GRANTING A FRANCHISE TO BRIGHTSPEED OF KANSAS, INC, F/K/A CENTURYTEL OF KANSAS,LLC ON BEHALF OF ITSELF AND ITS OPERATING AFFILIATES (“BRIGHTSPEED”) TO OPERATE AND MAINTAIN A TELECOMMUNICATIONS SYSTEM (“THE SYSTEM”) IN THE CITY OF OSAGE CITY, KS, (“THE CITY”).

The City hereby ordains that it is in the public interest to grant Brightspeed a Franchise to operate the System pursuant to the terms and conditions contained herein.

SECTION 1. Grant of Franchise. The City hereby grants to Brightspeed the right, privilege and authority to construct, install, maintain, operate, upgrade, replace, renovate, adjust, protect, support, raise, lower, disconnect, remove and relocate its cables, poles, pedestals, boxes, wires, conduits, conductors, pipes and related appurtenances (“Facilities”) for its System in, under, along, over and across the present and future streets, alleys and public ways of the City (“Public Ways”), for the purpose of providing telecommunication services to the City’s inhabitants and businesses.

SECTION 2. Acceptance by Brightspeed. Within sixty (60) days after the passage of this Ordinance by the City, Brightspeed shall file a signed copy thereof with the City Clerk, otherwise the Ordinance and the rights granted herein shall be null and void.

SECTION 3. Term. The Term of this Franchise is thirty (30) years commencing on the date of Acceptance by Brightspeed as set forth in Section 2, above. This Franchise will automatically renew for three additional and successive five (5) year terms.

SECTION 4. Franchise Fee. Within sixty (60) days after the date of Brightspeed’s Acceptance of this Ordinance and until its expiration, Brightspeed will pay the City one (1%) of Brightspeed’s local exchange access service Gross Revenue. Payment shall be made quarterly within sixty (60) days after the end of each quarter during the Term of this Franchise.

SECTION 5. Records Inspection. Brightspeed shall make available to the City, upon reasonable advance written notice of no less than sixty (60) days, such information pertinent only to enforcing the terms of this Ordinance in such form and at such times as Brightspeed can reasonably make available. Subject to applicable laws, any information that is provided to the City and/or that the City reviews *in camera* is confidential and proprietary and shall not be disclosed or used for any purpose other than verifying compliance with the terms of this Ordinance. Any such information provided to the City shall be immediately returned to Brightspeed following review. The City will not make copies of such information.

SECTION 6. Non-Exclusive Franchise. The right to use and occupy the Public Ways of the City shall be nonexclusive, and the Town reserves the right to use the Public Ways for itself or any other entity. The City’s use, however, shall not unreasonably interfere with Brightspeed’s Facilities.

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.

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.

11.3 To the extent practical and consistent with any permit issued by the City, all Facilities shall be located so as to cause minimum interference with the Public Ways and shall be constructed, installed, maintained, renovated or replaced in accordance with applicable and lawful rules, ordinances and regulations of the City.

11.4 If, during the course of work on its Facilities, Brightspeed causes damage to or alters the Public Way or other public property, Brightspeed shall replace and restore such Public Way or public property at Brightspeed's expense to a condition reasonably comparable to the condition that existed immediately prior to such damage or alteration.

11.5 Brightspeed shall have the right to excavate the Public Ways subject to reasonable conditions and requirements of the City. Before installing new underground facilities or replacing existing underground facilities, each party shall first notify the other of such work in accordance with applicable law. In no event will the City be required to secure Brightspeed's permission or consent to operate or construct in the City's Public Ways. To the extent practicable under the circumstances, each party may allow the other party, at its own expense, to share a trench for laying its own facilities therein, provided that such action will not unreasonably interfere with the first party's use of the trench or unreasonably delay project completion.

11.6 Nothing in this Ordinance shall be construed to prevent the City from constructing, maintaining, repairing, or relocating its sewers, streets, water mains, sidewalks, or other public property. However, before commencing any work within a Public Way that may affect Brightspeed's Facilities, the City shall give written notice to Brightspeed in accordance with applicable law, and all such work shall be done, insofar as practicable, in such a manner as not to obstruct, injure, or prevent the free use and operation of either Party's Facilities. The two parties shall work together to ensure that all of their facilities are protected and the project is completed.

11.7 Brightspeed shall not attach to, or otherwise use or commit to use, any pole owned by Town until a separate pole attachment agreement has been executed by the parties.

SECTION 12. Relocation of Facilities.

12.1 Relocation for the City. Brightspeed shall, upon receipt of advance written notice of not less than one hundred twenty (120) days, protect, adjust, support, raise, lower, temporarily disconnect, relocate or remove any Brightspeed property located in a Public Way when required by the Town consistent with its police powers. Brightspeed shall be responsible for any costs associated with these obligations to the same extent as other users of the respective Public Way and as otherwise required by applicable state or federal law.

12.2 Relocation for a Third Party. Brightspeed shall, at the request of any person holding a lawful permit issued by the City, protect, adjust, support, raise, lower, temporarily disconnect, relocate or remove any Brightspeed property located in a Public Way, provided that the cost of such action is borne by the person requesting it and Brightspeed is given reasonable advance written notice. In such situation, Brightspeed may also require advance payment. For purposes of this subsection 12.2, "reasonable advance written notice" shall mean no less than thirty (30) days for a temporary relocation, and no less than one hundred twenty (120) days for a permanent relocation.

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

C. In the case of substantial noncompliance with a material provision of the Ordinance, seek to revoke the Franchise in accordance with subsection 15.5.

15.5 Should the City seek to revoke the Franchise after following the procedures set forth above, the City shall give written notice to Brightspeed. Brightspeed shall have ninety (90) days from receipt of such notice to object in writing and state its reason(s) for such objection. Thereafter, the City may seek revocation of the Franchise at a public hearing. The City shall cause to be served upon Brightspeed, at least thirty (30) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise. At the designated hearing, the City shall give Brightspeed an opportunity to state its position on the matter, after which the City shall determine whether or not the Franchise shall be revoked. Brightspeed may appeal the City's determination to an appropriate court, which shall have the power to review the decision of the Town *de novo*. Such appeal must be taken within sixty (60) days of the issuance of the City's determination. The City may, at its sole discretion, take any lawful action which it deems appropriate to enforce its rights under this Ordinance in lieu of revocation.

15.6 Notwithstanding the foregoing provisions in this Section 15, Brightspeed does not waive any of its rights under applicable law.

SECTION 16. No Waiver of Rights. Neither the City nor Brightspeed shall be excused from complying with any of the terms and conditions contained herein by any failure of the other, or any of its officers, employees, or agents, upon any one or more occasions to insist upon or to seek compliance with any such terms and conditions. Each party expressly reserves any and all rights, remedies, and arguments it may have at law or equity, without limitation, and to argue, assert, and/or take any position as to the legality or appropriateness of any provision in this Ordinance that is inconsistent with State or Federal law, as may be amended.

SECTION 17. Transfer of Franchise. Brightspeed's right, title, or interest in the Franchise shall not be sold, transferred, assigned, or otherwise encumbered without notice to the City, except when said sale, transfer, assignment, or encumbrance is to an entity controlling, controlled by, or under common control with Brightspeed, or for transfers in trust, by mortgage, by other hypothecation, or by assignment of any rights, title, or interest of Brightspeed in the Franchise or Facilities in order to secure indebtedness.

SECTION 18. Amendment. Amendments to the terms and conditions contained herein shall be mutually agreed upon by the Town and Brightspeed and formally adopted by the Town Council as an ordinance amendment.

SECTION 19. Notices. Any notice required or permitted to be given hereunder shall be deemed sufficient if given by a communication in writing and shall be deemed to have been received (a) upon personal delivery or actual receipt thereof or (b) within two (2) business days after such notice is deposited in the United States Mail, postage prepaid, certified, and addressed to the Parties as set forth below:

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: _____

FACILITY OR POLE ATTACHMENT AGREEMENT

THIS FACILITY OR POLE ATTACHMENT AGREEMENT LEASE (“LEASE”) is made and entered into as of 11/12/2024, or the last signature date below if no date is inserted, between the following Lessor and Lessee:

Lessor:

Lessee: Brightspeed of Eastern Kansas, Inc.

**Attn: Mailroom, Joint Use
717 McGilvary Street
Fayetteville, NC 28301**

1. **Lease.** Lessor represents that Lessor is the owner of the pole(s) or other facility(ies) (“**Facility(ies)**” or “**Pole(s)**”, as applicable) described in Section 2 hereof, however, Lessee must obtain their own easement(s) for use of any Facility(ies) or Pole(s) of Lessor and must record such easement(s) in the proper county(ies). It is specifically understood that the Lessor is not assigning any portion of any of its easements under the terms of this Lease or otherwise to Lessee.
2. **Use/Equipment.** “**Equipment**” means communications equipment, including transmitters, receivers, antennas, cables, control devices and related enclosures used to transmit or receive any frequency for any purpose that does not interfere with the operation(s) of the Lessor, Lessor’s members, or the general public, together with all ancillary wiring, cabling, mounting hardware, utility connections, circuit breakers, and other necessary hardware. Only electrically qualified personnel of the Lessee and/or only electrically qualified personnel of its designee shall be permitted to conduct activity at any Site(s), Facility(ies) or Pole(s) necessary for the successful performance of Lessee’s Equipment, including installing, removing, and maintaining Equipment. Any Equipment of the Lessee installed is not a fixture and title to the Equipment shall remain with Lessee. Without exception, the Equipment must maintain all proper clearances according to the National Electrical Safety Code. Lessee must have written permission from the Lessor prior to the installation of any Equipment on Lessor’s Site(s), Facility(ies) or Pole(s). Lessor may deny permission for installation of any and/or all Equipment on any Lessor Site(s), Facility(ies) or Pole(s) at its sole discretion.
3. **Term.** The term of this Lease (“**Term**”) shall be five (5) year(s) commencing with the date of the Lease is entered into, or the last signature date below, whichever is earlier (“**Commencement Date**”). The Lease shall be deemed automatically extended for additional one (1) year terms unless either party gives written notice to the other of its termination of this Lease at least ninety (90) days prior to the expiration of the then current one (1) year term, which includes the initial one (1) year. Any additional one (1) year term is as an “**Additional Term**”.

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

of the Lessor, including, but not limited to, noise on the Lessor's electrical system that may affect or interfere with electrical current, data flow and/or other Lessor operations.

8. **Make Ready.** Upon receipt of an application from Lessee, Lessor or a representative for Lessor will review, at Lessee's sole expense, the application to determine if the proposed attachment of Lessee Facilities complies with Lessor's Construction Standards controlling the joint use of Lessor Facilities, the National Electrical Safety Code ("NESC"), and other applicable safety codes. Lessee shall be responsible for all costs associated with planning and analysis work regarding the proposed attachment of Lessee Facilities. Lessor shall either approve or deny the application within thirty (30) days of receipt of the application. Lessor may reject all or part of the application or limit the number and character of attachments on any pole based on capacity, safety, reliability or engineering concerns, including the concern that any Lessee antennas, transmitters, receivers or associated equipment ("Wireless Attachments") may interfere with Lessor's facilities or operations.
9. **Engineering Work.** In the event that adequate surplus space is not available for Lessee Facilities, but such space could be achieved by rearranging existing facilities thereon, Lessor shall determine the feasibility of such rearrangement in its review of the application. If such rearrangement is approved and to the extent it involves Lessor equipment, Lessor or Lessor-approved contractor shall do the work at the sole expense of Lessee within (30) Days of payment of invoice. In the event that the make ready work requires a third party attached to Lessor Facilities to accommodate Lessee Facilities by rearranging or transferring the third party's equipment, Lessor may do the work, or the third party may do the work, at the sole expense of Lessee for each and every affected third party.
10. **Notices/Indemnification/Miscellaneous/Applicable Law.**
 - a. *Notices.* Notices shall be in writing, and shall be delivered certified mail, postage prepaid, return receipt requested or by a nationally recognized overnight delivery service to the address given at the beginning of this Lease to the address specified in the most recent notice of any change of address delivered in accordance with the notice provisions of this Lease, with the exceptions of: (a) monthly billing for electrical service; (b) changes in rates, Bylaws and/or policies; (c) Capital Credit notices; and (d) Member meeting notices and newsletters, which exceptions may all be mailed and delivered by regular mail through the United States Post Office. If the party does not accept delivery, then the notice provisions of this Lease shall be deemed satisfied.
 - b. *Indemnification.* Lessee agrees to defend, pay on behalf of and hold harmless Lessor and its directors, officers, agents, and employees for all claims of whatsoever nature or kind, including those brought by employees of Lessee or Lessee's designee(s), arising out of or as a result of any act or failure to act, whether or not negligent, in connection with the performance of work performed or to be performed pursuant to this Lease. Lessee agrees to defend and pay all costs in defending these claims, including attorney fees. Further, Lessee agrees to maintain public liability and property damage insurance (including automobile public liability and property damage insurance) to cover the obligations set forth above. The minimum insurance limits shall be \$1 million bodily injury and

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: _____

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. 8	BY: Dale Schwieger, Utilities Director	BY: KH

ITEM:

Interconnection Agreement

BACKGROUND:

The City Council voted to adopt the Interconnection standard on September 24, 2024.

On October 22nd, the City Council approved staff to amend the interconnection agreement related to the demand for the solar system sizing for commercial to 25%.

Noting that residential's demand for the solar system sizing is to remain the same at 35%.

FISCAL NOTE:

COUNCIL ACTION:

- 1) To approve Ordinance 1691 Interconnection Agreement
- 2) Table for further discussion at a later date

STAFF RECOMMENDATION:

MOTION:

I make a motion to approve Ordinance 1691 Interconnection Agreement

**Interconnection Standards for
Installation and Parallel Operation of
Customer-Owned Renewable
Electric Generation Facilities
25 kW_{AC} or Less for Residential Service and
200 kW_{AC} or Less for Commercial Service**

City of Osage City, Kansas

September 18 November 12th, 2024

[Model Standards by Kansas Municipal Utilities]

CONTENTS

PART 1. OVERVIEW.....	1
1. PURPOSE.....	1
2. DEFINITIONS.....	1
3. ELIGIBILITY.....	4
4. INTERCONNECTION REQUEST.....	4
5. ELECTRIC DISTRIBUTION SYSTEM IMPACT ANALYSIS.....	4
6. SYSTEM UPGRADES.....	7
7. INTERCONNECTION AGREEMENT.....	7
8. CODES AND PERMITS.....	7
9. CERTIFICATE OF COMPLETION.....	8
10. NORMAL OPERATION.....	8
PART 2. TECHNICAL REQUIREMENTS.....	9
1. CHARACTER OF SERVICE.....	9
2. CODE REQUIREMENTS.....	9
3. GENERATION FACILITY CONTROL.....	9
4. LIMITS SPECIFIC TO SINGLE-PHASE GENERATING FACILITIES.....	9
5. SYSTEM PROTECTION.....	10
6. FAULT CURRENT DISCONNECTION.....	10
7. RECLOSING COORDINATION.....	11
8. EXTERNAL GENERATOR AC DISCONNECT SWITCH.....	11
9. STANDARDS FOR INTERCONNECTION, SAFETY AND OPERATING RELIABILITY.....	11
10. ACCESS AND INSPECTION BY UTILITY.....	12
11. GENERATION FACILITY OPERATION.....	13
12. RIGHT TO DISCONNECT GENERATION FACILITY.....	14
13. RATES AND OTHER CHARGES.....	15
14. INSURANCE.....	15

15. LIMITATION OF LIABILITY AND INDEMNIFICATION	16
16. EFFECTIVE TERM AND TERMINATION RIGHTS	16
17. TERMINATION OF ANY APPLICABLE PRIOR AGREEMENT	17
18. FORCE MAJEURE	17
PART 3. INTERCONNECTION APPLICATION	19
PART 4. INTERCONNECTION AGREEMENT	25
PART 5. CERTIFICATE OF COMPLETION.....	29
PART 6. PERMISSION TO OPERATE.....	30
PART 7. RENEWABLE ENERGY PARALLEL GENERATION APPLICATION FOR SERVICE	31

PART 1. OVERVIEW

1. PURPOSE:

The purpose of this document is to establish standards for eligible residential and commercial customers (“Customer”) to interconnect and operate Customer-owned inverter-based solar and wind Generation Facilities with a rated output of 25 kilowatts AC (kW_{AC}) or less for residential service and 200 kilowatts AC (kW_{AC}) or less for commercial service in parallel with the City of Osage City (“Utility”) Electric Distribution System.

2. DEFINITIONS:

- a. **AC** – Alternating Current
- b. **Applicable Laws and Regulations** – All duly promulgated applicable federal, state, and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority, including the Ordinances of the City of Osage City and ~~[Utility Electric Rates and Regulations]~~.
- c. **City** – The City of Osage City, Kansas.
- d. **Customer** – a Residential or Commercial electric customer interconnected to the Electric Distribution System for the purpose of receiving retail electric service that also owns and operates an approved Generation Facility.
- e. **DC** – Direct Current
- f. **Electric Distribution System** – The Utility facilities and equipment used to provide electric service to customers, including the Customer.
- g. **Generation Facility** – For purposes of these Interconnection Standards, the Customer device for conversion of solar and wind energy to electricity, as identified in the Interconnection Application, that:
 1. Is an inverter-based energy facility with a rated capacity and output of 25 kW_{AC} or less for Residential Service and 200 kW_{AC} or less for Commercial Service when including any storage capabilities;
 2. Is owned by the Customer;
 3. Is located on the Customer’s premises;
 4. Serves only the Customer’s premises (serves no other customers)
 5. Is interconnected with and operates in parallel phase and synchronization with the Electric Distribution System and is in compliance with these Interconnection Standards;
 6. Is sized primarily to offset part of the Customer’s own electrical energy requirements;

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_{AC} 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_{AC} for residential and 200 kW_{AC} 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_{AC} or Less for Residential Service and 200 kW_{AC} 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.

- l. **Interconnection Application** – The Customer request to interconnect a new Generation Facility, or to increase the capacity of, or make a material modification to the operating characteristics of an existing Generation Facility that is interconnected with the Electric Distribution System.
- m. **Interconnection Standards** – Interconnection Standards shall mean all provisions, forms and related documents described in the collective parts of these Interconnection Standards for Installation and Parallel Operation of Customer-Owned Renewable Electric Generation Facilities 25 kW_{AC} or Less for residential service and 200 kW_{AC} or Less for Commercial Service, or successor document.
- n. **Metering Point** – The Utility electric meter as shown on the one-line diagram accompanying the Customer’s Interconnection Application.
- o. **Party** – Individually the Utility and the Customer; collectively the “Parties.”
- p. **Prudent Utility Practice** – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility 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. Prudent 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 by the electric utility industry.
- q. **Reasonable Efforts** – With respect to an action required to be attempted or taken by a Party under the Interconnection Agreement, efforts that are timely and consistent with Prudent Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.
- ~~r. **Renewable Parallel Generation Residential Service rate schedule and Renewable Parallel Generation Commercial rate schedule Osage City Ks** – Included in ordinance No. [XXXXXXXXXX]~~
- ~~s.r.~~ **System Upgrades** – Additions, modifications, improvements, and upgrades to the Electric Distribution System or Customer service connection at or beyond the point of interconnection to make ready the Customer Generation Facility.
- ~~t.s.~~ **Utility** – City of Osage City, Kansas
- ~~u.t.~~ **Voltage Flicker** – A variation of voltage sufficient in duration to allow visual observation of a change in electric light source intensity, per IEEE 1455.

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.

- b. The proposed Generation Facility complies with IEEE 1547 and UL 1741 or successor standards.
- c. The proposed Generation Facility's capacity in aggregation with other generation on the distribution circuit shall not exceed 15 percent (15%) of the total circuit peak demand (kW) as most recently measured at the substation during the previous 12-month period; nor shall it exceed 15 percent (15%) of a distribution circuit line section annual peak demand (kW).
- d. The proposed Generation Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 percent (10%) to the distribution circuit's maximum fault current at the point on the primary voltage distribution line nearest the proposed interconnection point.
- e. The proposed Generation Facility, in aggregation with other generation located on the distribution circuit, may not cause any distribution protective devices and equipment (including substation breakers, fuse cutouts, and line reclosers, or other customer equipment on the electric distribution system to be exposed to fault currents exceeding 85 percent (85%) of the short circuit interrupting capability.
- f. No additional Generation Facilities shall be interconnected on a circuit that equals or exceeds 85 percent (85%) of its short circuit interrupting capability.
- g. No Generation Facility shall be interconnected that would cause the total interconnected Customer-owned Generating Facility capacity to exceed four percent (4%) of the previous year Utility system peak demand.
- h. When a proposed Generation Facility is single-phase and is to be interconnected on a center tap neutral on a 240-volt service, its addition shall not create an imbalance between the two sides of the 240-volt service of more than 20 percent of the nameplate rating of the service transformer.
- i. The proposed Generation Facility installation must be certified to pass an applicable non-islanding test or use reverse power relays or other means to meet IEEE 1547 unintentional islanding requirements.
- j. A review of the type of electrical service provided to the Customer, including line configuration, and the transformer connection, will be conducted to limit the potential for creating over voltages on the Electric Distribution System due to a loss of ground during the operation time of any anti-islanding function.
- k. When the proposed Generation Facility is to be interconnected on a single-phase shared secondary line, the aggregate generation capacity on the shared secondary line, including the proposed Generation Facility, shall not exceed ten kilowatts (10 kW_{AC}).

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.

2. A short circuit analysis.
3. A stability analysis.
4. Voltage drop and flicker studies.
5. Protection and set point coordination studies.
6. Grounding reviews.

The Utility shall state the underlying assumptions of the Study and share the results of the analyses with the Customer, including the following:

1. Any potential impediments to providing the requested interconnection service.
2. Any required Electric Distribution System Make Ready and the estimated cost and time to engineer and construct said System Make Ready.

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

6. SYSTEM MAKE READY:

The Utility shall not be obligated to make upgrades or improvements to its Electric Distribution System to accommodate the Customer's Generation Facility. Where System Upgrades are required prior to interconnection of the Generation Facility as identified in the System Impact Study, the Utility will provide the Customer with an estimated schedule and the Customer's cost for said System Upgrades.

7. INTERCONNECTION AGREEMENT:

After the Customer and the Utility have identified and mutually agreed on the project scope including the Generation Facility, System Upgrades and estimated costs (if any), the Customer and the Utility shall execute the attached document entitled "Interconnection Agreement." The Interconnection Agreement shall be between the Utility and the Customer and shall not include third parties. Prior to commencement of System Upgrades 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. See "Section 4. Interconnection Costs" of the Interconnection Agreement (Part 4) for additional information.

8. CODES AND PERMITS:

- a. The Customer shall be responsible for procuring all building, operating, environmental or other permits for the Generation Facility and for the necessary

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.

PART 2. TECHNICAL REQUIREMENTS

1. CHARACTER OF SERVICE:

The electric service shall be 60 cycles per second (60 Hertz) alternating current (AC) at supply voltages and single phase residential rate schedule or single or three phase commercial rate schedule that would apply if the Customer did not have an interconnected Generation Facility.

2. CODE REQUIREMENTS:

The Generation Facility shall meet all requirements established by the National Electrical Code (NEC), National Electrical Safety Code (NESC), Institute of Electrical and Electronics Engineers (IEEE), Underwriters Laboratories (UL), and the Occupational Safety and Health Administration. Specific applicable codes are shown in Section 9 of this Part 2 below as "Standards for Interconnection, Safety and Operating Reliability."

3. GENERATION FACILITY CONTROL:

The control system of the Generation Facility shall comply with IEEE and UL specifications and standards for parallel operation with the Electric Distribution System and in particular as follows:

- a. Power output control system shall automatically disconnect from the Electric Distribution System upon loss of System voltage and shall not reconnect until System voltage has been restored.
- b. Power output control system shall automatically disconnect from the Electric Distribution System if System voltage fluctuates beyond plus or minus ten percent (10%).
- c. Power output control system shall automatically disconnect from the Electric Distribution System if the generator fails to operate within the operating frequency range of 59.3 – 60.5 Hz.
- d. Inverter output Harmonic Distortion shall meet IEEE and UL standards.
- e. The Generation Facility shall meet applicable IEEE and UL standards concerning impacts to the Electric Distribution System with regard to Harmonic Distortion, Voltage Flicker, power factor, direct current injection and electromagnetic interference.

4. LIMITS SPECIFIC TO SINGLE-PHASE GENERATION FACILITIES:

When connected to a single-phase transformer, the Generation Facility must be

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

conditions and remain disconnected until System voltage and frequency have stabilized.

7. RECLOSING COORDINATION:

The Generation Facility shall be coordinated with Electric Distribution System reclosing devices by disconnecting from the Electric Distribution System during de-energized Electric Distribution System operation. The Generation Facility shall remain disconnected until System voltage and frequency have stabilized.

8. EXTERNAL GENERATOR AC DISCONNECT SWITCH:

The Customer shall install an external alternating current (AC) disconnect switch within six (6) feet of the Utility electric meter(s) that is visible and readily accessible to Utility representatives at all times. This switch shall be clearly labeled as "Generator AC Disconnect Switch". The switch shall be capable of being locked in an open position and shall prevent the Generation Facility from supplying power to the Electric Distribution System while in the open position.

9. STANDARDS FOR INTERCONNECTION, SAFETY AND OPERATING RELIABILITY:

The interconnection of a Generation Facility and associated equipment to the Electric Distribution System shall meet the applicable provisions of the following publications or successor standards: **[This list is intended for the customer and its solar installer]**

- a. ANSI/IEEE1547-2018 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity). The following standards shall be used as guidance in applying IEEE 1547:
 1. IEEE Standard 519-2022, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems
 2. IEC/TR3 61000-3-7 Assessment of emission limits for fluctuating loads in MV and HV power systems
- b. UL 1741 Standard for Inverters, Converters and Controllers for Use in Independent Power Systems
- c. ANSI/NFPA 70 (2023), National Electrical Code
- d. OSHA (29 CFR § 1910.269)
- e. IEEE Standard 929-2000, *IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems*

- 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

to the external Generator AC Disconnect Switch to isolate the Generation Facility from the Electric Distribution System

11. GENERATION FACILITY OPERATION:

- a. Customer shall install, operate, and maintain, at Customer's sole cost and expense, the Generation Facility in accordance with the manufacturer's suggested practices for safe, efficient and reliable operation of the Generation Facility in parallel with the Electric Distribution System. Customer shall bear full responsibility for the installation, maintenance and safe operation of the Generation Facility. Upon request from the Utility, Customer shall supply copies of periodic test reports or inspection logs, which maybe requested annually.
- b. Customer shall be responsible for protecting, at Customer's sole cost and expense, the Generation Facility from any condition or disturbance on the Electric Distribution System, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges.
- c. Customer agrees that, without prior written permission from the Utility, no changes shall be made to the configuration of the Generation Facility as approved by the Utility, and no relay or other control or protection settings shall be set, reset, adjusted or tampered with, except to the extent necessary to verify that the Generation Facility complies with Utility-approved settings.
- d. Customer shall operate the Generation Facility in such a manner as not to cause undue voltage fluctuations, power quality issues, intermittent load fluctuation characteristics or to otherwise interfere with the operation of the Electric Distribution System. At all times when the Generation Facility is operated in parallel with the Electric Distribution System, Customer shall operate said Generation Facility in such a manner that no disturbance will be produced thereby to the service rendered by the Utility to any of its other customers or to any electric system interconnected with the Electric Distribution System. Customer understands and agrees that the interconnection and operation of the Generation Facility pursuant to these Interconnection Standards is secondary to, and shall not reduce the safety, quality, or reliability of electric service provided by the Utility.
- e. Customer's control equipment for the Generation Facility shall immediately, completely, and automatically disconnect and isolate the Generation Facility from the Electric Distribution System in the event of a fault on the Electric Distribution System, a fault on Customer's electric system, or loss of a source or sources on the Electric Distribution System. The automatic disconnecting device included in such control equipment shall not be capable of reclosing until

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.

13. RATES AND OTHER CHARGES:

- ~~a. Customer must participate in the Renewable Parallel Generation Residential Service rate schedule or Renewable Generation Commercial Service rate schedule as a condition of interconnecting a Customer-owned Generating Facility. [Osage City Rate Structure Ordinance 1836]~~
- b.a. Customer must complete and submit to the Utility the Renewable Energy Parallel Generation Application for Service in Part 7. The Utility shall not approve a Customer-owned Generation Facility Interconnection Application that does not include a completed Renewable Energy Parallel Generation Application for Service.**
- ~~e.b. Terms and conditions of service are contained in the Renewable Parallel Generation Residential Service rate schedule, Interconnection Standards for Installation and Parallel Operation of Customer-Owned Renewable Electric Generation Facilities 25 kW_{AC} or Less for Residential service and 200 kW_{AC} or Less for Commercial service.~~
- ~~d. Customer must participate in the electric Utility's Renewable Parallel Generation Residential Service rate schedule or Renewable Parallel Generation Commercial Service Rate Schedule if the customer wishes to receive credit for any excess energy generated by the customer and delivered to the Utility.~~

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;

- b. Customer may terminate the Interconnection Agreement at any time by giving the Utility at least sixty (60) days' prior written notice stating Customer's intent to terminate the Agreement at the expiration of such notice period;
- c. the Utility may terminate the Interconnection Agreement at any time following Customer's failure to generate energy from the Generation Facility in parallel with the Electric Distribution System by the later of two (2) years from the date of execution of the Interconnection Agreement or during any twelve (12) month period following completion of the interconnection provided for by the Agreement;
- d. the Utility may terminate the Interconnection Agreement at any time by giving Customer at least sixty (60) days' prior written notice in the event the Customer generates and delivers to the Utility more energy than Customer consumes within a calendar year for two consecutive years or more.
- e. either Party may terminate the Interconnection Agreement at any time by giving the other Party at least sixty (60) days' prior written notice that the other Party is in default of any of the material terms and conditions of the Interconnection Agreement or these Interconnection Standards for Installation and Parallel Operation of Customer-Owned Renewable Electric Generation Facilities 25 kW_{AC} or Less for Residential service and 200 kW_{AC} or less for Commercial service, so long as the notice specifies the basis for termination and there is reasonable opportunity for the Party in default to cure the default; or,
- f. The Utility may terminate the Interconnection Agreement at any time by giving Customer at least sixty (60) days' prior written notice in the event that there is a change in an applicable rule or statute affecting the Agreement.

Upon termination of the Interconnection Agreement, Customer's Generation Facility shall be permanently disconnected from the Electric Distribution System.

Termination of the Interconnection Agreement shall not relieve either party of its liabilities and obligations, owed or continuing at the time of said termination.

16. TERMINATION OF ANY APPLICABLE PRIOR AGREEMENT:

From and after the date when service commences under the Interconnection Agreement, the Agreement shall supersede any oral and/or written agreement or understanding between the Utility and Customer concerning the interconnection service covered by the Agreement. Any such prior agreement or understanding shall be deemed to be terminated as of the date interconnection service commences under the Interconnection Agreement.

17. FORCE MAJEURE:

For purposes of the Interconnection Agreement, the term "Force Majeure" means any cause or event not reasonably within the control of the Party claiming Force

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.

City of Osage City Ks

**Customer-owned renewable Electric Generation Facility 25 kW_{AC} or Less
for Residential Service and 200 kW_{AC} or Less for Commercial Service**

This Application for Interconnection of a Customer-Owned Renewable Electric Generation Facility 25 kW_{AC} or less for Residential Service and 200 kW_{AC} or less for Commercial Service is considered complete when it provides all applicable and correct information required below. The__ electric Utility may require additional information or clarification to evaluate the Interconnection Application. Processing of this Application cannot begin until all information is complete.

Processing Fee

A non-refundable processing fee of \$250 must accompany this Application.

Customer

Name: _____ Utility Account Number: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Is the Generation Facility owned by the Customer listed above? Yes No

Contact (if different from Customer)

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Generation Facility Information

Location (if different from above): _____

Inverter Manufacturer: _____

Model _____

Nameplate Rating: (kW_{AC}) _____ (kVA_{AC}) _____

System Design Capacity: (kW_{AC}) _____ (kVA_{AC}) _____

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: _____

Electrical Contractor: (If Applicable) Indicate if not applicable

Name: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Contact Person (If other than Above): _____
Telephone (Daytime): _____ (Evening): _____
Facsimile Number: _____ E-Mail Address: _____

Consulting Engineer: (If Applicable) Indicate if not applicable

Name: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Contact Person (If other than Above): _____
Telephone (Daytime): _____ (Evening): _____
Facsimile Number: _____ E-Mail Address: _____

Provide a one-line diagram of the Generation Facility. The one-line diagram is a basic drawing of an electric circuit in which one or more conductors are represented by a single line and each electrical device and major component of the installation, from the generator to the point of interconnection, are noted by symbols. See attached example.

Provide a site layout of the Generation Facility and nearby features. The site layout is a basic drawing showing the location of the Generation Facility, electric Utility Electric meter, AC and DC disconnect switches, existing electrical panels, disconnects, and utility transformers, conduit/conductor runs and lockout locations.

Copies of manufacturer's specification sheets for all Generation Facility equipment, inverters, and other proposed Generation Facility equipment must be submitted with this Application.

Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Interconnection Application is true. I agree to abide by the terms and conditions of the City of _ (Utility) Interconnection Standards for Installation and Parallel Operation of Customer-Owned Renewable Electric Generation Facilities 25 kW_{AC} or Less for Residential Service and 200 kW_{AC} or less for Commercial Service and will return the Certificate of Completion to the Utility when the Generation Facility has been installed and prior to commencing operation of said Generation Facility.

Signature: _____ Date: _____

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.

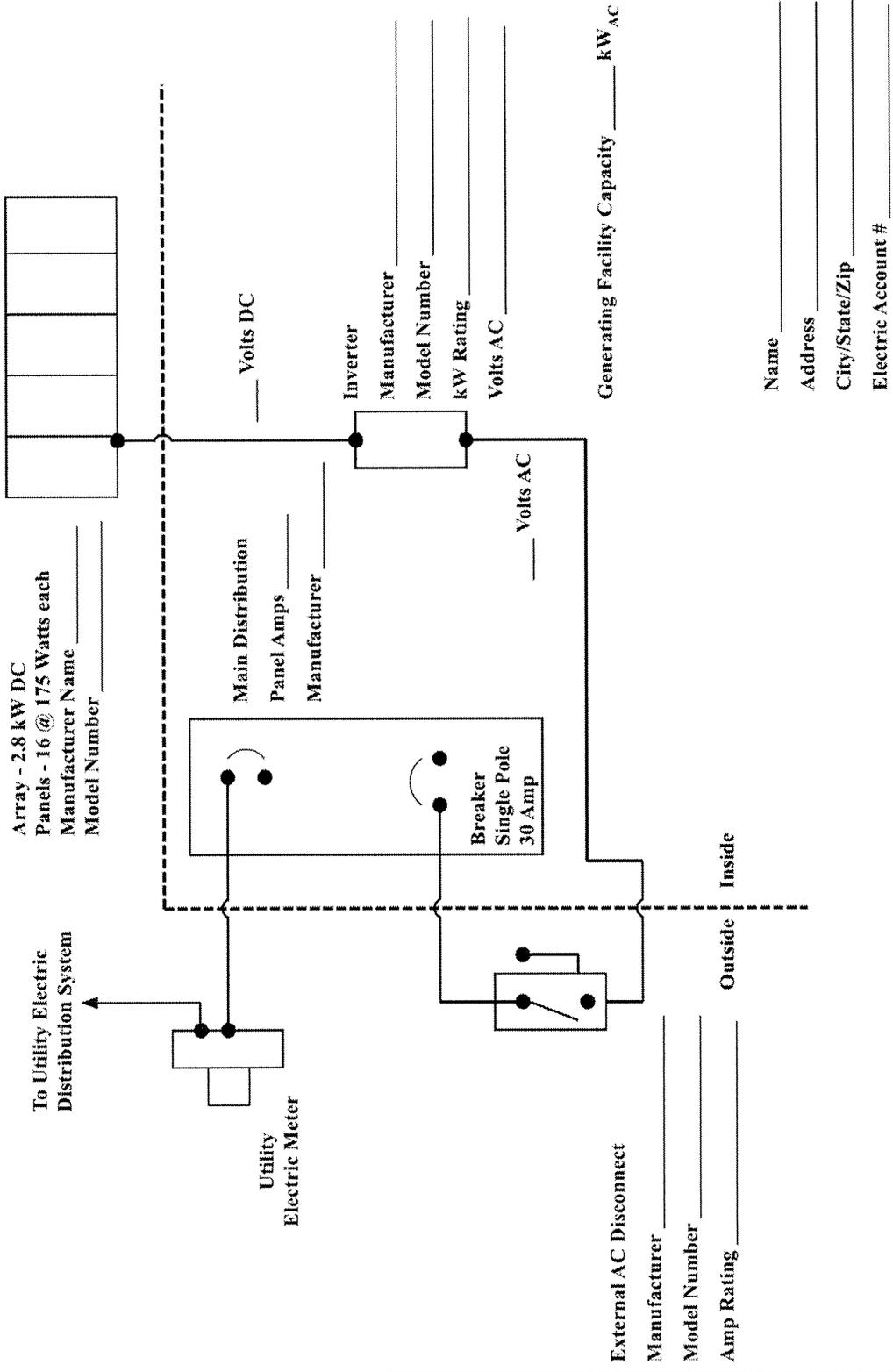
Signature: _____

Title: _____ Date: _____

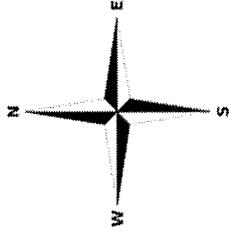
Application Number: _____

Electric Utility waives inspection/witness test? Yes No Initial _____

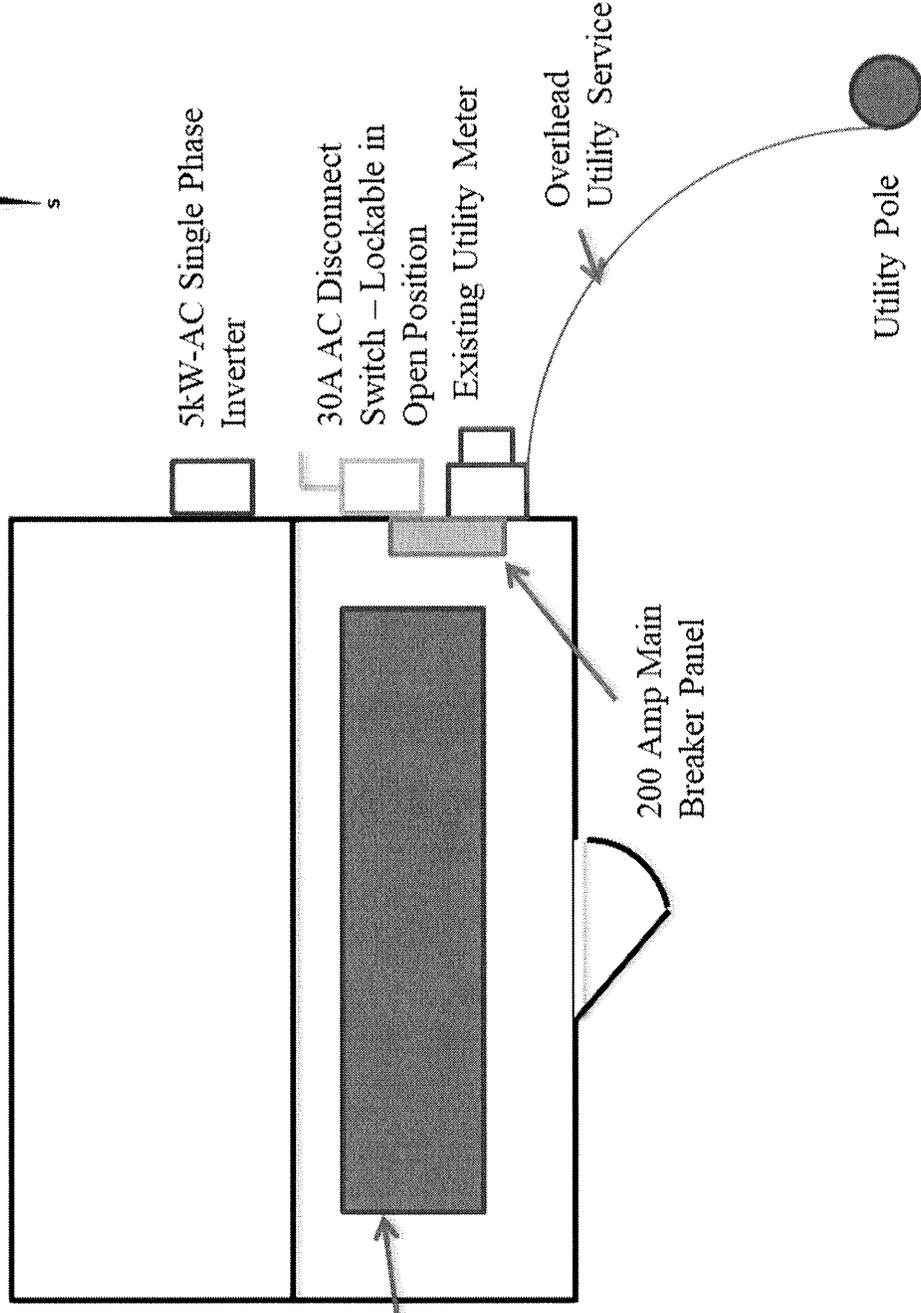
One Line Diagram Example



Sample Site Layout



John Doe
111 E. Main St.
City, State Zip Code



E. Main St.

City of Osage City, Kansas**Customer-Owned Renewable Electric Generation Facility 25 kW_{AC} or Less
for Residential Service and 200 kW_{AC} or Less for Commercial Service**

This Agreement, (“**Agreement**”) is entered into by and between the City of Osage City, Kansas (“**Utility**”) and _____, (“**Customer**”). The Customer electric account subject to this Agreement is Account Number _____. Customer and Utility are referenced in this Agreement collectively as “**Parties**” and individually as “**Party**.”

Recitals

WHEREAS, the Utility owns and operates an Electric Distribution System serving the City of Osage City, Kansas, and surrounding area;

WHEREAS, Customer owns or desires to install, own and operate a Utility-approved renewable, electric Generation Facility with a rated output of 25 kW_{AC} or less for Residential Service and 200 kW_{AC} or less for Commercial Service, interconnected with and operating in parallel with the Utility Electric Distribution System;

Agreement

NOW, THEREFORE, in consideration of the covenants and promises herein, the Parties mutually agree as follows:

1. SCOPE OF AGREEMENT:

This Agreement governs the terms and conditions under which the Generation Facility will interconnect with and operate in parallel with the Electric Distribution System.

2. DEFINITIONS:

The definitions used in this Interconnection Agreement are those found in Part 1, Section 2 of the Utility Interconnection Standards for Installation and Parallel Operation of Customer-Owned Renewable Electric Generation Facilities 25 kW_{AC} or Less for Residential Service and 200 kW_{AC} or Less for Commercial Service.

3. PARALLEL OPERATION:

Customer shall not interconnect or commence parallel operation of the Generation Facility until written Approval to Energize the Generation Facility under Part 6 of these Interconnection Standards has been provided by the Utility. The Utility shall

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.

7. COMPLIANCE WITH INTERCONNECTION STANDARDS REQUIREMENTS:

Customer has read the Utility Interconnection Standards for Installation and Parallel Operation of Customer-Owned Renewable Electric Generation Facilities 25 kW_{AC} or Less for Residential Service and 200 kW_{AC} or Less for Commercial Service, as adopted by the Utility, and agrees to comply with all requirements included therein, including, but not limited to, all insurance and indemnity provisions identified in Paragraphs 14 and 15 therein.

8. ACCESS TO PREMISES:

The Utility shall have access to the Customer premises or property and to the External AC Generator Disconnect Switch as permitted in its policies, Rules and Regulations and Interconnection Standards.

9. GOVERNING LAW:

This Agreement shall be interpreted and governed under the laws of the State of Kansas, the Ordinances of the City of _____
Osage City **Regulations**].

10. DOCUMENTS:

~~Osage City, and [Utility Electric Rates and~~

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_{AC} or Less for Residential Service and 200 kW_{AC} 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.

Customer:

City of Osage City:

Signature

Signature

Print Name

Print Name and Title

Date

Date

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 6. PERMISSION TO OPERATE

Application No. _____

City of Osage City

Customer-Owned Renewable Electric Generation Facility

The City of Osage City, having entered into an Interconnection Agreement for the Generation Facility described in the Application noted by number above and having received a Certificate of Completion with proper documentation of the electrical inspection hereby authorizes the Generation Facility to be energized:

Electric Utility Signature: _____

Title: _____ Date: _____

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_{AC} or Less for Residential Service and 200 kW_{AC} 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_{AC}. 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_{AC} or Less for Residential Service and 200 kW_{AC} 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

acknowledges and agrees that operation of said Generation Facility is intended primarily to

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

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. 9	BY: Dale Schwieger, Utilities Director	BY: KH

ITEM:

Removal of the Net Metering Policy from the city's ordinance.

BACKGROUND:

The city approved a Net Metering Policy in 2022. In conversations with Greg Wright, municipalities are not required to offer Net Metering now that we have a Parallel generation program.

Repeal of Ordinance 1678

FISCAL NOTE:

COUNCIL ACTION:

1. To accept the changes to the interconnection agreement.
2. Table for further discussion later

STAFF RECOMMENDATION:

I make a motion to repeal the Net Metering Policy Ordinance 1678

ORDINANCE NO. 1678

AN ORDINANCE ADOPTING NET METERING POLICY & PROCEDURES FOR CUSTOMER-OWNED RENEWABLE ENERGY RECOURCES 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:

City Clerk

Mayor

Ordinance No. 1678
Exhibit "A"

City of Osage City, Kansas
Electric Department

Net Metering
Policy & Procedure
For Customer - Owned
Renewable Energy Resources

July 11, 2023

TABLE OF CONTENTS

1. NET METERING GENERAL PROVISIONS.....3
2. INTERCONNECTION STANDARDS.....4
3. REQUEST.....5
4. BILLING PRACTICES.....5
5. APPLICATION FOR NET METERING.....8
6. GLOSSARY OF TERMS.....9
7. CITY ORDINANCE.....12

1. INTRODUCTION

The provisions of this Net Metering policy shall apply only to Customer Generators with Renewable Energy Resources approved by the City.

2. NET METERING GENERAL PROVISIONS:

a. The City shall offer Net Metering to its Customers that wish to generate electricity on the Customer's side of the meter using only renewable resources for energy sources.

b. Net Metering is intended for Customer Generators with a rated output of the Lessor of 15,000 watts or the calculated wattage of the annual consumption considered at 35% loadfactor. This will be calculated by taking the annual usage over the most recent 12 months period divided by the product of the peak annual load in kW estimated or metered divided by 8,760 hours divided by 35% loadfactor. Systems rated for more than 15kW will be handled under a different process and may involve the local control area and regional transmission organization.

		Est	
		kWh	Demand
31	Jul-20	1,656	6.36 kW
30	Aug-20	2,053	8.15 kW
30	Sep-20	1,616	6.41 kW
31	Oct-20	1,128	4.33 kW
31	Nov-20	1,304	5.01 kW
31	Dec-20	1,931	7.42 kW
30	Jan-21	1,738	6.90 kW
29	Feb-21	1,391	5.71 kW
31	Mar-21	1,359	5.22 kW
30	Apr-21	1,255	4.98 kW
31	May-21	1,730	6.64 kW
30	Jun-21	2,098	8.33 kW
365		19,259	6.28 Max. amount to install

c. The City shall make Net Metering available to eligible Customer Generators within its service area on a first-come, first-served basis. The maximum total rated capacity in kW of customer generation that will be allowed on the City's system shall be restricted to not more than 3 percent of the City's peak demand during the previous Annualized Period.

- 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.

4. REQUEST

- a. The Customer Generator shall make a request for Net Metering by completing the City's Application for Net Metering and the City's Application for Interconnection. The City may require additional details or clarifications as needed to properly evaluate the application.

5. BILLING PRACTICES

- a. **Positive Net Consumption.** Whenever the amount of electricity delivered by an eligible Customer Generator in a billing period is less than the electricity delivered by the City during such billing period, billing for the net energy supplied by the City will be made in accordance with the rate schedule applicable to the Customer's assigned rate class and all applicable riders.
- b. **Negative Net Consumption.** Negative Net Consumption. Whenever the amount of electricity delivered by an eligible Customer Generator in a billing period is more than the electricity supplied by the City in a billing period, the City shall credit the Customer Generator for the excess kilowatt-hours to apply as an off-set against the energy received from the City during that current billing period only and will not be carried over into subsequent billing periods.
- c. Regardless of whether the Customer Generator is entitled to receive financial benefit for excess electrical energy from this current billing period, Customer Generator remain responsible for all charges incurred during each billing period including, but not limited to, : customer charges, facilities charges, demand charges, environmental charges, transmission charges, any late payment charges, and any requirements for deposits or special charges or fees that may be applied.
- d. Any net excess generation credit remaining in a Customer Generator's account at the end of each monthly Period shall expire.

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.

11. CERTIFICATE OF COMPLETION:

Upon completion of the generating facility and prior to normal operation, the Customer Generator shall provide a signed copy of the attached document entitled "Certificate of Completion" as required by the Interconnection Agreement.

12. NORMAL OPERATION:

The Customer Generator may begin normal operation of the generating facility upon completion of all documentation, inspection by, and receipt of written approval from the City.

13. DEFINITIONS:

All capitalized terms and phrases throughout this set of standards shall be defined as indicated in the attached Glossary of Terms.

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: _____

Glossary of Terms

Annualized Period - The City's twelve calendar month fiscal year, that is, from January 1 through December 31 of the same year.

Monthly Period - the City's current billing month.

Applicable Laws and Regulations - All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Customer - Any entity interconnected to the City's distribution system for the purpose of receiving retail electric power service from the City's distribution system.

Customer Generator - The owner or operator of a net metered facility which:

- 1) Is powered by a renewable energy resource;
- 2) Is located on a premises owned, operated, leased or otherwise controlled by the Customer Generator;
- 3) Is interconnected and operates in parallel phase and synchronization with an affected utility and is in compliance with the standards established by the affected utility;
- 4) Is intended primarily to offset part or all of the Customer Generator's own electrical energy requirements;
- 5) Contains a mechanism, approved by the electric utility, that automatically disables the unit and interrupts the flow of electricity back onto the supplier's electricity lines in the event that service to the Customer Generator is interrupted.

Customer-Owned Generating Facility - The Customer's equipment for the production of electricity identified in the Interconnection Application.

Distribution System - The City's facilities and equipment used to transmit electricity to ultimate usage points including residential, commercial and industrial facilities directly from nearby generation points and from interchanges with higher voltage transmission networks which transport bulk power over longer distances.

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.

Reasonable Efforts - With respect to an action required to be attempted or taken by a Party under the Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Renewable Energy Resource - Electric energy produced from solar or wind resources, or other energy resources defined as renewable by Kansas statute.

System Average Energy Cost - The current average cost of fuel and purchased energy for the billing period as determined by the City.

System Upgrades - The additions, modifications, and upgrades to the City's Distribution System at or beyond the point of interconnection to facilitate interconnection of the Customer-Owned Generating Facility.

Adopted by the City Council on July 11, 2023.

(A Copy of Ordinance No. 1678 is attached)