



City Commission Meeting

April 15, 2025 at 5:30 PM

118 W Central Ave, Arkansas City, KS

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<https://www.youtube.com/@cityofarkansascitykansas895>



I. Routine Business

1. Roll Call
2. Opening Prayer and Pledge of Allegiance
3. Additions or Deletions **(Voice Vote)**
4. Approval of the Agenda **(Voice Vote)**

II. Consent Agenda **(Voice Vote)**

Note: All matters listed below on the Consent Agenda are considered under one motion and enacted by one motion. There should be no separate discussion. If such discussion is desired, any item may be removed from the Consent Agenda and then considered separately under Section VI: New Business.

1. A Resolution authorizing a public meeting of the Governing Body to attend a Land Bank Board of Trustees meeting at 5:00 p.m. Tuesday, May 6, 2025, in the Commission Room at City Hall, located at 118 W. Central Avenue in Arkansas City.
2. A Resolution authorizing the City of Arkansas City to allocate Unpledged Healthcare Sales Tax Funds in the amount of \$28,685.64 to SCK Health for uncompensated care provided to the community, consistent with Ordinance No. 2019-02-4481 and the City's intent to annually appropriate available revenues for health care purposes.
3. Approve the March 28, 2025 Special Meeting Minutes, and April 1, 2025 Regular Meeting Minutes as written.

III. New Business

City Manager Department

1. Officially announce and unveil the newly designed logo for the City of Arkansas City, reflecting its dynamic growth, natural environment, and future aspirations.
2. A Resolution authorizing the City of Arkansas City to enter an agreement with Tyler Technologies, to provide cloud hosted software services and time clock hardware on an annual basis, with the first-year amount not to exceed \$49,516.00. **(Voice Vote)**
3. An Ordinance authorizing the execution of a loan agreement between the City of Arkansas 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 Public Water Supply Loan Fund for the purpose of financing a Public Water Supply 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. **(Roll Call Vote)**

IV. City Manager Updates & Reminders

V. Items for Discussion by City Commissioners

VI. Comments from the Audience for Items not on the Agenda

The public will be allowed to speak on issues or items that are not scheduled for discussion on the agenda. Individuals should address all comments and questions to the Commission. Comments should be limited to issues and items relevant to the business of the Governing Body. The Commission will not discuss or debate these items, nor will the Commission make decisions on items presented during this time. Each person will be limited to five (5) minutes.

VII. Financial Summary

- [1.](#) March 2025 Financial Summary

VIII. Adjournment



City Commission Agenda Item

Meeting Date: April 15, 2025
From: Tiffany Parsons, City Clerk
Item: **Consent Agenda Item:** Schedule a Special Land Bank Board of Trustees Meeting

Purpose: A Resolution authorizing a public meeting of the Governing Body to attend a Land Bank Board of Trustees meeting at 5:00 p.m. Tuesday, May 6, 2025, in the Commission Room at City Hall, located at 118 W. Central Avenue in Arkansas City.

Background:

All five (5) members of the Governing Body of the City of Arkansas City, Kansas, also serve as members of the City’s Land Bank Board of Trustees. In order to comply with the Kansas Open Meetings Act, the Governing Body of the City of Arkansas City, Kansas, must designate this upcoming Land Bank Board of Trustees meeting as a public meeting of the Governing Body.

At this meeting the board will consider a transfer of property out of the City’s Land Bank.

Commission Options:

1. Approve the Resolution
2. Disapprove the Resolution
3. Table the Resolution for further consideration

Fiscal Impact:

Amount:

Fund: Department: Expense Code:

Included in budget Grant Bonds Other (explain)

Approved for Agenda by:



Randy Frazer, City Manager

RESOLUTION NO. 2025-02-_____

A RESOLUTION AUTHORIZING A PUBLIC MEETING OF THE GOVERNING BODY TO ATTEND A LAND BANK BOARD OF TRUSTEES MEETING AT 5:00 P.M. TUESDAY, MAY 6, 2025, IN THE COMMISSION ROOM AT CITY HALL, 118 W. CENTRAL AVE.

WHEREAS, all five (5) members of the Governing Body of the City of Arkansas City, Kansas, also serve as members of the City’s Land Bank Board of Trustees; and

WHEREAS, in order to comply with the Kansas Open Meetings Act, the Governing Body of the City of Arkansas City, Kansas, must designate this upcoming Land Bank Board of Trustees meeting as a public meeting of the Governing Body.

NOW, THEREFORE, IN CONSIDERATION OF THE AFORESTATED PREMISES, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF ARKANSAS CITY, KANSAS:

SECTION ONE: The Governing Body of the City of Arkansas City, Kansas, hereby establishes that it shall hold a public meeting at 5:00 p.m. on May 6, 2025, in the Commission Room at City Hall, 118 W. Central Ave., Arkansas City, Kansas, to attend a Land Bank Board of Trustees meeting.

SECTION TWO: The Governing Body of the City of Arkansas City, Kansas, hereby authorizes City staff of the City of Arkansas City, Kansas, to take such further and other necessary actions that are required to effectuate the intent and purposes of this Legislative Enactment, and also to notify all persons requesting notice of such public meetings under the Kansas Open Meetings Act and K.A.R. 16-20-1.

SECTION THREE: This Resolution shall be in full force and effect from its date of passage by the Governing Body of the City of Arkansas City, Kansas.

PASSED AND RESOLVED by the Governing Body of the City of Arkansas City, Kansas, on this 15th day of April 2025.

(Seal)

Chad D. Beeson, Mayor

ATTEST:

Tiffany Parsons, City Clerk

APPROVED AS TO FORM:

Larry R. Schwartz, City Attorney

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of Resolution No. 2025-04-_____ of the City of Arkansas City, Kansas, adopted by the Governing Body thereof on April 15, 2025, as the same appears of record in my office.

DATED: _____.

Tiffany Parsons, City Clerk



City Commission Agenda Item

Meeting Date: April 15th, 2025
From: Randy Frazer, City Manager
Item: Request from SCK Health for Distribution of Tax Funds for Uncompensated Care

Motion: A Resolution authorizing the City of Arkansas City to allocate Unpledged Healthcare Sales Tax Funds in the amount of \$28,685.64 to SCK Health for uncompensated care provided to the community, consistent with Ordinance No. 2019-02-4481 and the City’s intent to annually appropriate available revenues for health care purposes. **(Voice Vote)**

Background: On April 9, 2025, SCK Health submitted a request to the City of Arkansas City for funds in the amount of \$28,685.64. This request is for reimbursement of charity care provided by SCK Health to community members who are unable to pay for medical services.

Pursuant to Ordinance No. 2019-02-4481, the City has committed to annually appropriate certain available revenues for operational expenses incurred in delivering uncompensated care.

SCK Health has provided supporting documentation of charity care costs totaling \$28,685.64, consistent with prior practices and City policy regarding the use of these funds. Staff recommend approval of this request in alignment with the City’s ordinance and long-standing commitment to support local healthcare services through the use of dedicated sales tax revenues.

Commission Options:

1. Approve the Resolution
2. Disapprove the Resolution
3. Table the Resolution for further discussion

Fiscal Impact: Amount: **\$28,685.64**

Fund: **45 - Unpledged Healthcare Sales Tax Fund** Department: **100 - General Government**

Expense Code: **8110 - Distribution to other Agency**

Included in budget Grant Bonds Other Not Budgeted

Attachments:

- Request Letter from SCK Health dated April 9, 2025
- Charity Care Summary Documentation

Approved for Agenda by:

Randy Frazer, City Manager

RESOLUTION NO. 2025-04-_____

A RESOLUTION AUTHORIZING THE CITY OF ARKANSAS CITY TO ALLOCATE UNPLEDGED HEALTHCARE SALES TAX FUNDS IN THE AMOUNT OF \$28,685.64 TO SOUTH CENTRAL KANSAS (SCK) HEALTH, FOR UNCOMPENSATED CARE PROVIDED IN THE COMMUNITY, CONSISTENT WITH ORDINANCE NO. 2019-02-4481 AND THE CITY'S INTENT TO ANNUALLY APPROPRIATE AVAILABLE REVENUE FUNDS FOR HEALTHCARE PURPOSES.

WHEREAS, SCK Health submitted a request on April 9, 2025, for reimbursement in the amount of \$28,685.64 for charity care provided to community members unable to pay for medical services; and

WHEREAS, SCK Health provided documentation supporting the costs of this charity care, consistent with City policy and past practice for the use of healthcare sales tax funds; and

WHEREAS, in accordance with Ordinance No. 2019-02-4481, the City intends to annually allocate available revenue to support uncompensated healthcare services, and staff recommends approval of this request.

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

SECTION ONE: The Governing Body of the City of Arkansas City, Kansas, hereby authorizes the City of Arkansas City, Kansas, to allocate to South Central Kansas (SCK) Health for uncompensated care provided to the community, consistent with Ordinance No. 2019-02-4481 and the City's intent to annually appropriate available revenue funds for healthcare purposes. A letter of request and supporting documentation from SCK Health is attached hereto and incorporated for reference.

SECTION TWO: The Governing Body of the City of Arkansas City, Kansas, hereby authorizes the Mayor and/or City staff of the City of Arkansas City, Kansas, to take such further and other necessary actions that are required to effectuate the intent and purposes of this Legislative Enactment.

SECTION THREE: This Resolution shall be in full force and effect from and after its adoption by the Governing Body of the City of Arkansas City.

PASSED AND RESOLVED by the Governing Body of the City of Arkansas City, Kansas, on this 15th day of April 2025.

(Seal)

Chad D. Beeson, Mayor

ATTEST:

Tiffany Parsons, City Clerk

APPROVED AS TO FORM:

Larry R. Schwartz, City Attorney

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of Resolution No. 2025-04-_____ of the City of Arkansas City, Kansas, adopted by the Governing Body thereof on April 15, 2025, as the same appears of record in my office.

DATED: _____.

Tiffany Parsons, City Clerk



BOARD OF TRUSTEES
Dr. Rodger Maechtlen, Chairman
Jay Warren, Vice Chair
Brad Bryant, Secretary
Chad Beeson, Treasurer

Margaret Grismer
Chief Executive Officer

April 9, 2025

City of Arkansas City, Kansas
Attn: Jennifer Waggoner
118 West Central
Arkansas City, KS 67005

Dear Jennifer,

I am writing to request Compensating Use Tax Funds from the city in the amount of \$28,685.64. The Charity Care details are enclosed that support this amount. Thank you for your assistance with this request.

SCK Health is appreciative of the tax support for uncompensated care provided to the community.

Appreciated,

Margaret Grismer
CEO

GL NUMBER	ITEM	DESCRIPTION	QTY	AMOUNT	DATE	TOTAL
50715000	99031	CHARITY CARE WRITE-OFF	1	76.96	1/8/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-9653.81	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1235.00	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1585.70	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-5961.77	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-3553.22	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-2252.50	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-12906.16	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-2817.11	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-5010.37	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-14183.78	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-9.99	1/21/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-5994.87	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-6750.60	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-157.87	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-262.00	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-338.00	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-338.00	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-84.88	1/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-22748.85	1/31/2022	
TOTAL		CHARITY CARE W/OFF	-18	-95767.52		-95767.52
Feb-22	NONE					
50715000	99031	CHARITY CARE WRITE-OFF	-1	-118.00	3/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-51214.27	3/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-343.00	3/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-2788.11	3/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-412.50	3/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-457.69	3/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-2139.17	3/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-287.00	3/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-306.99	3/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1475.00	3/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1484.00	3/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-27785.33	3/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-29610.84	3/31/2022	
TOTAL		CHARITY CARE W/OFF	-20	-134929.58		-134929.58
50715000	99031	CHARITY CARE WRITE-OFF	-1	-2483.40	4/11/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-170.00	4/29/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-402.70	4/29/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-5395.15	4/29/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-300.00	4/29/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-300.00	4/29/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-2.29	4/29/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-236.06	4/29/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1194.19	4/29/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-8402.32	4/29/2022	
TOTAL		CHARITY CARE W/OFF	-10	-18886.11		-18886.11
50715000	99031	CHARITY CARE WRITE-OFF	1	402.70	5/10/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-402.70	5/10/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1106.70	5/10/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1768.60	5/10/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-40.73	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-86.54	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-52.03	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-13.18	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-19.97	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-250.00	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-85.00	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-333.00	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-160.00	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-704.00	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-290.00	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-475.00	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-563.40	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-114.85	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-511.51	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-723.96	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1578.00	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1583.50	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-3195.02	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1654.87	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-735.15	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-852.47	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-693.33	5/31/2022	
50715000	99031	CHARITY CARE WRITE-OFF	-1	-945.55	5/31/2022	

50715000	99031	CHARITY CARE WRITE-OFF	-1	-426.24	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-429.39	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-899.35	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-460.07	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-571.84	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-345.89	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-433.99	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1374.00	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1679.00	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-967.00	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1447.63	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-40.00	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1759.00	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-4384.15	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-3854.73	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-963.28	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-171.32	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-2066.59	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-618.98	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-54.35	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-21.66	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-20.30	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-20.30	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-20.30	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-112.00	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-134.62	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1323.00	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-483.90	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-4660.00	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-3271.14	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-49.11	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-39.28	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-39.28	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-39.28	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-91.33	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-28624.19	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-6374.55	5/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-877.06	5/31/2022

****TOTAL**** CHARITY CARE W/OFF -64 -92284.46 -92284.46

50715000	99031	CHARITY CARE WRITE-OFF	-1	-3649.40	6/30/2022
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****TOTAL**** 50715 .000 CHARITY CARE W/OFF -1 -3649.40 -3649.40

50715000	99031	CHARITY CARE WRITE-OFF	-1	-58.50	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-3277.71	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-568.09	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-236.47	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-6772.40	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-2258.21	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-189.00	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-422.13	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-20.00	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-276.50	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-28774.72	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-19.00	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-6903.10	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-185.48	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-503.06	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-599.51	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-15.00	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-15.00	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-2257.00	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-60.00	7/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-130.06	7/31/2022

****TOTAL**** CHARITY CARE W/OFF -21 -53540.94 -53540.94

50715000	99031	CHARITY CARE WRITE-OFF	-1	-50.09	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-6.90	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-50.00	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-7.56	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-5803.91	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-25.00	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-50.00	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-72.20	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-4658.27	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-55.51	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-139.27	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-10.00	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-38.41	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-38.41	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-38.41	8/31/2022

50715000	99031	CHARITY CARE WRITE-OFF	-1	-38.41	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-38.41	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-38.42	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-38.41	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-38.41	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-38.42	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-38.41	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-38.41	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-38.41	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-24.52	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-427.52	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-396.00	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-828.00	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-396.00	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-15.72	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-15.72	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-15.72	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-15.72	8/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1615.29	8/31/2022

****TOTAL**** CHARITY CARE W/OFF -34 -15139.84 -15139.84

50715000	99031	CHARITY CARE WRITE-OFF	-1	-1246.70	9/30/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-8804.32	9/30/2022

****TOTAL**** CHARITY CARE W/OFF -2 -10051.02 -10051.02

50715000	99031	CHARITY CARE WRITE-OFF	-1	-11.00	10/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-4675.98	10/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-127.43	10/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-3045.51	10/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-5328.96	10/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-4566.06	10/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-3765.51	10/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1090.00	10/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1577.70	10/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-386.50	10/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1460.00	10/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1475.00	10/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-14.34	10/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-11501.02	10/31/2022

****TOTAL**** CHARITY CARE W/OFF -14 -39025.01 -39025.01

Nov-22 NONE

50715000	99031	CHARITY CARE WRITE-OFF	1	15.48	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	1	599.51	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-170.00	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-269.00	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-189.00	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-268.82	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1258.70	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-5146.01	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-65.00	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-65.00	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-65.00	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-65.00	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-90.00	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-21.00	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-6712.01	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-117.41	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-3792.50	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-100.00	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-15.00	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-105.73	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-15.00	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-125.00	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-125.00	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-10.28	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-28.28	12/31/2022
50715000	99031	CHARITY CARE WRITE-OFF	-1	-1185.00	12/31/2022

****TOTAL**** CHARITY CARE W/OFF -22 -19388.75 -19388.75

TOTAL -482662.63



City Commission Agenda Item

Meeting Date: April 15, 2025
From: Tiffany Parsons, City Clerk
Item: Approve March 28, 2025 Special Meeting Minutes & April 1, 2025 Regular Meeting Minutes

Purpose: Approve the March 28, 2025 Special Meeting Minutes, and April 1, 2025 Regular Meeting Minutes as written.

Background:
Each meeting, the City Commission reviews and approves the minutes of its prior meeting(s).

- Commission Options:**
1. Approve with consent agenda.
 2. Remove item(s) from consent agenda for further consideration.

Approved for Agenda by:



Randy Frazer, City Manager



Friday, March 28, 2025
Special Meeting Minutes
118 W Central Ave, Arkansas City, KS

Routine Business

- 1. Roll Call

PRESENT

Commissioner Diana Spielman
Commissioner Tad Stover
Commissioner Charles Tweedy III
Commissioner Jay Warren
Mayor Jay Warren Chad Beeson

Also present from staff: City Attorney Larry Schwartz, City Manager Randy Frazer, City Clerk Tiffany Parsons, Communications Director Shana Adkisson, Finance Director/Treasurer Jennifer Waggoner, Accountant Amy Roberts, Fire Chief Stuart Cassaboom, Municipal Project Manager Nick Rizzio, and Police Chief Jim Holloway.

Awards and Proclamations

- 1. Present a proclamation in honor of Warren Edwards' Guinness World Records challenge "50 States in 50 Days".

Mayor Chad Beeson presented a proclamation to Warren Edwards in recognition of his upcoming Guinness World Records challenge, "50 States in 50 Days." Several community members and partner organizations were in attendance to celebrate the official kickoff of this ambitious journey, which begins in Arkansas City, Kansas, on Saturday, March 29, 2025.

Mr. Edwards aims to set a world record by completing a 50-day journey through all 50 U.S. states, covering a total of 655.5 miles on foot and 1,845 miles by bicycle. In each state, he will jog or walk 13.1 miles, bike 36.9 miles, complete 50 push-ups, eat one bacon cheeseburger, drink one milkshake, and get one tattoo.

"I am 50, and in becoming 50 years-old, I wanted to do this challenge to be in the best mental and physical shape of my life", remarked Edwards.

Mayor Beeson will join Edwards by completing the first full day alongside him, beginning with biking portion at 5:00 a.m. The community is invited to participate in various festivities planned throughout the day in downtown Arkansas City. These events have been made possible through the support and collaboration of the Arkansas City Area Chamber of Commerce, VISIT Arkansas City, Merchants in Motion, the Burford Theatre, Skinstations Tattoo & Body Piercing, Burger Junkie, Cowley College, the City of Arkansas City, and many dedicated community members. The City extends its appreciation to Mr. Edwards for choosing Arkansas City as the starting point of this extraordinary endeavor.

Updates and progress on Mr. Edwards’ journey can be followed via the following social media platforms:

- Web: warren@505050tour.com
- YouTube: [@50States50Days](#)
- Facebook: [WarrenG50States50Days](#)
- Instagram: [@50states50days](#)
- TikTok: [@50states.50days](#)

Adjournment

Motion made by Mayor Beeson, seconded by Commissioner Tweedy III to adjourn the meeting.

Voice Voting Aye: Commissioner Beeson, Commissioner Spielman, Commissioner Stover, Commissioner Tweedy, and Mayor Warren. Mayor Warren declared the meeting adjourned.

The meeting was adjourned into the regularly scheduled Work Session in the commission chambers.

**THE CITY OF ARKANSAS CITY
BOARD OF CITY COMMISSIONERS**

(Seal)

Chad D. Beeson, Mayor

ATTEST:

Tiffany Parsons, City Clerk

Prepared by:

Tiffany Parsons, City Clerk



Tuesday, April 1, 2025
 Regular Meeting Minutes
 118 W Central Ave, Arkansas City, KS

Routine Business

1. Opening Prayer and Pledge of Allegiance led by City Attorney Larry Schwartz.
2. Roll Call

PRESENT

Commissioner Diana Spielman
 Commissioner Tad Stover
 Commissioner Charles Tweedy III
 Commissioner Jay Warren
 Mayor Chad Beeson

Also present from staff: City Attorney Larry Schwartz, City Manager Randy Frazer, Communication Director Shana Adkisson, Environmental Services Superintendent Kyle Blubaugh, Municipal Project Manager Nick Rizzio, and Public Services Superintendent Tony Tapia.

3. City Manager Frazer explained the amendments to the agenda that include rearranging existing items under New Business to reflecting as follows:

New Business

- *Move City Manager Dept. first under New Business (switch with City Attorney Dept.).*
- *Within City Manager Dept., move Item No. 4 (The Sandbar, Parklet Hospitality Area) to be Item No. 1, with remaining items renumbered accordingly.*

Motion made by Commissioner Stover, Seconded by Commissioner Tweedy III to approve the amendments to the agenda as written.

Voice Voting Aye: Commissioner Stover, Commissioner Spielman, Commissioner Tweedy III, Commissioner Warren, and Mayor Beeson. Mayor Beeson declared the motion approved.

4. Approval of the Agenda.

Motion made by Commissioner Spielman, Seconded by Commissioner Warren to approve the amended agenda as written.

Voice Voting Aye: Commissioner Stover, Commissioner Spielman, Commissioner Tweedy III, Commissioner Warren, and Mayor Beeson. Mayor Beeson declared the motion approved.

Awards and Proclamations

1. Proclaim April 2025 as Child Abuse Prevention Month in Arkansas City.

Mayor Chad Beeson read and presented a proclamation declaring April 2025 as *Child Abuse Prevention Month* in Arkansas City. The proclamation was accepted by Nora Pate, Healthy Families Supervisor with the Kansas Children's Service League, in recognition of the vital work being done to support and protect children and families in the community.

2. Proclaim May 3, 2025, as Cinco De Mayo Day in Arkansas City.

Mayor Chad Beeson read and presented the annual proclamation declaring May 3, 2025, as *Cinco De Mayo Day* in Arkansas City. Members of the Tacolalah Board, Jill Hunter and Kelly Dillner, were present to accept the proclamation.

3. Proclaim May 1, 2025, as a Day of Prayer in Arkansas City.

City Commissioner Diana Spielman read aloud the proclamation before the governing body, city staff and guests.

4. Proclaim May 4-11, 2025, as National Music Week in Arkansas City.

Recognition of Visitors/Staff

1. Recognize City Clerk Tiffany Parsons, as the Certified Municipal Clerk and Finance Officers Association (CCMFOA) *2025 Rookie of the Year* award recipient.

City Manager Frazer acknowledged City Clerk Parsons as being named the 3rd annual *Rookie of the Year*, presented by The Certified Municipal Clerk and Finance Officer Association (CCMFOA). This prestigious recognition honors new municipal clerks and finance officers who have demonstrated exceptional dedication, leadership, and commitment to their communities. Parsons was honored during the 75th annual CCMFOA Spring Conference on March 20, 2025, held in Manhattan, KS. Employed with the City of Arkansas City since 2022, Parsons began her service as Deputy City Clerk and Municipal Court Clerk before being promoted to City Clerk in early 2023. Since stepping into this role, she has made a lasting impact on her community through her professionalism, hard work, and innovative initiatives.

“We are excited to recognize Tiffany Parsons as our third annual Rookie of the Year,” said CCMFOA President Alicia Hidalgo. “Tiffany has consistently exhibited exceptional dedication in her role as City Clerk and has firmly established herself as an emerging leader within our profession.” as quoted in the official press release issued by CCMFOA.

Beyond her daily responsibilities, Parsons has led several impactful initiatives in Arkansas City during her first couple years as City Clerk. She played a pivotal role in securing the city’s designation as the first Purple Heart City in Cowley County—one of only 13 in Kansas—by drafting the official proclamation, organizing the Purple Heart Ceremony, assisting with signage, and coordinating with local, state, and military officials. Under her leadership, the city also joined the national Purple Heart Trail. Parsons spearheaded the adoption of a Common Consumption Area (CCA) in downtown Arkansas City, conducting research, drafting the ordinance, and educating the public through a Chamber of Commerce event. Additionally, she has played a key role in drafting new ordinances concerning special-purpose vehicles, neglected buildings, and other community-focused initiatives. She also oversees city appointments to 17 boards, serving as secretary for five. Committed to professional growth, Parsons became an Administrative Assistant of Kansas Cities (AAKC) Certified Municipal Assistant in 2022, is an ICC Certified Permit Technician, and is an active member of multiple professional organizations, including CCMFOA and the International Institute of Municipal Clerks (IIMC). She is currently working toward earning her Certified Municipal Clerk designation.

“It was a true honor to represent the City of Arkansas City at this event. I am grateful to be part of such a dedicated and hardworking team and appreciate the continued opportunity to contribute positively to our community,” Parsons said.

Consent Agenda

Note: All matters listed below on the Consent Agenda are considered under one motion and enacted by one motion. There should be no separate discussion. If such a discussion is desired, any item may be removed from the Consent Agenda and then considered separately under Section VI: New Business.

1. Approve the March 18, 2025, regular meeting minutes as written.

Motion made by Commissioner Spielman, Seconded by Commissioner Stover to approve the consent agenda as written.

Voice Voting Aye: Commissioner Spielman, Commissioner Stover, Commissioner Tweedy III, Commissioner Warren, and Mayor Beeson. Mayor Beeson declared the motion approved.

New Business

Communication Director Adkisson offered the following items for consideration:

City Manager Department

1. A Resolution authorizing the City of Arkansas City to approve an extension of licensed premise at The Sandbar, to allow a Parklet Hospitality Area on public property, located at 408 S. Summit St.

City Clerk Parsons noted that The Sandbar has requested the city, allow an extension of licensed premise, to incorporate a parklet hospitality area in front of their business to be used at the owner's discretion. The Sandbar will rope off a designated portion of parking spaces, deemed to be the Parklet Hospitality Area, and place appropriate signs identifying the boundaries of such an area. Parsons offered an updated draft to the commission based off work sessions concerns that incorporate requested provisions for traffic buffering measures, further reciting the added requirement of, "Traffic Buffering Measures: To protect patrons and infrastructure, safety features, such as planters, bollards, barricades, or wheel stops shall be installed at the perimeter of the parklet adjacent to active traffic lanes, to further delineate the parklet space from vehicle lanes. Reflective tape or paint shall be applied to all wheel stops, barricades, bollards and planters, if not already manufactured in place, to enhance visibility during nighttime conditions". Owner Brandi Webb also spoke of her willingness to abide by the provisions of the ordinance, explaining that they would like to offer a safe space for people to gather when it's nice outside. Mayor Beeson mentioned barricades that have stripes and reflective glass on them as being a good option. The parklet operation hours were also updated in the amended resolution draft to reflect the Sandbar's regular business hours.

Motion made by Commissioner Warren, Seconded by Commissioner Tweedy III to approve a Resolution authorizing the City of Arkansas City to approve an extension of licensed premise at The Sandbar, to allow a Parklet Hospitality Area on public property, located at 408 S. Summit St., as amended.

*Voice Voting Aye: Commissioner Beeson, Commissioner Stover, Commissioner Spielman, Commissioner Tweedy III, and Mayor Beeson. Mayor Beeson declared the motion approved; given **Resolution No. 2025-04-3698**.*

2. A Resolution authorizing the City of Arkansas City to accept a proposal from Kuhn Mechanical for the installation of a new sewer line to service the Ark Travel Center Complex, for an estimated amount of \$545,252.00, subject to fee fluctuations.

City Manager Frazer reported that the city received a proposal from Kuhn Mechanical for the installation of a new sewer system at the Ark Travel Center Complex. The project scope includes excavation, sewer pipe installation, horizontal boring under BNSF railways, settlement monitoring, and necessary permitting and compliance with BNSF and regulatory agencies, which Kuhn Mechanical will facilitate. The base proposal amount is \$545,252.00, with an additional 2% cost if surety bonding is required. The proposal is valid for 30 days. Frazer, further noted that this proposal is contingent on the award of a separate BNSF Crossing Sewer Repair Project at Birch and D Street, where vital existing boring equipment will already be in place to serve both projects.

Motion made by Mayor Beeson, Seconded by Commissioner Warren to approve the item as written.

Voice Voting Aye: Commissioner Spielman, Commissioner Stover, Commissioner Tweedy III, Commissioner Warren, and Mayor Beeson. Mayor Beeson declared the motion approved; given **Resolution No. 2025-04-3697**

- 3. An Ordinance exempting the application of K.S.A. § 41-719(c) to allow the sale and consumption of alcoholic liquor at a designated area of Wilson Park, from 11:00 AM to 10:00 PM, during Tacolalah on May 3, 2025.

The Tacolalah Committee has requested the Governing Body allow them to sponsor the annual event to sell and serve alcohol at a designated area of Wilson Park during Tacolalah. This will include a beer garden during the frestiaval where Gypsy Bev. Co., a dually licensed caterer with the State of Kansas and the City of Arkansas City will be selling and serving. City Clerk Parsons added that staff has created a map which shows where the fenced beer garden area will be, accommodating the new addition of a corn hole tournament strategically placed where players of legal drinking age can play corn hold and enjoy their beverage. Members of the Tacolalah Committee also attested that they will have a someone present checking ID’s at the beer garden entrance.

Motion made by Commissioner Stover, Seconded by Commissioner Spielman to approve the item as written.

Roll Call Voting Aye: Commissioner Spielman, Commissioner Stover, Commissioner Tweedy III, Commissioner Warren and Mayor Beeson. Mayor Beeson declared the motion approved; given **Ordinance No. 2025-04-4633**.

- 4. An Ordinance exempting the application of K.S.A. § 41-719(c) to allow the sale and consumption of alcoholic liquor at a designated area of Wilson Park, from 2:00 PM to 8:00 PM, during the Merhcants In Motion *Spring Fling* event on April 26, 2025.

City Clerk Parsons presented that The Merchants In Motion (MIM) Committee has requested the Governing Body allow them to sponsor an event to sell and serve alcohol at a designated area of Wilson Park during their *Spring Fling* event. This will include a beer garden during the event where The Sandbar, dually licensed with the State of Kansas and the City of Arkansas City, will be selling and serving. MIM board members Kelly Dillner and Rhonda Jordan explained that the family event will also include a live band, corn hole tournament, petting zoo, and food trucks.

Motion made by Mayor Beeson, Seconded by Commissioner Stover to approve the item as written.

Roll Call Voting Aye: Commissioner Spielman, Commissioner Stover, Commissioner Tweedy III, Commissioner Warren and Mayor Beeson. Mayor Beeson declared the motion approved; given **Ordinance No. 2025-04-4634**.

City Attorney Department

- 1. A Charter Ordinance of the City of Arkansas City, exempting such city from provisions of K.S.A. 12-1220 relating to libraries, and providing substitute and additional provisions relating thereto, repealing Charter Ordinance No. 19; amending municipal code to so reflect.

On August 5, 2008, the governing body of the City passed, by Charter Ordinance No. 19, to exempt the City from the provisions of K.S.A. 12-1220, and to provide substitute and additional provisions therefor in order to provide a mill levy limitation to operate the City library. City Attorney Schwartz spoke of the reason for this request, which is to amend verbiage in Section 1 of the Arkansas City Municipal Code, to further exempt the city from the provisions of K.S.A. 12-1220, to replace the designation of the library board with the Arkansas City Governing Body in terms of being authorized to determine the annual tax levy. The cleanest way to do so is by repealing Charter Ordinance No. 19 and then replacing it with a new charter ordinance that updates this desired verbiage change to Section 1.

City Manager Frazer noted that the City Commission ultimately has the final say in terms of the mill levy, this does not control what the library does but rather gives the final say in terms of the mill levy to the governing body, as they already have. Frazer further explained that trying to a set mill is not responsible to the taxpayer dollars. With the large fluctuations in the mill levy over the years and being based off of valuation, we need to budget more on numbers. When we work with the library it needs to be more about the dollars they need not the number of mills they want each year. They City does hold annual budget session retreats where all

departments and outside agencies have a chance to present their budget request and needs for the upcoming year, the library is included. Mayor Beeson mentioned that many city departments and other entities alike may see budget cuts as needed depending on the amount of funding available.

A few citizens spoke in opposition to the request while some were in support of this change.

Travis Pearman spoke in support of this item and the commission cutting costs further being aware of their judiciary responsibility to the taxpayers and community. Pearman is in favor of better communication between all departments and the commission when it comes to the budget and decisions being made.

Library Board Member Lloyd Colston suggested a hold be put on this item and the change be discussed further with the Library Board.

Library Director Mendy Pfannenstiel spoke in opposition of the request, asking for better communication and transparency from the city, further noting they cannot afford future cuts.

Library Board President Shawna Allison also spoke of the desire for open communication and to be notified by the city before decisions are made, speaking in opposition of the proposed charter ordinance.

Motion made by Mayor Beeson, Seconded by Commissioner Spielman to approve the item as written.

Roll Call Voting Aye: Commissioner Spielman, Commissioner Stover, Commissioner Warren, and Mayor Beeson.

*Roll Call Voting Nay: Commission Tweedy III. Mayor Beeson declared the motion approved; given **Charter Ordinance No. 37.***

City Manager Updates & Reminders

City Manager Frazer provided the following reminders and updates before the commission.

1. Primality Budget schedule handout to commission. The commission approved to reschedule budget retreats for city departments on June 6th and outside agencies on June 13th to accommodate the State Track Meet on May 30th.
2. Saturday April 5th Strother Field retreat.
3. Saturday April 5th Humane Society Benefit Gala at K-Shaw Event Center beginning at 5:30 p.m.
4. A political protest group will set up Ben Givens Park on Saturday April 5th from 12:00 p.m. – 2:00 p.m.
5. The Outstanding Student Awards reception is April 7th at 6:00 p.m. in the Cowley College Wright Room.
6. Thursday, April 10th at noon WSU Public Policy & Management Center is hosting *13 Ways to Kill Your Community* (author Doug Griffiths, 2016). The workshop spans over six sessions all noon, complementary to LGN (Local Government Network) members.
7. IdeaTek Ribbon Cutting Carmony in Ben Givens Park Thursday, April 10th at noon. Refreshments to be served after at the Chamber of Commerce.
8. Commissioner Warren and City Manager Frazer to attend the City Leaders Academy LKM Advanced Program Event on April 11-12th in Lawrence, Kansas.
9. April 17th Community Impact Meeting involving the Wichita Workforce Center, REAP, and Cowley County Economic Development at the SCK Health Center 11:30 a.m.-1pm.

10. Monday, April 21st second *13 Ways to Kill Your Community* webinar session.
11. Monday, April 21st at 6:30 p.m. is the Outstanding Student Banquet dinner in the Cowley College Brown Center where finalists are revealed.
12. CRS community rating for flood plains renewal was just complete by Principal Planer Josh White, which will possibly give property owners a discount on their insurance policy if they are in the flood pain area.
13. Updated Housing Study recently conducted for Cowley County, Winfield and Ark City received today.
14. Jessica Folk is leaving County Economic Development, both cities and county need to decide if we are to continue that partnership and if so the County will start advertising for that new director position as soon as Friday.
15. PEC Projects List, east pressure zone and internal city projects list updates to commissioners.
16. Frazer attended the Cowley CHIP group meeting March 24th and provided a hanout to commissioners as part of the county health incitive.

Items for Discussion by City Commissioners

Mayor Beeson called for an update on a public concern made during the last commission meeting by Steve Young for a project that the City Distribution and Collection Crew was working on at the C Street canal area involving a driveway that had to be cut in order fix a main break. Environmental Services Superintendent Kyle Blubaugh investigated all the concerns, proving the following date.

- The first concern was timelessness. Blubaugh provided that the break from the driveway work did extend three months which was correct as pointed out by Young , however the city did contact the homeowner to ensure they were still working on the project. City crews also provided a temporary solution during that time, temporarily filling the driveway making the driveway still usable. Meanwhile, there were 12 holes open that also occurred in the same time period from various main breaks, with pressing concern for those in the main streets requiring immediate attention.
- The second concern was for the city code and concrete depth. City code states it is up to the commission and city engineer to approve all driveway construction plans. The depth of the concrete at its deepest and only 4.5 to 5 inches at the deepest using only one 2 X 4 was used.
- Third concern was if the line clamped or actually replaced. City Crews did a temporary clamp and will cut and redo to get the line fully replaced as necessary.

Comments from the Audience for Items not on the Agenda

Travis Pearman, 28 Woodlawn Ln. spoke in support and hopes that the city and county will continue to support economic development and keep the program in our community.

Adjournment

Motion made by Commissioner Warren, seconded by Mayor Beeson to adjourn the meeting.

The voice vote was unanimous in favor of the motion. Mayor Beeson declared the meeting adjourned.

**THE CITY OF ARKANSAS CITY
BOARD OF CITY COMMISSIONERS**

(Seal)

Chad D. Beeson, Mayor

ATTEST:

Tiffany Parsons, City Clerk

Prepared by:

Tiffany Parsons, City Clerk

DRAFT

City Commission Agenda Item



Meeting Date: April 15, 2025

From: Shana Adkisson, Communication Director

Item: Announcement and Unveiling of the New City Logo

Purpose: To officially announce and unveil the newly designed logo for the City of Arkansas City, reflecting its dynamic growth, natural environment, and future aspirations.

Background: The City of Arkansas City is proud to unveil its new logo, a design that embodies the spirit and identity of the community. Created by Communication Director Shana Adkisson, the logo reflects a deep connection to the city's history, geography, and collective vision for the future.

"Throughout this year, I've really listened to some of the key points that people in our community think of when they think of Arkansas City," said Adkisson. "One theme kept coming up—water. It was clear that had to be a central element in the logo."

The new design incorporates the flow and movement of water, representing the Arkansas and Walnut Rivers, two defining features of the city. A distinct swoosh element within the logo symbolizes the rivers and the sense of movement that reflects the city's momentum toward a bright future. This swoosh will also be featured on the new entrance signs into the community, which are set to be installed soon, serving as a welcome to both residents and visitors.

"Additionally, the swoosh element ties to the water treatment plant's logo, which features three drops of water, further reinforcing the city's connection to its vital water resources," Adkisson said.

The color palette was chosen to reflect both the natural landscape and the city's historic character:

- **River's Blue:** Representing the Walnut and Arkansas Rivers, key waterways that have shaped the region.
- **Riverstone Red:** Evoking the deep red tones of Arkansas City's historic brick streets while also paying homage to the earth and the historical significance of Etzanoa.

Community input played a key role in the logo's development. In March 2024, a public survey revealed that the majority of participants were ready for a logo that truly represented Arkansas City. This feedback guided the creative direction, ensuring the final design reflects the values and identity of the people who call this community home.

City Manager Randy Frazer expressed enthusiasm for the new logo and what it represents.

"This fresh, modern design captures the essence of Arkansas City—our history, our progress, and our deep connection to the rivers that have shaped our community. It's a reflection of who we are and where we're headed," said Frazer.

To ensure a smooth transition, the city has developed a structured rollout plan. Over the next year, the logo will be gradually introduced on city vehicles, employee uniforms, and official materials. The city remains mindful of costs, implementing the changes as part of regular replacement cycles to minimize expenses.

Approved for Agenda by:

Randy Frazer, City Manager

Arkansas City

K A N S A S





City Commission Agenda Item

Meeting Date: April 15, 2025
From: Matt Metzinger, IT Manager
Item: Tyler Technologies ERP Pro Time & Attendance SaaS

Motion: A Resolution authorizing the City of Arkansas City to enter an agreement with Tyler Technologies, to provide cloud hosted software services and time clock hardware on an annual basis, with the first-year amount not to exceed \$49,516.00. **(Voice Vote)**

Background:

The City of Arkansas City utilizes the ERP Pro software suite, by Tyler Technologies. The current software suite includes Financials (General Ledger, Accounts Payable and Receivable, Payroll), Municipal Court, Utility Billing, Codes Licensing and Permitting, and payment collection modules. Having completed a software hosting transition from on-premises servers to Tyler Cloud Hosting SaaS (Software as a Service) platform beginning November 2023, additional software module offerings are now available.

For many decades, the city has utilized mechanical and/or electronic time clocks and paper timecards for payroll processing. This process involves manual calculations and data entry into various spreadsheets and the Tyler ERP Pro software. To increase efficiency and tracking with the software platform, Tyler’s ERP Pro Time & Attendance SaaS software service is being proposed. New electronic time clocks will be installed in five department locations for shift employees time entry events. Other employees will access time entry software installed on their office computers via Internet-enabled application and/or online website.

Commission Options:

- 1. Approve the Resolution
- 2. Disapprove the Resolution
- 3. Table the Resolution for further discussion

Fiscal Impact: Amount: **\$49,516.00**

Fund: **General, Water, Sewer, Sanitation** Department: **209 - Admin** Expense Code: **7505 – Computer Software**

Included in budget Grant Bonds Other Not Budgeted

Attachments: Arkansas City, KS-Executime-1-27-25 A.pdf Arkansas City KS-Power Injectors-3-26-25.pdf

Approved for Agenda by:

Randy Frazer, City Manager

RESOLUTION NO. 2025-04-_____

A RESOLUTION AUTHORIZING THE CITY OF ARKANSAS CITY TO ENTER INTO AN AGREEMENT WITH TYLER TECHNOLOGIES, TO PROVIDE CLOUD HOSTED SOFTWARE SERVICES AND TIME CLOCK HARDWARE ON AN ANNUAL BASIS, WITH THE FIRST-YEAR AMOUNT NOT TO EXCEED \$49,516.00.

WHEREAS, The City of Arkansas City currently utilizes Tyler Technologies’ ERP Pro software suite for essential municipal operations including Financials, Utility Billing, Municipal Court, Codes License and Permitting, and payment collection modules; and,

WHEREAS, having completed a software hosting transition from on-premises servers to Tyler Cloud Hosting SaaS (Software as a Service) platform beginning November 2023, additional software module offerings are now available; and,

WHEREAS, for many decades, the city has relied on mechanical and electronic time clocks, as well as paper timecards, requiring manual calculations and data entry into spreadsheets and the Tyler ERP Pro software for payroll processing; and,

WHEREAS, the adoption of Tyler Technologies’ Time & Attendance software and installation of new time clock hardware will improve accuracy, efficiency, and integration of employee time tracking with payroll processes across multiple departments.

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

SECTION ONE: The Governing Body of the City of Arkansas City, Kansas, hereby authorizes the City of Arkansas City, Kansas, to enter an agreement with Tyler Technologies, to provide cloud hosted software services and time clock hardware on an annual basis, with the first-year amount not to exceed \$49,516.00.

SECTION TWO: The Governing Body of the City of Arkansas City, Kansas, hereby authorizes the mayor and/or city staff of the City of Arkansas City, Kansas, to take such further and other necessary actions that are required to effectuate the intent and purposes of this Legislative Enactment.

SECTION THREE: This Resolution shall be in full force and effect from its date of passage by the Governing Body of the City of Arkansas City, Kansas.

PASSED AND RESOLVED by the Governing Body of the City of Arkansas City, Kansas, on this 15th day of April 2025.

(Seal)

Chad D. Beeson, Mayor

ATTEST:

Tiffany Parsons, City Clerk

APPROVED AS TO FORM:

Larry R. Schwartz, City Attorney

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of Resolution No. 2025-04-____ of the City of Arkansas City, Kansas, adopted by the Governing Body thereof on April 15, 2025. as the same appears of record in my office.

DATED: _____.

Tiffany Parsons, City Clerk



Sales Quotation For:
City of Arkansas City
118 W Central Ave
Arkansas City KS 67005-2643

Quoted BY Lukas DeBolt
Quote Expiration 7/26/25
Quote Name Executime

Tyler Annual Software – SaaS	
Description	Annual
Tyler One	
Time & Attendance	
Time & Attendance Mobile Access License	\$ 1,503
Advanced Scheduling	\$ 10,685
Time & Attendance	\$ 5,918
TOTAL:	\$ 18,106

Third Party Software & Hardware				
Description	Quantity	Unit Price	Extended Price	Annual
Tyler One				
Time & Attendance				
Touchscreen 10: Proximity Reader	5	\$ 2,650	\$ 13,250	\$ 1,325
TOTAL:			\$ 13,250	\$ 1,325

Services		
Description	Hours/Units	Extended Price
Time & Attendance		
Professional Services	98	\$ 14,210
Project Management	1	\$ 1,750
TOTAL:		\$ 15,960

Summary	One Time Fees	Recurring Fees
Total SaaS		\$ 18,106
Total Third Party Hardware, Software, Services	\$ 13,250	\$ 1,325
Total Tyler Services	\$ 15,960	
Summary Total	\$ 29,210	\$ 19,431

Comments

Work will be delivered remotely unless otherwise noted in this agreement.

Expenses associated with onsite services are invoiced as incurred according to Tyler's standard business travel policy.

SaaS is considered a term of one year unless otherwise indicated.

Advanced Scheduling

Advanced Scheduling includes Advanced Scheduling Mobile Access

Client agrees that items in this sales quotation are, upon Client's signature or approval of same, hereby added to the existing agreement ("Agreement") between the parties and subject to its terms. Additionally, payment for said items, as applicable but subject to any listed assumptions herein, shall conform to the following terms, subject to payment terms in an agreement, amendment, or similar document in which this sales quotation is included:

- License fees for Tyler and third-party software are invoiced upon the earlier of (i) delivery of the license key or (ii) when Tyler makes such software available accessible.
- Fees for hardware are invoiced upon delivery.
- Fees for year one of hardware maintenance are invoiced upon delivery of the hardware.
- Annual Maintenance and Support fees are first payable when Tyler makes the software accessible to the Client, and SaaS fees, Hosting fees, and Subscription fees are first payable on the first day of the month following the date this quotation was signed (or if later, the commencement of the agreement's initial term). Any such fees are prorated to align with the applicable term under the agreement, with renewals invoiced annually thereafter in accord with the agreement.

Fees for services included in this sales quotation shall be invoiced as indicated below.

- Implementation and other professional services fees shall be invoiced as delivered.
- Fixed-fee Business Process Consulting services shall be invoiced 50% upon delivery of the Best Practice Recommendations, by module, and 50% upon delivery of custom desktop procedures, by module.
- Fixed-fee conversions are invoiced 50% upon initial delivery of the converted data, by conversion option, and 50% upon Client acceptance to load the converted data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, Tyler will invoice Client the actual services delivered on a time and materials basis.
- Except as otherwise provided, other fixed price services are invoiced upon complete delivery of the service. For the avoidance of doubt, where "Project Planning Services" are provided, payment shall be invoiced upon delivery of the Implementation Planning document. Dedicated Project Management services, if any, will be invoiced monthly in arrears, beginning on the first day of the month immediately following initiation of project planning.

- If Client has purchased any change management services, those services will be invoiced in accordance with the Agreement.
- Notwithstanding anything to the contrary stated above, the following payment terms shall apply to fees specifically for migrations: Tyler will invoice Client 50% of any Migration Services Fees listed above upon Client approval of the product suite migration schedule. The remaining 50%, by line item, will be billed upon the go-live of the applicable product suite. Tyler will invoice Client for any Project Management Fees listed above upon the go-live of the first product suite. Annual SaaS Fees will be invoiced upon availability of the hosted environment.

Any SaaS or hosted solutions added to an agreement containing Client-hosted Tyler solutions are subject to Tyler's SaaS Services terms found here: <https://www.tylertech.com/terms/tyler-saas-services>.

Unless otherwise indicated in the contract or amendment thereto, pricing for optional items will be held for six (6) months from the Quote date or the Effective Date of the Contract, whichever is later.

Customer Approval: _____ Date: _____
Print Name: _____ P.O.#: _____



Sales Quotation For:
 City of Arkansas City
 118 W Central Ave
 Arkansas City KS 67005-2643

Quoted BY Lukas DeBolt
 Quote Expiration 9/22/25
 Quote Name Power Injectors for
 Executime Timeclocks

Third Party Software & Hardware				
Description	Quantity	Unit Price	Extended Price	Annual
Tyler Third Party				
Hardware				
Power Injectors for Executime Timeclocks	5	\$ 0	\$ 875	\$ 0
TOTAL:			\$ 875	\$ 0

Summary	One Time Fees	Recurring Fees
Total Third Party Hardware, Software, Services	\$ 875	\$ 0
Total Tyler Services		
Summary Total	\$ 875	\$ 0

Comments

Work will be delivered remotely unless otherwise noted in this agreement.

Expenses associated with onsite services are invoiced as incurred according to Tyler's standard business travel policy.

SaaS is considered a term of one year unless otherwise indicated.

Client agrees that items in this sales quotation are, upon Client's signature or approval of same, hereby added to the existing agreement ("Agreement") between the parties and subject to its terms. Additionally, payment for said items, as applicable but subject to any listed assumptions herein, shall conform to the following terms, subject to payment terms in an agreement, amendment, or similar document in which this sales quotation is included:

- License fees for Tyler and third-party software are invoiced upon the earlier of (i) delivery of the license key or (ii) when Tyler makes such software available accessible.
- Fees for hardware are invoiced upon delivery.
- Fees for year one of hardware maintenance are invoiced upon delivery of the hardware.
- Annual Maintenance and Support fees are first payable when Tyler makes the software accessible to the Client, and SaaS fees, Hosting fees, and Subscription fees are first payable on the first day of the month following the date this quotation was signed (or if later, the commencement of the agreement's initial term). Any such fees are prorated to align with the applicable term under the agreement, with renewals invoiced annually thereafter in accord with the agreement.

Fees for services included in this sales quotation shall be invoiced as indicated below.

- Implementation and other professional services fees shall be invoiced as delivered.
- Client has six months to use the services. If Client does not use the services within six months, Tyler may remove the unused services or issue a new quote to provide services at then-current rates.
- Fixed-fee Business Process Consulting services shall be invoiced 50% upon delivery of the Best Practice Recommendations, by module, and 50% upon delivery of custom desktop procedures, by module.
- Fixed-fee conversions are invoiced 50% upon initial delivery of the converted data, by conversion option, and 50% upon Client acceptance to load the converted data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, Tyler will invoice Client the actual services delivered on a time and materials basis.

- Except as otherwise provided, other fixed price services are invoiced upon complete delivery of the service. For the avoidance of doubt, where "Project Planning Services" are provided, payment shall be invoiced upon delivery of the Implementation Planning document. Dedicated Project Management services, if any, will be invoiced monthly in arrears, beginning on the first day of the month immediately following initiation of project planning.
- If Client has purchased any change management services, those services will be invoiced in accordance with the Agreement.
- Notwithstanding anything to the contrary stated above, the following payment terms shall apply to fees specifically for migrations: Tyler will invoice Client 50% of any Migration Services Fees listed above upon Client approval of the product suite migration schedule. The remaining 50%, by line item, will be billed upon the go-live of the applicable product suite. Tyler will invoice Client for any Project Management Fees listed above upon the go-live of the first product suite. Annual SaaS Fees will be invoiced upon availability of the hosted environment.

Any SaaS or hosted solutions added to an agreement containing Client-hosted Tyler solutions are subject to Tyler's SaaS Services terms found here: <https://www.tylertech.com/terms/tyler-saas-services>.

Unless otherwise indicated in the contract or amendment thereto, pricing for optional items will be held for six (6) months from the Quote date or the Effective Date of the Contract, whichever is later.

Customer Approval: _____ Date: _____

Print Name: _____ P.O.#: _____



City Commission Agenda Item

Meeting Date: April 15, 2025
From: Randy Frazer, City Manager
Item: Approval of Loan Agreement with KDHE for KPWSLF Project No. 3246

Motion: An Ordinance authorizing the execution of a loan agreement between the City of Arkansas 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 Public Water Supply Loan Fund for the purpose of financing a Public Water Supply 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. **(Roll Call Vote)**

Background: The City of Arkansas City has been approved to receive a loan in the amount of **\$2,089,000** through the **Kansas Public Water Supply Loan Fund** administered by KDHE. The project, identified as KPWSLF Project No. 3246, involves the installation of **greensand pressure filter equipment** at the existing water treatment plant to reduce manganese levels in the city’s drinking water supply.

This project qualifies for **100% principal forgiveness** under funding provisions of the **Infrastructure Investment and Jobs Act (P.L. 117-58)**, due to its designation as addressing emerging contaminants. As a result, the city is responsible only for interest and service fees accrued during the construction period.

The city will repay interest and fees through dedicated system revenues and, if necessary, through ad valorem taxes, as outlined in the agreement. Loan payments are scheduled to begin August 1, 2026, unless extended or modified through amendment.

The gross loan amount is \$2,089,000, all of which will be forgiven through principal forgiveness. The City will only be responsible for a nominal interest rate of 0.35% and a service fee of 2.13% on funds drawn prior to forgiveness, making the net fiscal impact minimal.

Commission Options:

1. Approve the Ordinance
2. Disapprove the Ordinance
3. Table the Ordinance for further discussion

Fiscal Impact: Amount:

Fund: **16 - Water** Department: **880 - Nondepartmental** Expense Code: **9101 - Interest 9103 - Agency Fees**

Included in budget Grant Bonds Other Not Budgeted

Attachments: Ordinance & Loan Agreement Packet

Approved for Agenda by:

Randy Frazer, City Manager

LOAN AGREEMENT

Between

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

and

THE CITY OF ARKANSAS CITY, KANSAS

KPWSLF PROJECT NO. 3246

EFFECTIVE AS OF MARCH 25, 2025

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

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- EXHIBIT H - MUNICIPALITY'S NOTICE ADDRESS
- EXHIBIT I - FORM OF FINANCIAL INTEGRITY ASSURANCE CONDITIONS
- EXHIBIT J - FORM OF QUALIFIED USER CERTIFICATE

RECITALS

**KANSAS PUBLIC WATER SUPPLY LOAN FUND
LOAN AGREEMENT**

THIS LOAN AGREEMENT, effective as of March 25, 2025, by and between the KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT ("KDHE"), acting on behalf of THE STATE OF KANSAS (the "State"), and ARKANSAS CITY, KANSAS, a "Municipality" according to K.S.A. 65-163d, hereinafter referenced as the "Municipality";

WITNESSETH:

WHEREAS, the Safe Drinking Water Act Amendments of 1996 [PL 104-182] to the Safe Drinking Water Act (jointly, the "Federal Act") established the Drinking Water Loan Fund to assist public water supply systems 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 Public Water Supply Loan Act, K.S.A. 65-163d *et seq.*, as amended (the "Loan Act"), the State of Kansas (the "State") has established the Kansas Public Water Supply Loan Fund (the "Revolving Fund") for purposes of the Federal Act; and

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

WHEREAS, the Secretary, Kansas Development Finance Authority (the "Authority"), and the Kansas Department of Administration (the "DOA") have entered into an Inter-Agency Agreement dated as of December 23, 2019, (jointly, the "Inter-Agency Agreement"), to define the cooperative relationship between KDHE, the DOA and the Authority to jointly administer certain provisions of the Loan Act; and

WHEREAS, the Authority and KDHE have supplemented the Inter-Agency Agreement by entering into a Master Indenture, dated as of November 1, 2010, as the same may be amended and supplemented from time to time (the "Master Indenture") pursuant to which KDHE agrees to enter into Loan Agreements with Municipalities (as defined in the Loan Act) for Public Water Supply Projects (the "Projects") and to pledge the Loan Repayments received pursuant to such Loan Agreements to the Authority; and

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

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

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

"Bonds" means the Kansas Development Finance Authority, Kansas Revolving Loan Fund Revenue Bonds, issued in one or more series, pursuant to Bond Resolution No. 287, and supplements thereto, or such other authorization, resolution, indenture, instrument or security agreement deemed appropriate by KDFA and KDHE.

"Code" means the Internal Revenue Code of 1986, and amendments thereto, and any applicable regulations thereunder promulgated by the Department of the Treasury.

"Continuing Disclosure Undertaking" means, with respect to any series of Bonds, the undertaking or agreement by KDHE and any other parties thereto with respect to continuing disclosure matters within the scope of the SEC Rule.

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

"EPA" means the Environmental Protection Agency of the United States, its successors and assigns.

"Event of Default" means any occurrence of the following events:

- (a) failure by the Municipality to pay, or cause to be paid, any Loan Repayment required to be paid hereunder when due;
- (b) failure by the Municipality to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraph (a) of this Section, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Municipality by KDHE, unless KDHE shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in such notice is correctable but cannot be corrected within the applicable period KDHE may not unreasonably withhold its consent to an extension of such time up to 90 days from the delivery of the written notice referred to above if corrective action is instituted by the Municipality within the applicable period and diligently pursued until the Event of Default is corrected;
- (c) failure by the KDHE to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Agreement which shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to KDHE by the Municipality, unless the Municipality shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in such notice is correctable but cannot be corrected within the applicable period the Municipality may not unreasonably withhold its consent to an extension of such time up to 90 days from the delivery of the written notice referred to above if corrective action is instituted by KDHE within the applicable period and diligently pursued until the Event of Default is corrected;
- (d) any representation made by or on behalf of the Municipality contained in this Loan Agreement, or in any instrument furnished in compliance with or with reference to this Loan Agreement or the Loan, is intentionally false or misleading in any material respect;
- (e) any representation made by or on behalf of KDHE contained in this Agreement, or in any instrument furnished in compliance with or with reference to this Agreement, is intentionally false or misleading in any material respect;
- (f) a petition is filed by or against the Municipality under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Municipality, such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal;
- (g) the Municipality shall generally fail to pay its debts as such debts become due;
- (h) failure of KDHE to promptly pay any Project Costs when reasonably requested to do so by the Municipality pursuant to *Section 2.03* hereof.

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

"Federal Act" means the Safe Drinking Water Act, including the Safe Drinking Water Act Amendments of 1996 [PL 104-182] thereto.

"**FIAC**" means the Financial Integrity Assurance Conditions, attached hereto as *Exhibit I*.

"**GAAP**" means generally accepted accounting principles as applicable to municipal utility systems.

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

"**KDHE**" means the Kansas Department of Health and Environment or its successors in interest.

"**Loan**" means the loan made by KDHE to the Municipality to finance or refinance a portion of the Project Costs pursuant to this Loan Agreement.

"**Loan Act**" means the Constitution and laws of the State of Kansas, including particularly K.S.A. 65-163d through 65-163u inclusive, as amended and supplemented.

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

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

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

"**Municipal Fiscal Year**" means the twelve-month period ending on December 31 of each year.

"**Municipality**" means the City of Arkansas City, Kansas, its successors and assigns.

"**Master Indenture**" means the Master Indenture between the Authority and KDHE, dated as of November 1, 2010, and any agreement or agreements amendatory or supplemental thereto.

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

"**Project Costs**" means all costs or expenses which are necessary or incident to the Project and which are directly attributable thereto, including, but not limited to: (a) costs of any Loan reserves; (b) interest on the Loan during the construction of the Project; (c) principal of and interest on any temporary financing obligations issued by the Municipality to pay Project Costs incurred for contracts entered into on or after August 6, 1996; and (d) financing and administrative costs associated with the Loan Agreement.

"**Public Water Supply System**" means a system for the provision to the public of piped water for human consumption, if such system has at least ten (10) service connections or regularly serves an average of at least twenty-five (25) individuals daily at least sixty (60) days out of the year, and as further defined in K.S.A. 65-162a, and amendments thereto.

"Rating Agency" means Moody's Investors Service, Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Fitch Investors Service, Inc., and any other nationally recognized securities rating agency designated by the Authority.

"Regulations" means Kansas Administrative Regulations (K.A.R.) 28-15-50 to 28-15-65, and any amendments thereto promulgated by KDHE pursuant to the Loan Act.

"Revolving Fund" means the Kansas Public Water Supply Loan Fund established by the Loan Act.

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

"Secretary" means the Secretary of KDHE

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

"System" means the water system of the Municipality, as the same may be modified or enlarged from time to time, including the Project described in *Exhibit A*, for which the Municipality is making the borrowing under this Loan Agreement, which constitutes or includes a Public Water Supply System.

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

Section 1.02. Rules of Interpretation.

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

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

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

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

ARTICLE II
LOAN TERMS

Section 2.01. Amount of the Loan. Subject to all of the terms, provisions and conditions of this Loan Agreement, and subject to the availability of State and Federal funds and proceeds of Bonds, KDHE will loan an amount not to exceed \$2,089,000.00 to the Municipality to pay all or a portion of the Project Costs for 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 excess of the amount of the Loan. Any amendment to *Exhibit B* shall be effected by written amendment to the Loan Agreement executed by all parties.

Section 2.02. Interest Rate. The gross interest rate on the loan shall be 2.48% per annum, which shall be assessed on the unpaid principal balance to be paid as set out in the Loan Repayment Schedule, *Exhibit B* hereto. This interest rate consists of a net loan interest rate, and a service fee, as described in *Exhibit B*.

Section 2.03. Disbursement of Loan Proceeds.

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

The Municipality may request disbursement for the following Project Costs:

- (1) any eligible planning/design costs incurred prior to execution of this Loan Agreement (initial disbursement request only);
- (2) disbursement for eligible Project Costs if such Project Costs have been incurred and are due and payable to Project contractors (actual payment of such Project Costs by the Municipality is not required as a condition of the payment request); or
- (3) interest becoming due on the Loan prior to the initial scheduled payment of principal;
- (4) the principal of and interest on any temporary financing obligations issued by the Municipality to pay Project Costs incurred for contracts entered into on or after August 6, 1996; and

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

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

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

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

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

Section 2.04. Schedule of Compliance; Completion of Project.

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

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

Section 2.05. Repayment of the Loan.

(a) **Loan Repayments.** The Municipality shall pay to KDHE, on or before the due dates, installments of principal and interest on the Loan in accordance with *Exhibit B* attached hereto, until the Loan has been paid in full. Installments of principal and interest on the Loan shall be computed and paid in accordance with the Loan Repayment Schedule on *Exhibit B* as in effect at any time under this Loan Agreement. Notwithstanding any other provision of this Loan Agreement, the first payment of principal and interest due on the Loan shall be made no more than one year after project initiation of operation. The final installment of principal under the Loan shall be fully repaid not later than 21 years after Project completion.

(b) **Prepayment of the Loan.** The Municipality may prepay the outstanding principal of the Loan, in whole, or in part, without penalty, if consent from KDHE is obtained. The municipality must provide a written request to KDHE of its desire to prepay, such request shall indicate the actual source of funds that will be used to make the prepayment (specifically proceeds from a tax-exempt bond issue, proceeds from a taxable bond issue, cash on hand, or some other instrument) and the desired date of prepayment. KDHE may require the prepayment date coincide with a scheduled repayment date. A partial prepayment may be made only if the prepayment amount is the greater of 10% of the original principal amount of the Loan or \$50,000. A new *Exhibit B* will be prepared by KDHE following receipt of any acceptable partial prepayment, reamortizing the remaining principal amount over the remaining term of the Loan.

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

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

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

Section 2.07. Financial Integrity Assurance Conditions. In accordance with the powers granted to the Secretary in the Loan Act, the Secretary may require at any time during the term of this Loan Agreement the requirement of FIAC for the Municipality; provided the Secretary shall not make such requirement so long as the Municipality maintains a financial rating on its general obligation bonds or Additional Revenue Obligations of not less than the lowest category of "A" from any Rating Agency. In addition, the Municipality may elect to comply with FIAC prior to the funding of the Loan or at any time during the term of this Loan Agreement. In either instance, the Municipality and the Secretary hereby agree the conditions are attached hereto as *Exhibit I*. The Municipality will cooperate fully with any recommendations and requirements imposed by the FIAC.

ARTICLE III

REPRESENTATIONS AND COVENANTS OF MUNICIPALITY

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) **Use of Loan Proceeds.** The Municipality will apply the proceeds of the Loan as described in *Exhibit D*:

(1) to finance or refinance a portion of the Project Cost; and

(2) where applicable, to reimburse the Municipality for a portion of the Project Costs, which portion was paid or incurred in anticipation of reimbursement by KDHE as a result of contracts entered into on or after to August 6, 1996 and is eligible for such reimbursement pursuant to the Regulations and the Code.

(h) **Project Costs.** The Municipality certifies that the Project Cost descriptions, as listed in *Exhibit D*, are reasonable.

Section 3.02. Particular Covenants of the Municipality.

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

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

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

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

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

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

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

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

(1) fully executed counterparts of this Loan Agreement;

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

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

(4) FIAC, if required by the Secretary, or desired by the Municipality;

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

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

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

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

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

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

(f) **Disposition of System.** The Municipality shall not sell, lease or otherwise transfer ownership of all or substantially all of its System without the consent of the Secretary. The Municipality shall provide the Secretary with ninety (90) days' prior written notice to KDHE of such sale, lease or transfer. No such sale, lease or transfer shall be effective unless compliance is with the provisions of *Section 4.02* hereof, assuming such sale, lease or transfer is deemed to be an assignment for the purposes of such Section. The provisions of this paragraph shall not be construed to prohibit the lease of portions of the System by the Municipality in connection with a lease-purchase transaction to finance improvements to the System; provided that a termination or an event of default by the Municipality under such arrangement shall not have a material adverse effect on the Municipality's Dedicated Source of Revenues.

(g) **Records and Accounts.**

(1) The Municipality shall keep accurate records and accounts for its System (the "System Records"), separate and distinct from its other records and accounts (the "General Accounts"). Such System Records shall be audited annually by an independent certified public accountant or firm of independent certified public accountants, in accordance with generally accepted auditing standards, if municipal aggregate annual gross receipts are in excess of \$750,000 or if the municipality has outstanding debt in excess of \$750,000. Such audit may be a part of the single agency audit made in accordance with 2 CFR 200 which implements the Single Audit Act. Such System Records and General Accounts shall be made available for inspection by KDHE at any reasonable time, and a copy of the Municipality's annual audit, including all written comments and recommendations of such accountant, shall be furnished to KDHE within 210 days of the close of the Municipal Fiscal Year being so audited. Such audit report shall be prepared in accordance with subsection (g)(2) hereof.

(2) The Municipality shall maintain financial statements in accordance with generally accepted government accounting standards defined in the Government Accounting, Auditing, and Financial Reporting Manual (1994 Ed.), or any revised edition, issued by the Government Finance Officers Association. The financial information shall be prepared in accordance with generally accepted accounting principles (GAAP) for state and local governments.

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

(i) **Obligation to Provide Information if Notified by KDHE.** The Municipality agrees to provide to KDHE such annual financial information and operating data, together with ongoing notice of the occurrence of any “material event” (defined below), each with respect to the Municipality, as is necessary for KDHE to comply with each Continuing Disclosure Undertaking from time to time in effect. Such information, data and notices pursuant to this section will be required to be provided by the Municipality upon notice from KDHE that the Municipality is a Principal Participating Municipality (which is a borrower for which information and notices are required to be filed pursuant to a Continuing Disclosure Undertaking), as defined in a Continuing Disclosure Undertaking.

Timing. Any such financial information and operating data shall be provided by the Municipality to KDHE as soon as practicable after it is available, and any such notice of a material event shall be provided by the Municipality to KDHE promptly following the occurrence of the event. Existing Continuing Disclosure Undertakings require that any such financial information and operating data shall be filed by KDHE within 270 days after the end of the Municipal Fiscal Year, as defined in a Continuing Disclosure Undertaking, and that any such notice of a material event be filed by KDHE within 10 business days of the occurrence of the material event. The timing of such requirements may be different in a future Continuing Disclosure Undertaking, and a request by KDHE to the Municipality pursuant to this section may require that such information be provided to KDHE a reasonable period in advance of the filing dates required by a Continuing Disclosure Undertaking.

Annual Information. Any such financial information shall be accompanied by an audit report prepared in accordance with the provisions of subsection (g)(2) hereof, unless such subsection exempts the Municipality from such audit report requirement. The financial information shall be prepared in accordance with GAAP, unless the Municipality has received a waiver from such requirement as permitted by State Law, in which case it shall be prepared on such other basis of accounting that demonstrates compliance with State law. Such requirement for financial information and operating data may be satisfied by submitting the Municipality's comprehensive annual financial report (CAFR) and/or annual report of its System (if System revenues are included in the dedicated source of repayment), unless KDHE notifies the Municipality of the need for additional information. If an audit report is required to be prepared, but is not available within 270 days of the end of the Municipal Fiscal Year, un-audited financial information shall be provided to KDHE pending receipt of the audit report. If the method of preparation and the basis of accounting is changed to a basis less comprehensive than previously described, the Municipality shall provide a specific notice of such change to KDHE when the financial information is provided.

Event Notices. For purposes of this section, “material event” shall mean any event with respect to the Municipality (if it is a Principal Participating Municipality) required to be reported by KDHE pursuant to a Continuing Disclosure Undertaking. Upon a determination by KDHE that the Municipality is a Principal Participating Municipality, KDHE will provide instructions to the Municipality identifying such events then required to be reported, and the Municipality agrees to report such events to the extent required by a Continuing Disclosure Undertaking. The existing

Continuing Disclosure Undertakings require reporting by a Principal Participating Municipality of four events, relating generally to (i) bankruptcy or insolvency, (ii) merger, consolidation or acquisition, (iii) incurrence of a financial obligation or debt and (iv) default, acceleration, termination or modification of a financial obligation or debt.

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

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

(l) **Additional Covenants and Requirements.** The parties hereto acknowledge that this Loan Agreement may be assigned or pledged to secure Bonds or other financings of the Authority. Should it be necessary to modify any covenants or obtain or enhance the security of the Bonds or other financings, the parties agree to take all reasonable actions and make reasonable covenants and agreements necessary to accomplish such purpose to the extent permitted by applicable laws. The parties hereto acknowledge that in conjunction with the issuance of or providing security for any Bonds or other financings, KDHE reserves the right to obtain municipal bond insurance or any other form of credit enhancement with respect to this Loan Agreement. The Municipality acknowledges that the decision to obtain any such municipal bond insurance or other credit enhancement shall be at the sole discretion of KDHE and the Authority. The costs of obtaining such credit enhancement and related costs shall be borne by Revolving Fund. The municipality shall cooperate with KDHE, the Authority and any provider of such credit enhancement with respect to furnishing financial information required by *subsections (g) and (i)* of this section, or any other relevant information or operating data of the System reasonably necessary to obtain such credit enhancement or comply with the provisions thereof on an ongoing basis so long as this Loan Agreement is in effect.

ARTICLE IV

ASSIGNMENT

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

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

- (a) KDHE and the Authority shall have approved said assignment in writing;
- (b) the assignee is a city, county, township, water district, improvement district or other political subdivision of the State or any combination thereof;

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

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

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

ARTICLE V

DEFAULT AND REMEDIES

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

Section 5.02. Remedies on Default. Whenever an Event of Default shall have occurred and be continuing, KDHE or the Municipality shall have the right to take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and to become due or to enforce the performance and observance of any obligation or agreement of KDHE or the Municipality (including, without limitation, withholding remaining Loan disbursements, cancellation of the Loan Agreement and acceleration of the remaining scheduled principal payments set forth on *Exhibit B*, or such other remedies provided to the Secretary in the Loan Act and the Regulations.

Section 5.03. Expenses.

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

(b) Upon the occurrence of an Event of Default on the part of KDHE, and to the extent permitted by law and availability of appropriated funds by the Kansas Legislature, KDHE shall, on demand, pay to the Municipality the reasonable fees and expenses incurred by the in Municipality in the enforcement of performance or observation of any other duties, covenants, obligations or agreements of KDHE contained herein. Prior to incurring any such expenses, the Municipality shall provide written notice to

KDHE that it intends to incur such expenses; provided, however, a failure by the Municipality to give such notice shall not affect the Municipality's right to receive payment for such expenses. Upon request by KDHE, the Municipality shall provide copies of statements evidencing the fees and expenses for which the Municipality is requesting payment.

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

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

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

Section 5.07. Financial and Management Review. Upon failure of the Municipality to pay one or more installments of the Loan Repayments in a timely manner, or in the event that the Secretary deems it advisable or necessary, the Secretary, after consultation with the governing body of the Municipality, can require the Municipality to undergo a financial and management operations review or to comply with FIAC if permitted in accordance with *Section 2.07* hereof. The governing body shall correct any deficiencies noted during such review and adopt charges or surcharges as may be required by the Secretary during the term of this Loan Agreement.

ARTICLE VI

MISCELLANEOUS

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

- (1) to KDHE:

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

- (2) with a copy to its General Counsel
to the Authority:

Kansas Development Finance Authority
534 S. Kansas Avenue, Suite 800
Topeka, Kansas 66603
Attention: President,

with a copy to its General Counsel

- (3) to the Municipality:

at the address set forth on *Exhibit H*.

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

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

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

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

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

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

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

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

SIGNATURE AND SEAL

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



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

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

Date: 4-1-25

THE CITY OF ARKANSAS CITY, KANSAS

(Seal)

By: _____

(Printed Name)

Title: _____

Date: _____

ATTEST:

By: _____

(Printed Name)
Title: Clerk

EXHIBIT A

DESCRIPTION OF THE PROJECT

Install greensand pressure filter equipment at the existing water treatment plant to reduce manganese.

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 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, (c) pay all other amounts due at any time under the Loan Agreement, and (d) pay the principal of and interest on Additional Revenue Obligations as and when the same become due; provided, however, the pledge of the System Revenues contained herein (i) shall be subject to reasonable expenses of operation and maintenance of the System, and (ii) shall be junior and subordinate in all respects to the pledge of System Revenues to any Additional Revenue Obligations. 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.

Principal Forgiveness

This loan will be awarded principal forgiveness because it addresses emerging contaminants and will receive special funding through the Infrastructure Investment and Jobs Act (P.L. 117-58). The amount of principal forgiveness is estimated on the repayment schedule found on B-2 and will be finalized when the loan agreement is amended to reflect the final costs of the project. Principal forgiveness in an amount equal to each approved disbursement request will be applied to the loan 30 days after the disbursement is made. The municipality will be responsible for paying interest and service fee costs semiannually for any accrual that is calculated during this period.

KANSAS PUBLIC WATER SUPPLY LOAN FUND

Preliminary Schedule for Construction Loan Agreement
 Amortization of Loan Costs as of 3/21/2025

Project Principal:	2,089,000.00
Interest During Const.:	0.00
Service Fee During Const.:	0.00
Gross Loan Costs:	2,089,000.00
Principal Forgiveness:	2,089,000.00
Net Loan Costs:	0.00

Prepared for:
 City of Arkansas City, Project No. 3246

Gross Interest Rate Allocation	thru 2/1/2030	after 2/1/2030
Service Fee Rate:	2.13%	0.35%
Net Loan Interest Rate:	0.35%	2.13%

Gross Interest Rate:	2.48%
First Payment Date:	8/1/2026
Number of Payments:	1

Payment Number	Payment Date	Beginning Balance	Interest Payment	Principal Payment	Principal Forgiveness	Service Fee	Total Payment	Ending Balance
1	8/1/2026	2,089,000.00	609.29	0.00		3,707.98	4,317.27	2,089,000.00
	8/31/2026	2,089,000.00			2,089,000.00		0.00	0.00
Totals			609.29	0.00	2,089,000.00	3,707.98	4,317.27	

EXHIBIT C**CONDITIONS APPLICABLE TO CONSTRUCTION OF THE PROJECT**

The standard conditions applicable to the Loan are:

- 1) Municipality agrees to expeditiously initiate and complete the Project in accordance with the following schedule:
 - a) Advertisement for bids will not be initiated without written authorization by KDHE.
 - b) Advertising for bids within 30 days of authorization to advertise.
 - c) Bid opening at least 30 days from advertisement for bids.
 - d) Notice of Award will not be issued without written authorization by KDHE.
 - e) Contract award within 60 days of bid opening.
 - f) Issuance of notice to proceed within 30 days of contract award.
 - g) Initiation of operation within 60 days of notice to proceed or no later than December 31, 2025.
 - h) Finalization of construction within 90 days of notice to proceed.
 - i) Project Performance Certification 365 days following Initiation of Operation.

KDHE must be promptly notified of any proposed changes to this schedule.

- 2) Prior to giving a notice to proceed, the Municipality must certify that all easements and rights-of-way necessary to allow construction of the Project have been obtained and comply with the Uniform Relocation Assistance and Real Property Acquisition Policies (40 CFR part 4) (*i.e.*, all real property has been acquired, bonafide options have been taken or formal condemnation proceedings have been initiated for necessary real property).
- 3) A final plan of operations shall be submitted by the Municipality for approval by KDHE at or prior to 50 percent construction completion. The plan of operation must include, but is not limited to, an overall Project completion schedule, annual operating cost projections for a minimum of five years, a description of the financial management system, and the projected revenues to operate and maintain the public water supply system. Revenue projections shall also include the Loan Repayments.
- 4) The final operations and maintenance manual must be submitted to KDHE at or prior to 90 percent construction completion. The operations and maintenance manual must include, but is not limited to, a description of the operation and managerial responsibility, detailed operation and controls, operators and personnel classification and requirements, operational testing, equipment maintenance schedule, operational records, and emergency operating and shut-down procedures.
- 5) The rates and ordinances enacting the System user charges and System use requirements shall be enacted prior to initiation of operation.
- 6) The Municipality agrees to make prompt payment to its contractor(s) of sums due for construction and to retain only such amounts as may be justified by specific circumstances and provisions of this Loan Agreement or the construction contract.

- 7) The Municipality hereby assures that the engineering firm principally responsible for supervising construction and for providing engineering services during construction will continue its relationship with the Municipality for a period of up to one year after initiation of operation of the Project. During this period, the engineering firm shall direct the operation of the Project, train operating personnel and prepare curricula and training material for operating personnel. The following specific requirements apply:
 - a) The Municipality agrees the performance standards applicable to the Project are:
 - i) all construction deficiencies have been resolved.
 - ii) all testing requirements of the specifications have been performed and met.
 - b) The final plan of operation and operation and maintenance manual submitted in accordance with *Exhibit C*, Condition No. 3 and 4.
 - c) One year after completion of construction and initial operation of the Project, the Municipality shall certify to KDHE whether or not such Project meets the design specifications and requirements contained in subparagraph a. of this condition. Any statement of non-compliance must be accompanied by a corrective action report containing: an analysis of the cause of the Project's inability to meet performance standards; actions necessary to bring it into compliance, and a reasonably scheduled date for positive certification of the Project. Timely corrective action will be executed by the Municipality.
 - d) Municipality agrees to furnish KDHE with an annual report describing actions taken to date to achieve positive certification, planned future activities, the Project's status and potential for positive certifications.
- 8) In accordance with 2 CFR 200, which implements the Single Audit Act, the Municipality hereby agrees to obtain a single audit from an independent auditor if it expends \$1,000,000 or more in total Federal funds in any fiscal year. Within nine months after the end of a recipient's fiscal year or 30 days after receiving the report from the auditor, the recipient shall submit a copy of the SF-SAC and a Single Audit Report Package using the Federal Audit Clearinghouse's Internet Data Entry System. Complete information on how to accomplish Single Audit Submissions is available on the Federal Audit Clearinghouse Web site: <https://harvester.census.gov/facweb/Default.aspx> . KDHE will identify Federal funds with each disbursement made, the CFDA number is 66.468 for Capitalization Grants for Drinking Water State Revolving Funds, the federal award is from EPA and the federal award ID is 96703103.
- 9) If this Project is for a segment of a total project for the System, KDHE does not assume any obligation, commitment, or responsibility for funding any other anticipated steps, phases, segments or stages or any other improvements to the System not constituting the Project. The Municipality agrees to complete the total System improvements of which this Project is a part in accordance with the schedule presented in *Exhibit C(1)*, regardless of whether KDHE funding is available for the remaining System improvements.
- 10) The Municipality shall obtain any required Corps of Engineers Section 404 and/or Section 10 permit prior to awarding the construction contract.
- 11) The Municipality shall follow applicable state procurement laws and regulations.

- 12) The Municipality hereby agrees to implement measures to mitigate all known adverse environmental effects of this project. The following mitigative actions are required:
- a) proper grading, drainage and slope protection to eliminate erosion;
 - b) riparian habitat will be avoided, and disturbed areas will be reseeded with native plant species;
 - c) if any riparian trees are removed they will be replaced by pole plantings or saplings;
 - d) directional boring at all stream crossings, where practical, to minimize aquatic habitat impacts;
 - e) in the event that construction work uncovers buried archeological artifacts, the Kansas Historical Society should be contacted immediately; and
 - f) contacting KCC in the event of unexpected circumstances are encountered during construction such as the discovery of abandoned oil, gas, or exploratory holes.
- 13) The Municipality agrees and consents to KDHE's authority to monitor and enforce compliance with the mitigative measures identified in paragraph 12 above and the Loan Agreement conditions.
- 14) The Municipality further agrees that those members of the public who participate in the environmental review process shall have the right to appeal the decisions made within that process. Further, that all such appeals shall be conducted pursuant to the Kansas Administrative Procedures Act (K.S.A. 77-5501, *et seq.*) and the Act for Judicial Review (77-601, *et seq.*).
- 15) The Municipality agrees to comply with the Kansas Act Against Discrimination, K.S.A. 44-1001, *et seq.* and the Kansas Age Discrimination in Employment Act, K.S.A. 44-1111, *et seq.* as provided by law and to include those provisions in every contract or purchase order relating to the Project so that they are binding upon such subcontractors or vendors.
- 16) In order to comply with KPWSLF wage rate requirements the Municipality shall,
- a) insert in full in any contract funded by this loan agreement in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1, wage rate contract provisions, found in 29 CFR 5.5, as indicated by EPA and US Department of Labor, generally known as Davis Bacon requirements;
 - b) while the solicitation remains open, shall monitor www.sam.gov on a weekly basis to ensure that the wage determination contained in the solicitation remains current. The municipality shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the Municipality may request a finding from KDHE that there is not reasonable time to notify interested contractors of the modification of the wage determination. KDHE will provide a report of its findings to the Municipality.
 - c) incorporate any modifications or supersedes DOL makes to the wage determination contained in the solicitation if the contract is not awarded within 90 days of bid opening. Unless KDHE, at the request of the Municipality, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The Municipality shall monitor www.sam.gov on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

- d) review all subcontracts subject to Davis-Bacon entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.
- e) either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order, if the Department of Labor (DOL) issues a revised wage determination applicable to the contract after the award of a contract or the issuance of an ordering instrument due to a DOL determination that the municipality has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. The Municipality's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.
- f) provide written confirmation in a form satisfactory to KDHE indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls;
- g) interview a sufficient number of employees entitled to Davis Bacon Act prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 20 CFR 5.6 (a)(6), all interviews must be conducted in confidence. The Municipality must use Standard Form 1445 or equivalent documentation to memorialize the interviews. Copies of SF 1445 are available from EPA on request;
- h) establish and follow an interview schedule based on its assessment of the risks of noncompliance with Davis-Bacon posed by contractors or subcontractors and the duration of the contract or subcontract. The municipality shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.
- i) periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The municipality shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with Davis -Bacon posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, the municipality must spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. The municipality must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with Davis-Bacon. In addition, during the examinations the municipality shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.
- j) periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item (h) and (i) above.

- k) must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact Suzanne Hersh at Hersh.Suzanne@epa.gov or 202-564-3361; and to the appropriate DOL Wage and Hour District Office listed at www.dol.gov/whd/america2.htm.
- 17) Prior to 90% of project completion the municipality agrees to execute a water conservation plan using the most recent municipal water conservation plan guidelines provided by the Kansas Water Office.
- 18) The Municipality shall ensure it complies with all applicable requirements of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and Section 13 of the Federal Water Pollution Control Act Amendments of 1972. If the municipality contracts, subcontracts, assigns, or transfers any of the work contemplated by this loan agreement to another party, the municipality is responsible for ensuring such contractor, subcontractor, assignee, or transferee also complies with these federal nondiscrimination laws.
- Other civil rights laws may impose additional requirements on the Municipality. These laws include, but are not limited to, Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.
- 19) Municipalities that receive over \$100,000 in KPWSLF funds shall comply with the Anti-Lobbying Act, Title 40 CFR Part 34, and file an Anti-Lobbying Certification form and the Disclosure of Lobbying Activities form to KDHE when required. Furthermore, the Municipality shall require that the language of this certification be included in the award of any contracts funded by this loan.
- 20) The Municipality certifies that it is not suspended or debarred from participating in federal assistance and benefit programs and further agrees to fully comply with Subpart C of 2 CFR Part 180 and Subpart C of 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions." The Municipality must ensure that any lower tier covered transaction, as described in Subpart B of 2 CFR Part 180 and Subpart B of 2 CFR Part 1532, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. Recipient may search for exclusion records at www.sam.gov.
- 21) The Municipality hereby agrees to the following Disadvantaged Business Enterprise (DBE) requirements:
- a) Adopt the MBE/WBE Fair Share Objective/Goals established between KDHE and EPA for construction of the project. These goals will be made part of the construction contract specifications.
 - b) Make the good faith efforts to contact DBE firms set out in 40 CFR Section 33.301 whenever procuring construction services for the project.
 - c) Comply with the administrative provisions found in 40 CFR Section 33.302
 - d) If the loan amount is greater than \$250,000, maintain a bidders list of contractors and subcontractors that have previously bid on KPWSLF projects as required by 40 CFR Section 33.501(b).
- 22) The Municipality agrees to submit to KDHE a completed EPA Form 5700-52A by April 15 and October 15 beginning the year the notice to proceed for construction has been issued thru the year construction has been completed.

- 23) The Municipality agrees to comply with Executive Order No. 11246 by including Section 202 of E.O. 11246 in all contracts funded in part with proceeds of this loan.
- 24) The Municipality is prohibited from procuring goods or services from persons who have been convicted of violations of the Clean Air Act or the Clean Water act.
- 25) None of the funds made available by this loan agreement shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used in the project are produced in the United States. The term “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.
- 26) If project construction activities reveal the presence of lead pipes or lead appurtenances that are being used in the distribution system or used in service line assemblies up to the premise plumbing of the customer, the municipality will either replace the lead infrastructure or document the location of the lead infrastructure component and maintain such documentation for use in planning for a future removal project.
- 27) All of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States (“Build America, Buy America Requirements”) unless (i) the Participant has requested and obtained a waiver from the Environmental Protection Agency pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) all of the contributing Agencies have otherwise advised the Participant in writing that the Build America, Buy America Requirements are not applicable to the Project.
- 28) As required by 2 CFR 200.216, EPA recipients and subrecipients, including borrowers under EPA funded revolving loan fund programs, are prohibited from obligating or expending loan or grant funds to procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities). Recipients, subrecipients, and borrowers also may not use EPA funds to purchase:
- a) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
 - b) Telecommunications or video surveillance services provided by such entities or using such equipment.
 - c) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

EXHIBIT D

USE OF LOAN PROCEEDS

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

Project Description

1. Construction: Install greensand pressure filter equipment at the existing water treatment plant to reduce manganese.
2. Engineering: All actual costs of planning, design and construction engineering, construction inspection, final plan of operation, operation and maintenance manual, user charge and ordinance development, and project performance services.
3. Administration: All reasonable costs of legal and financial administrative support directly provided by the project, costs of interest during construction, emergency costs associated with the project activities during construction, and the costs associated with obtaining the necessary easements for the project.

EXHIBIT E**INSTRUCTIONS FOR REQUESTING DISBURSEMENTS**

1. All payment requests must be filed on the Outlay Report and Request for Disbursement Form and represent the actual completion level of the project at the date the request is prepared.
2. All cost entries must be based upon allowable work in place which is due and payable. This means that you may **not** request payment for:
 - a. Any work or services which have not been explicitly approved by the KDHE in the Loan Agreement or subsequent amendments.
 - b. Any work performed under a change order unless written approval of the change order has been given by the State.
 - c. Any ineligible project costs.
 - d. Any retainage which you are withholding from the construction contractor, engineer, etc.
 - e. Easements acquired through eminent domain are not eligible for funding.
 - f. Costs associated with the approval, preparation, issuance and sale of Bonds, and other costs incidental to normal operating overhead of a Municipality, whether performed by Municipal employees, the engineer, or the attorney.

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

3. Submit an original signature of the form and one set of supporting documentation directly to:

Kansas Department of Health & Environment
 Bureau of Water – SRF Disbursements
 1000 SW Jackson Street - Suite 420
 Topeka, Kansas 66612

You should retain one copy for your records.

EXHIBIT E - REQUEST FOR DISBURSEMENT FROM KDHE REVOLVING LOAN PROGRAMS

INDICATE WHICH LOAN PROGRAM THIS REQUEST IS FOR: KANSAS WATER POLLUTION CONTROL REVOLVING FUND _____ KANSAS PUBLIC WATER SUPPLY LOAN FUND _____	KDHE PROJECT NUMBER (REFER TO LOAN AGREEMENT) KWPCRF PROJECT # C20 KPWSLF PROJECT # _____
--	--

IS THIS THE FINAL DISBURSEMENT REQUEST FOR THIS LOAN? YES _____ NO _____	RECIPIENT INFORMATION NAME : _____
--	--

PAYMENT REQUEST NUMBER : _____	ADDRESS or PO box (include City, State, Zip) : _____
---------------------------------------	--

The undersigned hereby requests that the following amounts be disbursed for the following Project Costs as defined in the loan agreement:

Classification	Invoice amounts (Invoices must be attached)	Invoiced from (list payee(s))	Description
a. Administrative expense (loan admin services, publication fees, attorney fees, etc.)			
b. Engineering services expense			
c. Land, easements (Not allowable under KWPCRF)			
d. Construction Contract Expense			
e. Equipment (by separate KDHE approved contract or procedure)			
f. Miscellaneous cost (not categorized above)			
Total of Invoices Submitted			
g. (sum of lines a thru f)			
h. Deductions for other sources of funding used (from grants or cash on hand)			
i. Total Disbursement Requested from KDHE * (Line g minus line h)			

CERTIFICATION: I hereby state and certify that: (i) the amounts requested, are or were necessary and appropriate in connection with the purchase, construction and installation of the Project, have been properly incurred and are a proper disbursement of the proceeds of the Loan and that an inspection has been performed and all work is in accordance with the terms of the Loan; have been paid or are justly due as stated above; and have not been the basis of any previous requisition from the proceeds of the Loan; (ii) all representations made in the Agreement remain true as of the date of this request; and (iii) no adverse developments affecting the financial condition of the Recipient or its ability to complete the Project or to repay the Loan have occurred.

RECIPIENT NAME: _____

Signature of Authorized Certifying Official _____

Typed or Printed Name and Title _____

Date Signed	Telephone (Area Code, number & ext.)	Email

Revised 08/2019

*Total Approved by KDHE will be shown on separate sheet

EXHIBIT F

FORM OF MUNICIPALITY ORDINANCE

EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF ARKANSAS 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 A LOAN AGREEMENT BETWEEN THE CITY OF ARKANSAS 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 PUBLIC WATER SUPPLY LOAN FUND FOR THE PURPOSE OF FINANCING A PUBLIC WATER SUPPLY 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/Commissioner] _____ moved that said Ordinance be passed. The motion was seconded by [Council member/Commissioner] _____. 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

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

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE CITY OF ARKANSAS 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 PUBLIC WATER SUPPLY LOAN FUND FOR THE PURPOSE OF FINANCING A PUBLIC WATER SUPPLY PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.

WHEREAS, the Safe Drinking Water Act Amendments of 1996 [PL 104-182] to the Safe Drinking Water Act (the "Federal Act") established the Drinking Water Loan Fund to assist public water supply systems 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 Public Water Supply Loan Act, K.S.A. 65-163d *et seq.*, as amended (the "Loan Act"), the State of Kansas (the "State") has established the Kansas Public Water Supply Loan 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 Master Indenture (the "Master Indenture") pursuant to which KDHE agrees to enter into Loan Agreements with Municipalities for public water supply projects (the "Projects") and to pledge the Loan Repayments (as defined in the Master Indenture) received pursuant to such Loan Agreements to the Authority; and

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

WHEREAS, the City of Arkansas City, Kansas (the "Municipality") is a municipality as said term

is defined in the Loan Act which operates a water system (the "System"); and

WHEREAS, the System is a Public Water Supply System, 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:

Install greensand pressure filter equipment at the existing water treatment plant to reduce manganese.

(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. 28-15-50 through 28-15-65 (the "Regulations") applicable thereto necessary to qualify for the loan; and

WHEREAS, KDHE has informed the Municipality that it has been approved for a loan in amount not to exceed \$2,089,000.00 (the "Loan") in order to finance the Project; and

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

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

Section 1. Authorization of Loan Agreement. The Municipality is hereby authorized to accept the Loan and to enter into a certain Loan Agreement, with an effective date of March 25, 2025, with the State of Kansas acting by and through the Kansas Department of Health and Environment (the "Loan Agreement") to finance the Project Costs (as defined in the Loan Agreement). The Mayor and Clerk are hereby authorized to execute the Loan Agreement in substantially the form presented to the governing body this date, with such changes or modifications thereto as may be approved by the Mayor and the Municipality's legal counsel, the Mayor's execution of the Loan Agreement being conclusive evidence of such approval.

Section 2. Establishment of Dedicated Source of Revenue for Repayment of Loan. Pursuant to the Loan Act, the Municipality hereby establishes a dedicated source of revenue for repayment of the Loan. In accordance therewith, the Municipality shall impose and collect such rates, fees and charges for the use and services furnished by or through the System, including all improvements and additions thereto hereafter constructed or acquired by the Municipality as will provide System Revenues (as defined in the Loan Agreement) 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, (c) pay all other amounts due at any time under the Loan Agreement, and (d) pay the principal of and interest on Additional Revenue Obligations (as defined in the Loan Agreement) as and when the same become due; provided, however, the pledge of the System Revenues contained herein and in the Loan Agreement (i) shall be subject to reasonable expenses of operation and maintenance of the System, and (ii) shall be junior and subordinate in all respects to the pledge of System Revenues to any Additional Revenue Obligations. In the event that the System Revenues are insufficient to meet the obligations under the Loan and the Loan Agreement, the Municipality shall levy ad valorem taxes without limitation as to rate or amount upon all the taxable tangible property, real or personal, within the territorial limits of the Municipality to produce the amounts necessary for the prompt payment of the obligations under the Loan and Loan Agreement. In accordance with the Loan Act, the obligations under the Loan and the Loan Agreement shall not be included within any limitation on the bonded indebtedness of the Municipality.

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

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

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

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

(SEAL)

Mayor

ATTEST:

Clerk

[APPROVED AS TO FORM ONLY.]

City Attorney

EXHIBIT G

FORM OF OPINION OF MUNICIPALITY'S COUNSEL

[Date]

Kansas Development Finance Authority
Topeka, Kansas

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

Re: Loan Agreement effective as of March 25, 2025, between the Kansas Department of Health and Environment (“KDHE”), acting on behalf of the State of Kansas (the “State”), and the City of Arkansas City, Kansas (the "Municipality")

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

In this connection, I have examined the following:

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

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

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

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

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

Very truly yours,

EXHIBIT H

MUNICIPALITY'S NOTICE ADDRESS

City of Arkansas City
Attn: City Clerk
118 W Central Ave
Arkansas City, Kansas 67005

EXHIBIT I

FORM OF FINANCIAL INTEGRITY ASSURANCE CONDITIONS

Recitals

A. The Municipality has entered into a certain Loan Agreement (the "Loan Agreement") with KDHE, pursuant to the provisions of K.S.A. 65-165d *et seq.* (the "Loan Act") to finance improvements to the Municipality's public water supply system (the "System"), pursuant to the Program.

B. The Loan Act specifically grants to the Secretary of KDHE (the "Secretary") certain powers and remedies to enforce the Loan Agreement. The Loan Agreement permits the Secretary to require the Municipality to comply with conditions as a means of assisting the Municipality to maintain financial integrity of the System over the term of the Loan Agreement.

C. This conditions set forth KDHE's undertakings with respect to the Municipality, the Municipality's obligations to KDHE to assist in the performance of the Municipality's covenants pursuant to the Loan Agreement.

D. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

Agreements

IN ADDITION TO THE SPECIFIC COVENANTS OF THE MUNICIPALITY CONTAINED IN THE LOAN AGREEMENT, WHICH ARE INCORPORATED HEREIN BY REFERENCE, THE PARTIES HERETO HEREBY AGREE AS FOLLOWS:

1. Quarterly Management Report. The Municipality will complete a quarterly management report of financial information in the form prescribed by KDHE and review the same at the next meeting of the Municipality's governing body after completion of the report. A copy of the report as reviewed and approved by the Municipality's governing body will be retained in the official records of the Municipality and shall also be furnished to KDHE. The initial Quarterly Management Report shall be submitted to KDHE for the first full calendar quarter following execution of the loan agreement.

2. Inspection of Books and Records. The Municipality will make available its financial books and records for inspection by a duly authorized representative of KDHE upon reasonable written request of KDHE.

3. **Annual Budget.** Not later than the date required by statute, other legal document requirement or 120 days prior to the beginning of the Municipality's fiscal year, whichever is earlier, the Municipality's governing body will adopt a budget of anticipated receipts and expenditures of the System for the ensuing fiscal year. A copy of such adopted System budget will be retained in the official records of the Municipality and a copy shall be furnished to KDHE. The initial budget of the Municipality shall be submitted to KDHE for the fiscal year after the loan agreement is executed.

4. **Annual Audit.** If an annual financial audit is required by Section 3.02(k)(1) of the Loan Agreement, no less than 90 days prior to the end of the Municipality's fiscal year, the Municipality shall submit to KDHE a written report stating the identity of the certified public accountant that has been engaged to conduct the audit of the Municipality's financial records for the preceding fiscal year required by the Loan Agreement, and the anticipated date of receipt of the report of such audit. The Municipality shall cause an audit of its financial records, in a form required by the Loan Agreement, to be completed not less than 210 days after the end of each fiscal year or such earlier date as may be required by statute or other legal document requirement, whichever is earlier. The audit must include a calculation of the Debt Service Coverage Ratio in its notes. Copies of such audit report shall be: (a) submitted to the Municipality's governing body for review; (b) retained in the Municipality's official records; and (c) furnished to KDHE. The initial audit of the Municipality shall be submitted for the fiscal year in which the loan agreement was executed.

5. **Proposed Remediation Plan.** Within 60 days of receipt of the Municipality's audit report, KDHE shall review the same to determine compliance with the financial covenants contained in the Loan Agreement. If the Municipality is not in compliance with the financial covenants set forth in the Loan Agreement, KDHE will offer rate review services to the municipality. KDHE shall also review the audit and the quarterly management reports required by Section 1 hereof, for developing trends, which, if continued, will result in noncompliance in future years. Within 30 days after receipt of the rate review offered by KDHE, the Municipality's governing body will meet to review such recommendations and will submit to KDHE its written plan for curing the deficiencies and/or implementing the rate review recommendations.

9. **Term.** These conditions shall take effect upon signature of the loan agreement or amendment and delivery by the parties hereto, and will remain in effect until all payments to be made by the Municipality under the Loan Agreement have been paid in full.

10. **Binding Effect; Beneficiaries.** These conditions shall bind the parties hereto, their respective successors and assigns, and is made for the benefit of KDFA and KDHE, and the parties.

EXHIBIT J

FORM OF QUALIFIED USER CERTIFICATE

The undersigned is making the following representations and covenants on behalf of the City of Arkansas City (the “Municipality”) in connection with the loan of funds to it (the “Loan”) by the Kansas Department of Health and Environment (“KDHE”). The loan between KDHE and the Municipality (the “Loan Agreement”) is dated March 25, 2025. The Municipality understands that all or a portion of the proceeds of its Loan may be funded with proceeds of bonds issued by Kansas Development Finance Authority (“KDFA”) the interest on which is intended to be exempt from Federal income tax (“Tax-Exempt Bonds”). In the Loan Agreement the Borrower agreed that it would not use any portion of the proceeds of the Loan or the facilities financed with the proceeds of the Loan (the “Financed Facility”) in a manner that could cause interest on any of the Tax-Exempt Bonds to become subject to income tax. Each of the following representations and covenants is made for the purpose of satisfying this covenant contained in the Loan Agreement.

1. In addition to the terms defined above, the following capitalized terms have the meaning set out below:

“Management or Operating Agreement” means a legal agreement with a Non-Qualified User where the Non-Qualified User provides services involving all or a portion of any function of the Financed Facility, such as a contract to manage the entire Financed Facility or a portion of the Financed Facility. However, a contract for services that are solely incidental to the primary governmental function of the Financed Facility (for example, contracts for janitorial, office equipment repair, billing or similar services) is not a Management or Operating Agreement.

“Non-Qualified Use” generally means any use of the Financed Facility in a trade or business carried on by any Non-Qualified User that is different in form or substance to the use made of the Financed Facility by any other member of the general public. The rules set out in United States § 1.141-3 determine whether Bond Proceeds or the Financed Facility are “used” in a trade or business. Generally, ownership, a lease, or any other use that grants a Non-Qualified User a special legal right or entitlement with respect to the Financed Facility, will constitute use under Regulations § 1.141-3.

“Non-Qualified User” means any person or entity other than a Qualified User.

“Opinion of Bond Counsel” means the written opinion of a firm of nationally recognized Bond Counsel acceptable to KDFA to the effect that the proposed action or the failure to act will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

“Qualified User” means the City, a State, territory, possession of the United States, the District of Columbia, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

2. The Municipality is the owner of the Financed Facility. As long as any portion of the Loan is unpaid the Municipality will never permit any of the Financed Facility to be used in any Non-Qualified Use without first notifying KDFA and KDHE in writing and obtaining an Opinion of Bond Counsel.

3. None of the proceeds of the Loan will be loaned directly or indirectly to any Non-Qualified User.

4. All costs previously paid by the Borrower that are to be reimbursed from the proceeds of the Loan either (1) were paid by the Borrower not more than 3 years prior to the date reimbursement is requested or (2) were for costs incurred in connection with the planning or design of the project paid prior to the date construction commenced. Loan proceeds will not be available to reimburse outstanding tax-exempt obligations of a political subdivision, except in certain limited circumstances. Should you wish to discuss applicable restrictions, please contact the KDHE Program Administrator.

5. No operating costs or expenses of the Municipality are being paid from the proceeds of the Loan.

6. The Municipality will not enter into any Management or Operating Agreement of the Financed Facility or lease any portion of the Financed Facility to any Non-Qualified User without first (1) notifying KDFA and KDHE in writing and (2) obtaining an Opinion of Bond Counsel.

7. Upon the written request of KDHE or KDFA the Municipality will provide written confirmation of compliance with each of the forgoing certifications and covenants in a form acceptable to KDHE and KDFA.

THE CITY OF ARKANSAS CITY

By: _____

Printed Name

Title



**CITY OF ARKANSAS CITY, KANSAS
FINANCIAL SUMMARY
Year-To-Date March 31, 2025**

Fund	Cash Summary						Budget Summary			
	1/1/2025 Beginning Cash Balance	Prior Year Encumbrances/ Adjusting Entries	Receipts	Disbursements	Change in Assets/Liabilities	03/31/2025 Ending Cash Balance	Budget	Encumbrances	Budget Variance Favorable (Unfavorable)	% Remaining (75%)
01 - GENERAL FUND	\$ 3,753,926.91	\$ 209,822.76	\$ 4,589,237.88	\$ 2,608,141.53	\$ (371,292.33)	\$ 5,153,908.17	\$ 15,285,704	\$ 54,888.97	\$ 12,622,674	82.58%
15 - STORMWATER FUND	\$ 680,531.55	\$ -	\$ 130,474.54	\$ 100,340.24	\$ (38,753.26)	\$ 671,912.59	\$ 611,552	\$ -	\$ 511,212	83.59%
16 - WATER FUND	\$ 3,626,901.21	\$ 1,028,177.25	\$ 1,986,676.61	\$ 1,284,079.36	\$ (885,315.81)	\$ 2,416,005.40	\$ 10,918,777	\$ 604,749.43	\$ 9,029,948	82.70%
18 - SEWER FUND	\$ 5,627,056.05	\$ 19,410.00	\$ 1,004,152.64	\$ 571,449.62	\$ (269,202.50)	\$ 5,771,146.57	\$ 3,163,565	\$ 536,904.32	\$ 2,055,211	64.97%
19 - SANITATION FUND	\$ 1,808,624.41	\$ -	\$ 667,538.65	\$ 313,042.67	\$ (225,897.78)	\$ 1,937,222.61	\$ 2,001,069	\$ -	\$ 1,688,026	84.36%
20 - SPECIAL RECREATION FUND	\$ 57,335.30	\$ 7,134.14	\$ 4,822.71	\$ 10,015.86	\$ -	\$ 45,008.01	\$ 81,090	\$ 7,350.00	\$ 63,724	78.58%
21 - SPECIAL STREET FUND	\$ 1,025,296.21	\$ -	\$ 91,143.10	\$ 82,704.79	\$ (325.74)	\$ 1,033,408.78	\$ 2,190,482	\$ 115,884.40	\$ 1,991,893	90.93%
23 - TOURISM/CONVENTION FUND	\$ 143,883.82	\$ -	\$ 38,109.57	\$ 25,920.00	\$ -	\$ 156,073.39	\$ 344,708	\$ 37,325	\$ 281,463	81.65%
26 - SPECIAL ALCOHOL FUND	\$ 81,476.64	\$ -	\$ 4,822.71	\$ 1,513.61	\$ (1,767.34)	\$ 83,018.40	\$ 87,608	\$ -	\$ 86,094	98.27%
27 - PUBLIC LIBRARY FUND	\$ -	\$ -	\$ 257,245.52	\$ 257,245.52	\$ -	\$ -	\$ 482,760	\$ -	\$ 225,514	46.71%
29 - SPECIAL LAW ENF TRUST FUND	\$ 2,848.48	\$ -	\$ -	\$ -	\$ -	\$ 2,848.48	Not a Budgeted Fund	\$ -	\$ -	
31 - LAND BANK FUND	\$ 17,989.63	\$ -	\$ 2,000.00	\$ 1,602.50	\$ -	\$ 18,387.13	\$ 21,489	\$ -	\$ 19,887	92.54%
32 - MUNICIPALITIES FIGHT ADDICTION FUND	\$ 72,314.02	\$ -	\$ 1,754.32	\$ -	\$ -	\$ 74,068.34	\$ 70,415	\$ -	\$ 70,415	100.00%
43 - BOND & INTEREST FUND	\$ 140,415.03	\$ -	\$ 1,818,648.73	\$ 845,152.50	\$ -	\$ 1,113,911.26	\$ 2,556,325	\$ -	\$ 1,711,173	66.94%
44 - HEALTHCARE SALES TAX FUND	\$ -	\$ -	\$ 602,895.97	\$ 602,895.97	\$ -	\$ -	\$ 2,600,000	\$ -	\$ 1,997,104	76.81%
45 - UNPLEDGED HEALTHCARE SALES TAX FUND	\$ 130,211.68	\$ -	\$ 26,772.80	\$ -	\$ -	\$ 156,984.48	\$ 250,003	\$ -	\$ 250,003	100.00%
53 - MUNICIPAL COURT FUND	\$ 11,206.93	\$ 13,979.42	\$ 2,772.49	\$ -	\$ 15,471.26	\$ 15,471.26	Not a Budgeted Fund	\$ -	\$ -	
54 - EQUIPMENT RESERVE FUND	\$ 184,746.02	\$ -	\$ -	\$ -	\$ -	\$ 184,746.02	Not a Budgeted Fund	\$ -	\$ -	
57 - CID SALES TAX FUND	\$ 6,063.59	\$ -	\$ 19,111.63	\$ 19,111.63	\$ (6,063.59)	\$ -	\$ 85,000	\$ -	\$ 65,888	77.52%
68 - CAPITAL IMPROVEMENT FUND	\$ 1,263,551.44	\$ -	\$ 11,926.13	\$ -	\$ (14,000.00)	\$ 1,261,477.57	Not a Budgeted Fund	\$ -	\$ -	
TOTALS	\$ 18,634,378.92	\$ 1,278,523.57	\$ 11,260,106.00	\$ 6,723,215.80	\$ (1,797,147.09)	\$ 20,095,598.46	\$ 40,750,547.00			

INDEBTEDNESS:

2019 PBC	\$ 10,640,000
GO 2020 REFUNDING & IMPROVEMENT BOND	\$ 14,675,000
GO 2022 TAXABLE STROTHER FIELD	\$ 4,050,000
GO 2023 TAXABLE LAND PURCHASE	\$ 515,000
2023 WWTP SRF LOAN	\$ 8,657,701
2024 STROTHER FIELD SRF LOAN (1st PMT 2/1/2027)	\$ 421,887
2019 FERRARA PUMPER TRUCK LEASE	\$ 238,514
2024 BACKHOE	\$ 114,630
2025 SKID STEER	\$ 59,478
TOTAL	\$ 39,372,209

Note: Information is Unaudited