

**CITY COMMISSION MEETING
Winfield, Kansas**

DATE: Monday, November 04, 2024
TIME: 5:30 p.m.
PLACE: City Commission – Community Council Room – First Floor – City Building

AGENDA

CALL TO ORDERMayor Brenda K. Butters
ROLL CALL.....City Clerk, Tania Richardson
MINUTES OF PRECEDING MEETING.....Monday, October 21, 2024

STAFF PRESENTATIONS AND PROMOTIONS

Oath of office - Police Officers

Wade Hammond
Kevyn Ternes
Jordan Douglas

Presentations

-Winfield Police Department Promotions
 Brennon Marcotte promoted from Police Officer to Master Police Officer
 Billy Wollard promoted from Police Officer to Master Police Officer
 Kevin McDonald promoted from Master Police Officer to Sergeant
 Daniel Porter promoted from Master Police Officer to Sergeant
 Chad McGathy promoted from Master Police Officer to Sergeant
-Information Systems
 Travis Brister
-Utilities
 Troy Blanton

BUSINESS FROM THE FLOOR

-Citizens to be heard

NEW BUSINESS

Ordinances & Resolutions

Bill No. 24117 – An Ordinance – Authorizing the execution of a loan agreement between the city of Winfield, 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.

Bill No. 24118 – An Ordinance – Amending Chapter 34, Section 78 (e), Water rates, of the Winfield City Code.

Bill No. 24119 – A Resolution – Authorizing and directing the City Manager of the City of Winfield, Kansas to execute a facilities agreement between the City of Winfield and Aging Projects, Inc., Hutchinson, Kansas, regarding the lease of the Senior Center.

OTHER BUSINESS

ADJOURNMENT

-Next Commission work session 4:00 p.m. Thursday November 14, 2024.
-Next regular meeting 5:30 p.m. Monday, November 18, 2024.

CITY COMMISSION MEETING MINUTES
Winfield, Kansas
October 21, 2024

The Board of City Commissioners met in regular session, Monday, October 21, 2024 at 5:30 p.m. in the City Commission-Community Council Meeting Room, City Hall; Mayor Brenda K. Butters presiding. Commissioners Ronald E. Hutto and Gregory N. Thompson were also present. Also in attendance were Taggart Wall, City Manager; Tania Richardson, City Clerk; and William E. Muret, City Attorney. Other staff members present were Patrick Steward, Director of Public Improvements; Amy Kellner, Community Development Coordinator; and Robbie DeLong, Police Chief.

City Clerk Richardson called roll.

Commissioner Hutto moved that the minutes of the October 7, 2024 meeting be approved. Commissioner Thompson seconded the motion. With all Commissioners voting aye, motion carried.

BUSINESS FROM THE FLOOR

NEW BUSINESS

Bill No. 24110 – An Ordinance – Amending Chapter 74, Section 74-226 of the Revised Ordinances of the City of Winfield relating to No Parking in the 1900 Block of Elaine Drive. Director of Public Improvements Steward explains this Ordinance will designate the 1900 Block of Elaine Drive as “No Parking”. Upon motion by Commissioner Thompson, seconded by Commissioner Hutto all Commissioners voting aye, Bill No. 24110 was adopted and numbered Ordinance No. 4226.

Bill No. 24111 – A Resolution – Determining the existence of certain nuisances at 811 E 14th Ave in the City of Winfield, Kansas, and authorizing further action pursuant to the City Code of said City. Community Development Coordinator Kellner explains this Resolution will allow the City to take action to clean up the property at 811 E 14th Ave. Upon motion by Commissioner Hutto, seconded by Commissioner Thompson all Commissioners voting aye, Bill No. 24111 was adopted and numbered Resolution No. 9824.

Bill No. 24112 – A Resolution – Determining the existence of certain nuisances at 917 E 11th Ave in the City of Winfield, Kansas, and authorizing further action pursuant to the City Code of said City. Community Development Coordinator Kellner explains this Resolution will allow the City to take action to clean up the property at 917 E 11th Ave. Upon motion by Commissioner Thompson, seconded by Commissioner Hutto all Commissioners voting aye, Bill No. 24112 was adopted and numbered Resolution No. 9924.

Bill No. 24113 – A Resolution – Determining the existence of certain nuisances at 1702 Menor St in the City of Winfield, Kansas, and authorizing further action pursuant to the City Code of said City. Community Development Coordinator Kellner explains this Resolution will allow the City to take action to clean up the property at 1702 Menor St. Upon motion by Commissioner Hutto, seconded by Commissioner Thompson all Commissioners voting aye, Bill No. 24113 was adopted and numbered Resolution No. 10024.

Bill No. 24114 – A Resolution – Determining the existence of certain nuisances at 1204 E 5th Ave in the City of Winfield, Kansas, and authorizing further action pursuant to the City Code of said City. Community Development Coordinator Kellner explains this Resolution will allow the City to take action to clean up the property at 1204 E 5th Ave. Upon motion by Commissioner Thompson, seconded by Commissioner Hutto, all Commissioners voting aye, Bill No. 24114 was adopted and numbered Resolution No. 10124.

Bill No. 24115 – A Resolution – Determining the existence of certain nuisances at 425 Indiana St in the City of Winfield, Kansas, and authorizing further action pursuant to the City Code of said City. Community Development Coordinator Kellner explains this Resolution will allow the City to take action to clean up the property at 425 Indiana St. Upon motion by Commissioner Hutto, seconded by Commissioner Thompson all Commissioners voting aye, Bill No. 24115 was adopted and numbered Resolution No. 10224.

Bill No. 24116 – A Resolution – Authorizing the City Manager and the City Clerk of the City of Winfield, Kansas to execute a pole attachment agreement between the City of Winfield, Kansas, a municipal corporation duly organized under the laws of the State of Kansas, (the “City”), and Cox Communications Kansas, LLC, a Delaware limited liability corporation (“Cox”). City Manager Wall explains this agreement will complete the adjustment of the per pole rent rate from the current \$3/per pole to \$14.50/per pole. The change in rent is expected to increase approximately \$37,000. Upon motion by Commissioner Thompson, seconded by Commissioner Hutto all Commissioners voting aye, Bill No. 24116 was adopted and numbered Resolution No. 10324.

OTHER BUSINESS

- Consider Police vehicle purchase. City Manager Wall explains it is the recommendation of staff to proceed with the purchase of (3) Dodge Durango Pursuit SUVs from Winfield Motor Company, not to exceed \$130,000. Commissioner Hutto made a motion to approve the purchase. Motion was seconded by Commissioner Thompson. With all Commissioners voting aye, motion carried.

ADJOURNMENT

Upon motion by Commissioner Thompson, seconded by Commissioner Hutto, all Commissioners voting aye, the meeting adjourned at 5:35 p.m.

Signed and sealed this 23rd day of October 2024.

Signed and approved this 4th day of November 2024.

Tania Richardson, City Clerk

Brenda K. Butters, Mayor



Request for Commission Action

Date: November 1, 2024

Requestor: Taggart Wall, City Manager

Action Requested: Consider Loan Agreement with KDHE for Water Treatment Plant Improvements

Analysis: The original estimate for the loan paperwork was \$4,900,000 back in October 2023 with the following breakdown:

Engineering (current contract) - \$288,200

Inspection (estimate) - \$195,000

Construction (estimate) - \$4,416,800

In May 2024 staff and engineers updated the construction estimate and sent it to KDHE. That amount was \$3,728,500. The construction estimate has decreased from the loan application phase now that we have numbers from manufacturers to use. The loan application amount, however, remains the same and will not be reduced since design has not yet been completed and we will only pay back what we use for the project.

The existing ozone system was installed in 2005 to address taste and odor issues and serve as the primary method of disinfection for the water treatment plant. This system has served the City well for almost 20 years, but the manufacturer is no longer producing spare parts or servicing the units and replacement equipment is not available. Two identical disinfection trains were installed in 2005, but only one train is currently operational. With the lack of availability of replacement parts, the equipment from Unit #1 has been used to supply parts for Unit #2 to keep the system operational for the last few years. A Request for Priced Proposals solicited responses from two manufacturers in October 2023 after review of potential equipment options with City staff. Each proposal was reviewed and rated separately by City staff and PEC on each of 30 questions included in the RFP. From this process, Pinnacle was selected to provide the required ozone equipment. A letter of intent (LOI) was executed with Pinnacle in July 2024 to allow them to release specific equipment drawings to PEC for use in developing design plans.

PEC has received the information and the intended schedule for design completion is:

- 60% plans for City review 11/27/24
- Final plans and specifications for City review 1/21/25

A Preliminary Engineering Report (PER) was provided to KDHE as a requirement of the SRF loan process (included in this packet). The PER was provided to KDHE for review in May 2024 and approval was received in June. The PER outlines the issues and the proposed solutions as a general approach for KDHE to approve so design can commence. PEC will finalize the Basis of Design Report (BODR) which pulls general



Request for Commission Action

information from the PER and outlines the specific improvements being designed and send that to KDHE in the next few weeks. Sealed plans and specifications must be sent to KDHE for review and approval before construction can begin.

A purchase order with Pinnacle is the next step in equipment procurement. PEC will work with the City and Pinnacle to finalize the procurement documents, which includes a Procurement Agreement and an Assignment of Procurement Contract to transfer the responsibility to the selected Contractor for everything but payments which will remain with the City. The procurement documents will then be sent to KDHE for approval prior to execution. PEC and the City will need to discuss timing of the procurement process as the SRF loan agreement should be executed and the City assured of receiving funds before committing to equipment purchase. Pinnacle has indicated a Procurement Agreement in November is preferred as pricing has been held for a year and they will likely need to increase the pricing to reflect current structure after the first of the year.

Fiscal Impact: While the planned project cost is estimated at \$4.5M, the maximum project cost of this loan is \$4.9M with the City allocated \$2.45M loan forgiveness. The loan interest rate is 2.3%. This loan will be awarded principal forgiveness because the municipality is designated as a Disadvantaged Community by KDHE. 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. The municipality will be responsible for paying interest and service fee costs semiannually for any accrual that is calculated before the principal forgiveness is awarded. The principal forgiveness is calculated at 50% of the loan amount but may be reduced if the full loan amount is not used. If the loan amount is increased by amendment there is no guarantee that the principal forgiveness amount will be increased.

From a rates standpoint, we have not made any rate adjustments after completing the rate analysis in the summer of 2023 with Ranson Financial Consultants (enclosed). Excepting the adjustment to pay for the installation of automated meters, the last rate increase was in 2019.

The two prevailing recommendations from the 2023 study included a 12.5% immediate rate increase for 2024. Then the two recommendations split between 3% per year thereafter through 2028 or 1.5% thereafter through 2028. For the larger increase, over the same period, the average customer inside the city limits using 5,000 gallons would have seen a bill from the current \$28.06 to \$35.53.

According to the Kansas Rural Water Association, the current statewide average for 5,000 gallons usage on a municipal system is \$34.38.



Request for Commission Action

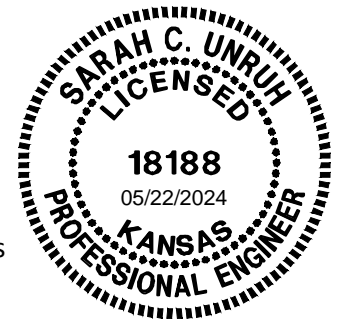
The larger track included a planned debt reduction in 2026 due to an existing loan being paid off, the water treatment plant payment with no loan forgiveness and a potential water tower project in 2027. This did NOT include the unplanned discovery of the condition of the ground storage tank. After making some repairs to the ground storage tank in 2024, we plan to study that project fully in 2025 and make full repairs late 2025 into 2026.

Taking increased chemical costs, labor adjustments needed, as well as planned ground storage tank repairs of \$500,000+ management recommendation is no less than 12.5% in 2024, 3% in 2025 and 3% in 2026.

Attachments: Loan Agreement Ordinance, Loan Agreement, Exhibit B, Exhibit G, Exhibit F.

Preliminary Engineering Report

Date: May 22, 2024
To: Gus Collins, Director of Gas & Wastewater Utilities
From: Sarah Unruh, P.E.
Re: Winfield Water Treatment Plant Ozone Disinfection Building Improvements
PEC Project No. 35-230635-000-0943



1.0 Introduction

This Preliminary Engineering Report (PER) has been prepared by Professional Engineering Consultants, P.A. (PEC) for the City of Winfield (the City) to describe the condition of existing ozone system at the Water Treatment Plant (WTP), outline proposed improvements, and provide estimated costs for the proposed improvements associated with the ozone disinfection system. The information provided in this memo is intended to be used for planning purposes as a framework for preparing engineering submittals for the proposed project.

The City is in Cowley County, Kansas along the Walnut River. Figure 1 shows the general location of the City's existing WTP. The current WTP configuration was constructed in 2005 to include:

- Raw water intake
- Chemical feed systems
- Rapid mix basin
- Presedimentation basin
- Solids contact clarifiers
- Secondary mix basin
- Ozone disinfection
- Filtration
- Low service pumping
- High service pumping
- Finished water storage
- Reclaim basin
- Solids handling lagoons

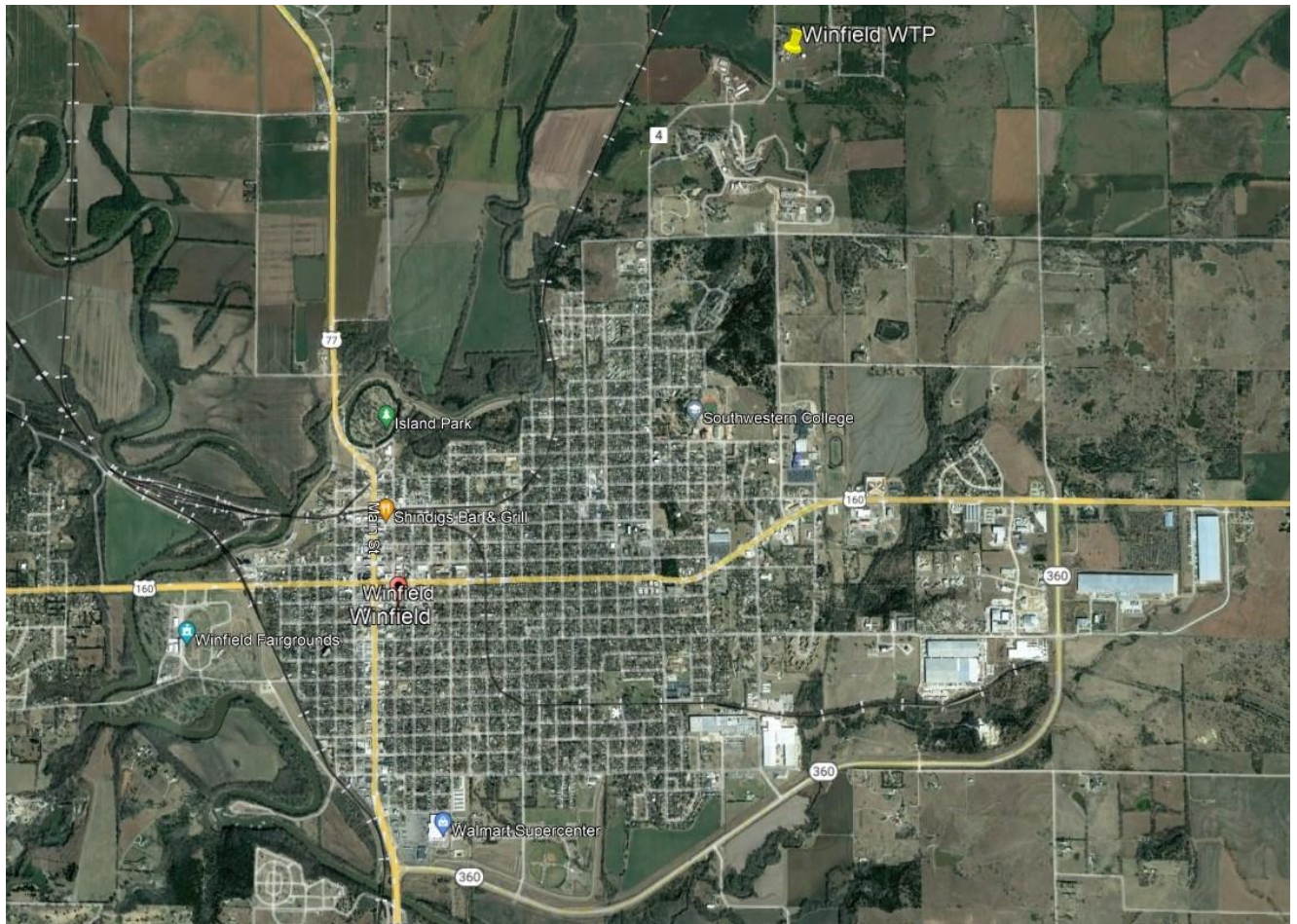
The ozone system was installed as part of the 2005 project to address taste and odor issues and serve as the primary method of disinfection for the facility. This system has served the City well for almost 20 years, but the manufacturer is no longer producing spare parts or servicing the units and replacement equipment is not available. Two identical disinfection trains were installed in 2005, but only one train is currently operational. With the lack of availability of replacement parts, the equipment from Unit #1 has been used to supply parts for Unit #2 to keep the system operational for the last few years. An overview of the current WTP is provided on the General Layout drawing in Attachment A.

The WTP has an average daily production of 2.46 MGD and has an average day design capacity of 3 MGD. The WTP provides treated water to 4,291 residential connections, 687 commercial connections,

34 industrial connections and 2 agricultural connection. The City sells water to Burden, Oxford, and Cowley County Rural Water Districts 2, 4, 5, 7, 8.

Section 2.0 outlines the existing condition of WTP ozone system components, Section 3.0 outlines the proposed ozone system improvements, and Section 4.0 provides cost estimates for implementation of the proposed improvements.

Figure 1: Location Map



2.0 Existing Conditions

2.1 Ozone System Capacity Evaluation

Based on projected demands and the increased efficiency of a new ozone generation system compared to the existing units, the current maximum generation rate of 150 lbs/day per unit is anticipated to be sufficient for the 20-year projected demand needs. The final ozone system capacity will be determined during design with the selected system manufacturer. Consideration will be given to future expansion of the system should a large water user be added to the City's system within the design period.

2.2 Ozone System Evaluation

The disinfection system consists of a liquid oxygen tank, two ozone generators, two mechanical heat exchangers, a nitrogen boost system, two ozone destruct units, two ozone ejector skids, and instrumentation. The liquid oxygen (LOX) tank has a capacity of 6,000 gallons and is located on the main entrance drive to the WTP near the Filter Building. The oxygen feed piping from the tank to the ozone generators is stainless steel. City staff has reported no issues with the LOX tank or the oxygen feed piping inside or outside of the existing Ozone Building.

The ozone generators are manufactured by Mitsubishi with horizontal shell and tube configurations. The original 2003 design plans indicate the production design parameters as 150 pounds per day (ppd) at 55°F for the feed rate and 10% by weight for the peak ozone concentration. The maximum process flow to be treated is indicated as 6 million gallons per day (MGD). One ozone generator is operating at approximately 70-80 ppd, and the second ozone generator is out of operation and used for equipment parts for the operating ozone generator. The ozone generators are controlled with a Supervisory Control and Data Acquisition (SCADA) system with the system being updated approximately 4 years ago. City staff has reported no issues with the operations of the current SCADA system, but they have reported issues with the availability of equipment parts in the United States.

The mechanical heat exchangers were designed during original construction to operate based on an open loop system. City staff have since adjusted the piping connections to allow for the heat exchangers to operate based on a closed loop system. Water is supplied to the heat exchangers at 40 gallons per minute (GPM) at 25 pounds per square inch (psi). The existing heat exchangers have been reported as being inefficient in terms of cooling the feed water down to acceptable temperatures.

The nitrogen boost system was installed to enhance the efficiency of the ozone generators and is injected directly into the raw oxygen feed manifold before entering the ozone generators. The system includes a compressor operating at 3 standard cubic feet per minute (SCFM) with a nitrogen receiver tank having a capacity of 60 gallons. The ozone destruct units were installed to convert ozone off gas back into oxygen. The converted oxygen is released into the atmosphere through a vent line routed through the roof. The destruct units operate at 20 SCFM each.

The ozone ejector skids are made out of stainless steel piping and transmit flows at 110 GPM and 25 PSI each into two contact basins below the existing ozone building. The ejector skids consist of diffusers, back flow preventers, and spray nozzles in the contact basins. City staff is unaware of the condition of the spray nozzles and has expressed interest in replacing them along with the rest of the ejector skids.

The residual ozone analyzers are installed in the existing Filter Building basement adjacent to the existing Ozone Building. There are 3 ozone analyzers installed per ozone contact basin that were part of the Mitsubishi ozone system package. The current operation involves post-disinfection effluent gravity flowing from the contact basins to the filter building for sample collection and residual ozone concentration analysis. The minimum sample flow is 3 gallons per hour (gph), and the ozone concentration measurement range is 0-10 parts per million (ppm). City staff has reported that the residual analyzers may be inaccurate and reporting false readings.

The existing oxygen flow meters that are installed on the feed lines of the ozone generators are manufactured by Sage. The feed gas monitors are ultraviolet (UV) absorption type. These oxygen flow meters are recommended to be removed and replaced during the installation of the new ozone system due to age and the potential need to change the feed pipe size. The dew point monitor on the oxygen transfer manifold will also need to be replaced mainly due to age. Additionally, there are 3 ambient ozone monitors that are installed: one in the Ozone Building and one on each of the ozone injection skids. These ambient ozone monitors are also UV absorption type and are calibrated for 0-1% w/w (weight of ozone dissolved in weight of ambient air). Since the existing injection skids will be replaced with the ozone system, it is expected that the existing ambient ozone monitors will be replaced along with the other instrumentation equipment.

The equipment information and visual observations of condition for the ozone disinfection system are noted in Table 1.

Table 1: Ozone Disinfection System Assessment

Equipment	Installation Date	Redundancy	Capacity	Condition Notes
Liquid Oxygen Tank	2003	1	1	No concerns observed or noted.
Ozone Generators	2003	2	2	Parts are difficult to obtain and generators are inefficient.
Mechanical Heat Exchangers	2003	2	2	Heat exchangers are inefficient.
Nitrogen Boost System	2003	1	1	System operates as designed but there are concerns with efficiency and age.
Ozone Destruct Units	2003	2	2	Units operate as designed but there are concerns with efficiency and age.
Ozone Ejector Skids	2003	2	2	Back flow preventers were recently added. Concerns with efficiency of diffusers. Condition of spray nozzles in contact basins is unknown.

Figure 2: Liquid Oxygen Tank



Figure 3: Ozone Generators



Figure 4: Mechanical Heat Exchangers



Figure 5: Nitrogen Boost System



Figure 6: Ozone Destruct Units



Figure 7: Ozone Ejector Skids



3.0 Planned WTP Improvements

The ozone generation and injection equipment, as well as all ancillary equipment will be replaced with the project. Existing stainless steel and PVC piping will be reused as much as possible; final determination of piping to remain will be completed with the selected ozone equipment final manufacturer. The new ozone equipment and instrumentation will be integrated into the existing WTP SCADA system for monitoring and control.

In addition to the process equipment replacement, structural, mechanical and electrical improvements are also proposed to be part of the project as shown in Table 2.

Table 2: Ozone Disinfection Building Improvements

Area	Proposed Improvement
Structural	<ul style="list-style-type: none"> • Burn down exposed metal in wall panels and patch. • Remove corrosion on wall panel shear connectors above roof and grout or apply protective coating. • Epoxy inject cracks in basin wall that have efflorescence or show signs of leaking and fill form holes. Apply protective coating to entire basin wall exterior surface. • Replace expansion joint material around perimeter of basin wall at sidewalk and seal with silicone joint filler.
Architectural	<ul style="list-style-type: none"> • Replace roll asphalt roofing, flashing, and clean gutters. • Replace sealant on top of sloped grout at base of wall panels and patch grout on the inside face at base. • Replace joint sealant between wall panels. • Replace door frame and add a drip ledge above door frame. Door should be replaced or refinished to remove corrosion. • Replace joint sealant between wall panels. • Replace door frame and add a drip ledge above door frame. Door should be replaced or refinished to remove corrosion.
Mechanical	<ul style="list-style-type: none"> • Replace ceiling hung blower coil units and window AC units with self-contained DX air handler or DX split system • Replace exhaust fans • Replace intake louver and motorized damper if needed
Electrical	<ul style="list-style-type: none"> • Replace two panels (include surge protection devices) • Replace transformer • Refeed existing feeders to remain for new equipment to be overhead • New SCADA panel

4.0 Improvements Estimated Costs

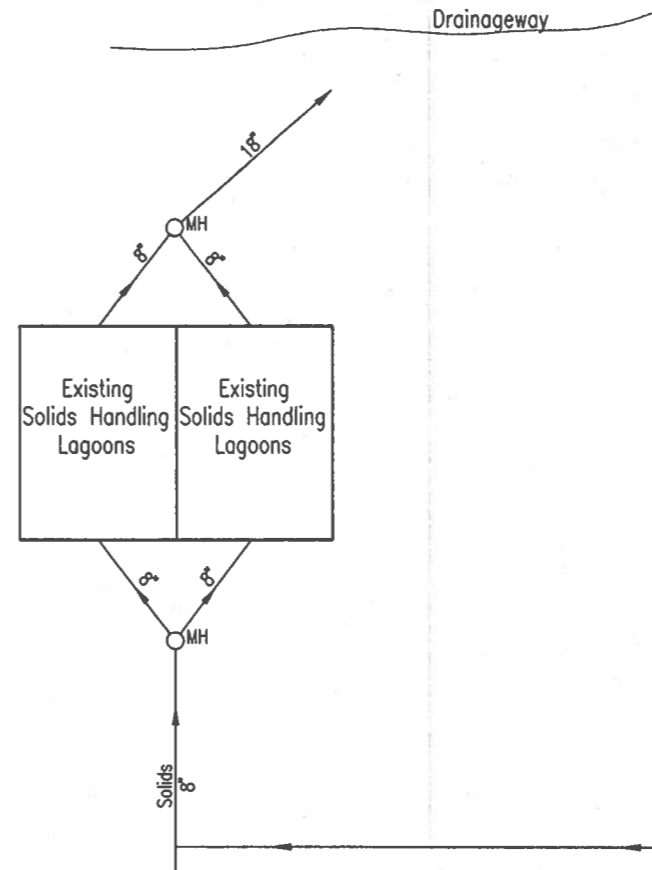
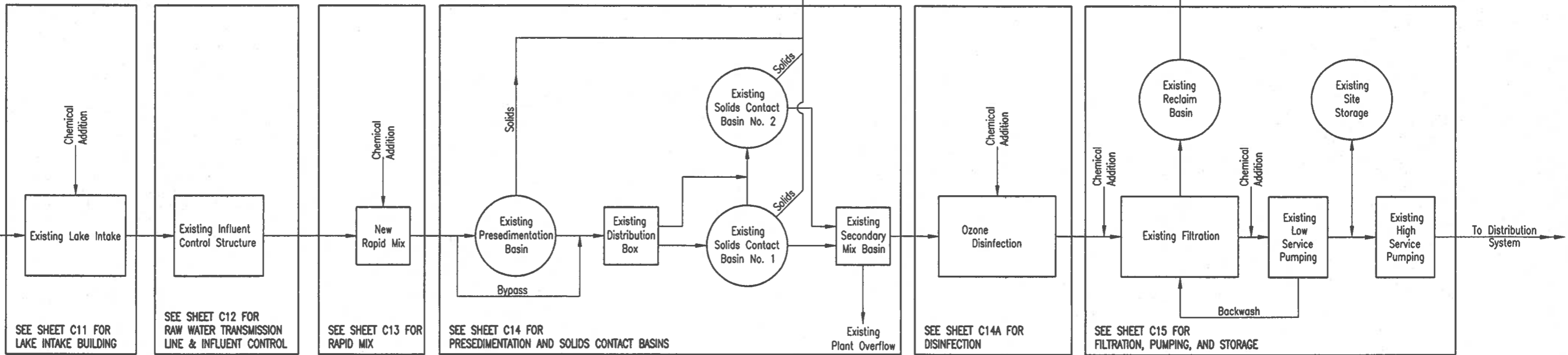
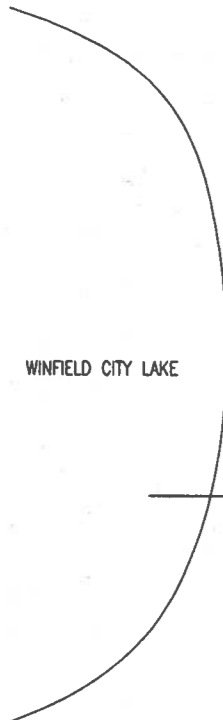
The preliminary estimated costs for the proposed improvements is summarized in Table 3.

Table 3: Preliminary Project Cost Estimate

Improvement	Preliminary Estimated Cost
Ozone Equipment, Appurtenances, and Piping	\$3,046,000
Structural Improvements	\$130,000
Architectural Improvements	\$162,500
Mechanical Improvements	\$65,000
Electrical and Controls Improvements	\$325,000
TOTAL	\$3,728,500

Attachment A

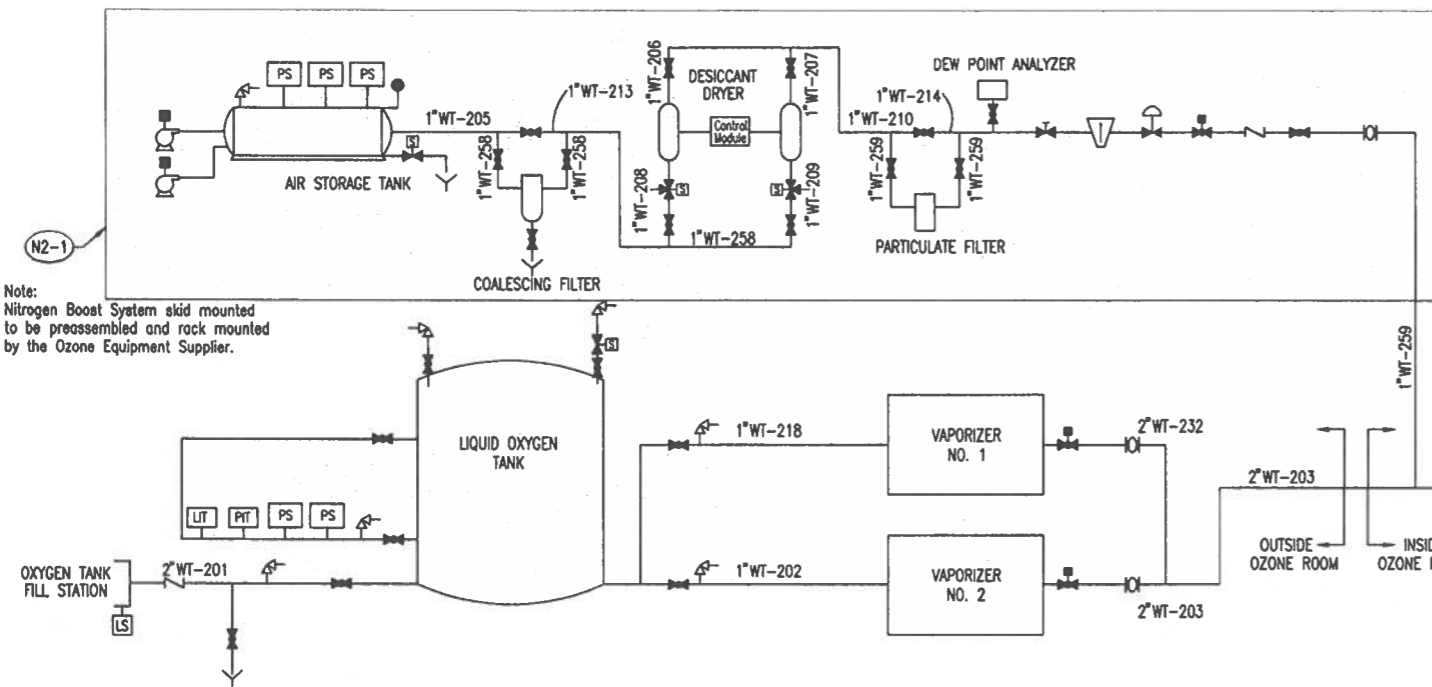
General Layout Drawings



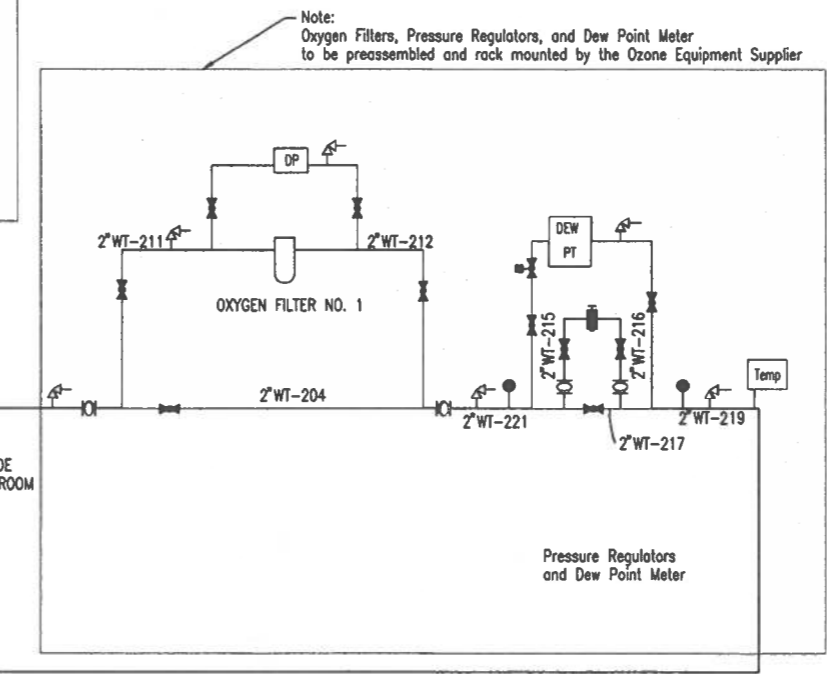
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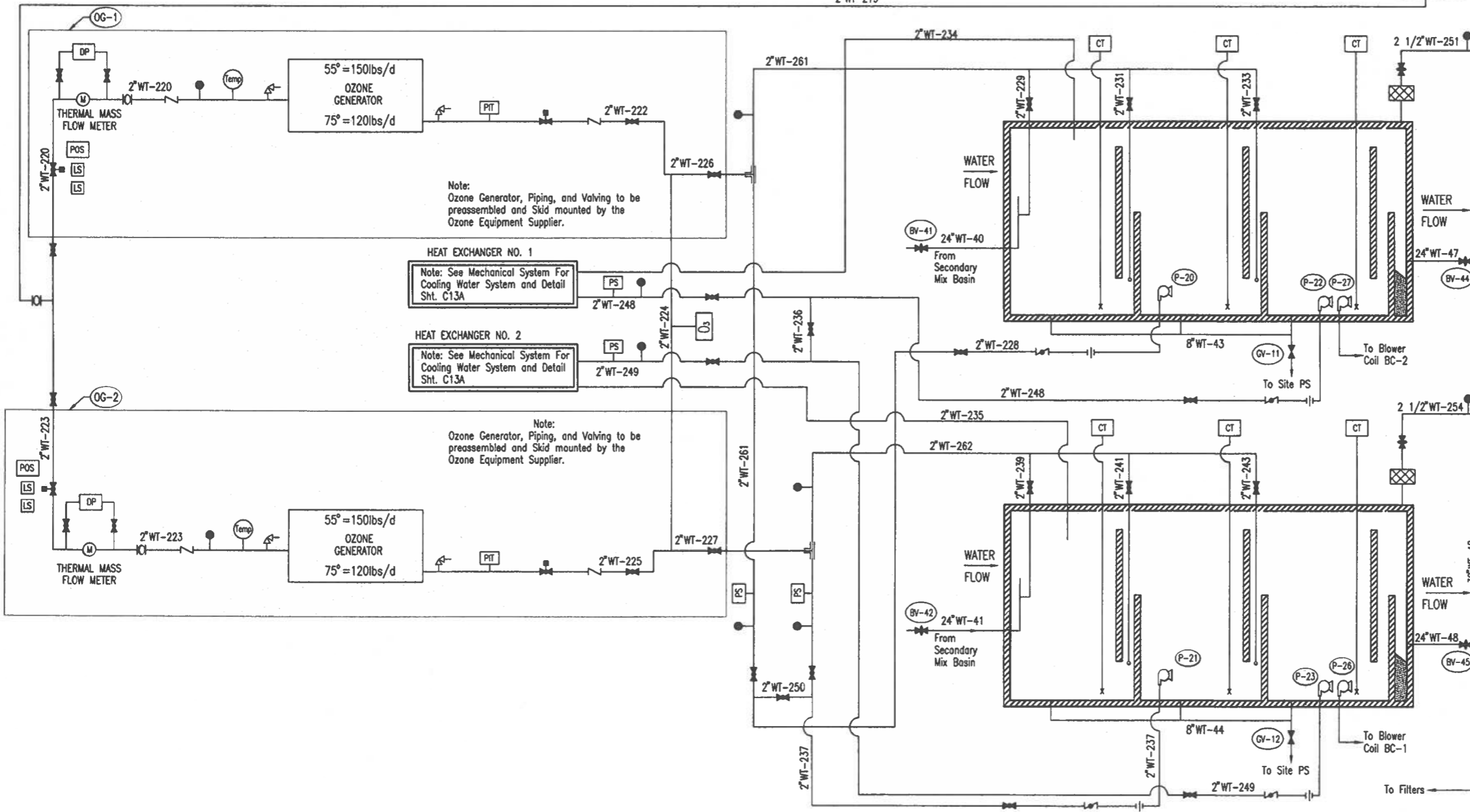
No.	Revision	By	Date
CITY OF WINFIELD, KANSAS GENERAL PLANT PROCESS AND INSTRUMENTATION DIAGRAM WATER TREATMENT PLANT MODIFICATIONS <i>Professional Engineering Consultants, P.A.</i> 303 S. TOPEKA • WICHITA, KANSAS 67202 316-262-2691 • FAX 316-262-3003			
Designed by	KLR, BWA	Job No.	34-00637
Drawn by	BWA	Date	August 2003
			Sht C10 of 56



Note:
Nitrogen Boost System skid mounted to be preassembled and rack mounted by the Ozone Equipment Supplier.



- LEGEND**
- BALL VALVE
 - BUTTERFLY VALVE
 - BALL VALVE W/ OPERATOR
 - BUTTERFLY VALVE W/ OPERATOR
 - BALL CHECK VALVE
 - CHECK VALVE
 - PRESSURE REGULATOR
 - PRESSURE RELIEF VALVE
 - PRESSURE SWITCH
 - PRESSURE GAUGE
 - DIFFERENTIAL PRESSURE REGULATOR
 - CONTACT TIME ANALYSIS METER
 - OZONE CONCENTRATION METER
 - DEW POINT METER
 - LEVEL TRANSMITTER
 - PRESSURE TRANSMITTER
 - NEEDLE VALVE
 - GATE VALVE
 - UNION
 - THREE-WAY SOLENOID VALVE
 - EXPANSION COUPLING
 - LIMIT SWITCH
 - FLOOR DRAIN
 - FLOW METER
 - TEMPERATURE SWITCH
 - TEMPERATURE SENSOR
 - FLOW METER
 - INJECTOR
 - OXYGEN FILTER
 - COMPRESSOR
 - PUMP
 - PRESSURE CONTROL VALVE
 - TEMPERATURE GAUGE
 - OFF-GAS DEMISTER PAD
 - ROTOMETER
 - BLOWER

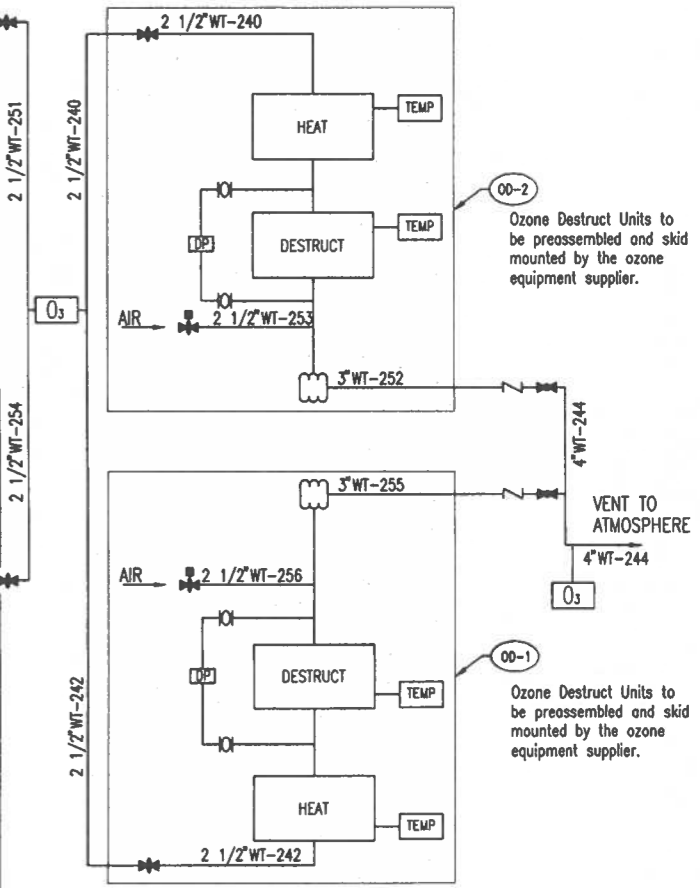


Note:
Ozone Generator, Piping, and Valving to be preassembled and Skid mounted by the Ozone Equipment Supplier.

Note: See Mechanical System For Cooling Water System and Detail Sht. C13A

Note: See Mechanical System For Cooling Water System and Detail Sht. C13A

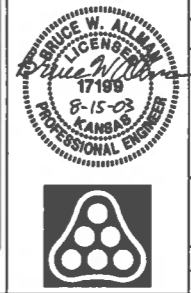
Note:
Ozone Generator, Piping, and Valving to be preassembled and Skid mounted by the Ozone Equipment Supplier.



Ozone Destruct Units to be preassembled and skid mounted by the ozone equipment supplier.

Ozone Destruct Units to be preassembled and skid mounted by the ozone equipment supplier.

OSNR: OPER: IIB SCALE: 1=1.00
 C: (2000) 00637 Schematic/revision 08-18-2003 09:40:47 am



Revision		By	Date
CITY OF WINFIELD, KANSAS DISINFECTION PROCESS AND INSTRUMENTATION DIAGRAM WATER TREATMENT PLANT MODIFICATIONS			
<i>Professional Engineering Consultants, P.A.</i> 303 S. TOPKA • WICHITA, KANSAS 67202 316-262-2691 • FAX 316-262-3003			
Designed by	KLR, BWA	Job No.	34-00637
Drawn by	BWA	Date	August 2003
			Sht. C14A of 56

LOAN AGREEMENT

Between

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

and

THE CITY OF WINFIELD, KANSAS

KPWSLF PROJECT NO. 3158

EFFECTIVE AS OF OCTOBER 15, 2024

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.

Table of Contents

RECITALS	1
ARTICLE I. DEFINITIONS	
Section 1.01. Definitions	2
Section 1.02. Rules of Interpretation	5
ARTICLE II. LOAN TERMS	
Section 2.01. Amount of the Loan.....	6
Section 2.02. Interest Rate.....	6
Section 2.03. Disbursement of Loan Proceeds	6
Section 2.04. Schedule of Compliance; Completion of Project	7
Section 2.05. Repayment of the Loan.....	7
Section 2.06. Additional Payments.....	8
Section 2.07. Financial Integrity Assurance Conditions.....	8
ARTICLE III. REPRESENTATIONS AND COVENANTS OF MUNICIPALITY	
Section 3.01. Representations of the Municipality.....	8
Section 3.02. Particular Covenants of the Municipality.....	10
ARTICLE IV. ASSIGNMENT	
Section 4.01. Assignment and Transfer by KDHE.....	13
Section 4.02. Assignment by the Municipality.....	13
ARTICLE V. DEFAULT AND REMEDIES	
Section 5.01. Notice of Default.....	14
Section 5.02. Remedies on Default.....	14
Section 5.03. Expenses	14
Section 5.04. Application of Moneys	15
Section 5.05. No Remedy Exclusive; Waiver; Notice.....	15
Section 5.06. Retention of Rights.....	15
Section 5.07. Financial and Management Review.....	15
ARTICLE VI. MISCELLANEOUS	
Section 6.01. Notices	15
Section 6.02. Binding Effect.....	16
Section 6.03. Severability	16
Section 6.04. Amendments, Supplements and Modifications	16
Section 6.05. Execution in Counterparts	16
Section 6.06. Governing Law and Regulations	16
Section 6.07. Consents and Approvals	16
Section 6.08. Further Assurances	177

SIGNATURE AND SEAL 18

EXHIBIT A - DESCRIPTION OF THE PROJECT

EXHIBIT B - DEDICATED SOURCE OF REVENUES AND LOAN REPAYMENT SCHEDULE

EXHIBIT C - CONDITIONS APPLICABLE TO CONSTRUCTION OF THE PROJECT

EXHIBIT D - USE OF LOAN PROCEEDS

EXHIBIT E - INSTRUCTIONS FOR REQUESTING DISBURSEMENTS

EXHIBIT F - FORM OF MUNICIPALITY ORDINANCE

EXHIBIT G - FORM OF OPINION OF MUNICIPALITY'S COUNSEL

EXHIBIT H - MUNICIPALITY'S NOTICE ADDRESS

EXHIBIT I - FORM OF FINANCIAL INTEGRITY ASSURANCE CONDITIONS

EXHIBIT J - FORM OF QUALIFIED USER CERTIFICATE

**FOR INFORMATION ONLY
NOT FOR EXECUTION**

RECITALS

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

THIS LOAN AGREEMENT, effective as of October 15, 2024, by and between the KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT ("KDHE"), acting on behalf of THE STATE OF KANSAS (the "State"), and WINFIELD, 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") has 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 Winfield, 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 \$4,900,000.00 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 2.33% per annum, which shall be assessed on the unpaid principal balance to be paid as set out in the Loan Repayment Schedule, *Exhibit B* hereto. This 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.

FOR INFORMATION ONLY
NOT FOR EXECUTION

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.

FOR INFORMATION ONLY
NOT FOR EXECUTION

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
Secretary
Kansas Department of Health and Environment

Date: _____

THE CITY OF WINFIELD, KANSAS

(Seal)

By: _____

(Printed Name)

Title: _____

Date: _____

**FOR INFORMATION ONLY
NOT FOR EXECUTION**

ATTEST:

By: _____

(Printed Name)
Title: Clerk

DESCRIPTION OF THE PROJECT

Replace ozone treatment system equipment and general rehabilitation of the water treatment plant.

**FOR INFORMATION ONLY
NOT FOR EXECUTION**

EXHIBIT B

DEDICATED SOURCE OF REVENUES AND LOAN REPAYMENT SCHEDULE

Dedicated Source of Revenue.

The Municipality shall impose and collect such rates, fees and charges for the use and services furnished by or through the System, including all improvements and additions thereto hereafter constructed or acquired by the Municipality as will provide System Revenues 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 the municipality is designated as a Disadvantaged Community by KDHE. 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. The municipality will be responsible for paying interest and service fees semiannually for any accrual that is calculated before the principal forgiveness is awarded. The principal forgiveness is calculated at 50% of the loan amount but may be reduced if the full loan amount is not used. If the loan amount is increased by amendment there is no guarantee that the principal forgiveness amount will be increased.

FOR INFORMATION ONLY
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KANSAS PUBLIC WATER SUPPLY LOAN FUND

Preliminary Schedule for Construction Loan Agreement
Amortization of Loan Costs as of 10/15/2024

Prepared for:
City of Winfield, Project No. 3158

Project Principal: 4,900,000.00
Interest During Const.: 0.00
Service Fee During Const.: 0.00
Gross Loan Costs: 4,900,000.00
Principal Forgiveness: 2,540,000.00
Net Loan Costs: 2,360,000.00

<u>Gross Interest Rate Allocation</u>	thru 8/1/2030	after 8/1/2030	Gross Interest Rate:	2.33%
Service Fee Rate:	1.98%	0.35%	First Payment Date:	2/1/2027
Net Loan Interest Rate:	0.35%	1.98%	Number of Payments:	40

Payment Number	Payment Date	Beginning Balance	Interest Payment	Principal Payment	Service Fee	Total Payment	Ending Balance
1	2/1/2027	2,360,000.00	4,130.00	46,653.75	23,364.00	74,147.75	2,313,346.25
2	8/1/2027	2,313,346.25	4,048.36	47,197.26	22,902.13	74,147.75	2,266,148.99
3	2/1/2028	2,266,148.99	3,965.76	47,747.11	22,434.88	74,147.75	2,218,401.88
4	8/1/2028	2,218,401.88	3,882.20	48,303.37	21,962.18	74,147.75	2,170,098.51
5	2/1/2029	2,170,098.51	3,797.67	48,866.10	21,483.98	74,147.75	2,121,232.41
6	8/1/2029	2,121,232.41	3,712.16	49,435.39	21,002.22	74,147.75	2,071,797.02
7	2/1/2030	2,071,797.02	3,625.64	50,011.32	20,500.79	74,147.75	2,021,785.70
8	8/1/2030	2,021,785.70	3,538.12	50,593.95	20,015.68	74,147.75	1,971,191.75
9	2/1/2031	1,971,191.75	3,450.60	51,183.36	19,529.55	74,147.75	1,920,008.39
10	8/1/2031	1,920,008.39	3,363.08	51,779.66	19,050.00	74,147.75	1,868,228.73
11	2/1/2032	1,868,228.73	3,275.56	52,382.89	18,570.46	74,147.75	1,815,845.84
12	8/1/2032	1,815,845.84	3,188.04	52,993.15	18,093.73	74,147.75	1,762,852.69
13	2/1/2033	1,762,852.69	3,100.52	53,610.52	17,618.99	74,147.75	1,709,242.17
14	8/1/2033	1,709,242.17	3,013.00	54,235.68	17,146.17	74,147.75	1,655,007.09
15	2/1/2034	1,655,007.09	2,925.48	54,866.92	16,674.26	74,147.75	1,600,140.17
16	8/1/2034	1,600,140.17	2,837.96	55,506.14	16,202.25	74,147.75	1,544,634.06
17	2/1/2035	1,544,634.06	2,750.44	56,152.76	15,730.11	74,147.75	1,488,481.30
18	8/1/2035	1,488,481.30	2,662.92	56,806.95	15,258.84	74,147.75	1,431,674.35
19	2/1/2036	1,431,674.35	2,575.40	57,468.74	14,787.43	74,147.75	1,374,205.61
20	8/1/2036	1,374,205.61	2,487.88	58,138.25	14,316.86	74,147.75	1,316,067.36
21	2/1/2037	1,316,067.36	2,400.36	58,815.56	13,846.12	74,147.75	1,257,251.80
22	8/1/2037	1,257,251.80	2,312.84	59,500.77	13,375.19	74,147.75	1,197,751.03
23	2/1/2038	1,197,751.03	2,225.32	60,193.95	12,904.06	74,147.75	1,137,557.08
24	8/1/2038	1,137,557.08	2,137.80	60,895.21	12,432.72	74,147.75	1,076,661.87
25	2/1/2039	1,076,661.87	2,050.28	61,604.64	11,961.16	74,147.75	1,015,057.23
26	8/1/2039	1,015,057.23	1,962.76	62,322.33	11,489.35	74,147.75	952,734.90
27	2/1/2040	952,734.90	1,875.24	63,048.38	11,017.29	74,147.75	889,686.52
28	8/1/2040	889,686.52	1,787.72	63,782.90	10,545.95	74,147.75	825,903.62
29	2/1/2041	825,903.62	1,700.20	64,525.97	10,074.33	74,147.75	761,377.65
30	8/1/2041	761,377.65	1,612.68	65,277.70	9,602.41	74,147.75	696,099.95
31	2/1/2042	696,099.95	1,525.16	66,038.19	9,130.17	74,147.75	630,061.76
32	8/1/2042	630,061.76	1,437.64	66,807.53	8,657.61	74,147.75	563,254.23
33	2/1/2043	563,254.23	1,350.12	67,585.84	8,185.69	74,147.75	495,668.39
34	8/1/2043	495,668.39	1,262.60	68,373.21	7,713.42	74,147.75	427,295.18
35	2/1/2044	427,295.18	1,175.08	69,169.76	7,241.77	74,147.75	358,125.42
36	8/1/2044	358,125.42	1,087.56	69,975.59	6,770.72	74,147.75	288,149.83
37	2/1/2045	288,149.83	1,000.04	70,790.81	6,300.26	74,147.75	217,359.02
38	8/1/2045	217,359.02	912.52	71,615.52	5,830.38	74,147.75	145,743.50
39	2/1/2046	145,743.50	825.00	72,449.84	5,360.05	74,147.75	73,293.66
40	8/1/2046	73,293.66	737.48	73,293.66	4,889.48	74,147.75	0.00
		Totals	371,919.39	2,360,000.00	233,990.61	2,965,910.00	

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 360 days of notice to proceed or no later than August 31, 2026.
 - h) Finalization of construction within 390 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 \$750,000 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 96704802.
- 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 1522, 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: Replace ozone treatment system equipment and general rehabilitation of the water treatment plant.
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.

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

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)			

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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

EXHIBIT F

FORM OF MUNICIPALITY ORDINANCE

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF WINFIELD, 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 WINFIELD, 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

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

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE CITY OF WINFIELD, 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 Winfield, 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:

Replace ozone treatment system equipment and general rehabilitation of the water treatment plant. (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 \$4,900,000.00 (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 WINFIELD, 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 October 15, 2024, 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.

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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

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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 October 15, 2014, between the Kansas Department of Health and Environment ("KDHE"), acting on behalf of the State of Kansas (the "State"), and the City of Winfield, 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 Winfield
Attn: City Manager
PO Box 646
Winfield, Kansas 67156

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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 Winfield (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 October 15, 2024. 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 of 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 WINFIELD

By: _____

Printed Name

_____ Title

FOR INFORMATION ONLY
NOT FOR EXECUTION



November 4, 2024

Kansas Development Finance Authority
Topeka, Kansas

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

Re: Loan Agreement effective as of October 15, 2024, between the Kansas Department of Health and Environment ("KDHE"), acting on behalf of the State of Kansas (the "State"), and the City of Winfield, 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. 2447 of the Municipality (the "Ordinance") adopted on November 4, 2024, 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.

CITY ATTORNEY

William E. Muret
103 East 9th Ave., Suite 208
Winfield, KS 67156
620.221.7200 ph
620.221.0020 fx

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.

Sincerely,



William E. Muret
Attorney for City of Winfield, Kansas

EXHIBIT B

DEDICATED SOURCE OF REVENUES AND LOAN REPAYMENT SCHEDULE

Dedicated Source of Revenue.

The Municipality shall impose and collect such rates, fees and charges for the use and services furnished by or through the System, including all improvements and additions thereto hereafter constructed or acquired by the Municipality as will provide System Revenues 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 the municipality is designated as a Disadvantaged Community by KDHE. 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. The municipality will be responsible for paying interest and service fee costs semiannually for any accrual that is calculated before the principal forgiveness is awarded. The principal forgiveness is calculated at 50% of the loan amount but may be reduced if the full loan amount is not used. If the loan amount is increased by amendment there is no guarantee that the principal forgiveness amount will be increased.

EXHIBIT F

FORM OF MUNICIPALITY ORDINANCE

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF WINFIELD, KANSAS
HELD ON NOVEMBER 4, 2024**

The Governing Body of the City met in regular session at the usual meeting place in the City, at _____ 5:30 pm, 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 WINFIELD, 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, Commissioner _____ moved that said Ordinance be passed. The motion was seconded by 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. 4227 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)

_____ Tania Richardson, Clerk

EXHIBIT F

(Published in the Winfield Courier on November 9, 2024)

BILL NO. 24117

ORDINANCE NO. 4227

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE CITY OF WINFIELD, 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 Winfield, 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:

Replace ozone treatment system equipment and general rehabilitation of the water treatment plant. (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 \$4,900,000.00 (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 WINFIELD, 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 October 15, 2024, 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 November 4, 2024 and signed and **APPROVED** by the Mayor.

(SEAL)

Brenda K. Butters, Mayor

ATTEST:

Tania Richardson, Clerk

APPROVED AS TO FORM ONLY.

William E. Muret, City Attorney



Request for Commission Action

Date: November 1, 2024

Requestor: Taggart Wall, City Manager

Action Requested: Consider Water Rate Adjustment Ordinance

Analysis: In conjunction with the planned water treatment plant improvements, a rate adjustment to finance that construction as well as other water distribution infrastructure replacement has been studied in 2023 and discussed for several years.

After the 2023 study, staff recommended no change until the planned water treatment plant improvements had a more firm cost. Ranson Financial Consultants completed the study (enclosed).

Excepting the adjustment to pay for the installation of automated meters, the last rate increase was in 2019.

The two prevailing recommendations from the 2023 study included a 12.5% immediate rate increase for 2024. Then the two recommendations split between 3% per year thereafter through 2028 or 1.5% thereafter through 2028. For the larger increase, over the same period, the average customer inside the city limits using 5,000 gallons would have seen a bill from the current \$28.06 to \$35.53.

Proposed Rate Adjustment for 5,000 gallons usage:

2024 current	\$28.06
2024 increase	\$31.57
2025	\$32.51
2026	\$33.49
2027	\$34.49
2028	\$35.53

The average inside the city limits residential user uses approximately 4,750 gallons per month.

According to the Kansas Rural Water Association, the current statewide average for 5,000 gallons usage on a municipal system is \$34.38.



Request for Commission Action

A snapshot comparison to peers in August of 2024:

El Dorado	\$18.89
Winfield	\$28.06
Wellington	\$31.76
McPherson	\$34.42
Wichita	\$36.01
Manhattan	\$37.40
Augusta	\$37.93
Newton	\$45.38
Arkansas City	\$47.23

The larger track included a planned debt reduction in 2026 due to an existing loan being paid off, the water treatment plant payment with no loan forgiveness and a potential water tower project in 2027. This did NOT include the unplanned discovery of the condition of the ground storage tank. After making some repairs to the ground storage tank in 2024, we plan to study that project fully in 2025 and make full repairs late 2025 into 2026.

Taking increased chemical costs, labor adjustments needed, as well as planned ground storage tank repairs of \$500,000+ management recommendation is no less than 12.5% in 2024, 3% in 2025 and 3% in 2026.

After discussion with the governing body, an ordinance is included here to adjust the rates beginning immediately and through 2028.

Fiscal Impact: Table 25 of the Ranson Financial Rate Study from 2023 identifies the fiscal impact on the City finances.

Attachments: Water Rate Adjustment Ordinance

Table 1

**City of Winfield, Kansas
Water Rate Analysis
Income Statement Summary
For Historical Years 2018 through 2022**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues					
Charges for services	\$2,640,003	\$2,655,792	\$2,785,038	\$2,872,877	\$3,030,235
Use of money and property	1,671	4,363	1,949	270	1,434
Tower rents	17,060	18,251	18,251	19,771	16,730
Miscellaneous	7,714	10,962	45,687	4,641	416
Trnsfers from:					
Bond and interest	0	2,610,000	0	0	0
Stormwater drainage	175,000	0	0	0	0
Total revenues	<u>\$2,841,448</u>	<u>\$5,299,367</u>	<u>\$2,850,925</u>	<u>\$2,897,559</u>	<u>\$3,048,814</u>
Expenditures and encumbraces					
Personal services	\$823,297	\$875,754	\$892,403	\$927,659	\$941,195
Contractual services	205,592	237,417	207,742	237,259	404,770
Commodities	660,785	681,200	720,412	648,783	728,481
Capital outlay	106,441	127,831	135,326	138,356	175,794
Miscellaneous	15,884	15,903	20,132	20,430	23,713
Principal	0	2,610,000	0	0	0
Transfers to:					
General fund	145,540	149,227	152,416	154,587	166,988
Bond and interest	559,892	559,892	676,933	679,887	677,811
Water preservation	37,471	36,388	37,681	37,043	41,013
Total expenditures and encumbracenes	<u>\$2,554,902</u>	<u>\$5,293,613</u>	<u>\$2,843,045</u>	<u>\$2,844,004</u>	<u>\$3,159,764</u>
Revenues over (under expenditures and encumbrances)	\$286,547	\$5,754	\$7,880	\$53,555	(\$110,950)
Fund balance, beignning of year	(\$60,468)	\$226,079	\$231,833	\$239,713	\$239,713
Fund balance, end of year	\$226,079	\$231,833	\$239,713	\$293,268	\$128,763

Table 2

**City of Winfield, Kansas
Water Rate Analysis
Historical Rate Structures
For Historical Years 2018 through 2022**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Non-wholesale users:					
Inside City users:					
Monthly minimums: ⁽¹⁾					
5/8" meter	\$11.15	\$11.75	\$11.75	\$11.75	\$12.46
3/4" meter	12.65	13.30	13.30	13.30	14.01
1" meter	18.25	19.17	19.17	19.17	20.42
1 1/2" meter	30.50	32.06	32.06	32.06	32.77
2" meter	40.50	42.55	42.55	42.55	43.26
3" meter	235.00	246.75	246.75	246.75	247.46
4" meter	311.25	326.85	326.85	326.85	327.56
6" meter	385.00	406.00	406.00	406.00	406.71
Commodity charge ⁽²⁾	\$3.70	\$3.90	\$3.90	\$3.90	\$3.90
Outside City users:					
Monthly minimums: ⁽¹⁾					
5/8" meter	\$13.94	\$14.69	\$14.69	\$14.69	\$15.40
3/4" meter	15.81	16.63	16.63	16.63	17.34
1" meter	22.82	23.97	23.97	23.97	24.68
1 1/2" meter	38.13	40.08	40.08	40.08	40.79
2" meter	50.63	53.19	53.19	53.19	54.61
3" meter	293.75	308.44	308.44	308.44	309.11
4" meter	389.06	408.56	408.56	408.56	409.27
6" meter	481.25	507.50	507.50	507.50	508.21
Commodity charge ⁽²⁾	\$4.63	\$4.88	\$4.88	\$4.88	\$4.88
Wholesale users:					
City of Oxford					
Base fee	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00
Step chrage	\$3.19	\$3.19	\$3.19	\$3.19	\$3.19
All other wholesale users					
Step chrage	\$3.18	\$3.18	\$3.18	\$3.18	\$3.18

⁽¹⁾ Monthly minimum charge includes 1,000 gallons

⁽²⁾ Per 1,000 gallons

Table 3

**City of Winfield, Kansas
Water Rate Analysis
Historical Water Usage
For Historical Years 2018 through 2022**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Gallons Pumped	737,246,000	728,528,000	816,998,000	845,335,000	897,342,000
Total Gallons Sold	570,887,000	562,522,000	574,853,000	586,930,000	664,708,000
Gallons Accounted For	106,691,000	118,557,000	166,120,000	175,587,000	158,339,000
Unaccounted for Water Loss	59,668,000	47,449,000	76,025,000	82,818,000	74,295,000
Unaccounted for Water Loss Percentage	8.09%	6.51%	9.31%	9.80%	8.28%

Table 4

**City of Winfield, Kansas
Water Rate Analysis
Historical Number of Customers
For Historical Years 2018 through 2022**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Inside City users:					
5/8" meter	4,449	4,428	4,420	4,592	4,583
3/4" meter	80	80	80	83	84
1" meter	143	145	146	158	163
1 1/2" meter	21	20	20	27	28
2" meter	57	58	59	83	88
3" meter	8	8	8	11	11
4" meter	4	4	4	4	4
6" meter	2	2	2	3	3
Outside City users:					
5/8" meter	71	71	71	71	72
3/4" meter	3	3	3	3	3
1" meter	14	14	15	15	15
1 1/2" meter	2	2	2	2	2
2" meter	6	9	9	7	6
3" meter	1	1	1	1	1
4" meter	1	4	4	2	1
6" meter	0	0	0	0	0
Wholesale users:					
City of Oxford	1	1	1	1	1
All other wholesale users	7	7	7	7	7
Total number of customers	4,863	4,849	4,844	5,061	5,065
Growth rate for:					
<i>Inside City users:</i>					
5/8" meter		-0.48%	-0.18%	3.90%	-0.21%
3/4" meter		-0.25%	-0.58%	3.76%	2.19%
1" meter		1.30%	0.69%	8.26%	3.23%
1 1/2" meter		-4.11%	0.00%	33.33%	5.00%
2" meter		1.35%	2.00%	40.43%	6.57%
3" meter		0.00%	0.00%	31.25%	5.56%
4" meter		0.00%	0.00%	2.08%	-2.04%
6" meter		0.00%	0.00%	45.83%	2.86%
<i>Outside City users:</i>					
5/8" meter		0.27%	0.07%	-0.19%	0.94%
3/4" meter		0.00%	0.00%	0.00%	0.00%
1" meter		0.00%	4.95%	2.66%	0.00%
1 1/2" meter		0.00%	0.00%	0.00%	0.00%
2" meter		50.00%	0.00%	-27.78%	-7.69%
3" meter		0.00%	0.00%	0.00%	0.00%
4" meter		300.00%	0.00%	-62.50%	-33.33%
6" meter		0.00%	0.00%	0.00%	0.00%
<i>Wholesale users:</i>					
City of Oxford		0.00%	0.00%	0.00%	0.00%
All other wholesale users		0.00%	0.00%	0.00%	0.00%

Table 5

**City of Winfield, Kansas
Water Rate Analysis
Water usage per Customer
For Historical Years 2018 through 2022**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Inside City users:					
5/8" meter	295,680,000	244,552,000	276,088,000	248,200,800	261,449,311
3/4" meter	11,393,000	8,026,000	9,889,000	8,363,600	9,561,000
1" meter	38,630,000	36,988,000	33,901,000	34,604,000	31,339,000
1 1/2" meter	32,544,000	22,197,000	30,431,000	27,483,000	24,825,000
2" meter	62,930,000	42,380,000	61,911,000	62,698,750	97,526,000
3" meter	29,602,000	18,555,000	24,992,000	21,897,000	30,835,000
4" meter	13,055,000	12,331,000	9,013,000	4,850,000	7,878,000
6" meter	47,650,000	45,329,000	45,603,000	37,596,000	37,127,000
Outside City users:					
5/8" meter	6,295,000	4,128,000	5,635,000	4,639,600	5,415,000
3/4" meter	1,021,000	828,000	814,000	1,183,000	892,000
1" meter	2,367,000	1,344,000	2,142,000	1,636,000	2,089,000
1 1/2" meter	5,694,000	4,119,000	4,186,000	3,357,000	2,351,000
2" meter	2,387,000	2,932,000	2,034,000	1,330,000	3,375,000
3" meter	128,000	254,000	213,000	234,000	229,000
4" meter	514,000	275,000	420,000	339,000	406,000
6" meter	0	0	0	0	0
Wholesale users:					
City of Oxford	485,000	339,000	338,000	268,000	345,000
All other wholesale users	146,680,000	117,503,000	142,436,000	128,326,000	165,421,000
Total gallons sold	697,055,000	562,080,000	650,046,000	587,005,750	681,063,311
Average gallons sold per customer per month:					
<i>Inside City users:</i>					
5/8" meter	5,538	4,602	5,205	4,504	4,754
3/4" meter	11,825	8,352	10,351	8,437	9,438
1" meter	22,489	21,257	19,350	18,245	16,006
1 1/2" meter	130,027	92,488	126,796	85,884	73,884
2" meter	91,773	60,978	87,331	62,979	91,919
3" meter	308,354	193,281	260,333	173,786	231,842
4" meter	271,979	256,896	187,771	98,980	164,125
6" meter	1,985,417	1,888,708	1,900,125	1,074,171	1,031,306
<i>Outside City users:</i>					
5/8" meter	7,374	4,822	6,578	5,426	6,275
3/4" meter	28,361	23,000	22,611	32,861	24,778
1" meter	14,089	8,000	12,149	9,039	11,541
1 1/2" meter	237,250	171,625	174,417	139,875	97,958
2" meter	33,153	27,148	18,833	17,051	46,875
3" meter	10,667	21,167	17,750	19,500	19,083
4" meter	42,833	5,729	8,750	18,833	33,833
6" meter	0	0	0	0	0
<i>Wholesale users:</i>					
City of Oxford	40,417	28,250	28,167	22,333	28,750
All other wholesale users	1,746,190	1,398,845	1,695,667	1,527,690	1,969,298

Table 6

**City of Winfield, Kansas
Water Rate Analysis
Revenue Comparison
For Historical Years 2018 through 2022**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenue generated from:					
Monthly minimums:					
Inside City users:					
5/8" meter	\$595,295	\$624,336	\$623,242	\$647,540	\$685,238
3/4" meter	12,187	12,781	12,707	13,185	14,192
1" meter	31,348	33,356	33,586	36,359	39,982
1 1/2" meter	7,634	7,694	7,694	10,259	11,011
2" meter	27,771	29,572	30,165	42,361	45,899
3" meter	22,560	23,688	23,688	31,091	32,912
4" meter	14,940	15,689	15,689	16,016	15,723
6" meter	9,240	9,744	9,744	14,210	14,642
Outside City users:					
5/8" meter	11,901	12,575	12,584	12,560	13,290
3/4" meter	569	599	599	599	624
1" meter	3,834	4,027	4,226	4,339	4,467
1 1/2" meter	915	962	962	962	979
2" meter	3,645	5,745	5,745	4,149	3,932
3" meter	3,525	3,701	3,701	3,701	3,709
4" meter	4,669	19,611	19,611	7,354	4,911
6" meter	0	0	0	0	0
Wholesale users:					
City of Oxford	3,000	3,000	3,000	3,000	3,000
All other wholesale users	0	0	0	0	0
Total charges from minimum	<u>\$753,034</u>	<u>\$807,080</u>	<u>\$806,941</u>	<u>\$847,683</u>	<u>\$894,511</u>
Commodity charge					
Inside City users:					
5/8" meter	\$896,474	\$746,526	\$869,880	\$753,055	\$805,172
3/4" meter	38,589	27,554	34,841	28,752	33,337
1" meter	136,575	137,467	125,381	127,559	114,586
1 1/2" meter	119,487	85,632	117,745	105,936	95,507
2" meter	230,304	162,572	238,688	240,642	376,214
3" meter	109,172	71,990	97,094	84,907	119,738
4" meter	48,126	47,904	34,964	18,724	30,537
6" meter	176,216	176,690	177,758	146,488	144,655
Outside City users:					
5/8" meter	25,193	15,967	23,319	18,469	22,214
3/4" meter	4,561	3,865	3,797	5,597	4,177
1" meter	10,181	5,739	9,593	7,100	9,311
1 1/2" meter	26,252	19,984	20,311	16,265	11,356
2" meter	10,718	13,781	9,399	6,110	16,119
3" meter	537	1,181	981	1,083	1,059
4" meter	2,324	1,108	1,815	1,566	1,923
6" meter	0	0	0	0	0
Wholesale users:					
City of Oxford	1,547	1,081	1,078	855	1,101
All other wholesale users	466,442	373,660	452,946	408,077	526,039
Total charges from commodity fees	<u>\$2,302,700</u>	<u>\$1,892,700</u>	<u>\$2,219,589</u>	<u>\$1,971,185</u>	<u>\$2,313,043</u>
Total revenue calculated	\$3,055,734	\$2,699,779	\$3,026,530	\$2,818,868	\$3,207,554
Revenue reported from audit	\$2,640,003	\$2,655,792	\$2,785,038	\$2,872,877	\$3,030,235
Difference	\$415,732	\$43,987	\$241,492	(\$54,009)	\$177,319
Percentage Difference	15.75%	1.66%	8.67%	-1.88%	5.85%

Table 7

**City of Winfield, Kansas
Water Rate Analysis
Forecasted Total Number of Customers**

	<u>2022</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Inside City users:									
5/8" meter	4,583	4,495	4,449	4,583	4,583	4,583	4,583	4,583	4,583
3/4" meter	84	81	80	84	85	86	87	88	89
1" meter	163	151	146	163	167	171	175	178	183
1 1/2" meter	28	23	21	28	29	29	30	31	32
2" meter	88	69	59	88	92	96	100	105	109
3" meter	11	9	8	11	11	12	12	12	13
4" meter	4	4	4	4	4	4	4	4	4
6" meter	3	2	2	3	3	3	3	3	3
Outside City users:									
5/8" meter	72	71	71	72	72	72	72	72	73
3/4" meter	3	3	3	3	3	3	3	3	3
1" meter	15	15	15	15	15	15	15	15	15
1 1/2" meter	2	2	2	2	2	2	2	2	2
2" meter	6	7	7	6	6	5	5	4	4
3" meter	1	1	1	1	1	1	1	1	1
4" meter	1	2	2	1	1	0	0	0	0
6" meter	0	0	0	0	0	0	0	0	0
Wholesale users:									
City of Oxford	1	1	1	1	1	1	1	1	1
All other wholesale users	7	7	7	7	7	7	7	7	7
Total number of customers	4,947	4,819	4,755	4,947	4,956	4,965	4,975	4,985	4,995
Growth Rates:									
<i>Inside City users:</i>									
5/8" meter	-0.21%	0.76%	-0.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3/4" meter	2.19%	1.28%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%
1" meter	3.23%	3.37%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%
1 1/2" meter	5.00%	8.56%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
2" meter	6.57%	12.59%	4.29%	4.29%	4.29%	4.29%	4.29%	4.29%	4.29%
3" meter	5.56%	9.20%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%
4" meter	-2.04%	0.01%	0.00%	-2.04%	-2.04%	-2.04%	-2.04%	-2.04%	-2.04%
6" meter	2.86%	12.17%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%
<i>Outside City users:</i>									
5/8" meter	0.94%	0.27%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%
3/4" meter	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1" meter	0.00%	1.90%	1.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1 1/2" meter	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2" meter	-7.69%	3.63%	-3.85%	-7.69%	-7.69%	-7.69%	-7.69%	-7.69%	-7.69%
3" meter	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4" meter	-33.33%	51.04%	-16.67%	-33.33%	-33.33%	-33.33%	-33.33%	-33.33%	-33.33%
6" meter	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<i>Wholesale users:</i>									
City of Oxford	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All other wholesale users	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Assumptions used:

Base = 2022 customer information

Growth rate is the minimum of 2022, the mean and the median.

Items in bold are changes based on discussion with City.

Table 8

City of Winfield, Kansas
Water Rate Analysis
Forecasted Water Demand

	<u>2022</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Total Gallons Pumped	897,342,000	805,089,800	816,998,000		878,238,278	885,099,254	892,240,568	899,664,398	907,375,388
Total Gallons Sold	664,708,000	591,980,000	574,853,000		646,147,844	652,432,658	658,974,269	665,774,672	672,838,120
Gallons Accounted For	158,339,000	145,058,800	158,339,000	158,339,000	158,339,000	158,339,000	158,339,000	158,339,000	158,339,000
Unaccounted for Water Loss	74,295,000	68,051,000	74,295,000		73,751,434	74,327,596	74,927,299	75,550,726	76,198,269
Unaccounted for Water Loss Percentage	8.28%	8.40%	8.28%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%
<i>Average usage per customer per month</i>									
<i>Inside City users:</i>									
5/8" meter	4,754	4,921	4,754	4,754	4,754	4,754	4,754	4,754	4,754
3/4" meter	9,438	9,681	9,438	9,438	9,438	9,438	9,438	9,438	9,438
1" meter	16,006	19,469	19,350	16,006	16,006	16,006	16,006	16,006	16,006
1 1/2" meter	73,884	101,816	92,488	73,884	73,884	73,884	73,884	73,884	73,884
2" meter	91,919	78,996	87,331	78,996	78,996	78,996	78,996	78,996	78,996
3" meter	231,842	233,519	231,842	231,842	231,842	231,842	231,842	231,842	231,842
4" meter	164,125	195,950	187,771	164,125	164,125	164,125	164,125	164,125	164,125
6" meter	1,031,306	1,575,945	1,888,708	1,031,306	1,031,306	1,031,306	1,031,306	1,031,306	1,031,306
<i>Outside City users:</i>									
5/8" meter	6,275	6,095	6,275	6,095	6,095	6,095	6,095	6,095	6,095
3/4" meter	24,778	26,322	24,778	24,778	24,778	24,778	24,778	24,778	24,778
1" meter	11,541	10,964	11,541	10,964	10,964	10,964	10,964	10,964	10,964
1 1/2" meter	97,958	164,225	171,625	97,958	97,958	97,958	97,958	97,958	97,958
2" meter	46,875	28,612	27,148	27,148	27,148	27,148	27,148	27,148	27,148
3" meter	19,083	17,633	19,083	17,633	17,633	17,633	17,633	17,633	17,633
4" meter	33,833	21,996	18,833	18,833	18,833	18,833	18,833	18,833	18,833
6" meter	0	0	0	0	0	0	0	0	0
<i>Wholesale users:</i>									
City of Oxford	28,750	29,583	28,250	28,250	28,250	28,250	28,250	28,250	28,250
All other wholesale users	1,969,298	1,667,538	1,695,667	1,667,538	1,667,538	1,667,538	1,667,538	1,667,538	1,667,538

Assumptions used:

Base average water demand per customer is the minimum of 2022, the mean and the median.

Gallons flushed is the higher of 2022, the mean, and the median

Unaccounted for water loss percentage is the higher of 2022, the mean, and the median

Table 9

**City of Winfield, Kansas
Water Rate Analysis
Forecasted Expenses
Version A - No Proposed Rate Increase**

	<u>2022</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Expenditures									
Personal services	\$941,195	\$892,062	\$892,403	\$941,195	\$998,514	\$1,028,469	\$1,059,323	\$1,091,103	\$1,123,836
Contractual services	404,770	258,556	237,259	354,000	375,559	386,825	398,430	410,383	422,695
Commodities	728,481	687,932	681,200	728,481	772,846	796,031	819,912	844,509	869,845
Capital outlay	175,794	136,749	135,326	250,000	250,000	250,000	250,000	250,000	250,000
Miscellaneous	23,713	19,213	20,132	23,713	25,158	25,912	26,690	27,490	28,315
Principal	0	522,000	0	0	0	0	0	0	0
Transfers to:									
General fund	166,988	153,752	152,416	166,988	159,817	161,205	162,673	164,215	165,829
Bond and interest	677,811	630,883	676,933	677,811	543,044	547,102	169,533	168,352	172,042
Water preservation	41,013	37,919	37,471	40,000	40,000	40,000	40,000	40,000	40,000
New Debt Service									
Plant Improv	N/A	N/A	N/A	N/A	0	0	0	0	0
Tower Improv	N/A	N/A	N/A	N/A	0	0	0	0	0
Total expenditures	\$3,159,764			\$3,182,188	\$3,164,936	\$3,235,545	\$2,926,561	\$2,996,053	\$3,072,561
Margin requirement				2.50%	\$79,123	\$80,889	\$73,164	\$74,901	\$76,814
Total expenses plus additional margin					\$3,244,060	\$3,316,433	\$2,999,725	\$3,070,954	\$3,149,375

Assumptions used:

- Base for expense categories is determined using the maximum between the expense reported in 2022, average, and median.
- Expenses were estimated to grow at a 3% inflation rate, except expenses for salaries.
- Items in bold are changes based on discussion with City.

Table 10

**City of Winfield, Kansas
Water Rate Analysis
Forecasted Revenues
Version A - No Proposed Rate Increase**

	<u>2022</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Receipts									
Charges for services	\$3,030,235	\$2,796,789	\$2,785,038		\$2,905,760	\$2,930,999	\$2,957,693	\$2,985,736	\$3,015,065
Use of money and property	1,434	1,937	1,671	0	0	0	0	0	0
Tower rents	16,730	18,013	18,251	0	0	0	0	0	0
Miscellaneous	416	13,884	7,714	0	0	0	0	0	0
Trnasfers from:									
Bond and interest	0	522,000	0	0	0	0	0	0	0
Stormwater drainage	0	35,000	0	0	0	0	0	0	0
Total receipts	\$3,048,814	\$3,387,623	\$2,812,674	\$0	\$2,905,760	\$2,930,999	\$2,957,693	\$2,985,736	\$3,015,065

Assumptions used:

Base for revenue categories is determined using the minimum between the revenue collected in 2022, average and median.

Revenue remained flat and was determined using the base figure explained above.

Revenue for Sales to customers is from Table 12A

Items in bold are changes based on discussion with City.

Table 11

**City of Winfield, Kansas
Water Rate Analysis
Pro Forma Analysis
Version A - No Proposed Rate Increase**

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Receipts					
Charges for services	\$2,905,760	\$2,930,999	\$2,957,693	\$2,985,736	\$3,015,065
Use of money and property	0	0	0	0	0
Tower rents	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total receipts	\$2,905,760	\$2,930,999	\$2,957,693	\$2,985,736	\$3,015,065
Expenditures					
Personal services	\$998,514	\$1,028,469	\$1,059,323	\$1,091,103	\$1,123,836
Contractual services	375,559	386,825	398,430	410,383	422,695
Commodities	772,846	796,031	819,912	844,509	869,845
Capital outlay	250,000	250,000	250,000	250,000	250,000
Miscellaneous	25,158	25,912	26,690	27,490	28,315
Principal	0	0	0	0	0
Transfers to:					
General fund	159,817	161,205	162,673	164,215	165,829
Bond and interest	543,044	547,102	169,533	168,352	172,042
Water preservation	40,000	40,000	40,000	40,000	40,000
New Debt Service					
Plant Improv	0	0	0	0	0
Tower Improv	0	0	0	0	0
Total expenditures	\$3,164,936	\$3,235,545	\$2,926,561	\$2,996,053	\$3,072,561
Revenue over (under) expenditures	-\$259,176	-\$304,546	\$31,132	-\$10,317	-\$57,495
Margin	\$79,123	\$80,889	\$73,164	\$74,901	\$76,814
Revenue over (under) expenditures including additional margin	-\$338,300	-\$385,435	-\$42,032	-\$85,219	-\$134,309

Assumptions used:

Base for revenue categories is determined using the minimum between the revenue collected in 2022, average and median.

Revenue remained flat and was determined using the base figure explained above.

Revenue for Sales to customers is from Table 12A

Base for expense categories is determined using the maximum between the expense reported in 2022, average, and median.

Expenses were estimated to grow at a 3% inflation rate, except expenses for salaries.

Items in bold are changes based on discussion with City.

Table 12A

**City of Winfield, Kansas
Water Rate Analysis
Proposed Rate Structures
Version A - No Proposed Rate Increase**

		<u>2022</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Non-wholesale users:							
Inside City users:							
Monthly minimums:	(1)						
5/8" meter		\$12.46	\$12.46	\$12.46	\$12.46	\$12.46	\$12.46
3/4" meter		14.01	14.01	14.01	14.01	14.01	14.01
1" meter		20.42	20.42	20.42	20.42	20.42	20.42
1 1/2" meter		32.77	32.77	32.77	32.77	32.77	32.77
2" meter		43.26	43.26	43.26	43.26	43.26	43.26
3" meter		247.46	247.46	247.46	247.46	247.46	247.46
4" meter		327.56	327.56	327.56	327.56	327.56	327.56
6" meter		406.71	406.71	406.71	406.71	406.71	406.71
Commodity charge	(2)	\$3.90	\$3.90	\$3.90	\$3.90	\$3.90	\$3.90
Outside City users:							
Monthly minimums:	(1)						
5/8" meter		\$15.40	\$15.40	\$15.40	\$15.40	\$15.40	\$15.40
3/4" meter		17.34	17.34	17.34	17.34	17.34	17.34
1" meter		24.68	24.68	24.68	24.68	24.68	24.68
1 1/2" meter		40.79	40.79	40.79	40.79	40.79	40.79
2" meter		54.61	54.61	54.61	54.61	54.61	54.61
3" meter		309.11	309.11	309.11	309.11	309.11	309.11
4" meter		409.27	409.27	409.27	409.27	409.27	409.27
6" meter		508.21	508.21	508.21	508.21	508.21	508.21
Commodity charge	(2)	\$4.88	\$4.88	\$4.88	\$4.88	\$4.88	\$4.88
Wholesale users:							
City of Oxford	(1)						
Base fee		\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00
Step charge		3.19	3.19	3.19	3.19	3.19	3.19
All other wholesale users	(1)						
Step charge		\$3.18	\$3.18	\$3.18	\$3.18	\$3.18	\$3.18
(1) Monthly minimum charge includes		1,000	gallons of water.				
(2) Per 1,000 gallons							

Table 12B

**City of Winfield, Kansas
Water Rate Analysis
Proposed Rate Structures
Version A - No Proposed Rate Increase**

Revenue Generated From:

Monthly minimums:

Non-wholesale users:

Inside City users:

5/8" meter	\$685,238	\$685,238	\$685,238	\$685,238	\$685,238	\$685,238
3/4" meter	14,192	14,329	14,468	14,608	14,749	14,892
1" meter	39,982	40,888	41,815	42,762	43,731	44,721
1 1/2" meter	11,011	11,286	11,568	11,857	12,154	12,458
2" meter	45,899	47,867	49,920	52,061	54,293	56,622
3" meter	32,912	33,826	34,766	35,732	36,724	37,744
4" meter	15,723	15,402	15,088	14,780	14,478	14,183
6" meter	14,642	14,851	15,063	15,278	15,496	15,718

Outside City users:

5/8" meter	13,290	13,313	13,335	13,358	13,381	13,403
3/4" meter	624	624	624	624	624	624
1" meter	4,467	4,467	4,467	4,467	4,467	4,467
1 1/2" meter	979	979	979	979	979	979
2" meter	3,932	3,629	3,350	3,093	2,855	2,635
3" meter	3,709	3,709	3,709	3,709	3,709	3,709
4" meter	4,911	3,274	2,183	1,455	970	647
6" meter	0	0	0	0	0	0

Wholesale users:

City of Oxford	3,000	3,000	3,000	3,000	3,000	3,000
All other wholesale users	0	0	0	0	0	0

Total revenue from minimum	\$891,511	\$893,684	\$896,573	\$900,000	\$903,848	\$908,040
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Commodity charges:

Inside City users:

5/8" meter	\$805,172	\$805,172	\$805,172	\$805,172	\$805,172	\$805,172
3/4" meter	33,337	33,659	33,985	34,313	34,645	34,980
1" meter	114,586	117,182	119,837	122,552	125,328	128,168
1 1/2" meter	95,507	97,895	100,342	102,851	105,422	108,058
2" meter	376,214	336,580	351,015	366,068	381,767	398,139
3" meter	119,738	123,064	126,482	129,996	133,607	137,318
4" meter	30,537	29,914	29,303	28,705	28,119	27,546
6" meter	144,655	146,721	148,817	150,943	153,100	155,287

Outside City users:

5/8" meter	22,214	21,494	21,531	21,567	21,604	21,640
3/4" meter	4,177	4,177	4,177	4,177	4,177	4,177
1" meter	9,311	8,801	8,801	8,801	8,801	8,801
1 1/2" meter	11,356	11,356	11,356	11,356	11,356	11,356
2" meter	16,119	8,481	7,828	7,226	6,670	6,157
3" meter	1,059	974	974	974	974	974
4" meter	1,923	696	464	309	206	138
6" meter	0	0	0	0	0	0

Wholesale users:

City of Oxford	1,101	1,081	1,081	1,081	1,081	1,081
All other wholesale users	526,039	445,433	445,433	445,433	445,433	445,433

Total revenue from commodity charges	\$2,313,043	\$2,192,680	\$2,216,598	\$2,241,525	\$2,267,462	\$2,294,423
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Total charges for services	\$3,204,554	\$3,086,364	\$3,113,171	\$3,141,525	\$3,171,310	\$3,202,463
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Model error	-5.85%	\$2,905,760	\$2,930,999	\$2,957,693	\$2,985,736	\$3,015,065
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Proposed increase		0.00%	0.00%	0.00%	0.00%	0.00%
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Table 13

**City of Winfield, Kansas
Water Rate Analysis
Debt Service Coverage Ratio Analysis
Version A - No Proposed Rate Increase**

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Funds available for debt service					
Revenue over (under) expenditures including additional margin	-\$338,300	-\$385,435	-\$42,032	-\$85,219	-\$134,309
Capital outlay	250,000	250,000	250,000	250,000	250,000
Principal	0	0	0	0	0
Transfers to:					
General fund	159,817	161,205	162,673	164,215	165,829
Bond and interest	543,044	547,102	169,533	168,352	172,042
Water preservation	40,000	40,000	40,000	40,000	40,000
New Debt Service					
Plant Improv	0	0	0	0	0
Tower Improv	0	0	0	0	0
Margin	79,123	80,889	73,164	74,901	76,814
Total funds available for debt service	<u>\$733,684</u>	<u>\$693,761</u>	<u>\$653,338</u>	<u>\$612,250</u>	<u>\$570,375</u>
Debt service	\$543,044	\$547,102	\$169,533	\$168,352	\$172,042
Debt service coverage ratio	1.3511	1.2681	3.8538	3.6367	3.3153
Water fund balance					
Beginning cash balance	\$128,763	(\$130,413)	(\$434,960)	(\$403,827)	(\$414,145)
Net cash gain	(\$259,176)	(\$304,546)	\$31,132	(\$10,317)	(\$57,495)
Ending cash balance	(\$130,413)	(\$434,960)	(\$403,827)	(\$414,145)	(\$471,640)
Days of operating cash on hand	(1) (15)	(49)	(50)	(50)	(56)
Days of operating cash on hand (excluding transfers to reserve)	(1) (15)	(50)	(51)	(51)	(57)

(1) With an existing reserve fund balance, the recommendation is to have a minimum of 90 days of operating cash on hand.

(2) Capital improvement plan would be needed to verify balance is sufficient to cover future capital needs.

(3) Actual balance will vary based on practice of transfers in from other funds and annual expenses.

Table 15B

City of Winfield, Kansas
Water Rate Analysis
Estimated User Bills for Outside the City Limits Users
Version A - No Proposed Rate Increase

	<u>2022</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
2" meter						
1,000 gallons	\$54.61	\$43.26	\$43.26	\$43.26	\$43.26	\$43.26
5,000 gallons	\$74.13	\$58.86	\$58.86	\$58.86	\$58.86	\$58.86
10,000 gallons	\$98.53	\$78.36	\$78.36	\$78.36	\$78.36	\$78.36
25,000 gallons	\$171.73	\$136.86	\$136.86	\$136.86	\$136.86	\$136.86
50,000 gallons	\$293.73	\$234.36	\$234.36	\$234.36	\$234.36	\$234.36
100,000 gallons	\$537.73	\$429.36	\$429.36	\$429.36	\$429.36	\$429.36
250,000 gallons	\$1,269.73	\$1,014.36	\$1,014.36	\$1,014.36	\$1,014.36	\$1,014.36
500,000 gallons	\$2,489.73	\$1,989.36	\$1,989.36	\$1,989.36	\$1,989.36	\$1,989.36
1,000,000 gallons	\$4,929.73	\$3,939.36	\$3,939.36	\$3,939.36	\$3,939.36	\$3,939.36
3" meter						
1,000 gallons	\$309.11	\$247.46	\$247.46	\$247.46	\$247.46	\$247.46
5,000 gallons	\$328.63	\$263.06	\$263.06	\$263.06	\$263.06	\$263.06
10,000 gallons	\$353.03	\$282.56	\$282.56	\$282.56	\$282.56	\$282.56
25,000 gallons	\$426.23	\$341.06	\$341.06	\$341.06	\$341.06	\$341.06
50,000 gallons	\$548.23	\$438.56	\$438.56	\$438.56	\$438.56	\$438.56
100,000 gallons	\$792.23	\$633.56	\$633.56	\$633.56	\$633.56	\$633.56
250,000 gallons	\$1,524.23	\$1,218.56	\$1,218.56	\$1,218.56	\$1,218.56	\$1,218.56
500,000 gallons	\$2,744.23	\$2,193.56	\$2,193.56	\$2,193.56	\$2,193.56	\$2,193.56
1,000,000 gallons	\$5,184.23	\$4,143.56	\$4,143.56	\$4,143.56	\$4,143.56	\$4,143.56
4" meter						
1,000 gallons	\$409.27	\$327.56	\$327.56	\$327.56	\$327.56	\$327.56
5,000 gallons	\$428.79	\$343.16	\$343.16	\$343.16	\$343.16	\$343.16
10,000 gallons	\$453.19	\$362.66	\$362.66	\$362.66	\$362.66	\$362.66
25,000 gallons	\$526.39	\$421.16	\$421.16	\$421.16	\$421.16	\$421.16
50,000 gallons	\$648.39	\$518.66	\$518.66	\$518.66	\$518.66	\$518.66
100,000 gallons	\$892.39	\$713.66	\$713.66	\$713.66	\$713.66	\$713.66
250,000 gallons	\$1,624.39	\$1,298.66	\$1,298.66	\$1,298.66	\$1,298.66	\$1,298.66
500,000 gallons	\$2,844.39	\$2,273.66	\$2,273.66	\$2,273.66	\$2,273.66	\$2,273.66
1,000,000 gallons	\$5,284.39	\$4,223.66	\$4,223.66	\$4,223.66	\$4,223.66	\$4,223.66
6" meter						
1,000 gallons	\$508.21	\$406.71	\$406.71	\$406.71	\$406.71	\$406.71
5,000 gallons	\$527.73	\$422.31	\$422.31	\$422.31	\$422.31	\$422.31
10,000 gallons	\$552.13	\$441.81	\$441.81	\$441.81	\$441.81	\$441.81
25,000 gallons	\$625.33	\$500.31	\$500.31	\$500.31	\$500.31	\$500.31
50,000 gallons	\$747.33	\$597.81	\$597.81	\$597.81	\$597.81	\$597.81
100,000 gallons	\$991.33	\$792.81	\$792.81	\$792.81	\$792.81	\$792.81
250,000 gallons	\$1,723.33	\$1,377.81	\$1,377.81	\$1,377.81	\$1,377.81	\$1,377.81
500,000 gallons	\$2,943.33	\$2,352.81	\$2,352.81	\$2,352.81	\$2,352.81	\$2,352.81
1,000,000 gallons	\$5,383.33	\$4,302.81	\$4,302.81	\$4,302.81	\$4,302.81	\$4,302.81

Table 16

**City of Winfield, Kansas
Water Rate Analysis
Forecasted Expenses
Version B - Proposed Rate Increase to Breakeven Without New Debt Service**

	<u>2022</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Expenditures									
Personal services	\$941,195	\$892,062	\$892,403	\$941,195	\$998,514	\$1,028,469	\$1,059,323	\$1,091,103	\$1,123,836
Contractual services	404,770	258,556	237,259	354,000	375,559	386,825	398,430	410,383	422,695
Commodities	728,481	687,932	681,200	728,481	772,846	796,031	819,912	844,509	869,845
Capital outlay	175,794	136,749	135,326	250,000	250,000	250,000	250,000	250,000	250,000
Miscellaneous	23,713	19,213	20,132	23,713	25,158	25,912	26,690	27,490	28,315
Principal	0	522,000	0	0	0	0	0	0	0
Transfers to:									
General fund	166,988	153,752	152,416	166,988	179,794	184,076	188,539	193,181	198,005
Bond and interest	677,811	630,883	676,933	677,811	543,044	547,102	169,533	168,352	172,042
Water preservation	41,013	37,919	37,471	40,000	40,000	40,000	40,000	40,000	40,000
New Debt Service									
Plant Improv	N/A	N/A	N/A	N/A	0	0	0	0	0
Tower Improv	N/A	N/A	N/A	N/A	0	0	0	0	0
Total expenditures	\$3,159,764			\$3,182,188	\$3,184,913	\$3,258,416	\$2,952,427	\$3,025,019	\$3,104,737
Margin requirement				2.50%	\$79,623	\$81,460	\$73,811	\$75,625	\$77,618
Total expenses plus additional margin					\$3,264,536	\$3,339,876	\$3,026,237	\$3,100,644	\$3,182,356

Assumptions used:

- Base for expense categories is determined using the maximum between the expense reported in 2022, average, and median.
- Expenses were estimated to grow at a 3% inflation rate, except expenses for salaries.
- Items in bold are changes based on discussion with City.

Table 17

**City of Winfield, Kansas
Water Rate Analysis
Forecasted Revenues
Version B - Proposed Rate Increase to Breakeven Without New Debt Service**

	<u>2022</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Receipts									
Charges for services	\$3,030,235	\$2,796,789	\$2,785,038		\$3,268,980	\$3,346,834	\$3,427,976	\$3,512,384	\$3,600,091
Use of money and property	1,434	1,937	1,671	0	0	0	0	0	0
Tower rents	16,730	18,013	18,251	0	0	0	0	0	0
Miscellaneous	416	13,884	7,714	0	0	0	0	0	0
Trnsfers from:									
Bond and interest	0	522,000	0	0	0	0	0	0	0
Stormwater drainage	0	35,000	0	0	0	0	0	0	0
Total receipts	\$3,048,814	\$3,387,623	\$2,812,674	\$0	\$3,268,980	\$3,346,834	\$3,427,976	\$3,512,384	\$3,600,091

Assumptions used:

Base for revenue categories is determined using the minimum between the revenue collected in 2022, average and median.

Revenue remained flat and was determined using the base figure explained above.

Revenue for Sales to customers is from Table 19A

Items in bold are changes based on discussion with City.

Table 18

City of Winfield, Kansas
Water Rate Analysis
Pro Forma Analysis
Version B - Proposed Rate Increase to Breakeven Without New Debt Service

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Receipts					
Charges for services	\$3,268,980	\$3,346,834	\$3,427,976	\$3,512,384	\$3,600,091
Use of money and property	0	0	0	0	0
Tower rents	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total receipts	\$3,268,980	\$3,346,834	\$3,427,976	\$3,512,384	\$3,600,091
Expenditures					
Personal services	\$998,514	\$1,028,469	\$1,059,323	\$1,091,103	\$1,123,836
Contractual services	375,559	386,825	398,430	410,383	422,695
Commodities	772,846	796,031	819,912	844,509	869,845
Capital outlay	250,000	250,000	250,000	250,000	250,000
Miscellaneous	25,158	25,912	26,690	27,490	28,315
Principal	0	0	0	0	0
Transfers to:					
General fund	179,794	184,076	188,539	193,181	198,005
Bond and interest	543,044	547,102	169,533	168,352	172,042
Water preservation	40,000	40,000	40,000	40,000	40,000
New Debt Service					
Plant Improv	0	0	0	0	0
Tower Improv	0	0	0	0	0
Total expenditures	\$3,184,913	\$3,258,416	\$2,952,427	\$3,025,019	\$3,104,737
Revenue over (under) expenditures	\$84,067	\$88,418	\$475,549	\$487,365	\$495,353
Margin	\$79,623	\$81,460	\$73,811	\$75,625	\$77,618
Revenue over (under) expenditures including additional margin	\$4,444	\$6,958	\$401,738	\$411,740	\$417,735

Assumptions used:

Base for revenue categories is determined using the minimum between the revenue collected in 2022, average and median.

Revenue remained flat and was determined using the base figure explained above.

Revenue for Sales to customers is from Table 19A

Base for expense categories is determined using the maximum between the expense reported in 2022, average, and median.

Expenses were estimated to grow at a 3% inflation rate, except expenses for salaries.

Items in bold are changes based on discussion with City.

Table 19A

**City of Winfield, Kansas
Water Rate Analysis
Proposed Rate Structures
Version B - Proposed Rate Increase to Breakeven Without New Debt Service**

		<u>2022</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Non-wholesale users:							
Inside City users:							
Monthly minimums:	(1)						
5/8" meter		\$12.46	\$14.02	\$14.23	\$14.44	\$14.66	\$14.88
3/4" meter		14.01	15.76	16.00	16.24	16.48	16.73
1" meter		20.42	22.97	23.32	23.67	24.02	24.38
1 1/2" meter		32.77	36.87	37.42	37.98	38.55	39.13
2" meter		43.26	48.67	49.40	50.14	50.89	51.65
3" meter		247.46	278.39	282.57	286.81	291.11	295.48
4" meter		327.56	368.51	374.03	379.64	385.34	391.12
6" meter		406.71	457.55	464.41	471.38	478.45	485.63
Commodity charge	(2)	\$3.90	\$4.39	\$4.45	\$4.52	\$4.59	\$4.66
Outside City users:							
Monthly minimums:	(1)						
5/8" meter		\$15.40	\$17.33	\$17.58	\$17.85	\$18.12	\$18.39
3/4" meter		17.34	19.51	19.80	20.10	20.40	20.70
1" meter		24.68	27.77	28.18	28.60	29.03	29.47
1 1/2" meter		40.79	45.89	46.58	47.28	47.98	48.70
2" meter		54.61	61.44	62.36	63.29	64.24	65.21
3" meter		309.11	347.75	352.96	358.26	363.63	369.09
4" meter		409.27	460.43	467.34	474.35	481.46	488.68
6" meter		508.21	571.74	580.31	589.02	597.85	606.82
Commodity charge	(2)	\$4.88	\$5.49	\$5.57	\$5.66	\$5.74	\$5.83
Wholesale users:							
City of Oxford	(1)						
Base fee		\$250.00	\$281.25	\$285.47	\$289.75	\$294.10	\$298.51
Step charge		3.19	3.59	3.64	3.70	3.75	3.81
All other wholesale users	(1)						
Step charge		\$3.18	\$3.58	\$3.63	\$3.69	\$3.74	\$3.80

(1) Monthly minimum charge includes 1,000 gallons of water.

(2) Per 1,000 gallons

Table 19B

City of Winfield, Kansas
Water Rate Analysis
Proposed Rate Structures

Version B - Proposed Rate Increase to Breakeven Without New Debt Service

Revenue Generated From:						
Monthly minimums:						
Non-wholesale users:						
Inside City users:						
5/8" meter	\$685,238	\$770,892	\$782,456	\$794,193	\$806,106	\$818,197
3/4" meter	14,192	16,121	16,520	16,930	17,351	17,781
1" meter	39,982	45,999	47,747	49,561	51,444	53,399
1 1/2" meter	11,011	12,697	13,209	13,743	14,298	14,875
2" meter	45,899	53,851	57,002	60,339	63,870	67,608
3" meter	32,912	38,055	39,698	41,413	43,202	45,068
4" meter	15,723	17,327	17,228	17,130	17,032	16,935
6" meter	14,642	16,707	17,200	17,707	18,230	18,767
Outside City users:						
5/8" meter	13,290	14,977	15,227	15,482	15,741	16,004
3/4" meter	624	702	713	723	734	745
1" meter	4,467	5,025	5,101	5,177	5,255	5,334
1 1/2" meter	979	1,101	1,118	1,135	1,152	1,169
2" meter	3,932	4,083	3,826	3,584	3,358	3,146
3" meter	3,709	4,173	4,236	4,299	4,364	4,429
4" meter	4,911	3,683	2,492	1,687	1,141	772
6" meter	0	0	0	0	0	0
Wholesale users:						
City of Oxford	3,000	3,375	3,426	3,477	3,529	3,582
All other wholesale users	0	0	0	0	0	0
Total revenue from minimum	\$891,511	\$1,005,394	\$1,023,774	\$1,043,103	\$1,063,277	\$1,084,230
Commodity charges:						
Inside City users:						
5/8" meter	\$805,172	\$905,818	\$919,406	\$933,197	\$947,195	\$961,403
3/4" meter	33,337	37,867	38,807	39,769	40,756	41,767
1" meter	114,586	131,830	136,839	142,038	147,435	153,037
1 1/2" meter	95,507	110,132	114,578	119,204	124,017	129,024
2" meter	376,214	378,653	400,815	424,274	449,106	475,391
3" meter	119,738	138,447	144,427	150,665	157,173	163,962
4" meter	30,537	33,653	33,461	33,270	33,079	32,890
6" meter	144,655	165,062	169,931	174,944	180,105	185,418
Outside City users:						
5/8" meter	22,214	24,181	24,585	24,996	25,414	25,839
3/4" meter	4,177	4,699	4,770	4,841	4,914	4,988
1" meter	9,311	9,901	10,049	10,200	10,353	10,508
1 1/2" meter	11,356	12,775	12,967	13,161	13,359	13,559
2" meter	16,119	9,541	8,939	8,375	7,847	7,352
3" meter	1,059	1,096	1,112	1,129	1,146	1,163
4" meter	1,923	783	530	359	243	164
6" meter	0	0	0	0	0	0
Wholesale users:						
City of Oxford	1,101	1,217	1,235	1,253	1,272	1,291
All other wholesale users	526,039	501,112	508,629	516,258	524,002	531,862
Total revenue from commodity charges	\$2,313,043	\$2,466,765	\$2,531,078	\$2,597,934	\$2,667,415	\$2,739,619
Total charges for services	\$3,204,554	\$3,472,159	\$3,554,852	\$3,641,037	\$3,730,692	\$3,823,850
Model error	-5.85%	\$3,268,980	\$3,346,834	\$3,427,976	\$3,512,384	\$3,600,091
Proposed increase		12.50%	1.50%	1.50%	1.50%	1.50%

Table 20

**City of Winfield, Kansas
Water Rate Analysis
Debt Service Coverage Ratio Analysis
Version B - Proposed Rate Increase to Breakeven Without New Debt Service**

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Funds available for debt service					
Revenue over (under) expenditures including additional margin	\$4,444	\$6,958	\$401,738	\$411,740	\$417,735
Capital outlay	250,000	250,000	250,000	250,000	250,000
Principal	0	0	0	0	0
Transfers to:					
General fund	179,794	184,076	188,539	193,181	198,005
Bond and interest	543,044	547,102	169,533	168,352	172,042
Water preservation	40,000	40,000	40,000	40,000	40,000
New Debt Service					
Plant Improv	0	0	0	0	0
Tower Improv	0	0	0	0	0
Margin	79,623	81,460	73,811	75,625	77,618
Total funds available for debt service	<u>\$1,096,904</u>	<u>\$1,109,596</u>	<u>\$1,123,621</u>	<u>\$1,138,899</u>	<u>\$1,155,400</u>
Debt service	\$543,044	\$547,102	\$169,533	\$168,352	\$172,042
Debt service coverage ratio	2.0199	2.0281	6.6277	6.7650	6.7158
Water fund balance					
Beginning cash balance	\$128,763	\$212,830	\$301,248	\$776,797	\$1,264,162
Net cash gain	\$84,067	\$88,418	\$475,549	\$487,365	\$495,353
Ending cash balance	\$212,830	\$301,248	\$776,797	\$1,264,162	\$1,759,516
Days of operating cash on hand	(1) 24	34	96	153	207
Days of operating cash on hand (excluding transfers to reserve)	(1) 25	34	97	155	210

(1) With an existing reserve fund balance, the recommendation is to have a minimum of 90 days of operating cash on hand.

(2) Capital improvement plan would be needed to verify balance is sufficient to cover future capital needs.

(3) Actual balance will vary based on practice of transfers in from other funds and annual expenses.

Table 21A

City of Winfield, Kansas
Water Rate Analysis
Estimated User Bills for Inside the City Limits Users
Version B - Proposed Rate Increase to Breakeven Without New Debt Service

	<u>2022</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
5/8" meter						
1,000 gallons	\$12.46	\$14.02	\$14.23	\$14.44	\$14.66	\$14.88
5,000 gallons	\$28.06	\$31.57	\$32.04	\$32.52	\$33.01	\$33.50
10,000 gallons	\$47.56	\$53.51	\$54.31	\$55.12	\$55.95	\$56.79
25,000 gallons	\$106.06	\$119.32	\$121.11	\$122.92	\$124.77	\$126.64
50,000 gallons	\$203.56	\$229.01	\$232.44	\$235.93	\$239.47	\$243.06
100,000 gallons	\$398.56	\$448.38	\$455.11	\$461.93	\$468.86	\$475.89
250,000 gallons	\$983.56	\$1,106.51	\$1,123.10	\$1,139.95	\$1,157.05	\$1,174.40
500,000 gallons	\$1,958.56	\$2,203.38	\$2,236.43	\$2,269.98	\$2,304.03	\$2,338.59
1,000,000 gallons	\$3,908.56	\$4,397.13	\$4,463.09	\$4,530.03	\$4,597.98	\$4,666.95
3/4" meter						
1,000 gallons	\$14.01	\$15.76	\$16.00	\$16.24	\$16.48	\$16.73
5,000 gallons	\$29.61	\$33.31	\$33.81	\$34.32	\$34.83	\$35.36
10,000 gallons	\$49.11	\$55.25	\$56.08	\$56.92	\$57.77	\$58.64
25,000 gallons	\$107.61	\$121.06	\$122.88	\$124.72	\$126.59	\$128.49
50,000 gallons	\$205.11	\$230.75	\$234.21	\$237.72	\$241.29	\$244.91
100,000 gallons	\$400.11	\$450.12	\$456.88	\$463.73	\$470.68	\$477.74
250,000 gallons	\$985.11	\$1,108.25	\$1,124.87	\$1,141.75	\$1,158.87	\$1,176.25
500,000 gallons	\$1,960.11	\$2,205.12	\$2,238.20	\$2,271.77	\$2,305.85	\$2,340.44
1,000,000 gallons	\$3,910.11	\$4,398.87	\$4,464.86	\$4,531.83	\$4,599.81	\$4,668.80
1" meter						
1,000 gallons	\$20.42	\$22.97	\$23.32	\$23.67	\$24.02	\$24.38
5,000 gallons	\$36.02	\$40.52	\$41.13	\$41.75	\$42.37	\$43.01
10,000 gallons	\$55.52	\$62.46	\$63.40	\$64.35	\$65.31	\$66.29
25,000 gallons	\$114.02	\$128.27	\$130.20	\$132.15	\$134.13	\$136.14
50,000 gallons	\$211.52	\$237.96	\$241.53	\$245.15	\$248.83	\$252.56
100,000 gallons	\$406.52	\$457.34	\$464.20	\$471.16	\$478.23	\$485.40
250,000 gallons	\$991.52	\$1,115.46	\$1,132.19	\$1,149.17	\$1,166.41	\$1,183.91
500,000 gallons	\$1,966.52	\$2,212.34	\$2,245.52	\$2,279.20	\$2,313.39	\$2,348.09
1,000,000 gallons	\$3,916.52	\$4,406.09	\$4,472.18	\$4,539.26	\$4,607.35	\$4,676.46
1 1/2" meter						
1,000 gallons	\$32.77	\$36.87	\$37.42	\$37.98	\$38.55	\$39.13
5,000 gallons	\$48.37	\$54.42	\$55.23	\$56.06	\$56.90	\$57.76
10,000 gallons	\$67.87	\$76.35	\$77.50	\$78.66	\$79.84	\$81.04
25,000 gallons	\$126.37	\$142.17	\$144.30	\$146.46	\$148.66	\$150.89
50,000 gallons	\$223.87	\$251.85	\$255.63	\$259.47	\$263.36	\$267.31
100,000 gallons	\$418.87	\$471.23	\$478.30	\$485.47	\$492.75	\$500.15
250,000 gallons	\$1,003.87	\$1,129.35	\$1,146.29	\$1,163.49	\$1,180.94	\$1,198.65
500,000 gallons	\$1,978.87	\$2,226.23	\$2,259.62	\$2,293.52	\$2,327.92	\$2,362.84
1,000,000 gallons	\$3,928.87	\$4,419.98	\$4,486.28	\$4,553.57	\$4,621.88	\$4,691.20

Table 21B

City of Winfield, Kansas
Water Rate Analysis
Estimated User Bills for Inside the City Limits Users
Version B - Proposed Rate Increase to Breakeven Without New Debt Service

	<u>2022</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
2" meter						
1,000 gallons	\$43.26	\$48.67	\$49.40	\$50.14	\$50.89	\$51.65
5,000 gallons	\$58.86	\$66.22	\$67.21	\$68.22	\$69.24	\$70.28
10,000 gallons	\$78.36	\$88.16	\$89.48	\$90.82	\$92.18	\$93.56
25,000 gallons	\$136.86	\$153.97	\$156.28	\$158.62	\$161.00	\$163.42
50,000 gallons	\$234.36	\$263.66	\$267.61	\$271.62	\$275.70	\$279.83
100,000 gallons	\$429.36	\$483.03	\$490.28	\$497.63	\$505.09	\$512.67
250,000 gallons	\$1,014.36	\$1,141.16	\$1,158.27	\$1,175.65	\$1,193.28	\$1,211.18
500,000 gallons	\$1,989.36	\$2,238.03	\$2,271.60	\$2,305.67	\$2,340.26	\$2,375.36
1,000,000 gallons	\$3,939.36	\$4,431.78	\$4,498.26	\$4,565.73	\$4,634.22	\$4,703.73
3" meter						
1,000 gallons	\$247.46	\$278.39	\$282.57	\$286.81	\$291.11	\$295.48
5,000 gallons	\$263.06	\$295.94	\$300.38	\$304.89	\$309.46	\$314.10
10,000 gallons	\$282.56	\$317.88	\$322.65	\$327.49	\$332.40	\$337.39
25,000 gallons	\$341.06	\$383.69	\$389.45	\$395.29	\$401.22	\$407.24
50,000 gallons	\$438.56	\$493.38	\$500.78	\$508.29	\$515.92	\$523.66
100,000 gallons	\$633.56	\$712.76	\$723.45	\$734.30	\$745.31	\$756.49
250,000 gallons	\$1,218.56	\$1,370.88	\$1,391.44	\$1,412.31	\$1,433.50	\$1,455.00
500,000 gallons	\$2,193.56	\$2,467.76	\$2,504.77	\$2,542.34	\$2,580.48	\$2,619.19
1,000,000 gallons	\$4,143.56	\$4,661.51	\$4,731.43	\$4,802.40	\$4,874.43	\$4,947.55
4" meter						
1,000 gallons	\$327.56	\$368.51	\$374.03	\$379.64	\$385.34	\$391.12
5,000 gallons	\$343.16	\$386.06	\$391.85	\$397.72	\$403.69	\$409.74
10,000 gallons	\$362.66	\$407.99	\$414.11	\$420.32	\$426.63	\$433.03
25,000 gallons	\$421.16	\$473.81	\$480.91	\$488.13	\$495.45	\$502.88
50,000 gallons	\$518.66	\$583.49	\$592.24	\$601.13	\$610.15	\$619.30
100,000 gallons	\$713.66	\$802.87	\$814.91	\$827.13	\$839.54	\$852.13
250,000 gallons	\$1,298.66	\$1,460.99	\$1,482.91	\$1,505.15	\$1,527.73	\$1,550.64
500,000 gallons	\$2,273.66	\$2,557.87	\$2,596.24	\$2,635.18	\$2,674.71	\$2,714.83
1,000,000 gallons	\$4,223.66	\$4,751.62	\$4,822.89	\$4,895.24	\$4,968.66	\$5,043.19
6" meter						
1,000 gallons	\$406.71	\$457.55	\$464.41	\$471.38	\$478.45	\$485.63
5,000 gallons	\$422.31	\$475.10	\$482.23	\$489.46	\$496.80	\$504.25
10,000 gallons	\$441.81	\$497.04	\$504.49	\$512.06	\$519.74	\$527.54
25,000 gallons	\$500.31	\$562.85	\$571.29	\$579.86	\$588.56	\$597.39
50,000 gallons	\$597.81	\$672.54	\$682.62	\$692.86	\$703.26	\$713.81
100,000 gallons	\$792.81	\$891.91	\$905.29	\$918.87	\$932.65	\$946.64
250,000 gallons	\$1,377.81	\$1,550.04	\$1,573.29	\$1,596.89	\$1,620.84	\$1,645.15
500,000 gallons	\$2,352.81	\$2,646.91	\$2,686.61	\$2,726.91	\$2,767.82	\$2,809.34
1,000,000 gallons	\$4,302.81	\$4,840.66	\$4,913.27	\$4,986.97	\$5,061.77	\$5,137.70

Table 22A

City of Winfield, Kansas
Water Rate Analysis
Estimated User Bills for Outside the City Limits Users
Version B - Proposed Rate Increase to Breakeven Without New Debt Service

	<u>2022</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
5/8" meter						
1,000 gallons	\$15.40	\$17.33	\$17.58	\$17.85	\$18.12	\$18.39
5,000 gallons	\$34.92	\$39.29	\$39.87	\$40.47	\$41.08	\$41.70
10,000 gallons	\$59.32	\$66.74	\$67.74	\$68.75	\$69.78	\$70.83
25,000 gallons	\$132.52	\$149.09	\$151.32	\$153.59	\$155.89	\$158.23
50,000 gallons	\$254.52	\$286.34	\$290.63	\$294.99	\$299.41	\$303.91
100,000 gallons	\$498.52	\$560.84	\$569.25	\$577.79	\$586.45	\$595.25
250,000 gallons	\$1,230.52	\$1,384.34	\$1,405.10	\$1,426.18	\$1,447.57	\$1,469.28
500,000 gallons	\$2,450.52	\$2,756.84	\$2,798.19	\$2,840.16	\$2,882.76	\$2,926.00
1,000,000 gallons	\$4,890.52	\$5,501.84	\$5,584.36	\$5,668.13	\$5,753.15	\$5,839.45
3/4" meter						
1,000 gallons	\$17.34	\$19.51	\$19.80	\$20.10	\$20.40	\$20.70
5,000 gallons	\$36.86	\$41.47	\$42.09	\$42.72	\$43.36	\$44.01
10,000 gallons	\$61.26	\$68.92	\$69.95	\$71.00	\$72.07	\$73.15
25,000 gallons	\$134.46	\$151.27	\$153.54	\$155.84	\$158.18	\$160.55
50,000 gallons	\$256.46	\$288.52	\$292.85	\$297.24	\$301.70	\$306.22
100,000 gallons	\$500.46	\$563.02	\$571.46	\$580.03	\$588.74	\$597.57
250,000 gallons	\$1,232.46	\$1,386.52	\$1,407.32	\$1,428.42	\$1,449.85	\$1,471.60
500,000 gallons	\$2,452.46	\$2,759.02	\$2,800.40	\$2,842.41	\$2,885.04	\$2,928.32
1,000,000 gallons	\$4,892.46	\$5,504.02	\$5,586.58	\$5,670.38	\$5,755.43	\$5,841.76
1" meter						
1,000 gallons	\$24.68	\$27.77	\$28.18	\$28.60	\$29.03	\$29.47
5,000 gallons	\$44.20	\$49.73	\$50.47	\$51.23	\$52.00	\$52.78
10,000 gallons	\$68.60	\$77.18	\$78.33	\$79.51	\$80.70	\$81.91
25,000 gallons	\$141.80	\$159.53	\$161.92	\$164.35	\$166.81	\$169.31
50,000 gallons	\$263.80	\$296.78	\$301.23	\$305.75	\$310.33	\$314.99
100,000 gallons	\$507.80	\$571.28	\$579.84	\$588.54	\$597.37	\$606.33
250,000 gallons	\$1,239.80	\$1,394.78	\$1,415.70	\$1,436.93	\$1,458.49	\$1,480.36
500,000 gallons	\$2,459.80	\$2,767.28	\$2,808.78	\$2,850.92	\$2,893.68	\$2,937.08
1,000,000 gallons	\$4,899.80	\$5,512.28	\$5,594.96	\$5,678.88	\$5,764.07	\$5,850.53
1 1/2" meter						
1,000 gallons	\$40.79	\$45.89	\$46.58	\$47.28	\$47.98	\$48.70
5,000 gallons	\$60.31	\$67.85	\$68.87	\$69.90	\$70.95	\$72.01
10,000 gallons	\$84.71	\$95.30	\$96.73	\$98.18	\$99.65	\$101.15
25,000 gallons	\$157.91	\$177.65	\$180.31	\$183.02	\$185.76	\$188.55
50,000 gallons	\$279.91	\$314.90	\$319.62	\$324.42	\$329.28	\$334.22
100,000 gallons	\$523.91	\$589.40	\$598.24	\$607.21	\$616.32	\$625.57
250,000 gallons	\$1,255.91	\$1,412.90	\$1,434.09	\$1,455.60	\$1,477.44	\$1,499.60
500,000 gallons	\$2,475.91	\$2,785.40	\$2,827.18	\$2,869.59	\$2,912.63	\$2,956.32
1,000,000 gallons	\$4,915.91	\$5,530.40	\$5,613.35	\$5,697.56	\$5,783.02	\$5,869.76

Table 22B

City of Winfield, Kansas
Water Rate Analysis
Estimated User Bills for Outside the City Limits Users
Version B - Proposed Rate Increase to Breakeven Without New Debt Service

	<u>2022</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
2" meter						
1,000 gallons	\$54.61	\$48.67	\$49.40	\$50.14	\$50.89	\$51.65
5,000 gallons	\$74.13	\$66.22	\$67.21	\$68.22	\$69.24	\$70.28
10,000 gallons	\$98.53	\$88.16	\$89.48	\$90.82	\$92.18	\$93.56
25,000 gallons	\$171.73	\$153.97	\$156.28	\$158.62	\$161.00	\$163.42
50,000 gallons	\$293.73	\$263.66	\$267.61	\$271.62	\$275.70	\$279.83
100,000 gallons	\$537.73	\$483.03	\$490.28	\$497.63	\$505.09	\$512.67
250,000 gallons	\$1,269.73	\$1,141.16	\$1,158.27	\$1,175.65	\$1,193.28	\$1,211.18
500,000 gallons	\$2,489.73	\$2,238.03	\$2,271.60	\$2,305.67	\$2,340.26	\$2,375.36
1,000,000 gallons	\$4,929.73	\$4,431.78	\$4,498.26	\$4,565.73	\$4,634.22	\$4,703.73
3" meter						
1,000 gallons	\$309.11	\$278.39	\$282.57	\$286.81	\$291.11	\$295.48
5,000 gallons	\$328.63	\$295.94	\$300.38	\$304.89	\$309.46	\$314.10
10,000 gallons	\$353.03	\$317.88	\$322.65	\$327.49	\$332.40	\$337.39
25,000 gallons	\$426.23	\$383.69	\$389.45	\$395.29	\$401.22	\$407.24
50,000 gallons	\$548.23	\$493.38	\$500.78	\$508.29	\$515.92	\$523.66
100,000 gallons	\$792.23	\$712.76	\$723.45	\$734.30	\$745.31	\$756.49
250,000 gallons	\$1,524.23	\$1,370.88	\$1,391.44	\$1,412.31	\$1,433.50	\$1,455.00
500,000 gallons	\$2,744.23	\$2,467.76	\$2,504.77	\$2,542.34	\$2,580.48	\$2,619.19
1,000,000 gallons	\$5,184.23	\$4,661.51	\$4,731.43	\$4,802.40	\$4,874.43	\$4,947.55
4" meter						
1,000 gallons	\$409.27	\$368.51	\$374.03	\$379.64	\$385.34	\$391.12
5,000 gallons	\$428.79	\$386.06	\$391.85	\$397.72	\$403.69	\$409.74
10,000 gallons	\$453.19	\$407.99	\$414.11	\$420.32	\$426.63	\$433.03
25,000 gallons	\$526.39	\$473.81	\$480.91	\$488.13	\$495.45	\$502.88
50,000 gallons	\$648.39	\$583.49	\$592.24	\$601.13	\$610.15	\$619.30
100,000 gallons	\$892.39	\$802.87	\$814.91	\$827.13	\$839.54	\$852.13
250,000 gallons	\$1,624.39	\$1,460.99	\$1,482.91	\$1,505.15	\$1,527.73	\$1,550.64
500,000 gallons	\$2,844.39	\$2,557.87	\$2,596.24	\$2,635.18	\$2,674.71	\$2,714.83
1,000,000 gallons	\$5,284.39	\$4,751.62	\$4,822.89	\$4,895.24	\$4,968.66	\$5,043.19
6" meter						
1,000 gallons	\$508.21	\$457.55	\$464.41	\$471.38	\$478.45	\$485.63
5,000 gallons	\$527.73	\$475.10	\$482.23	\$489.46	\$496.80	\$504.25
10,000 gallons	\$552.13	\$497.04	\$504.49	\$512.06	\$519.74	\$527.54
25,000 gallons	\$625.33	\$562.85	\$571.29	\$579.86	\$588.56	\$597.39
50,000 gallons	\$747.33	\$672.54	\$682.62	\$692.86	\$703.26	\$713.81
100,000 gallons	\$991.33	\$891.91	\$905.29	\$918.87	\$932.65	\$946.64
250,000 gallons	\$1,723.33	\$1,550.04	\$1,573.29	\$1,596.89	\$1,620.84	\$1,645.15
500,000 gallons	\$2,943.33	\$2,646.91	\$2,686.61	\$2,726.91	\$2,767.82	\$2,809.34
1,000,000 gallons	\$5,383.33	\$4,840.66	\$4,913.27	\$4,986.97	\$5,061.77	\$5,137.70

Table 23

**City of Winfield, Kansas
Water Rate Analysis
Forecasted Expenses
Version C - Proposed Rate Increase to Breakeven With New Debt Service**

	<u>2022</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Expenditures									
Personal services	\$941,195	\$892,062	\$892,403	\$941,195	\$998,514	\$1,028,469	\$1,059,323	\$1,091,103	\$1,123,836
Contractual services	404,770	258,556	237,259	354,000	375,559	386,825	398,430	410,383	422,695
Commodities	728,481	687,932	681,200	728,481	772,846	796,031	819,912	844,509	869,845
Capital outlay	175,794	136,749	135,326	250,000	250,000	250,000	250,000	250,000	250,000
Miscellaneous	23,713	19,213	20,132	23,713	25,158	25,912	26,690	27,490	28,315
Principal	0	522,000	0	0	0	0	0	0	0
Transfers to:									
General fund	166,988	153,752	152,416	166,988	179,794	186,796	194,152	201,873	209,972
Bond and interest	677,811	630,883	676,933	677,811	543,044	547,102	169,533	168,352	172,042
Water preservation	41,013	37,919	37,471	40,000	40,000	40,000	40,000	40,000	40,000
New Debt Service									
Plant Improv	N/A	N/A	N/A	N/A	0	0	330,000	330,000	330,000
Tower Improv	N/A	N/A	N/A	N/A	0	0	0	205,000	205,000
Total expenditures	\$3,159,764			\$3,182,188	\$3,184,913	\$3,261,136	\$3,288,040	\$3,568,711	\$3,651,704
Margin requirement				2.50%	\$79,623	\$81,528	\$82,201	\$89,218	\$91,293
Total expenses plus additional margin					\$3,264,536	\$3,342,664	\$3,370,241	\$3,657,928	\$3,742,997

Assumptions used:

- Base for expense categories is determined using the maximum between the expense reported in 2022, average, and median.
- Expenses were estimated to grow at a 3% inflation rate, except expenses for salaries.
- Items in bold are changes based on discussion with City.

Table 24

**City of Winfield, Kansas
Water Rate Analysis
Forecasted Revenues
Version C - Proposed Rate Increase to Breakeven With New Debt Service**

	<u>2022</u>	<u>MEAN</u>	<u>MEDIAN</u>	<u>BASE</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Receipts									
Charges for services	\$3,030,235	\$2,796,789	\$2,785,038		\$3,268,980	\$3,396,295	\$3,530,044	\$3,670,418	\$3,817,668
Use of money and property	1,434	1,937	1,671	0	0	0	0	0	0
Tower rents	16,730	18,013	18,251	0	0	0	0	0	0
Miscellaneous	416	13,884	7,714	0	0	0	0	0	0
Trnsfers from:									
Bond and interest	0	522,000	0	0	0	0	0	0	0
Stormwater drainage	0	35,000	0	0	0	0	0	0	0
Total receipts	\$3,048,814	\$3,387,623	\$2,812,674	\$0	\$3,268,980	\$3,396,295	\$3,530,044	\$3,670,418	\$3,817,668

Assumptions used:

Base for revenue categories is determined using the minimum between the revenue collected in 2022, average and median.

Revenue remained flat and was determined using the base figure explained above.

Revenue for Sales to customers is from Table 26A

Items in bold are changes based on discussion with City.

Table 25

City of Winfield, Kansas
Water Rate Analysis
Pro Forma Analysis
Version C - Proposed Rate Increase to Breakeven With New Debt Service

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Receipts					
Charges for services	\$3,268,980	\$3,396,295	\$3,530,044	\$3,670,418	\$3,817,668
Use of money and property	0	0	0	0	0
Tower rents	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total receipts	\$3,268,980	\$3,396,295	\$3,530,044	\$3,670,418	\$3,817,668
Expenditures					
Personal services	\$998,514	\$1,028,469	\$1,059,323	\$1,091,103	\$1,123,836
Contractual services	375,559	386,825	398,430	410,383	422,695
Commodities	772,846	796,031	819,912	844,509	869,845
Capital outlay	250,000	250,000	250,000	250,000	250,000
Miscellaneous	25,158	25,912	26,690	27,490	28,315
Principal	0	0	0	0	0
Transfers to:					
General fund	179,794	186,796	194,152	201,873	209,972
Bond and interest	543,044	547,102	169,533	168,352	172,042
Water preservation	40,000	40,000	40,000	40,000	40,000
New Debt Service					
Plant Improv	0	0	330,000	330,000	330,000
Tower Improv	0	0	0	205,000	205,000
Total expenditures	\$3,184,913	\$3,261,136	\$3,288,040	\$3,568,711	\$3,651,704
Revenue over (under) expenditures	\$84,067	\$135,159	\$242,003	\$101,708	\$165,964
Margin	\$79,623	\$81,528	\$82,201	\$89,218	\$91,293
Revenue over (under) expenditures including additional margin	\$4,444	\$53,630	\$159,802	\$12,490	\$74,671

Assumptions used:

Base for revenue categories is determined using the minimum between the revenue collected in 2022, average and median.

Revenue remained flat and was determined using the base figure explained above.

Revenue for Sales to customers is from Table 26A

Base for expense categories is determined using the maximum between the expense reported in 2022, average, and median.

Expenses were estimated to grow at a 3% inflation rate, except expenses for salaries.

Items in bold are changes based on discussion with City.

Table 26A

**City of Winfield, Kansas
Water Rate Analysis
Proposed Rate Structures
Version C - Proposed Rate Increase to Breakeven With New Debt Service**

		<u>2022</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Non-wholesale users:							
Inside City users:							
Monthly minimums:	(1)						
5/8" meter		\$12.46	\$14.02	\$14.44	\$14.87	\$15.32	\$15.78
3/4" meter		14.01	15.76	16.23	16.72	17.22	17.74
1" meter		20.42	22.97	23.66	24.37	25.10	25.86
1 1/2" meter		32.77	36.87	37.97	39.11	40.28	41.49
2" meter		43.26	48.67	50.13	51.63	53.18	54.78
3" meter		247.46	278.39	286.74	295.35	304.21	313.33
4" meter		327.56	368.51	379.56	390.95	402.68	414.76
6" meter		406.71	457.55	471.28	485.41	499.98	514.98
Commodity charge	(2)	\$3.90	\$4.39	\$4.52	\$4.65	\$4.79	\$4.94
Outside City users:							
Monthly minimums:	(1)						
5/8" meter		\$15.40	\$17.33	\$17.84	\$18.38	\$18.93	\$19.50
3/4" meter		17.34	19.51	20.09	20.70	21.32	21.96
1" meter		24.68	27.77	28.60	29.46	30.34	31.25
1 1/2" meter		40.79	45.89	47.27	48.68	50.14	51.65
2" meter		54.61	61.44	63.28	65.18	67.13	69.15
3" meter		309.11	347.75	358.18	368.93	379.99	391.39
4" meter		409.27	460.43	474.24	488.47	503.12	518.22
6" meter		508.21	571.74	588.89	606.55	624.75	643.49
Commodity charge	(2)	\$4.88	\$5.49	\$5.65	\$5.82	\$6.00	\$6.18
Wholesale users:							
City of Oxford	(1)						
Base fee		\$250.00	\$281.25	\$289.69	\$298.38	\$307.33	\$316.55
Step charge		3.19	3.59	3.70	3.81	3.92	4.04
All other wholesale users	(1)						
Step charge		\$3.18	\$3.58	\$3.68	\$3.80	\$3.91	\$4.03

(1) Monthly minimum charge includes 1,000 gallons of water.

(2) Per 1,000 gallons

Table 26B

**City of Winfield, Kansas
Water Rate Analysis
Proposed Rate Structures
Version C - Proposed Rate Increase to Breakeven With New Debt Service**

Revenue Generated From:						
Monthly minimums:						
Non-wholesale users:						
Inside City users:						
5/8" meter	\$685,238	\$770,892	\$794,019	\$817,840	\$842,375	\$867,646
3/4" meter	14,192	16,121	16,765	17,435	18,131	18,856
1" meter	39,982	45,999	48,453	51,037	53,759	56,626
1 1/2" meter	11,011	12,697	13,405	14,152	14,941	15,774
2" meter	45,899	53,851	57,845	62,135	66,744	71,694
3" meter	32,912	38,055	40,285	42,646	45,146	47,792
4" meter	15,723	17,327	17,483	17,640	17,798	17,958
6" meter	14,642	16,707	17,454	18,235	19,050	19,902
Outside City users:						
5/8" meter	13,290	14,977	15,452	15,943	16,449	16,971
3/4" meter	624	702	723	745	767	790
1" meter	4,467	5,025	5,176	5,332	5,491	5,656
1 1/2" meter	979	1,101	1,134	1,168	1,203	1,240
2" meter	3,932	4,083	3,882	3,691	3,509	3,337
3" meter	3,709	4,173	4,298	4,427	4,560	4,697
4" meter	4,911	3,683	2,529	1,737	1,193	819
6" meter	0	0	0	0	0	0
Wholesale users:						
City of Oxford	3,000	3,375	3,476	3,581	3,688	3,799
All other wholesale users	0	0	0	0	0	0
Total revenue from minimum	\$891,511	\$1,005,394	\$1,038,904	\$1,074,162	\$1,111,117	\$1,149,758
Commodity charges:						
Inside City users:						
5/8" meter	\$805,172	\$905,818	\$932,993	\$960,983	\$989,812	\$1,019,506
3/4" meter	33,337	37,867	39,380	40,954	42,590	44,292
1" meter	114,586	131,830	138,861	146,267	154,068	162,286
1 1/2" meter	95,507	110,132	116,271	122,754	129,597	136,822
2" meter	376,214	378,653	406,738	436,906	469,312	504,122
3" meter	119,738	138,447	146,561	155,151	164,245	173,872
4" meter	30,537	33,653	33,955	34,260	34,568	34,878
6" meter	144,655	165,062	172,442	180,153	188,208	196,624
Outside City users:						
5/8" meter	22,214	24,181	24,949	25,741	26,558	27,401
3/4" meter	4,177	4,699	4,840	4,986	5,135	5,289
1" meter	9,311	9,901	10,198	10,504	10,819	11,143
1 1/2" meter	11,356	12,775	13,158	13,553	13,960	14,379
2" meter	16,119	9,541	9,071	8,624	8,200	7,796
3" meter	1,059	1,096	1,129	1,163	1,197	1,233
4" meter	1,923	783	538	369	254	174
6" meter	0	0	0	0	0	0
Wholesale users:						
City of Oxford	1,101	1,217	1,253	1,291	1,329	1,369
All other wholesale users	526,039	501,112	516,145	531,630	547,578	564,006
Total revenue from commodity charges	\$2,313,043	\$2,466,765	\$2,568,483	\$2,675,288	\$2,787,431	\$2,905,193
Total charges for services	\$3,204,554	\$3,472,159	\$3,607,387	\$3,749,449	\$3,898,549	\$4,054,950
Model error	-5.85%	\$3,268,980	\$3,396,295	\$3,530,044	\$3,670,418	\$3,817,668
Proposed increase		12.50%	3.00%	3.00%	3.00%	3.00%

Table 27

**City of Winfield, Kansas
Water Rate Analysis
Debt Service Coverage Ratio Analysis
Version C - Proposed Rate Increase to Breakeven With New Debt Service**

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Funds available for debt service					
Revenue over (under) expenditures including additional margin	\$4,444	\$53,630	\$159,802	\$12,490	\$74,671
Capital outlay	250,000	250,000	250,000	250,000	250,000
Principal	0	0	0	0	0
Transfers to:					
General fund	179,794	186,796	194,152	201,873	209,972
Bond and interest	543,044	547,102	169,533	168,352	172,042
Water preservation	40,000	40,000	40,000	40,000	40,000
New Debt Service					
Plant Improv	0	0	330,000	330,000	330,000
Tower Improv	0	0	0	205,000	205,000
Margin	79,623	81,528	82,201	89,218	91,293
Total funds available for debt service	<u>\$1,096,904</u>	<u>\$1,159,057</u>	<u>\$1,225,689</u>	<u>\$1,296,933</u>	<u>\$1,372,978</u>
Debt service	\$543,044	\$547,102	\$499,533	\$703,352	\$707,042
Debt service coverage ratio	2.0199	2.1185	2.4537	1.8439	1.9419
Water fund balance					
Beginning cash balance	\$128,763	\$212,830	\$347,988	\$589,992	\$691,699
Net cash gain	\$84,067	\$135,159	\$242,003	\$101,708	\$165,964
Ending cash balance	\$212,830	\$347,988	\$589,992	\$691,699	\$857,663
Days of operating cash on hand	(1) 24	39	65	71	86
Days of operating cash on hand (excluding transfers to reserve)	(1) 25	39	66	72	87

(1) With an existing reserve fund balance, the recommendation is to have a minimum of 90 days of operating cash on hand.

(2) Capital improvement plan would be needed to verify balance is sufficient to cover future capital needs.

(3) Actual balance will vary based on practice of transfers in from other funds and annual expenses.

Table 28A

City of Winfield, Kansas
Water Rate Analysis
Estimated User Bills for Inside the City Limits Users
Version C - Proposed Rate Increase to Breakeven With New Debt Service

	<u>2022</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
5/8" meter						
1,000 gallons	\$12.46	\$14.02	\$14.44	\$14.87	\$15.32	\$15.78
5,000 gallons	\$28.06	\$31.57	\$32.51	\$33.49	\$34.49	\$35.53
10,000 gallons	\$47.56	\$53.51	\$55.11	\$56.76	\$58.47	\$60.22
25,000 gallons	\$106.06	\$119.32	\$122.90	\$126.58	\$130.38	\$134.29
50,000 gallons	\$203.56	\$229.01	\$235.88	\$242.95	\$250.24	\$257.75
100,000 gallons	\$398.56	\$448.38	\$461.83	\$475.69	\$489.96	\$504.66
250,000 gallons	\$983.56	\$1,106.51	\$1,139.70	\$1,173.89	\$1,209.11	\$1,245.38
500,000 gallons	\$1,958.56	\$2,203.38	\$2,269.48	\$2,337.57	\$2,407.69	\$2,479.92
1,000,000 gallons	\$3,908.56	\$4,397.13	\$4,529.04	\$4,664.92	\$4,804.86	\$4,949.01
3/4" meter						
1,000 gallons	\$14.01	\$15.76	\$16.23	\$16.72	\$17.22	\$17.74
5,000 gallons	\$29.61	\$33.31	\$34.31	\$35.34	\$36.40	\$37.49
10,000 gallons	\$49.11	\$55.25	\$56.91	\$58.61	\$60.37	\$62.18
25,000 gallons	\$107.61	\$121.06	\$124.69	\$128.43	\$132.29	\$136.26
50,000 gallons	\$205.11	\$230.75	\$237.67	\$244.80	\$252.15	\$259.71
100,000 gallons	\$400.11	\$450.12	\$463.63	\$477.54	\$491.86	\$506.62
250,000 gallons	\$985.11	\$1,108.25	\$1,141.50	\$1,175.74	\$1,211.01	\$1,247.34
500,000 gallons	\$1,960.11	\$2,205.12	\$2,271.28	\$2,339.42	\$2,409.60	\$2,481.89
1,000,000 gallons	\$3,910.11	\$4,398.87	\$4,530.84	\$4,666.77	\$4,806.77	\$4,950.97
1" meter						
1,000 gallons	\$20.42	\$22.97	\$23.66	\$24.37	\$25.10	\$25.86
5,000 gallons	\$36.02	\$40.52	\$41.74	\$42.99	\$44.28	\$45.61
10,000 gallons	\$55.52	\$62.46	\$64.33	\$66.26	\$68.25	\$70.30
25,000 gallons	\$114.02	\$128.27	\$132.12	\$136.08	\$140.17	\$144.37
50,000 gallons	\$211.52	\$237.96	\$245.10	\$252.45	\$260.03	\$267.83
100,000 gallons	\$406.52	\$457.34	\$471.06	\$485.19	\$499.74	\$514.73
250,000 gallons	\$991.52	\$1,115.46	\$1,148.92	\$1,183.39	\$1,218.89	\$1,255.46
500,000 gallons	\$1,966.52	\$2,212.34	\$2,278.71	\$2,347.07	\$2,417.48	\$2,490.00
1,000,000 gallons	\$3,916.52	\$4,406.09	\$4,538.27	\$4,674.42	\$4,814.65	\$4,959.09
1 1/2" meter						
1,000 gallons	\$32.77	\$36.87	\$37.97	\$39.11	\$40.28	\$41.49
5,000 gallons	\$48.37	\$54.42	\$56.05	\$57.73	\$59.46	\$61.25
10,000 gallons	\$67.87	\$76.35	\$78.64	\$81.00	\$83.43	\$85.94
25,000 gallons	\$126.37	\$142.17	\$146.43	\$150.82	\$155.35	\$160.01
50,000 gallons	\$223.87	\$251.85	\$259.41	\$267.19	\$275.21	\$283.46
100,000 gallons	\$418.87	\$471.23	\$485.37	\$499.93	\$514.92	\$530.37
250,000 gallons	\$1,003.87	\$1,129.35	\$1,163.23	\$1,198.13	\$1,234.08	\$1,271.10
500,000 gallons	\$1,978.87	\$2,226.23	\$2,293.02	\$2,361.81	\$2,432.66	\$2,505.64
1,000,000 gallons	\$3,928.87	\$4,419.98	\$4,552.58	\$4,689.16	\$4,829.83	\$4,974.73

Table 28B

City of Winfield, Kansas
Water Rate Analysis
Estimated User Bills for Inside the City Limits Users
Version C - Proposed Rate Increase to Breakeven With New Debt Service

	<u>2022</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
2" meter						
1,000 gallons	\$43.26	\$48.67	\$50.13	\$51.63	\$53.18	\$54.78
5,000 gallons	\$58.86	\$66.22	\$68.20	\$70.25	\$72.36	\$74.53
10,000 gallons	\$78.36	\$88.16	\$90.80	\$93.52	\$96.33	\$99.22
25,000 gallons	\$136.86	\$153.97	\$158.59	\$163.34	\$168.24	\$173.29
50,000 gallons	\$234.36	\$263.66	\$271.56	\$279.71	\$288.10	\$296.75
100,000 gallons	\$429.36	\$483.03	\$497.52	\$512.45	\$527.82	\$543.65
250,000 gallons	\$1,014.36	\$1,141.16	\$1,175.39	\$1,210.65	\$1,246.97	\$1,284.38
500,000 gallons	\$1,989.36	\$2,238.03	\$2,305.17	\$2,374.33	\$2,445.56	\$2,518.92
1,000,000 gallons	\$3,939.36	\$4,431.78	\$4,564.73	\$4,701.68	\$4,842.73	\$4,988.01
3" meter						
1,000 gallons	\$247.46	\$278.39	\$286.74	\$295.35	\$304.21	\$313.33
5,000 gallons	\$263.06	\$295.94	\$304.82	\$313.97	\$323.38	\$333.09
10,000 gallons	\$282.56	\$317.88	\$327.42	\$337.24	\$347.36	\$357.78
25,000 gallons	\$341.06	\$383.69	\$395.20	\$407.06	\$419.27	\$431.85
50,000 gallons	\$438.56	\$493.38	\$508.18	\$523.43	\$539.13	\$555.30
100,000 gallons	\$633.56	\$712.76	\$734.14	\$756.16	\$778.85	\$802.21
250,000 gallons	\$1,218.56	\$1,370.88	\$1,412.01	\$1,454.37	\$1,498.00	\$1,542.94
500,000 gallons	\$2,193.56	\$2,467.76	\$2,541.79	\$2,618.04	\$2,696.58	\$2,777.48
1,000,000 gallons	\$4,143.56	\$4,661.51	\$4,801.35	\$4,945.39	\$5,093.75	\$5,246.56
4" meter						
1,000 gallons	\$327.56	\$368.51	\$379.56	\$390.95	\$402.68	\$414.76
5,000 gallons	\$343.16	\$386.06	\$397.64	\$409.57	\$421.85	\$434.51
10,000 gallons	\$362.66	\$407.99	\$420.23	\$432.84	\$445.82	\$459.20
25,000 gallons	\$421.16	\$473.81	\$488.02	\$502.66	\$517.74	\$533.27
50,000 gallons	\$518.66	\$583.49	\$601.00	\$619.03	\$637.60	\$656.73
100,000 gallons	\$713.66	\$802.87	\$826.95	\$851.76	\$877.31	\$903.63
250,000 gallons	\$1,298.66	\$1,460.99	\$1,504.82	\$1,549.97	\$1,596.47	\$1,644.36
500,000 gallons	\$2,273.66	\$2,557.87	\$2,634.60	\$2,713.64	\$2,795.05	\$2,878.90
1,000,000 gallons	\$4,223.66	\$4,751.62	\$4,894.17	\$5,040.99	\$5,192.22	\$5,347.99
6" meter						
1,000 gallons	\$406.71	\$457.55	\$471.28	\$485.41	\$499.98	\$514.98
5,000 gallons	\$422.31	\$475.10	\$489.35	\$504.03	\$519.15	\$534.73
10,000 gallons	\$441.81	\$497.04	\$511.95	\$527.31	\$543.12	\$559.42
25,000 gallons	\$500.31	\$562.85	\$579.73	\$597.13	\$615.04	\$633.49
50,000 gallons	\$597.81	\$672.54	\$692.71	\$713.49	\$734.90	\$756.95
100,000 gallons	\$792.81	\$891.91	\$918.67	\$946.23	\$974.62	\$1,003.85
250,000 gallons	\$1,377.81	\$1,550.04	\$1,596.54	\$1,644.43	\$1,693.77	\$1,744.58
500,000 gallons	\$2,352.81	\$2,646.91	\$2,726.32	\$2,808.11	\$2,892.35	\$2,979.12
1,000,000 gallons	\$4,302.81	\$4,840.66	\$4,985.88	\$5,135.46	\$5,289.52	\$5,448.21

Table 29A

City of Winfield, Kansas
Water Rate Analysis
Estimated User Bills for Outside the City Limits Users
Version C - Proposed Rate Increase to Breakeven With New Debt Service

	<u>2022</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
5/8" meter						
1,000 gallons	\$15.40	\$17.33	\$17.84	\$18.38	\$18.93	\$19.50
5,000 gallons	\$34.92	\$39.29	\$40.46	\$41.68	\$42.93	\$44.22
10,000 gallons	\$59.32	\$66.74	\$68.74	\$70.80	\$72.92	\$75.11
25,000 gallons	\$132.52	\$149.09	\$153.56	\$158.16	\$162.91	\$167.80
50,000 gallons	\$254.52	\$286.34	\$294.93	\$303.77	\$312.89	\$322.27
100,000 gallons	\$498.52	\$560.84	\$577.66	\$594.99	\$612.84	\$631.22
250,000 gallons	\$1,230.52	\$1,384.34	\$1,425.87	\$1,468.64	\$1,512.70	\$1,558.08
500,000 gallons	\$2,450.52	\$2,756.84	\$2,839.54	\$2,924.73	\$3,012.47	\$3,102.84
1,000,000 gallons	\$4,890.52	\$5,501.84	\$5,666.89	\$5,836.90	\$6,012.00	\$6,192.36
3/4" meter						
1,000 gallons	\$17.34	\$19.51	\$20.09	\$20.70	\$21.32	\$21.96
5,000 gallons	\$36.86	\$41.47	\$42.71	\$43.99	\$45.31	\$46.67
10,000 gallons	\$61.26	\$68.92	\$70.99	\$73.11	\$75.31	\$77.57
25,000 gallons	\$134.46	\$151.27	\$155.81	\$160.48	\$165.29	\$170.25
50,000 gallons	\$256.46	\$288.52	\$297.17	\$306.09	\$315.27	\$324.73
100,000 gallons	\$500.46	\$563.02	\$579.91	\$597.31	\$615.22	\$633.68
250,000 gallons	\$1,232.46	\$1,386.52	\$1,428.11	\$1,470.96	\$1,515.09	\$1,560.54
500,000 gallons	\$2,452.46	\$2,759.02	\$2,841.79	\$2,927.04	\$3,014.85	\$3,105.30
1,000,000 gallons	\$4,892.46	\$5,504.02	\$5,669.14	\$5,839.21	\$6,014.39	\$6,194.82
1" meter						
1,000 gallons	\$24.68	\$27.77	\$28.60	\$29.46	\$30.34	\$31.25
5,000 gallons	\$44.20	\$49.73	\$51.22	\$52.75	\$54.34	\$55.97
10,000 gallons	\$68.60	\$77.18	\$79.49	\$81.87	\$84.33	\$86.86
25,000 gallons	\$141.80	\$159.53	\$164.31	\$169.24	\$174.32	\$179.55
50,000 gallons	\$263.80	\$296.78	\$305.68	\$314.85	\$324.29	\$334.02
100,000 gallons	\$507.80	\$571.28	\$588.41	\$606.07	\$624.25	\$642.98
250,000 gallons	\$1,239.80	\$1,394.78	\$1,436.62	\$1,479.72	\$1,524.11	\$1,569.83
500,000 gallons	\$2,459.80	\$2,767.28	\$2,850.29	\$2,935.80	\$3,023.88	\$3,114.59
1,000,000 gallons	\$4,899.80	\$5,512.28	\$5,677.64	\$5,847.97	\$6,023.41	\$6,204.11
1 1/2" meter						
1,000 gallons	\$40.79	\$45.89	\$47.27	\$48.68	\$50.14	\$51.65
5,000 gallons	\$60.31	\$67.85	\$69.88	\$71.98	\$74.14	\$76.36
10,000 gallons	\$84.71	\$95.30	\$98.16	\$101.10	\$104.14	\$107.26
25,000 gallons	\$157.91	\$177.65	\$182.98	\$188.47	\$194.12	\$199.95
50,000 gallons	\$279.91	\$314.90	\$324.35	\$334.08	\$344.10	\$354.42
100,000 gallons	\$523.91	\$589.40	\$607.08	\$625.29	\$644.05	\$663.37
250,000 gallons	\$1,255.91	\$1,412.90	\$1,455.29	\$1,498.94	\$1,543.91	\$1,590.23
500,000 gallons	\$2,475.91	\$2,785.40	\$2,868.96	\$2,955.03	\$3,043.68	\$3,134.99
1,000,000 gallons	\$4,915.91	\$5,530.40	\$5,696.31	\$5,867.20	\$6,043.22	\$6,224.51

Table 29B

City of Winfield, Kansas
Water Rate Analysis
Estimated User Bills for Outside the City Limits Users
Version C - Proposed Rate Increase to Breakeven With New Debt Service

	<u>2022</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
2" meter						
1,000 gallons	\$54.61	\$48.67	\$50.13	\$51.63	\$53.18	\$54.78
5,000 gallons	\$74.13	\$66.22	\$68.20	\$70.25	\$72.36	\$74.53
10,000 gallons	\$98.53	\$88.16	\$90.80	\$93.52	\$96.33	\$99.22
25,000 gallons	\$171.73	\$153.97	\$158.59	\$163.34	\$168.24	\$173.29
50,000 gallons	\$293.73	\$263.66	\$271.56	\$279.71	\$288.10	\$296.75
100,000 gallons	\$537.73	\$483.03	\$497.52	\$512.45	\$527.82	\$543.65
250,000 gallons	\$1,269.73	\$1,141.16	\$1,175.39	\$1,210.65	\$1,246.97	\$1,284.38
500,000 gallons	\$2,489.73	\$2,238.03	\$2,305.17	\$2,374.33	\$2,445.56	\$2,518.92
1,000,000 gallons	\$4,929.73	\$4,431.78	\$4,564.73	\$4,701.68	\$4,842.73	\$4,988.01
3" meter						
1,000 gallons	\$309.11	\$278.39	\$286.74	\$295.35	\$304.21	\$313.33
5,000 gallons	\$328.63	\$295.94	\$304.82	\$313.97	\$323.38	\$333.09
10,000 gallons	\$353.03	\$317.88	\$327.42	\$337.24	\$347.36	\$357.78
25,000 gallons	\$426.23	\$383.69	\$395.20	\$407.06	\$419.27	\$431.85
50,000 gallons	\$548.23	\$493.38	\$508.18	\$523.43	\$539.13	\$555.30
100,000 gallons	\$792.23	\$712.76	\$734.14	\$756.16	\$778.85	\$802.21
250,000 gallons	\$1,524.23	\$1,370.88	\$1,412.01	\$1,454.37	\$1,498.00	\$1,542.94
500,000 gallons	\$2,744.23	\$2,467.76	\$2,541.79	\$2,618.04	\$2,696.58	\$2,777.48
1,000,000 gallons	\$5,184.23	\$4,661.51	\$4,801.35	\$4,945.39	\$5,093.75	\$5,246.56
4" meter						
1,000 gallons	\$409.27	\$368.51	\$379.56	\$390.95	\$402.68	\$414.76
5,000 gallons	\$428.79	\$386.06	\$397.64	\$409.57	\$421.85	\$434.51
10,000 gallons	\$453.19	\$407.99	\$420.23	\$432.84	\$445.82	\$459.20
25,000 gallons	\$526.39	\$473.81	\$488.02	\$502.66	\$517.74	\$533.27
50,000 gallons	\$648.39	\$583.49	\$601.00	\$619.03	\$637.60	\$656.73
100,000 gallons	\$892.39	\$802.87	\$826.95	\$851.76	\$877.31	\$903.63
250,000 gallons	\$1,624.39	\$1,460.99	\$1,504.82	\$1,549.97	\$1,596.47	\$1,644.36
500,000 gallons	\$2,844.39	\$2,557.87	\$2,634.60	\$2,713.64	\$2,795.05	\$2,878.90
1,000,000 gallons	\$5,284.39	\$4,751.62	\$4,894.17	\$5,040.99	\$5,192.22	\$5,347.99
6" meter						
1,000 gallons	\$508.21	\$457.55	\$471.28	\$485.41	\$499.98	\$514.98
5,000 gallons	\$527.73	\$475.10	\$489.35	\$504.03	\$519.15	\$534.73
10,000 gallons	\$552.13	\$497.04	\$511.95	\$527.31	\$543.12	\$559.42
25,000 gallons	\$625.33	\$562.85	\$579.73	\$597.13	\$615.04	\$633.49
50,000 gallons	\$747.33	\$672.54	\$692.71	\$713.49	\$734.90	\$756.95
100,000 gallons	\$991.33	\$891.91	\$918.67	\$946.23	\$974.62	\$1,003.85
250,000 gallons	\$1,723.33	\$1,550.04	\$1,596.54	\$1,644.43	\$1,693.77	\$1,744.58
500,000 gallons	\$2,943.33	\$2,646.91	\$2,726.32	\$2,808.11	\$2,892.35	\$2,979.12
1,000,000 gallons	\$5,383.33	\$4,840.66	\$4,985.88	\$5,135.46	\$5,289.52	\$5,448.21

(First Published in The Cowley Courier Traveler Saturday, November 9, 2024)

BILL NO. 24118

ORDINANCE NO. 4228

AN ORDINANCE

AMENDING Chapter 34, Section 78 (e), Water rates, of the Winfield City Code.

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WINFIELD, KANSAS THAT,

Section 1. Current Sec. 34-78(e) (1), Chapter 34 of the Winfield City Code, shall be amended and adopted as follows:

(1) Inside city water rate schedule:

a. Service charges per month (includes up to the first 1,000 gallons used each month):

Meter Size	Effective January 1, 2025	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
5/8"	14.44	14.87	15.32	15.78
3/4"	16.23	16.72	17.22	17.74
1"	23.66	24.37	25.10	25.86
1 1/2"	37.97	39.11	40.28	41.49
2"	50.13	51.63	53.18	54.78
3"	286.74	295.35	304.21	313.33
4"	379.56	390.95	402.68	414.76
6"	471.28	485.41	499.98	514.98

b. Commodity charge per month per every 1,000 gallons after the first 1,000 will be:

Meter Size	Effective January 1, 2025	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
5/8"	4.52	4.65	4.79	4.94

c. Minimum bill: Service charge plus the commodity charge for water used.

Section 2. Current Sec. 34-78(e) (2), Chapter 34 of the Winfield City Code, shall be amended and adopted as follows:

(1) Inside city water rate schedule:

a. Service charges per month (includes up to the first 1,000 gallons used each month):

Meter Size	Effective January 1, 2025	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
5/8"	17.84	18.38	18.93	19.50
¾"	20.09	20.70	21.32	21.96
1"	28.60	29.46	30.34	31.25
1 1/2"	47.27	48.68	50.14	51.65
2"	63.28	65.18	67.13	69.15
3"	358.18	368.93	379.99	391.39
4"	474.24	488.47	503.12	518.22
6"	588.89	606.55	624.75	643.49

b. Commodity charge per month per every 1,000 gallons after the first 1,000 will be:

Meter Size	Effective January 1, 2025	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028
5/8"	5.65	5.82	6.00	6.18

c. Minimum bill: Service charge plus the commodity charge for water used.

Section 3. This ordinance shall be in full force and effect beginning with January 1, 2025 utility billing and after its publication in the official city newspaper.

ADOPTED this 4th day of November, 2024.

CITY OF WINFIELD, KANSAS

ATTEST:

By _____
Brenda K. Butters, Mayor

Tania Richardson, City Clerk

Approved as to form: _____
William E. Muret, City Attorney

Approved for Commission Action: _____
Taggart Wall, City Manager



Request for Commission Action

Date: November 1, 2024

Requestor: Taggart Wall, City Manager

Action Requested: Consider Facility Agreement with Aging Projects Inc.- Friendship Meals

Analysis: Aging Projects Inc. has provided meals for the homebound and meals served through the Winfield Senior Center since April 1974. The current Facilities Agreement for use of dining area, kitchen, and office space located in the Community Center at Baden Square terminated in the fall of 2024. API has undergone management changes and has been delayed in contracts for 2024.

The proposed agreement term is effective from October 1, 2024, through September 30, 2025, and shall be renegotiated prior to the month of September 2025.

Fiscal Impact: The Friendship Meals program is funded by contract with the South-Central Kansas Area Agency on Aging and participant contributions. No rental fee has been exchanged between the City and API for the long term life of the contract.

Attachments: Proposed Resolution, Facilities Agreement

FACILITY AGREEMENT

Aging Projects, Inc., 112 W Sherman, Hutchinson, Kansas 67501 which sponsors Meals on Wheels/Friendship Meals, and the City of Winfield, Kansas 67156, agree to the following:

The Community Center, located at 700 Gary Street, Baden Square Suite D, Winfield, KS 67156 is to be used by Meals on Wheels/Friendship Meals each Monday through Friday, 7:30 a.m. to 2:00 p.m., fifty-two (52) weeks per year. October 1, 2024, through September 30, 2025. Excluded days shall be October 14, 2024; November 11, 2024; November 28, 2024; November 29, 2024; December 24, 2024; December 25, 2024; January 1, 2025; January 20, 2025; February 17, 2025; April 18, 2025; May 26, 2025; June 19, 2025; July 04, 2025; September 01, 2025.

1. Additional closing or opening dates and/or times may be requested. Meals on Wheels/Friendship Meals shall also have the right to be on the premises for reasonable periods of time both before and after the above-stated times for the purpose of organizing, preparing, cleaning up and other such activities related to its use of the premises under this facilities agreement.
2. It is agreed and understood that the City of Winfield shall be entitled to use the premises and facilities to promote senior citizens' activities and programs. Meals on Wheels/Friendship Meals has the exclusive right to use the premises during the times provided as stated in paragraph 1 above, and the City's right to use the premises shall be at other times so, as to not interfere with Meals on Wheels/Friendship Meals rights under the term of this agreement.
3. It is agreed and understood that the kitchen appliances and equipment therein, and adjoining office/food storage room on the premises shall be under the sole and exclusive control of Meals on Wheels/Friendship Meals. And shall not be used by any person, group, or organization, including the City without the consent of Meals on Wheels/Friendship Meals.
4. Dining tables and chairs are owned by Meals on Wheels/Friendship Meals but, maybe used by other groups providing the dining room and furniture are left in a clean condition.
5. The City shall pay for utilities associated with the facility.
6. It is agreed and understood that Meals on Wheels/Friendship Meals have been purchased and installed with the City's permission, certain kitchen appliances, equipment and facilities which will remain the sole and exclusive property of the buyer. Upon termination of this agreement, shall not be deemed to be fixtures. At the end of the term of the agreement or at some other mutually agreeable time, the buyer shall have the absolute and unrestricted right to remove and take said appliances, equipment, and facilities from the kitchen; provided that in the event of such removal, any damages or alterations to the premises caused by such removal shall be promptly repaired by Meals on Wheels/Friendship Meals.
7. Meals on Wheels/Friendship Meals shall be responsible for all supervision, labor, food, supplies, cleanup, and all other matters related to the preparation and serving of meals.
8. Any disputes concerning the terms and conditions of this facilities agreement or the premises or inquiries about services on said premises shall be directed to the City manager's office and the City shall direct any of its disputes or inquiries concerning Friendship meals to the director of Aging Projects.
9. Meals on Wheels/Friendship Meals and the City each waive and release any and all claims, demands or causes of action which either might otherwise have against the other for damages to or loss of property owned by the other located in or upon the premises arising from perils ordinarily insured against under standard fire and extended coverage insurance policies issued in the state of Kansas, whether such damage or loss occasioned by Meals on Wheels/Friendship Meals or the City against such perils shall contain a provision, by endorsement or otherwise, whereby the insurance carrier issuing the same shall

acknowledge that Meals on Wheels/Friendship Meals and the City have so waived and released their right or recovery against the other, and each policy shall waive the right of subrogation which the insurance carrier might have otherwise had against the respective party, all without impairment or invalidation of the insurance contract.

10. Meals on Wheels/Friendship Meals agrees to hold the city harmless and indemnify them should the city become involved in litigation because of such claim, as owner of the premises, caused by an act, failure to act, or other negligence of meals on Wheels/Friendship Meals, its officers, employees, agents, subcontractor, lessees, or licensees, arising out of the use of the designated facility.
11. The City shall provide fire and extended coverage benefits for the building and the contents owned by the city and commercial general liability for the city. Meals on Wheels/Friendship Meals agrees to obtain and maintain commercial general liability insurance with limits not less than \$1,000,000.00 each occurrence, \$100,000.00 personal and /or advertising injury, \$1,000,000.00 products completed/operations aggregate and \$1,000,000.00 general aggregate, \$1,000,000.00 fire damage legal liability and statutory worker's compensation insurance. The city shall be named as an additional insured on Meals on wheels/Friendship Meals general liability policy. Meals on Wheels/Friendship Meals shall keep on file with the clerk of the city a certificate of insurance that shows compliance with its obligations as set forth herein.
12. Meals on Wheels/Friendship Meals will not engage in any unlawful, illegal, or unreasonable conduct or acts deemed by the city to be inappropriate in such a facility or do anything by which any policy of insurance on the property would be cancelled or annulled, or which would subject the city to criminal prosecution or suit for damages by any person or other entity.
13. Meals on Wheels/Friendship Meals shall not lease or sublet the premises nor assign this agreement without the written consent of the city, provided however, the city shall not unreasonably withhold such consent.
14. That no one shall be discriminated against based on race, religion, color, sex, disability, national origin, or ancestry.
15. Upon termination of the is agreement, Meals on Wheels/Friendship Meals, within a reasonable time vacate said premises and deliver the same to the city in as good a condition as they are now, reasonable wear and tear and damage by the elements excepted; provided, however, nothing herein shall in anyway affect Meals on Wheels/Friendship Meal rights provided for in paragraph 6 in this agreement.
16. It is agreed that Meals on Wheels/Friendship Meals shall not make any alterations to the structural portion of the facility or make any alterations to the interior of the building without the written consent of the city.
17. Should the premises or some part thereof be condemned or damaged or injured by fire or other casualty so that it is unusable by Meals on Wheels/Friendship Meals for the operations contemplated by it, the city will, at the city's option, rebuild or repair the premises within a reasonable time. If the city does not do so, this agreement shall terminate.
18. Meals on Wheels/Friendship Meals agrees to observe and comply with all laws, regulations, rules, orders, and ordinances pertaining to its possession, use and occupancy of the premises as now existing or hereinafter promulgated Federal, State, County or Governmental authorities asserting requisite jurisdiction and to pay all costs, expenses, penalties, and claims arising out of its non-compliance therewith. Food preparation and health code certificates will be kept current and posted as required.
19. Unless sooner terminated pursuant to the provisions herein set forth, the term of this facilities agreement shall be from the date of execution to September 30, 2025.
20. That Kansas Department of Agriculture standards of kitchen cleanliness shall be enforced by Meals on Wheels/Friendship Meals.

21. That this Facility Agreement is effective from October 1, 2024, through September 30, 2025, and shall be renegotiated prior to the month of September 2025.

BOTH PARTIES agrees to:

1. This agreement will terminate upon contract expiration, termination by either party with thirty (30) days' notice, the closure of either business or facility or mutual termination by both parties effective at a date agreed upon.”

THE CITY OF WINFIELD, KANSAS

City Manager

Date: _____

AGING PROJECTS, INC.

Charles Johnston
Executive Director

Date: _____

A RESOLUTION

AUTHORIZING and directing the City Manager of the City of Winfield, Kansas to execute a facilities agreement between the City of Winfield and Aging Projects, Inc., Hutchinson, Kansas, regarding the lease of the Senior Center.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WINFIELD, KANSAS, THAT:

Section 1 The City Manager of the City of Winfield, Kansas, is hereby authorized and directed to execute a facilities agreement between the City of Winfield, Kansas, and Aging Projects Inc., Hutchinson, Kansas, regarding the lease of Suite D of the Community Center, 700 Gary, Baden Square, a/k/a the Senior Center; a copy of which is attached hereto and made a part hereof.

Section 2. This resolution shall be in full force and effect from and after its adoption.

ADOPTED this 4th day of November 2024.

(SEAL)

Brenda K. Butters, Mayor

ATTEST:

Tania Richardson, City Clerk

Approved as to form: _____
William E. Muret, City Attorney

Approved for Commission action: _____
Taggart Wall, City Manager