

Table of Contents

Agenda	4
Proclamation - Project Warmth - Received by Lou Ann Colyer Project Warmth Proclamation	7
Approval of the September 24, 2013, City Commission Meeting minutes. 09-24-13 Minutes	8
Approval of the Fiscal Year 2013 auditing contract with Berberich Trahan & Company, PA in an amount not to exceed \$39,250 and the HUD Section 8 Housing Program Audit in an amount not to exceed \$2,625 and authorization for the Mayor to sign the contract on behalf of the City. 2013 Auditing Contract	10
Approval of Change Order No. 1 reflecting an increase of \$12,983.80 making a new contract construction amount of \$61,033.80 and final payment in the amount of \$25,218.30 to Jim Radell Construction Co., Inc., of Pittsburg, Kansas, for the 17th and Locust Sanitary Sewer Replacement Project. 17th & Locust Sanitary Sewer Final Payment Memo	21
17th & Locust Sanitary Sewer Final Payment Documents	22
Approval of Agreement No. AJW-ON-AAC-13-A346, a Non- Federal Reimbursable Agreement between the Department of Transportation Federal Aviation Administration and the City of Pittsburg, Kansas, to provide a commissioning flight inspection of the REILS on Runways 16, 34, 04 and 22 at the Atkinson Municipal Airport, and authorization for the Mayor to sign the agreement on behalf of the City. FAA Agreement for Flight Inspection Services Memo	29
FAA Agreement for Flight Inspection Services	30
Approval of the Downtown Facade Grant Advisory Committee's recommendation to award a facade grant in the amount of \$2,500 to Ray Bulot for general improvements to his building located at 601 North Broadway, and authorize the Mayor to sign the appropriate documents on behalf of the City. Facade Grant Info.	38
Bulot Application	40
Approval of the Downtown Facade Grant Advisory Committee's recommendation to award a facade grant in the amount of \$7,500 to Dr. Mindi Garner (two combined applications) for her building located at 127 West 5th Street to install dryvit, remove damaged studs, replace siding, etc. and authorize the Mayor to sign the appropriate documents on behalf of the City. Garner App 1	42
Garner App 2	45
Approval of the Downtown Facade Grant Advisory Committee's recommendation to award a facade grant in the amount of \$7,500 to John Long for his building located at 512 North Broadway to replace the awning, repaint, door work, brick work, etc., and authorize the Mayor to sign the appropriate documents on behalf of the City.	

Long Application	48
Approval of the Downtown Facade Grant Advisory Committee's recommendation to award a facade grant in the amount of \$2,500 to Ray Costantini for his building located at 618 North Broadway to reshingle the facade, and paint and replace wood trim, and authorize the Mayor to sign the appropriate documents on behalf of the City.	
Costantini Application	51
Approval of the Downtown Facade Grant Advisory Committee's recommendation to award a facade grant in the amount of \$3,750 to Robert Cobb for his building located at 315 North Broadway to remove vinyl siding, brick veneer front and north side, and replace door, and authorize the Mayor to sign the appropriate documents on behalf of the City.	
Cobb Application	54
Approval of the Downtown Facade Grant Advisory Committee's recommendation to award a facade grant in the amount of \$500 to Nathan Wells for the building housing his business located at 210 South Broadway to purchase new signage and lighting, and authorize the Mayor to sign the appropriate documents on behalf of the City.	
Wells Application	59
Approval of the Downtown Facade Grant Advisory Committee's recommendation to award a facade grant in the amount of \$500 to Robert "Skip" Urich for his building located at 210 South Broadway for tuck pointing and sealing of the front of the building, and authorize the Mayor to sign the appropriate documents on behalf of the City.	
Urich Application	63
Approval of the Appropriation Ordinance for the period ending October 8, 2013, subject to the release of HUD expenditures when funds are received.	
CHECK LIST	66
HOTEL/RETAIL FEASIBILITY CONSULTANT AGREEMENT - HOFFMAN STRATEGY GROUP/JEFF GREEN PARTNERS, LLC - Approval or disapproval of the Economic Development Advisory Committee's recommendation to enter into an agreement with Hoffman Strategy Group/Jeff Green Partners, LLC. in which a feasibility study will be conducted to examine Pittsburg's potential in terms of hotel and retail businesses at a cost of \$25,000 plus travel and printing costs.	
Hotel/Retail Memo	78
Hotel/Retail Agreement	79
ORDINANCE NO. S-1010 - Approval of Ordinance No. S-1010, authorizing the execution of a loan agreement between Pittsburg, 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.	
WTP Emergency Generator Loan Agreement Memo	82

Ordinance S-1010 WTP Generator 84
WTP Generator KDHE Loan Agreement 87

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, October 08, 2013
5:30 PM

CALL TO ORDER BY THE MAYOR:

- a. Invocation
- b. Flag Salute Led by the Mayor
- c. Proclamation - Project Warmth - Received by Lou Ann Colyer
- d. Public Input

CONSENT AGENDA:

- a. Approval of the September 24, 2013, City Commission Meeting minutes.
- b. Approval of Ordinance No. G-1184, amending Section 78-116 of the Pittsburg City Code to prohibit parking on both sides of East Quincy Avenue between Broadway and Rouse Street, and on both sides of West 10th Street between Walnut Street and Catalpa Street. **Second Reading - ROLL CALL VOTE.**
- c. Approval of the Fiscal Year 2013 auditing contract with Berberich Trahan & Company, PA in an amount not to exceed \$39,250 and the HUD Section 8 Housing Program Audit in an amount not to exceed \$2,625 and authorization for the Mayor to sign the contract on behalf of the City.
- d. Approval of Change Order No. 1 reflecting an increase of \$12,983.80 making a new contract construction amount of \$61,033.80 and final payment in the amount of \$25,218.30 to Jim Radell Construction Co., Inc., of Pittsburg, Kansas, for the 17th and Locust Sanitary Sewer Replacement Project.
- e. Approval of Agreement No. AJW-ON-AAC-13-A346, a Non-Federal Reimbursable Agreement between the Department of Transportation Federal Aviation Administration and the City of Pittsburg, Kansas, to provide a commissioning flight inspection of the REILS on Runways 16, 34, 04 and 22 at the Atkinson Municipal Airport, and authorization for the Mayor to sign the agreement on behalf of the City.
- f. Approval of the application submitted by the Commodore Barry Corp. dba The Knights of Columbus to sell Cereal Malt Beverages at 407 East 11th Street for the year 2013 and direct the City Clerk to issue the license.
- g. Approval of the application submitted by the Gorilla Express to sell Cereal Malt Beverages at 2401 South Rouse for the year 2013 and direct the City Clerk to issue the license.

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, October 08, 2013
5:30 PM

- h. Approval of the Downtown Facade Grant Advisory Committee's recommendation to award a facade grant in the amount of \$2,500 to Ray Bulot for general improvements to his building located at 601 North Broadway, and authorize the Mayor to sign the appropriate documents on behalf of the City.

- i. Approval of the Downtown Facade Grant Advisory Committee's recommendation to award a facade grant in the amount of \$7,500 to Dr. Mindi Garner (two combined applications) for her building located at 127 West 5th Street to install dryvit, remove damaged studs, replace siding, etc. and authorize the Mayor to sign the appropriate documents on behalf of the City.

- j. Approval of the Downtown Facade Grant Advisory Committee's recommendation to award a facade grant in the amount of \$7,500 to John Long for his building located at 512 North Broadway to replace the awning, repaint, door work, brick work, etc., and authorize the Mayor to sign the appropriate documents on behalf of the City.

- k. Approval of the Downtown Facade Grant Advisory Committee's recommendation to award a facade grant in the amount of \$2,500 to Ray Costantini for his building located at 618 North Broadway to re-shingle the facade, and paint and replace wood trim, and authorize the Mayor to sign the appropriate documents on behalf of the City.

- l. Approval of the Downtown Facade Grant Advisory Committee's recommendation to award a facade grant in the amount of \$3,750 to Robert Cobb for his building located at 315 North Broadway to remove vinyl siding, brick veneer front and north side, and replace door, and authorize the Mayor to sign the appropriate documents on behalf of the City.

- m. Approval of the Downtown Facade Grant Advisory Committee's recommendation to award a facade grant in the amount of \$500 to Nathan Wells for the building housing his business located at 210 South Broadway to purchase new signage and lighting, and authorize the Mayor to sign the appropriate documents on behalf of the City.

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, October 08, 2013
5:30 PM

- n. Approval of the Downtown Facade Grant Advisory Committee's recommendation to award a facade grant in the amount of \$500 to Robert "Skip" Urich for his building located at 210 South Broadway for tuck pointing and sealing of the front of the building, and authorize the Mayor to sign the appropriate documents on behalf of the City.
- o. Approval of the Appropriation Ordinance for the period ending October 8, 2013, subject to the release of HUD expenditures when funds are received.
ROLL CALL VOTE.

CONSIDER THE FOLLOWING:

- a. HOTEL/RETAIL FEASIBILITY CONSULTANT AGREEMENT - HOFFMAN STRATEGY GROUP/JEFF GREEN PARTNERS, LLC - Approval or disapproval of the Economic Development Advisory Committee's recommendation to enter into an agreement with Hoffman Strategy Group/Jeff Green Partners, LLC. in which a feasibility study will be conducted to examine Pittsburg's potential in terms of hotel and retail businesses at a cost of \$25,000 plus travel and printing costs. **Approve or disapprove recommendation and, if approved, authorize the Mayor to sign the agreement on behalf of the City.**
- b. ORDINANCE NO. S-1010 - Approval of Ordinance No. S-1010, authorizing the execution of a loan agreement between Pittsburg, 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. **First and only reading, if the Governing Body concurs.**

ADJOURNMENT

Office of the Mayor
CITY OF PITTSBURG, KANSAS

Proclamation

Whereas: Project Warmth is a community effort that has been in existence for 26 years; and

Whereas: On Thursday, October 10th, 2013, from 11:00 a.m. to 2:00 p.m. and from 4:00 p.m. to 6:00 p.m., citizens may visit the lower level of the Memorial Auditorium & Convention Center and enjoy a bowl of chili or soup and a slice of homemade pie and support this worthy cause; and

Whereas: Reaching the goal of \$10,000 would not be possible without the generous support of local businesses who donate their time and products to make this event successful; and

Whereas: We ask our community to support this effort and assist our neighbors in Crawford County with utility payments during the winter months.

Now, Therefore, I, Michael E. Gray, Mayor of the City of Pittsburg, Kansas, do hereby proclaim Thursday, October 10th, 2013, as

PROJECT WARMTH DAY IN PITTSBURG

and urge all citizens to attend this important fundraiser to help our fellow citizens.

Dated this 8th day of October, 2013.

ATTEST:

CITY CLERK

MAYOR

OFFICIAL MINUTES
OF THE MEETING OF THE
GOVERNING BODY OF THE
CITY OF PITTSBURG, KANSAS
September 24th, 2013

A Regular Session of the Board of Commissioners was held at 5:30 p.m., on Tuesday, September 24th, 2013, in the City Commission Room, located in the Law Enforcement Center, 201 North Pine, with Mayor Michael Gray presiding and the following members present: John Ketterman, Chuck Munsell, Monica Murnan and Patrick O'Bryan.

Jay Gilchrist of Via Christi provided the invocation.

Mayor Gray led the flag salute.

PUBLIC INPUT -

Doug Barbar, 707 North Broadway, suggested that small and medium sized businesses be allowed to expand by closing alleyways. Mr. Barbar also recommended that Ramsay Street near Braums be closed as it is not used.

City Manager Daron Hall acknowledged the upcoming retirement of Community Development Specialist Deena Hallacy and Firefighter Ken Thornton.

APPROVAL OF MINUTES – SEPTEMBER 10th, 2013 - On motion of Murnan, seconded by O'Bryan, the Governing Body approved the September 10th, 2013, City Commission Meeting minutes as submitted. Motion carried.

ORDINANCE NO. G-1184 – On motion of Murnan, seconded by O'Bryan, the Governing Body approved Ordinance No. G-1184, amending Section 78-116 of the Pittsburg City Code to prohibit parking on both sides of East Quincy Avenue between Broadway and Rouse Street, and on both sides of West 10th Street between Walnut Street and Catalpa Street on first reading. Motion carried.

ALLEY VACATION – On motion of Murnan, seconded by O'Bryan, the Governing Body approved an Order vacating the alley located in the 700 Block of West 4th Street, as requested by James Huebner, described as beginning at the Southwest Corner of Lot 19, thence North 15 feet, thence East 37 feet, thence South 14.25 feet, thence West 37 feet, to the point of beginning in Joplin Addition to Pittsburg, Crawford County, Kansas. Motion carried.

RIGHT-OF-WAY AND EASEMENT – ONEOK, INC. DBA KANSAS GAS SERVICE – On motion of Murnan, seconded by O'Bryan, the Governing Body approved the request of ONEOK, Inc., an Oklahoma corporation d/b/a Kansas Gas Service, a public utility, for the City of Pittsburg to grant the right-of-way and easement to install, operate and maintain a natural gas pipeline within an existing 16 feet wide sanitary sewer easement located on Lots 1, 2 and 3 in Meadowbrook Mall Addition to the City of Pittsburg, Crawford County, Kansas, and authorized the Mayor and City Clerk to sign the Grantee's Consent to Natural Gas Pipeline form with accompanying acknowledgement and map highlighting the proposed easement area. Motion carried.

OFFICIAL MINUTES
OF THE MEETING OF THE
GOVERNING BODY OF THE
CITY OF PITTSBURG, KANSAS
September 24th, 2013

HOME REHABILITATION PROGRAM GRANTS – On motion of Murnan, seconded by O'Bryan, the Governing Body approved the recommendation of the Citizen's Advisory Board to award HOME Rehabilitation Program grants to Marjorie and Arthur Fields in the amount of \$15,700 for their property located at 205 East 14th Street, John Cussimano in the amount of \$19,400 for his property located at 106 North College, and Frank Bettega and Robert Bettega in the amount of \$19,700 for their property located at 912 North Pine and authorized the Mayor to sign the appropriate documents on behalf of the City. Motion carried.

APPROPRIATION ORDINANCE – On motion of Murnan, seconded by O'Bryan, the Governing Body approved the Appropriation Ordinance for the period ending September 24th, 2013, subject to the release of HUD expenditures when funds are received, with the following roll call vote: Yea: Gray, Ketterman, Munsell, Murnan and O'Bryan. Motion carried.

SPECIAL PRESENTATION - ECONOMIC DEVELOPMENT UPDATE - Director of Economic Development Blake Benson provided an update on Economic Development in Pittsburg.

ORDINANCE NO. S-1009 – On motion of O'Bryan, seconded by Murnan, the Governing Body approved Ordinance No. S-1009, levying an additional City Retailers Sales Tax in the amount of one-half of one percent (0.5%) within the City of Pittsburg, effective January 1, 2014 on first and only reading. Motion carried.

NON-AGENDA REPORTS & REQUESTS –

STREET PROJECT UPDATE - Director of Public Works William Beasley provided an update on current street projects including street rejuvenating projects, milling projects and the application of final lifts. Mr. Beasley noted that South Broadway will be closed October 18th through 20th to allow repairs to be made to the railroad crossing at Carlton Street.

ADJOURNMENT: On motion of O'Bryan, seconded by Munsell, the Governing Body adjourned the meeting at 6:30 p.m. Motion carried.

Michael E. Gray, Mayor

ATTEST:

Tammy Nagel, City Clerk



FINANCE AND ADMINISTRATION

201 West 4th Street · Pittsburg KS 66762

(620) 231-4100

www.pittks.org

Interoffice Memorandum

TO: Daron Hall, City Manager

FROM: Jamie Clarkson, Director of Finance

DATE: October 1, 2013

SUBJECT: Agenda Item – October 8, 2013
Fiscal Year 2013 Auditing Contract with
Berberich Trahan & Company, PA

Please place this item on the agenda for the City Commission meeting scheduled for Tuesday, October 8, 2013. Action necessary will be to approve the attached 2013 auditing contract with Berberich Trahan & Company, PA, in the amount not to exceed \$39,250. The City sent out requests for proposals (RFP) in 2011 and Berberich Trahan was the only firm to submit a proposal. The 2011 RFP was for a three year period with fiscal year 2013 being the third year.

Also included in the contract is a separate audit of the Housing and Urban Development (HUD) Section 8 program in an amount not to exceed \$2,625. A separate single audit of the HUD program is a requirement of the federal government.

If you have any questions concerning this matter, please do not hesitate to contact me.

cc: Tammy Nagel, City Clerk



September 16, 2013

Honorable Mayor and City Commission
City of Pittsburg, Kansas
201 W. 4th Street, P.O. Box 688
Pittsburg, Kansas 66762

The Objective and Scope of the Audit of the Financial Statements

You have requested that we audit the financial statements of City of Pittsburg, Kansas (the City), which comprise governmental activities, business-type activities, discretely presented component unit, each major fund and aggregate remaining fund information as of and for the year ended December 31, 2013 which collectively comprise the basic financial statements. We will also apply certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America and will report on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

You have informed us that you desire us to issue a report on the basic financial statements of the City as of and for the year ended December 31, 2013 conforming only to the requirements of auditing standards generally accepted in the United States of America. This reporting will not be used for purposes to comply with a requirement calling for an audit in accordance with *Government Auditing Standards*.

We will also perform the audit of the City as of December 31, 2013, so as to satisfy the audit requirements imposed by the Single Audit Act and the U. S. Office of Management and Budget (OMB) Circular No. A-133.

BERBERICH TRAHAN & CO., P.A.
3630 SW Burlingame Rd., Topeka, KS 66611-2050
785-234-3427 toll-free 800-530-5526 f 785-233-1768
brandcoopa.com



Honorable Mayor and City Commission
City of Pittsburg, Kansas
Page 2

The Responsibilities of the Auditor

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the "Kansas Municipal Audit and Accounting Guide"; "Government Auditing Standards" issued by the Comptroller General of the United States; and the provisions of the Single Audit Act, OMB Circular A-133, and OMB's Compliance Supplement. Those standards, circulars, supplements, or guides require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that is immaterial to the financial statements. The determination of abuse is subjective; therefore, Government Auditing Standards do not expect us to provide reasonable assurance of detecting abuse.

In making our risk assessments, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate to the City Commission (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

The component unit whose financial statements you have told us is to be included as part of the City's basic financial statements is the Pittsburg Public Library.



Honorable Mayor and City Commission
City of Pittsburg, Kansas
Page 3

Our reports on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and circulars identified above. Our reports on compliance matters will address material errors, fraud, abuse, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts, and any state or federal grant, entitlement, or loan program questioned costs of which we become aware, consistent with requirements of the standards and circulars identified above.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that management and when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- c. For establishing and maintaining effective internal control over financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge;
- d. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others;
- e. For (a) making us aware of significant vendor relationships where the vendor is responsible for program compliance, (b) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings, and a corrective action plan, and (c) report distribution including submitting the reporting package(s);and
- f. To provide us with:
 - (1) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - (2) Additional information that we may request from management for the purpose of the audit;



Honorable Mayor and City Commission
City of Pittsburg, Kansas
Page 4

- (3) Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;
- (4) When applicable, a summary schedule of prior audit findings for inclusion in the single audit reporting package; and
- (5) If applicable, responses to any findings reported on the schedule of findings and questioned costs.

As part of our audit process, we will request from management and when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit including among other items:

- a. That management has fulfilled its responsibilities as set out in the terms of this letter; and
- b. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for identifying and ensuring that the City complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud or abuse, and for informing us about all known or suspected fraud or abuse affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud or abuse could have a material effect on the financial statements or compliance. Management is also responsible for informing us of its knowledge of any allegations of fraud or abuse or suspected fraud or abuse affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others.

Management is responsible for the preparation of the supplementary information in accordance with accounting principles generally accepted in the United States of America. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The City Commission is responsible for informing us of its views about the risks of fraud or abuse within the entity, and its knowledge of any fraud or abuse or suspected fraud or abuse affecting the entity.



Honorable Mayor and City Commission
City of Pittsburg, Kansas
Page 5

You have informed us that you may issue public debt in the future and that you may include our report on your financial statements in the offering statement. You have further informed us that you do not intend that we be associated with the proposed offering.

We agree that our association with any proposed offering is not necessary, providing the City agrees to clearly indicate that we are not associated with the contents of any such official statement or memorandum. The City agrees that the following disclosure will be prominently displayed in any such official statement or memorandum:

Berberich Trahan & Co., P.A., our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Berberich Trahan & Co., P.A., also has not performed any procedures relating to this official statement.

Because Berberich Trahan & Co., P.A. will rely on the City and its management and City Commission to discharge the foregoing responsibilities, the City holds harmless and releases Berberich Trahan & Co., P.A., its directors, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of the City's management which has caused, in any respect, Berberich Trahan & Co., P.A.'s breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

The City's Records and Assistance

If circumstances arise relating to the condition of the City's records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion, issue a report, or withdraw from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the City's books and records. The City will determine that all such data, if necessary, will be so reflected. Accordingly, the City will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by City personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Jamie Clarkson, Director of Finance. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.



Honorable Mayor and City Commission
City of Pittsburg, Kansas
Page 6

In connection with our audit, you have requested us to perform certain non-audit services necessary for the preparation of the financial statements, including preparing the financial statements and note disclosures and preparing journal entries. The independence standards of the "Government Auditing Standards" (GAS) issued by the Comptroller General of the United States require that the auditor maintain independence so that opinions, findings, conclusions, judgments, and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service to the City, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit service to be performed. The City has agreed that Jamie Clarkson, Director of Finance possesses suitable skill, knowledge, or experience and that the individual understands the non-audit services to be performed sufficiently to oversee them. Accordingly, the management of the City agrees to the following:

1. The City has designated Jamie Clarkson, Director of Finance a senior member of management, who possesses suitable skill, knowledge, and experience to oversee the services.
2. Jamie Clarkson, Director of Finance will assume all management responsibilities for subject matter and scope of the non-audit services listed above.
3. The City will evaluate the adequacy and results of the services performed.
4. The City accepts responsibility for the results and ultimate use of the services.

GAS further requires we establish an understanding with the management (and those charged with governance) of the City of the objectives of the non-audit service, the services to be performed, the entity's acceptance of its responsibilities, the auditor's responsibilities, and any limitations of the non-audit service. We believe this letter documents that understanding.

Other Relevant Information

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

In accordance with Government Auditing Standards, a copy of our most recent peer review report is enclosed for your information.



Honorable Mayor and City Commission
City of Pittsburg, Kansas
Page 7

Fees, Costs, and Access to Workpapers

Our fees for the audit and accounting services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses. Our fee estimate and completion of our work is based upon the following criteria:

- a. Anticipated cooperation from the City personnel
- b. Timely responses to our inquiries
- c. Timely completion and delivery of client assistance requests
- d. Timely communication of all significant accounting and financial reporting matters
- e. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. We propose that our fee for this audit engagement, which includes out-of-pocket expenses, will be \$ 39,250. The fee for the agreed-upon procedures for the Pittsburg Housing Authority will be \$ 2,100 to \$ 2,625. The quoted fee for the year ended December 31, 2013 will be the maximum for the work described in this letter unless the scope of the engagement is changed, the assistance which the City has agreed to furnish is not provided, or unexpected conditions are encountered. No changes will be made in the maximum agreed to amount without discussion with you regarding the proposed change. All other provisions of this letter will survive any fee adjustment. No changes will be made to the fee without discussion with you regarding the proposed change. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

In accordance with our policy, a finance charge of 1% per month will be applied to balances that are over 60 days old. Payments will be applied first to the accrued finance charges and then to outstanding invoices.

In the event we are requested or authorized by the City or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the City, the City will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.



Honorable Mayor and City Commission
City of Pittsburg, Kansas
Page 8

The documentation for this engagement is the property of Berberich Trahan & Co., P.A.. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of Berberich Trahan & Co., P.A. audit personnel and at a location designated by our Firm.

You have informed us that you intend to prepare a comprehensive annual financial report (CAFR) and submit it for evaluation by the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program. Our association with the CAFR is to consist of performing a review of the CAFR to insure its readiness for submission.

~~Claim Resolution~~

~~The City and Berberich Trahan & Co., P.A. agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than two years after the date of the audit report issued by Berberich Trahan & Co., P.A. or the date of this arrangement letter if no report has been issued. The City waives any claim for punitive damages. Berberich Trahan & Co., P.A.'s liability for all claims, damages and costs of the City arising from this engagement is limited to the amount of fees paid by the City to Berberich Trahan & Co., P.A. for the services rendered under this arrangement letter.~~

~~If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.~~

~~The City and Berberich Trahan & Co., P.A. both agree that any dispute over fees charged by Berberich Trahan & Co., P.A. to the City will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by Berberich Trahan & Co., P.A., each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.~~



Honorable Mayor and City Commission
City of Pittsburg, Kansas
Page 9

Reporting

We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to the City Commission. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In addition to our report on the City's financial statements, we will also issue the following types of reports:

- A report on the fairness of the presentation of the City's schedule of expenditures of federal awards for the year ending December 31, 2013.
- Reports on internal control related to the financial statements, and major programs. These reports will describe the scope of testing of internal control and the results of our tests of internal controls.
- Reports on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance which could have a material effect on the financial statements and any noncompliance which could have a material effect, as defined by OMB Circular A-133, on each major program.
- A schedule of findings and questioned costs.

This letter constitutes the complete and exclusive statement of agreement between Berberich Trahan & Co., P.A. and the City, superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

Very truly yours,

BERBERICH TRAHAN & CO., P.A.

A handwritten signature in dark ink, appearing to read "Karen K. Linn", is written over the typed name.

Karen K. Linn
Managing Director

KKL:tls
Enclosures



Honorable Mayor and City Commission
City of Pittsburg, Kansas
Page 10

Confirmed on behalf of the City of Pittsburg, Kansas:

City Commission

Date

City Manager

Date

A signed copy of this arrangement letter will be forwarded to the following pursuant to *Government Auditing Standards* Amendment No. 2, "Auditor Communication."

Jamie Clarkson, Director of Finance

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: WILLIAM A. BEASLEY
Director of Public Works

DATE: October 1, 2013

SUBJECT: Agenda Item – October 8, 2013
Final Payment and Change Order No. 1
17th and Locust Sanitary Sewer Replacement

Jim Radell Construction Co., Inc., of Pittsburg, Kansas, has completed all work on the above-referenced project and is now requesting final payment in the amount of \$25,218.30. The contractor has also submitted a change order for consideration. This change order provides for additional pipe for the extension of private services, removal of the asphalt walk trail and installation of two concrete alley approaches. This change order reflects an increase of \$12,983.80 making a new contract construction amount of \$61,033.80. If you recall, replacement of this sanitary sewer line will be funded through the Kansas Housing Resource Corporation, Moderate Income Housing (MIH) Program.

In this regard, would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, October 8, 2013. Action necessary will be approval or disapproval of Change Order No. 1 reflecting an increase of \$12,983.80 and final payment due the contractor in the amount of \$25,218.30.

If you have any questions concerning this matter, please do not hesitate to contact me.

Attachment: Final Payment & Change Order Documents



17th and Locust Sanitary Sewer Replacement Final Pay Application

CONTRACTOR: Jim Radell Construction Co., Inc.
1200 W. 4th Street
Pittsburg, Kansas 66762

DATE: September 12, 2013

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	CONTRACT AMOUNT	ADD UNIT	UNIT PRICE	NEW CONTRACT AMOUNT	COMPLETED		
									UNITS	% COMPLETE	VALUE
1	Mobilization	1	L.S.	\$ 2,000.00	\$ 2,000.00				1 L.S.		\$ 2,000.00
2	Traffic Control	1	L.S.	\$ 900.00	\$ 900.00				1 L.S.		\$ 900.00
3	Erosion Control	1	L.S.	\$ 500.00	\$ 500.00				1 L.S.		\$ 500.00
4	Clearing and Grubbing	1	L.S.	\$ 1,500.00	\$ 1,500.00				1 L.S.		\$ 1,500.00
5	Site Restoration	1	L.S.	\$ 1,200.00	\$ 1,200.00				1 L.S.		\$ 1,200.00
6	8" Sewer Pipe	435	L.F.	\$ 47.00	\$ 20,445.00				435 L.F.		\$ 20,445.00
7	Connection to Existing Manholes	2	Each	\$ 800.00	\$ 1,600.00				2 Each		\$ 1,600.00
8	4" Sanitary Sewer Service Connection	10	Each	\$ 1,100.00	\$ 11,000.00				10 Each		\$ 11,000.00
ADD	4" PVC Sch. 40 pipe for extension of private services					70 L.F.	\$ 1.44	\$ 100.80	70 L.F.		\$ 100.80
9	Abandon Existing Sewers & MH's	1	L.S.	\$ 1,850.00	\$ 1,850.00				1 L.S.		\$ 1,850.00
10	Remove and Replace Pavement	82	S.Y.	\$ 80.00	\$ 6,560.00				82 S.Y.		\$ 6,560.00
11	4" Concrete Sidewalk	9	S.Y.	\$ 55.00	\$ 495.00				9 S.Y.		\$ 495.00
ADD	Remove asphalt walk trail and install (2) concrete alley approaches					1 L.S.	\$ 12,883.00	\$ 12,883.00	1 L.S.		\$ 12,883.00
										Total Construction Contract Amount	\$ 61,033.80
										Retainage 10%	\$ -
										Total Earned Less Retainage	\$ 61,033.80
										Less Previous Certificates for Payment	\$ 35,815.50
										Current Payment to Date	\$ 25,218.30

REQUESTED BY: JIM RADELL CONSTRUCTION CO.

DATE: 9/18/13

REVIEWED BY: GREG HARDISTER, ENGINEERING SUPERVISOR

DATE: 9-24-13

APPROVED BY: WILLIAM A. BEASLEY, DIRECTOR OF PUBLIC WORKS

DATE: 9/24/13



17th and Locust Sanitary Sewer Replacement Change Order No. 1

CONTRACTOR: Jim Radell Construction, Inc. Date: September 12, 2013
 1200 W. 4th Street
 Pittsburg, KS 6672

ORIGINAL CONTRACT CONSTRUCTION AMOUNT.....	\$ 48,050.00
CHANGE ORDER NO. <u>1</u> DATED <u>9-12-2013</u>	\$ 12,983.80
NEW CONTRACT CONSTRUCTION AMOUNT.....	\$ 61,033.80

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
8a	Additional 4" PVC Sch. 40 pipe for extension of private services	70	L.F.	\$ 1.44	\$ 100.80
Add	Remove asphalt walk trail & install (2) concrete alley approaches	1	L.S.	\$ 12,883.00	\$ 12,883.00

TOTAL CHANGE ORDER NO. 1.....	\$ 12,983.80
NEW CONTRACT CONSTRUCTION AMOUNT.....	\$ 61,033.80
ENGINEERING AND INSPECTION (10%).....	\$ -
LEGAL AND ADMINISTRATIVE (5%).....	\$ -
NEW PROJECT TOTAL.....	\$ 61,033.80

ACCEPTED BY: Jim Radell Construction, Inc.
 _____ DATE: 9/18/13

SUBMITTED BY: Greg Hardister, Engineering Supervisor, City of Pittsburg
 _____ DATE: 9-24-13

APPROVED BY: William A. Beasley, Director of Public Works, City of Pittsburg
 _____ DATE: 9/24/13

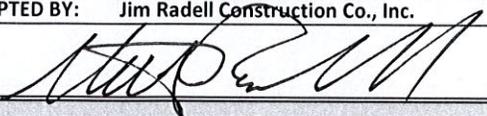
DATE OF APPROVAL BY CITY COMMISSION: _____

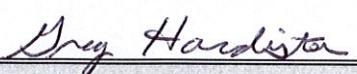


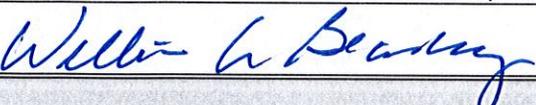
17th and Locust Sanitary Sewer Replacement Final Payment Due Contractor

CONTRACTOR: Jim Radell Construction Co., Inc. Date: September 12, 2013
1200 W. 4th Street
Pittsburg, KS 66762

ORIGINAL CONTRACT CONSTRUCTION AMOUNT.....	\$	48,050.00
CHANGE ORDER NO. 1 DATED 09-12-2013.....	\$	12,983.80
CHANGE ORDER NO. _ DATED	\$	-
CHANGE ORDER NO. _ DATED	\$	-
CHANGE ORDER NO. _ DATED	\$	-
TOTAL CONSTRUCTION COST.....	\$	61,033.80
Less Previous Payments.....	\$	35,815.50
BALANCE DUE CONTRACTOR (FINAL PAYMENT).....	\$	25,218.30

ACCEPTED BY: Jim Radell Construction Co., Inc.
 DATE: 9/18/13

SUBMITTED BY: Greg Hardister, Engineering Supervisor, City of Pittsburg
 DATE: 9-24-13

APPROVED BY: William A. Beasley, Director of Works, City of Pittsburg
 DATE: 9/24/13

DATE OF APPROVAL BY CITY COMMISSION: _____

CONSENT OF SURETY
TO REDUCTION IN OR
RELEASE OF RETAINAGE

PROJECT: 17th & Locust Sanitary Sewer Replacement

TO: City Of Pittsburg
201 W. 4th St.
Pittsburg, KS 66762

CONTRACT FOR: 17th & Locust Sanitary
Sewer Replacement
CONTRACT DATE: January 15, 2013

In accordance with the provisions of the Contract between the Owner and the Contractor as indicated above, the Employers Mutual Casualty Co., Inc. Surety on bond of Jim Radell Construction Co. Contractor, hereby approves the reduction in or partial release of retainage to the Contractor, as follows:

The Surety agrees that such reduction in or partial or total release of retainage to the Contractor shall not relieve the Surety of any of its obligations to:

as set forth in the said Surety's bond. City of Pittsburg, OWNER,

IN WITNESS WHEREOF, Pittsburg, Kansas
the Surety has hereunto set its hand this 20th day of September, 2013

ATTEST:

(SEAL)

Employers Mutual Casualty Co., Inc.
Surety
Raymond Ryan
Signature of Authorized Representative
Attorney In Fact
Title

TO: CITY CLERK
CITY OF PITTSBURG
PITTSBURG, KANSAS 66762

PROJECT:

In accordance with the provisions of the Contract of the above Project, I/We hereby certify and swear that all subcontractors, vendors, persons or firms who have furnished labor or materials for the work, and all rentals of materials, equipment, or property used in connection with the work, and that all taxes have been paid in full or otherwise satisfied.

State of Kansas <u>Lawrence</u> County On this <u>20th</u> day of <u>September</u> 20 <u>13</u> , before me, a Notary Public in and for the aforementioned County and State, personally appeared <u>Steve Radell</u> known to be the identical person who executed the above statement. <u>Raymond Ryan</u> Notary Public My Commission Expires: <u>2-19-17</u> My Appt. Exp. <u>2/19/17</u>	Contractor: <u>Jim Radell Construction Co.</u> By: <u>[Signature]</u> Title: <u>President</u> Seal: _____ (If Corporate)
---	--

The Employers Mutual Casualty Co., Inc. Surety Company on bond for the above project hereby approves the final payment to the Contractor, and agrees that the final payment shall not relieve the Surety Company of any of its obligations to the City of Pittsburg as set forth in the Surety Company's bond.

IN WITNESS this 20th day of September, 2013

Employers Mutual Casualty Co., Inc.

(SEAL):

Raymond Ryan
[Signature]
 Signature of Authorized Representative

ATTORNEY-IN-FACT

RESIDENT AGENT.

EMC Insurance Companies® No. A29257

P.O. Box 712 • Des Moines, IA 50306-0712

CERTIFICATE OF AUTHORITY INDIVIDUAL ATTORNEY-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, that:

1. Employers Mutual Casualty Company, an Iowa Corporation
2. EMCASCO Insurance Company, an Iowa Corporation
3. Union Insurance Company of Providence, an Iowa Corporation
4. Illinois EMCASCO Insurance Company, an Iowa Corporation
5. Dakota Fire Insurance Company, a North Dakota Corporation
6. EMC Property & Casualty Company, an Iowa Corporation
7. Hamilton Mutual Insurance Company, an Iowa Corporation

hereinafter referred to severally as "Company" and collectively as "Companies", each does, by these presents, make, constitute and appoint: PAM MENDICKI, RAYMOND RYAN, CYNDI LUCAS, ALBERT ESHELBRENNER

its true and lawful attorney-in-fact, with full power and authority conferred to sign, seal, and execute its lawful bonds, undertakings, and other obligatory instruments of a similar nature as follows:

In an amount not exceeding Five Million Dollars.....\$5,000,000.00

and to bind each Company thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of each such Company, and all of the acts of said attorney pursuant to the authority hereby given are hereby ratified and confirmed.

The authority hereby granted shall expire APRIL 1, 2015 unless sooner revoked.

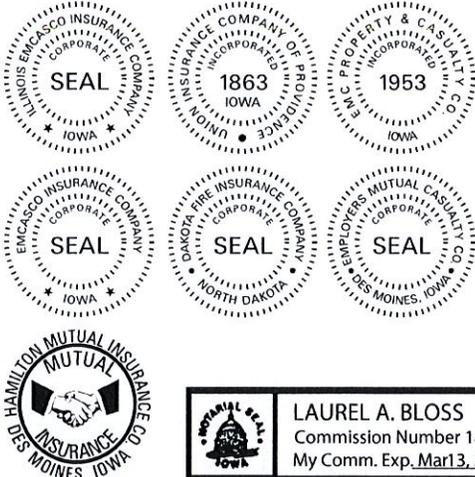
AUTHORITY FOR POWER OF ATTORNEY

This Power-of-Authority is made and executed pursuant to and by the authority of the following resolution of the Boards of Directors of each of the Companies at a regularly scheduled meeting of each company duly called and held in 1999:

RESOLVED: The President and Chief Executive Officer, any Vice President, the Treasurer and the Secretary of Employers Mutual Casualty Company shall have power and authority to (1) appoint attorneys-in-fact and authorize them to execute on behalf of each Company and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof; and (2) to remove any such attorney-in-fact at any time and revoke the power and authority given to him or her. Attorneys-in-fact shall have power and authority, subject to the terms and limitations of the power-of-attorney issued to them, to execute and deliver on behalf of the Company, and to attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and any such instrument executed by any such attorney-in-fact shall be fully and in all respects binding upon the Company. Certification as to the validity of any power-of-attorney authorized herein made by an officer of Employers Mutual Casualty Company shall be fully and in all respects binding upon this Company. The facsimile or mechanically reproduced signature of such officer, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power-of-attorney of the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN WITNESS THEREOF, the Companies have caused these presents to be signed for each by their officers as shown, and the Corporate seals to be hereto affixed this 27th day of JANUARY, 2012.

Seals



Bruce G. Kelley
 Bruce G. Kelley, Chairman
 of Companies 2, 3, 4, 5 & 6; President
 of Company 1; Vice Chairman and
 CEO of Company 7

Michael Freel
 Michael Freel
 Assistant Vice President/
 Assistant Secretary

On this 27th day of JANUARY AD 2012 before me a Notary Public in and for the State of Iowa, personally appeared Bruce G. Kelley and Michael Freel, who, being by me duly sworn, did say that they are, and are known to me to be the Chairman, President, Vice Chairman and CEO, and/or Assistant Vice President/Assistant Secretary, respectively, of each of The Companies above; that the seals affixed to this instrument are the seals of said corporations; that said instrument was signed and sealed on behalf of each of the Companies by authority of their respective Boards of Directors; and that the said Bruce G. Kelley and Michael Freel, as such officers, acknowledged the execution of said instrument to be the voluntary act and deed of each of the Companies.
My Commission Expires March 13, 2014.

Laurel A Bloss
 Notary Public in and for the State of Iowa

CERTIFICATE

I, James D. Clough, Vice President of the Companies, do hereby certify that the foregoing resolution of the Boards of Directors by each of the Companies, and this Power of Attorney issued pursuant thereto on JANUARY 27, 2012 on behalf of: PAM MENDICKI, RAYMOND RYAN, CYNDI LUCAS, ALBERT ESHELBRENNER

are true and correct and are still in full force and effect.

In Testimony Whereof I have subscribed my name and affixed the facsimile seal of each Company this 20th day of September, 2013.

J D Clough
 Vice President



DEPARTMENT OF PUBLIC WORKS

201 West 4th Street · Pittsburg KS 66762

(620) 231-4170

www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: WILLIAM A. BEASLEY
Director of Public Works

DATE: September 30, 2013

SUBJECT: Agenda Item – October 8, 2013
FAA Agreement
REILS Flight Inspections

Attached is an agreement between the City of Pittsburg and the FAA to provide a commissioning flight inspection of the REILS on Runways 16, 34, 04 and 22 at the Atkinson Municipal Airport. This will be performed after the new REILS have been installed and calibrated. The FAA requires this flight inspection to check the positions of the REILS and to make any necessary final adjustments. The estimated FAA cost associated with this flight inspection is \$8,808.60 and must be approved and paid in advance of the services being performed. The FAA will reimburse the City 90% of this cost through the grant for the runway lighting project.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, October 8, 2013. Action necessary will be to approve or disapprove the agreement and, if approved, authorize the Mayor to execute the agreement on behalf of the City of Pittsburg.

If you have any questions concerning this matter, please do not hesitate to contact me.

Attachment: Agreement

NON-FEDERAL REIMBURSABLE AGREEMENT

BETWEEN

**DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION**

AND

**CITY OF PITTSBURG, KS
PITTSBURG, KS**

WHEREAS, the Federal Aviation Administration (FAA) can furnish directly or by contract, material, supplies, equipment, and services which the **City of Pittsburg, KS** (Sponsor) requires, has funds available for, and has determined should be obtained from the FAA;

WHEREAS, it has been determined that competition with the private sector for provision of such material, supplies, equipment, and services is minimal; the proposed activity will advance the FAA's mission; and the FAA has a unique capability that will be of benefit to the Sponsor while helping to advance the FAA's mission;

WHEREAS, the authority for the FAA to furnish material, supplies, equipment, and services to the Sponsor upon a reimbursable payment basis is found in 49 U.S.C. § 106(l)(6) on such terms and conditions as the Administrator may consider necessary;

NOW THEREFORE, the FAA and the Sponsor mutually agree as follows:

ARTICLE 1. Parties

The Parties to this Agreement are the FAA/Flight Inspection Services, and **City of Pittsburg, KS**.

ARTICLE 2. Type of Agreement

This Agreement is an "other transaction" authorized under 49 U.S.C. § 106(l)(6). It is not intended to be, nor will it be construed as, a partnership, corporation, joint venture or other business organization.

ARTICLE 3. Scope

- A.** The purpose of this Agreement between the FAA and the Sponsor is to provide a **commissioning flight inspection of the REILS on Rwy 16, 34, 04 and 22 at Atkinson Municipal Airport (KPTS) Pittsburg, KS**. This agreement provides funding for the FAA to establish these services.

Therefore, this project is titled:

City of Pittsburg, KS, Pittsburg, KS

B. The FAA will perform a **commissioning flight inspection of the REILS on Rwy 16, 34, 04 and 22 at Atkinson Municipal Airport (KPTS) Pittsburg, KS.**

C. The Sponsor will:

1. Provide funding as estimated in Article 7.
2. Upon signature and payment of agreement, contact James Field at 405-954-4939 or james.d.field@faa.gov and inform him when the site is ready for inspection. You may call Flight Inspection Central Operations if you have any questions at 405-954-9780.

ARTICLE 4. Points of Contact

A. FAA:

1. Flight Inspection Services will perform the Scope of Work included in this Agreement. Jim Wilson is the Manager, Mission Control Team, and liaison with the Sponsor for any Flight Inspection issues and can be reached at 405-954-9789. The Flight Inspection Services Agreement Administrator, Georgia Hines, can be reached at 405-954-8545. These liaisons are not authorized to make any commitment, or otherwise obligate the FAA, or authorize any changes which affect the estimated cost, period of performance, or other terms and conditions of this Agreement.
2. FAA Contracting Officer: The execution, modification, and administration of this Agreement must be authorized and accomplished by the Director, Flight Inspection Services.

B. Sponsor Point(s) of Contact

Sponsor: City of Pittsburg, Kansas
Attn: Bill Beasley
Director of Public Works
Address: 201 W. 4th Street
Pittsburg, KS 66762
Phone: (620) 231-4170
E-mail: billb@pittks.org

ARTICLE 5. Non interference with operations: [RESERVED]

ARTICLE 6. Transfer Agreement [RESERVED]

ARTICLE 7. Estimated Costs

A. The estimated FAA costs associated with this Agreement are as follows:

Description of Reimbursable Item	Estimated Cost
Flight Inspection	\$8,310.00
Overhead (6%)	\$ 498.60
Total Estimated Cost	\$8,808.60

Detailed Estimate:

FLIGHT INSPECTION ESTIMATED COSTS

<i>Lear Rate \$3,324/hr</i>	Type	Hours	Inspections	Estimated Cost
REILs on Rwys 16, 34,04, & 22 at KPTS	Commissioning	2.5	1	\$8,310.00
	6% Administrative Overhead Cost			<u>\$ 498.60</u>
	TOTAL ESTIMATED COST OF AGREEMENT			\$8,808.60

B. The FAA- Flight Inspection Services reserves the right to determine which aircraft will be used for flight inspections. Flight hour rates will be adjusted automatically according to the most current edition of FAA Order 2500.36, Application of Flight Hour Rates. The estimates are based on rates in effect at the time this Agreement is signed.

C. Estimated costs contained herein are for planning purposes only and can vary depending on the actual aircraft used, and actual flight hours expended to reach the facility and to accomplish the inspection. As required by regulation, the final bill submitted to the customer will reflect actual hours and costs to Flight Inspection Services.

D. **Sponsor** will be notified of any necessary deviations or changes to the instrument flight procedure and agrees to negotiate with the FAA to resolve additional reimbursement issues exceeding 10% of the cost estimate, in accordance with Article 9.

ARTICLE 8. Period of Agreement and Effective Date

This Agreement supersedes and nullifies any previous agreements between the parties on the subject matter. The effective date of this Agreement is the date of the last signature. This Agreement is considered complete when the final invoice is provided to the Sponsor and a refund is sent or payment is received as provided for in Article 9, Section E of this Agreement. Under no circumstances will this Agreement extend five years beyond its effective date.

ARTICLE 9. Reimbursement and Accounting Arrangements

- A. The Sponsor agrees to prepay the entire estimated cost of the Agreement in annual installments as invoiced by the FAA. The Sponsor will send the advance payment to the Accounting Division listed in Section C of this Article. The advance payment will be held as a non-interest bearing deposit. Such advance payment by the Sponsor must be received before the FAA incurs any obligation to implement this Agreement. Any advanced payment amount remaining in one fiscal year will be applied to the next fiscal year's payment due. Any amount due on the final bill will be netted against the advance payment and, as appropriate, a refund or final bill will be sent to the Sponsor.
- B. The Sponsor certifies that arrangements for sufficient funding have been made to cover the estimated costs of the Agreement.
- C. The Accounting Division is identified by the FAA as the billing office for this Agreement. The Sponsor will send a copy of the executed Agreement to the Agreement Coordinator. All advance payments will be sent to the Accounting Division shown below. All payments must include the Agreement number, Agreement name, Sponsor name, and project location.

The mailing address is:

FAA – Mike Monroney Aeronautical Center
ATTN: AMZ-330, Reimbursable Project Team
P.O. Box 25082
Oklahoma City OK 73125

The overnight mailing, address is:

DOT/FAA/Mike Monroney Aeronautical Center
AMZ-330 Reimbursable Project Team
6500 S. MacArthur Blvd.
Oklahoma City OK 73169
Telephone: (405) 954-4962

The Sponsor hereby identifies the office to which the FAA will render bills for the project costs incurred as:

City of Pittsburg, Kansas
Attn: Jamie Clarkson
Director of Finance
201 W. 4th Street
Pittsburg, KS 66762
(620) 230-5607
jamiec@pittks.org

- D. Pre-payment notices will be sent to the Sponsor on an annual basis.

- E. The cost estimates contained in Article 7 are expected to be the maximum cost associated with this Agreement, but may be modified to recover the FAA's actual cost. If during the course of this Agreement, actual costs are expected to exceed the estimated costs, the FAA will notify the Sponsor immediately. The FAA will also provide the Sponsor a modification to the Agreement which includes the FAA's additional costs. The Sponsor agrees to prepay the entire estimated cost of the modification. The Sponsor will send a copy of the executed modification to the Agreement to the FAA-Mike Monroney Aeronautical Center with the additional advance payment. Work identified in the amendment cannot start until receipt of the additional advance payment. In addition, the FAA reserves the right to request additional funding in the event that a contractor brings a claim against the FAA resulting in additional costs. More so, the sponsor agrees to reimburse the FAA for the additional costs incurred whether or not a final bill or a refund has been sent.

ARTICLE 10. Changes and Modifications

Changes and/or modifications to this Agreement will be formalized by a written modification that will outline in detail the exact nature of the change. Any modification to this Agreement will be executed in writing and signed by the authorized representative of each party. The parties signing this Agreement and any subsequent modification(s) represent that each has the authority to execute the same on behalf of their respective organizations. No oral statement by any person will be interpreted as modifying or otherwise affecting the terms of the Agreement. Any party to this Agreement may request that it be modified, whereupon the parties will consult to consider such modifications.

ARTICLE 11. Termination

In addition to any other termination rights provided by this Agreement, either party may terminate this Agreement at any time prior to its expiration date, with or without cause, and without incurring any liability or obligation to the terminated party other than payment of amounts due and owing and performance of obligations accrued, in each case on or prior to the termination date, by giving the other party at least thirty (30) days prior written notice of termination. Payment of amounts due and owing may include all costs reimbursable under this Agreement, not previously paid, for the performance of this Agreement before the effective date of the termination; the total cost of terminating and settling contracts entered into by the FAA for the purpose of this Agreement; and any other costs necessary to terminate this Agreement. Upon receipt of a notice of termination, the receiving party will take immediate steps to stop the accrual of any additional obligations which might require payment. All funds due after termination will be netted against the advance payment and, as appropriate, a refund or bill will be issued.

ARTICLE 12. Order of Precedence

If attachments are included in this Agreement and in the event of any inconsistency between the attachments and the terms of this Agreement, the inconsistency will be resolved by giving preference in the following order:

- A. This Agreement
- B. The attachments

ARTICLE 13. Legal Authority

This Agreement is entered into under the authority of 49 U.S.C. § 106(l)(6), which authorizes the Administrator of the FAA to enter into and perform such contracts, leases, cooperative agreements and other transactions as may be necessary to carry out the functions of the Administrator and the Administration on such terms and conditions as the Administrator may consider appropriate. Nothing in this Agreement will be construed as incorporating by reference or implication any provision of Federal acquisition law or regulation.

ARTICLE 14. Disputes

Where possible, disputes will be resolved by informal discussion between the parties. In the event the parties are unable to resolve any dispute through good faith negotiations, the dispute will be resolved by alternative dispute resolution using a method to be agreed upon by the parties. The outcome of the alternative dispute resolution will be final unless it is timely appealed to the Administrator, whose decision is not subject to further administrative review and, to the extent permitted by law, is final and binding (see 49 U.S.C. § 46110).

ARTICLE 15. Warranties

The FAA makes no express or implied warranties as to any matter arising under this Agreement, or as to the ownership, merchantability, or fitness for a particular purpose of any property, including any equipment, device, or software that may be provided under this Agreement.

ARTICLE 16. Insurance

The Sponsor will arrange by insurance or otherwise for the full protection of itself from and against all liability to third parties arising out of, or related to, its performance of this Agreement. The FAA assumes no liability under this Agreement for any losses arising out of any action or inaction by the Sponsor, its employees, or contractors, or any third party acting on its behalf.

ARTICLE 17. Limitation of Liability

To the extent permitted by law, the Sponsor agrees to indemnify and hold harmless the FAA, its officers, agents and employees from all causes of action, suits or claims arising out of the work performed under this Agreement. However, to the extent that such claim is determined to have arisen from the act or omission by an officer, agent, or employee of the FAA acting within the scope of his or her employment, this hold harmless obligation will not apply and the provisions of the Federal Tort Claims Act, 28 U.S.C. § 2671, et seq., will control. The FAA assumes no liability for any losses arising out of any action or inaction by the Sponsor, its employees, or contractors, or any third party acting on its behalf. In no event will the FAA be liable for claims for consequential, punitive, special and incidental damages, claims for lost profits, or other indirect damages.

ARTICLE 18. Civil Rights Act

The Sponsor will comply with Title VI of the Civil Rights Act of 1964 relating to nondiscrimination in federally assisted programs.

ARTICLE 19. Protection of Information

The parties agree that they will take appropriate measures to identify and protect proprietary, privileged, or otherwise confidential information that may come into their possession as a result of this Agreement.

ARTICLE 20. Security [RESERVED]

ARTICLE 21. Intellectual Property

Data developed as part of FAA operations is public information subject to the Freedom of Information Act (FOIA) and the Privacy Act.

ARTICLE 22 Entire Agreement

This document is the entire Agreement of the parties, who accept the terms of this Agreement as shown by their signatures below. In the event the parties duly execute any modification to this Agreement, the terms of such modification will supersede the terms of this Agreement to the extent of any inconsistency. Each party acknowledges participation in the negotiations and drafting of this Agreement and any modifications thereto, and, accordingly that this Agreement will not be construed more stringently against one party than against the other. If this Agreement is not executed by the Sponsor within 100 calendar days after the FAA transmits it to the Sponsor, the terms contained and set forth in this Agreement shall be null and void.

AGREED:

**FEDERAL AVIATION
ADMINISTRATION**

CITY OF PITTSBURG, KS

SIGNATURE _____

NAME Edward W. Lucke, Jr.

TITLE Director, Flight Inspection
Services

DATE _____

SIGNATURE _____

NAME Michael Gray

TITLE Mayor

DATE _____



Memorandum

TO: Daron Hall, City Manager

FROM: Blake Benson, Economic Development Director

DATE: October 2, 2013

SUBJECT: October 8, 2013 Agenda Item
Façade grant applications

Seven applications have been received for phase III of the downtown matching façade grant program. The program's guidelines cap the amount eligibility at \$100 per foot, per building, with additional consideration given to buildings with side display windows and rear entrances facing a city parking lot.

The downtown façade grant advisory committee met on October 2 and recommended the following amounts for each applicant:

Ray Bulot – 610 N. Broadway. General improvements. Project cost: \$6,000; Amount recommended by committee: \$2,500

Dr. Mindi Garner (two combined applications) – 127 W. Fifth Street. Install Dryvit, remove damaged studs, replace siding, etc. Project cost: \$21,493; Amount recommended by committee: \$7,500

John Long – John's Import Auto, LLC, 512 N. Broadway. Replace awning, repaint, door work, brick work, etc. Project cost: \$15,000; Amount recommended by committee: \$7,500

Ray Costantini – Markham Travel, 618 N. Broadway. Reshingle façade, paint and replace wood trim. Project cost: \$4,650; Amount recommended by committee: \$2,500

Robert Cobb – Pittsburg Title, 315 N. Broadway. Remove vinyl siding, brick veneer front and north side, replace door. Project cost: \$10,700; Amount recommended by committee: \$3,750

Note: Although the next two applications are for the same building, the building owner is responsible for certain repairs, while the business owner is responsible for signage.

Nathan Wells – Vapor Generation, 210 S. Broadway. New signage, lighting. Project cost: \$1,000; Amount recommended by committee: \$500

Robert “Skip” Urich – Vapor Generation, 210 S. Broadway. Tuck pointing and seal front of building. Project cost: \$1,000; Amount recommended by committee: \$500

Please place these items on the agenda for the City Commission meeting scheduled for Tuesday, October 8, 2013. Action being requested is the approval or denial of the façade grant advisory committee recommendations and, if approved, authorize the Mayor to sign the appropriate documents.



Downtown Revitalization Façade Improvement Grant Application

Date of Application: 01/25/2013

Applicant Information

Applicant Name: Raymond Bulet

Business Name:

Street Address: 610 N Broadway

City: Pittsburg State: KS Zip: 66762

Building Information

Address of building where work is to be done: 610 N Broadway

Name of building owner (if different from above):

Building renter(s)/occupants:

Financial Information

Total amount of project: \$ 6,000.00

Total grant amount applied for: \$ 2,500.00

Guidelines:

Match must be 50/50 with City funds, using the following formula:

- Based on \$100 per building front foot
Extra: for street corner buildings - add up to 25 feet if side has a display window
Extra: for rear entrances facing a city parking lot - amount based on \$50 per building foot

Owner/Renter Matching Fund Source:

[X] Cash [] Bank Financing (list bank): [X] Sweat Equity [] Other:

Description of Improvements

Describe the façade improvements (City matching funds can only be used for façade improvements):

Mortar Repair, Window trim Upstairs repaired and Paint, Window Repair, wood over front door repaired & painted, downstairs Heritage Paint and mortar repair, wood around front door replaced and painted



Downtown Revitalization Façade Improvement Grant Application

Describe how owner/renter funds to match City will be used (exterior improvements will have first priority):

For Front Façade materials & labor

Please attach the following:

- Copies of any written estimates for building improvements
- Drawings that show work to be done
- Pictures of building in present condition

Is a building permit required for the project?

yes no

If yes, describe: _____

Project Timetable:

Date work is to start:

11 / 12 / 2013

Date work is to be completed:

12 / 31 / 2013

Is your building located within 500 feet of the Hotel Stilwell, Fox Theatre, or Pittsburg Public Library?

yes no

If yes, have you received State historical review?

If no, have you inquired about the approval process?

Funds will be paid out once all work has been completed. Invoices or receipts must be furnished for all materials and labor.

New or Expanding Business Information

Will your building improvements create any new jobs?

yes

If this is a new business, what goods or services are you going to provide?

Retail

Additional Incentive Program

The Neighborhood Revitalization Program may provide property tax rebates for improvements over \$10,000. For more information, call Deena Hallacy at 232-1210 or visit the City's website at www.pittks.org.

[Signature]
Applicant Signature

9-25-13
Date

[Signature]
Building Owner Signature

9-25-13
Date



Downtown Revitalization Façade Improvement Grant Application

Date of Application: 9 / 17 / 13

Applicant Information

Applicant Name: Dr Mindi Garner

Business Name: DO

Street Address: 127 W. 5th

City: Pittsburg State: Ks Zip: 66762

Building Information

Address of building where work is to be done:

Name of building owner (if different from above):

Building renter(s)/occupants:

127 W. 5th Pittsburg

Financial Information

Total amount of project: \$ 16 800

Total grant amount applied for: \$ 8 400

Guidelines:

Match must be 50/50 with City funds, using the following formula:

- Based on \$100 per building front foot
- Extra: for street corner buildings – add up to 25 feet if side has a display window
- Extra: for rear entrances facing a city parking lot – amount based on \$50 per building foot

Owner/Renter Matching Fund Source:

Cash Bank Financing (list bank): _____ Sweat Equity Other: _____

Description of Improvements

Describe the façade improvements (City matching funds can only be used for façade improvements):

see Attached Bid
From Tri State Building



Downtown Revitalization Façade Improvement Grant Application

Describe how owner/renter funds to match City will be used (exterior improvements will have first priority):

Exterior Improvements

Please attach the following:

- Copies of any written estimates for building improvements ✓
- Drawings that show work to be done
- Pictures of building in present condition

Is a building permit required for the project?

yes no

If yes, describe: _____

Project Timetable:

Date work is to start:

9	/	25	/	13
---	---	----	---	----

Date work is to be completed:

10	/	25	/	13
----	---	----	---	----

Is your building located within 500 feet of the Hotel Stilwell, Fox Theatre, or Pittsburg Public Library?

yes no

If yes, have you received State historical review?

If no, have you inquired about the approval process?

Funds will be paid out once all work has been completed. Invoices or receipts must be furnished for all materials and labor.

New or Expanding Business Information

Will your building improvements create any new jobs?

If this is a new business, what goods or services are you going to provide?

Additional Incentive Program

The Neighborhood Revitalization Program may provide property tax rebates for improvements over \$10,000. For more information, call Deena Hallacy at 232-1210 or visit the City's website at www.pittks.org.


Applicant Signature

9/14/13
Date


Building Owner Signature

9/14/13
Date



PROPOSAL

**816 East Jefferson Street
Pittsburg, KS 66762
(620)231-5260 Fax: (620)231-0575**

DATE: September 17, 2013

RE: Exterior Improvements

TO: Kevan Schubach
127 w. 5th
Pittsburg, Ks 66762

Phone: (620)724-3210
Fax: (620)232-7901

We Propose hereby to furnish material and labor – complete in accordance with specifications below, for the sum of:

SEE BELOW

TERMS: ACCOUNTS DUE & PAYABLE UPON RECEIPT. INVOICES UNPAID AFTER 15 DAYS INCUR FINANCE CHARGES FROM THE INVOICE DATE AT AN ANNUAL PERCENTAGE RATE OF 18%.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from specifications below involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature

NOTE: This proposal may be withdrawn by us if not accepted within 30 days.

1

Furnish and install approximately 1,200 square feet of Dryvit to the upper South and West sides of building.

Total amount for this work.....\$ 16,800.00

**Option: To use 26 gauge metal panel in lieu of Dryvit deduct.....< 5,600.00>

Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature: 

Date of Acceptance: _____

Signature: _____

(PLEASE SIGN AND RETURN ONE COPY)



Downtown Revitalization Façade Improvement Grant Application

Date of Application: 9 / 17 / 13

Applicant Information

Applicant Name: Dr. Mundi Garner

Business Name: Dr Mundi Garner DO

Street Address: 127 W. 5th

City: Pittsburg State: KS Zip: 66762

Building Information

Address of building where work is to be done: 127 W. 5th Pittsburg

Name of building owner (if different from above): _____

Building renter(s)/occupants: _____

Financial Information

Total amount of project: \$ 4693

Total grant amount applied for: \$ 2500

Guidelines:

Match must be 50/50 with City funds, using the following formula:

- Based on \$100 per building front foot
- Extra: for street corner buildings – add up to 25 feet if side has a display window
- Extra: for rear entrances facing a city parking lot – amount based on \$50 per building foot

Owner/Renter Matching Fund Source:

Cash Bank Financing (list bank): _____ Sweat Equity Other: _____

Description of Improvements

Describe the façade improvements (City matching funds can only be used for façade improvements):

See TH Rogers Est attached



Downtown Revitalization Façade Improvement Grant Application

Describe how owner/renter funds to match City will be used (exterior improvements will have first priority):

*Remove the tarpaper and wood siding
Replace damaged 2x4 studs, Add insulation
Replace siding with cement lap siding and
Paint entire facade with wet/dry CMNT.*

Please attach the following:

- Copies of any written estimates for building improvements
- Drawings that show work to be done
- Pictures of building in present condition

Is a building permit required for the project?

yes no

If yes, describe: _____

Project Timetable:

Date work is to start:

/ /

Date work is to be completed:

/ /

Is your building located within 500 feet of the Hotel Stilwell, Fox Theatre, or Pittsburg Public Library?

yes no

If yes, have you received State historical review?

If no, have you inquired about the approval process?

Funds will be paid out once all work has been completed. Invoices or receipts must be furnished for all materials and labor.

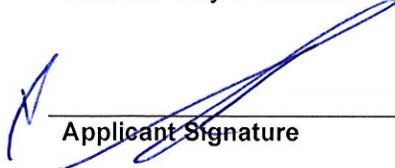
New or Expanding Business Information

Will your building improvements create any new jobs?

If this is a new business, what goods or services are you going to provide?

Additional Incentive Program

The Neighborhood Revitalization Program may provide property tax rebates for improvements over \$10,000. For more information, call Deena Hallacy at 232-1210 or visit the City's website at www.pittks.org.


Applicant Signature

9/10/10
Date


Building Owner Signature

9/10/10
Date

T.H. ROGERS HOMECENTER PITTSBURG KS
 1701 NORTH BROADWAY
 PITTSBURG, KS 66762

PHONE: (620) 231-0900

THANK YOU FROM ALL OF US AT T.H. ROGERS

ALLEN S. GARNER
 1108 IMPERIAL DRIVE
 PITTSBURG KS 66762

CUST#: 215041
 TERMS: NET 10TH

DOC #: 276044
 DATE : 9/17/13 TIME : 8:04
 CLERK: EEK TERM#607

EXP. DATE: 10/17/13

TAX : 081 #21 - CHARGE SALE TAX
 EST.#: 276044

 * ESTIMATE *

LN#	QTY	UM	SKU	DESCRIPTION	UNITS	PRICE/PER	EXTENSION
1	136	PC	10712CMTSDG	7-1/4"X12' TEX CEMENT LAP SIDING	136	6.49 /PC	882.64
2	9	EA	GR119	R-13 3-5/8"X15"X94" (88.12SF) KF	9	28.00 /EA	252.00
3	10	EA	SPF24102	2X4-10' STD.& BETTER SPF	10	4.14 /EA	41.40
4	2	EA	SILVERLINE	3-0 X 3-0 WINDOW	2	146.00 /EA	292.00
5	1	EA	SI	MISC SUPPLIES	1	150.00 /EA	150.00
6	1	EA	10936364	50' X 14" GALVANIZED FLASHING	1	40.00 /EA	40.00
7	1	PL	2358646	PR350070/1 WET/DRY RF CMNT 5G	1	39.99 /PL	39.99
8	3	EA	6396352	27-4108 1G EXT LTX SAT CUST WH	3	31.49 /EA	94.47
				Est Labor (2675 - 2750)			
				1943			
				2750			
				<u>4693</u>			

TAXABLE 1792.50
 NON-TAXABLE 0.00
 SUBTOTAL 1792.50

** ESTIMATE ** ESTIMATE ** ESTIMATE ** ESTIMATE **

TAX AMOUNT 150.57
 TOTAL AMOUNT 1943.07

(ALLEN GARNER)

X  9/17/13
 Received By



Downtown Revitalization Façade Improvement Grant Application

Date of Application: 09/01/12013

Applicant Information

phone 231-8848
620-687-1543

Applicant Name: John Long

Business Name: John's Import Auto LLC

Street Address: 512 N Broadway

City: Pittsburg State: KS Zip: 66702

Building Information

Address of building where work is to be done: Front of 512 + 514 N Broadway

Name of building owner (if different from above): Rear upstairs 514 N Broadway

Building renter(s)/occupants: Piece of Cake Nutrition, John's Import Auto, Narcotics Anonymous group

Financial Information

Total amount of project: \$ 15,000.00

Total grant amount applied for: \$ 7,500.00

Guidelines:

Match must be 50/50 with City funds, using the following formula:

- Based on \$100 per building front foot
- Extra: for street corner buildings – add up to 25 feet if side has a display window
- Extra: for rear entrances facing a city parking lot – amount based on \$50 per building foot

50 feet front (Broadway)
50 feet rear (city lot)

Owner/Renter Matching Fund Source:

Cash Bank Financing (list bank): _____ Sweat Equity Other: _____

Description of Improvements

Describe the façade improvements (City matching funds can only be used for façade improvements):

See attached pages + pictures



Downtown Revitalization Façade Improvement Grant Application

Describe how owner/renter funds to match City will be used (exterior improvements will have first priority):

The improvements mentioned in the attached sheet should exceed \$15,000.00, which will cover the City's half and my half.

Please attach the following:

- Copies of any written estimates for building improvements
- Drawings that show work to be done
- Pictures of building in present condition

Is a building permit required for the project?

yes no

If yes, describe:

Possibly to reroof awning + remove outer entry way to 514 N Broadway

Project Timetable:

Date work is to start:

10/01/2013

Date work is to be completed:

09/30/2014

Is your building located within 500 feet of the Hotel Stilwell, Fox Theatre, or Pittsburgh Public Library?

yes no ?

If yes, have you received State historical review?

If no, have you inquired about the approval process?

Funds will be paid out once all work has been completed. Invoices or receipts must be furnished for all materials and labor.

New or Expanding Business Information

Will your building improvements create any new jobs?

Possibly

If this is a new business, what goods or services are you going to provide?

Additional Incentive Program

The Neighborhood Revitalization Program may provide property tax rebates for improvements over \$10,000. For more information, call Deena Hallacy at 232-1210 or visit the City's website at www.pittks.org.

Applicant Signature

9-01-13
Date

Building Owner Signature

9-01-13
Date

FAÇADE IMPROVEMENT

512-514 N BROADWAY

JOHN D. LONG

September 1, 2013

PROPOSED FAÇADE IMPROVEMENTS

512 N BROADWAY:

Recover existing awning in a dark reddish-brown canvas, scrape and repaint downstairs entry area of building in same color scheme as rear of building (neutral green with reddish brown trim), replace broken and rotten trim as needed, and scrape and repaint trim around upstairs front windows.

514 N BROADWAY:

Remove outer entry door and surrounding brick work to open up access to store front and apartment as shown in picture #1.

Replace door entering apartment stairwell with a new decorative exterior door and frame designed to open outward. Picture #2

Repaint and trim front of store in same color scheme as rear of building (green and dark purple).

Re-shingle, flash, and trim existing overhang.

Scrape, repair and repaint upstairs window frames.

Repaint the upper section of building store front in green and dark purple paint scheme to match the rear of building.

514 N BROADWAY REAR UPSTAIRS FAÇADE:

As these buildings face a City Parking Lot in the rear, they qualify for rear façade improvements.

Cover protruding closet structure with roofing material or siding , replace shabby gutter, tuck point brick work, and repaint in same color scheme as rear of 512 N Broadway rear façade. See pictures #3 and #4.



Downtown Revitalization
Façade Improvement Grant
Application

Please provide before pictures of building

Date of Application: 9 | 4 | 13

Applicant Information

Applicant Name: Raymond Costantini

Business Name: 231-2153

Street Address: 2608 CALIFORNIA ST

City: Pittsburg State: KS Zip: 66762

Building Information

Address of building where work is to be done: 618 N. BROADWAY

Name of building owner (if different from above):

Building renter(s)/occupants: MARKHAM TRAVEL

Financial Information

Total amount of project: \$ 4,650.00

Total grant amount applied for: \$ 2,500.00

Guidelines:

Match must be 50/50 with City funds, using the following formula:

- Based on \$100 per building front foot
Extra: for street corner buildings - add up to 25 feet if side has a display window
Extra: for rear entrances facing a city parking lot - amount based on \$50 per building foot

Owner/Renter Matching Fund Source:

[X] Cash [] Bank Financing (list bank): [] Sweat Equity [] Other:

Description of Improvements

Describe the façade improvements (City matching funds can only be used for façade improvements):

Reshingle Upper Façade, PAINT, & Replace Wood TRIM AS NEEDED.



Downtown Revitalization Façade Improvement Grant Application

Describe how owner/renter funds to match City will be used (exterior improvements will have first priority):

Reshingle Upper Façade, PAINT,
* REPLACE Wood TRIM AS NEEDED

Please attach the following:

- Copies of any written estimates for building improvements
- Drawings that show work to be done
- Pictures of building in present condition

Is a building permit required for the project?

yes no

If yes, describe: _____

Project Timetable:

Date work is to start:

10	17	2013
----	----	------

Date work is to be completed:

11	17	2013
----	----	------

Is your building located within 500 feet of the Hotel Stilwell, Fox Theatre, or Pittsburg Public Library?

yes no

If yes, have you received State historical review?

If no, have you inquired about the approval process?

Funds will be paid out once all work has been completed. Invoices or receipts must be furnished for all materials and labor.

New or Expanding Business Information

Will your building improvements create any new jobs?

N. A.

If this is a new business, what goods or services are you going to provide?

N. A.

Additional Incentive Program

The Neighborhood Revitalization Program may provide property tax rebates for improvements over \$10,000. For more information, call Deena Hallacy at 232-1210 or visit the City's website at www.pittks.org.

Ronald Constantini
Applicant Signature

9/4/13
Date

Ronald Constantini
Building Owner Signature

9/4/13
Date

EXTREME CONSTRUCTION

INVOICE

ARMA, KANSAS

620-875-3688

SOLD TO:
Ray Constantini

INVOICE NUMBER 536524
 INVOICE DATE June 3, 2013
 OUR ORDER NO. 643
 YOUR ORDER NO. 643
 TERMS check
 SALES REP Ray

PREPAID or COLLECT COLL

Sales Tax Rate:

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Re shingle 618 N Brodway upper shingle Roof		\$4,650.00
	repair and replace wood trim as need		
	Paint new and repaired trim		
	Sofit		
	Materials		
	shingles		
	nails		
	facia board		
	paint		
	Lift rental		
		SUBTOTAL	4,650.00
		TAX	
		FREIGHT	
			\$4,650.00

MAKE ALL CHECKS PAYABLE TO:
 EXTREME CONSTRUCTION
 Attn: Accounts Receivable

PAY THIS
 AMOUNT

ARMA, KANSAS

THANK YOU FOR YOUR BUSINESS!



Submit by Email

Print Form

Downtown Revitalization Façade Improvement Grant Application

Date of Application: 9 / 12 / 2013

Applicant Information

Applicant Name: Robert Cobb

Business Name: _____

Street Address: 4019 Parkview Drive

City: Pittsburg State: Kansas Zip: 66102

Building Information

Address of building where work is to be done: 315 N Broadway

Name of building owner (if different from above): Sherry Stricker

Building renter(s)/occupants: Pittsburg Title

Financial Information

Total amount of project: \$ 10,700.-

Total grant amount applied for: \$ 3,750.- (25 Ft Frontage @ \$100. =)

Guidelines: (25 Ft Rear @ \$50. =)

Match must be 50/50 with City funds, using the following formula:

- Based on \$100 per building front foot
- Extra: for street corner buildings – add up to 25 feet if side has a display window
- Extra: for rear entrances facing a city parking lot – amount based on \$50 per building foot

Owner/Renter Matching Fund Source:

Cash Bank Financing (list bank): _____ Sweat Equity Other: _____

Description of Improvements

Describe the façade improvements (City matching funds can only be used for façade improvements):

Remove Vinyl Siding on Front, North Side and Rear. Brick VENEER Both Front and North Side. In Back Take Vinyl out of old window openings and Brick. Put new Commercial Front Door



Downtown Revitalization Façade Improvement Grant Application

Describe how owner/renter funds to match City will be used (exterior improvements will have first priority):

New Front Door - (Glass Depot) \$2525.-
Remove siding And Prepare building for Brick \$900.-
Brick Building (NG Masonry) \$7272.-

Please attach the following:

- Copies of any written estimates for building improvements
- Drawings that show work to be done
- Pictures of building in present condition

Is a building permit required for the project? yes no

If yes, describe: For Brick Layer-

Project Timetable:

Date work is to start:

10 / 15 / 13

Date work is to be completed:

11 / 11 / 13

Is your building located within 500 feet of the Hotel Stilwell, Fox Theatre, or Pittsburgh Public Library? yes no

If yes, have you received State historical review?

If no, have you inquired about the approval process?

Funds will be paid out once all work has been completed. Invoices or receipts must be furnished for all materials and labor.

New or Expanding Business Information

Will your building improvements create any new jobs?

yes

If this is a new business, what goods or services are you going to provide?

Additional Incentive Program

The Neighborhood Revitalization Program may provide property tax rebates for improvements over \$10,000. For more information, call Deena Hallacy at 232-1210 or visit the City's website at www.pittks.org.

Applicant Signature

9/20/13
Date

Building Owner Signature

9/20/13
Date

I will Be Closing on the Building 10/10/13 and will be the owner when the Construction Starts.

GLASS DEPOT

104 EAST FIRST PITTSBURG KANSAS, 66762

Date 9/18/13

Pittsburg Kansas, 66762

(620)-231-8800 ph

1-888-777-4173 fax

glass_depot@cleaverfarm.com

QUOTE for new Bronze Aluminum
DOORS, 2 - Doors & sideline Frames
with 1" Bronze insulated Glass.
Removal of old DOORS AND
new exterior Breakmetal trim is
included.

labor, materials, tax

\$ 2,525⁰⁰ per DOOR

Thanks
Tony

NEXT GENERATION MASONRY

1128 E. 540th Ave. Pittsburg Kansas

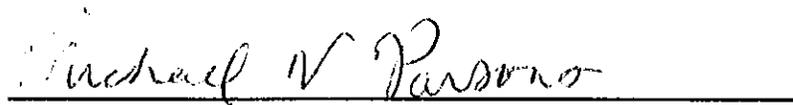
RE: Brick Veneer 315 N Broadway, Pittsburg KS

Front: 25' x 8'..... \$1,800.00

Side 67' x 8'..... \$4,824.00

Rear 2 – 6' x 6' areas..... \$648.00

Total **\$7,272.00**



Mike Parsons

Estimate

For: Robert Cobb

Location: 315 N. Broadway

Front: Remove vinyl siding and stripping \$200

North Side: Remove vinyl siding and stripping \$300

Back: Remove vinyl siding and stripping from 2- 6' x 6' areas
\$150

Repaint canopy and back door \$250

Mary Thomas



Submit by Email

Print Form

Downtown Revitalization Façade Improvement Grant Application

~~785-1625~~

Date of Application: 8 / 19 / 13

Applicant Information

Applicant Name: Nathan Wells

Business Name: Vaper Generation

Street Address: 210 S Broadway

City: Pitt. State: Kansas Zip: 66762

Building Information

Address of building where work is to be done: 210 S. Broadway

Name of building owner (if different from above): Betty Urich

Building renter(s)/occupants: Nathan Wells

Financial Information

Total amount of project: \$ 1000.00

Total grant amount applied for: \$ 500.00

Guidelines:

Match must be 50/50 with City funds, using the following formula:

- Based on \$100 per building front foot
- Extra: for street corner buildings – add up to 25 feet if side has a display window
- Extra: for rear entrances facing a city parking lot – amount based on \$50 per building foot

Owner/Renter Matching Fund Source:

Cash Bank Financing (list bank): _____ Sweat Equity Other: _____

Description of Improvements

Describe the façade improvements (City matching funds can only be used for façade improvements):

Sign for new business / lighting.



Downtown Revitalization Façade Improvement Grant Application

Describe how owner/renter funds to match City will be used (exterior improvements will have first priority):

More attractive sign to attract customers.

Please attach the following:

- Copies of any written estimates for building improvements
- Drawings that show work to be done
- Pictures of building in present condition

Is a building permit required for the project?

yes no

If yes, describe:

X

Project Timetable:

Date work is to start:

/ /

ASAP

Date work is to be completed:

/ /

Is your building located within 500 feet of the Hotel Stilwell, Fox Theatre, or Pittsburgh Public Library?

yes no

If yes, have you received State historical review?

If no, have you inquired about the approval process?

No

Funds will be paid out once all work has been completed. Invoices or receipts must be furnished for all materials and labor.

New or Expanding Business Information

Will your building improvements create any new jobs?

Possibly.

If this is a new business, what goods or services are you going to provide?

Yes, Electronic cigarettes

Additional Incentive Program

The Neighborhood Revitalization Program may provide property tax rebates for improvements over \$10,000. For more information, call Deena Hallacy at 232-1210 or visit the City's website at www.pittks.org.

Applicant Signature

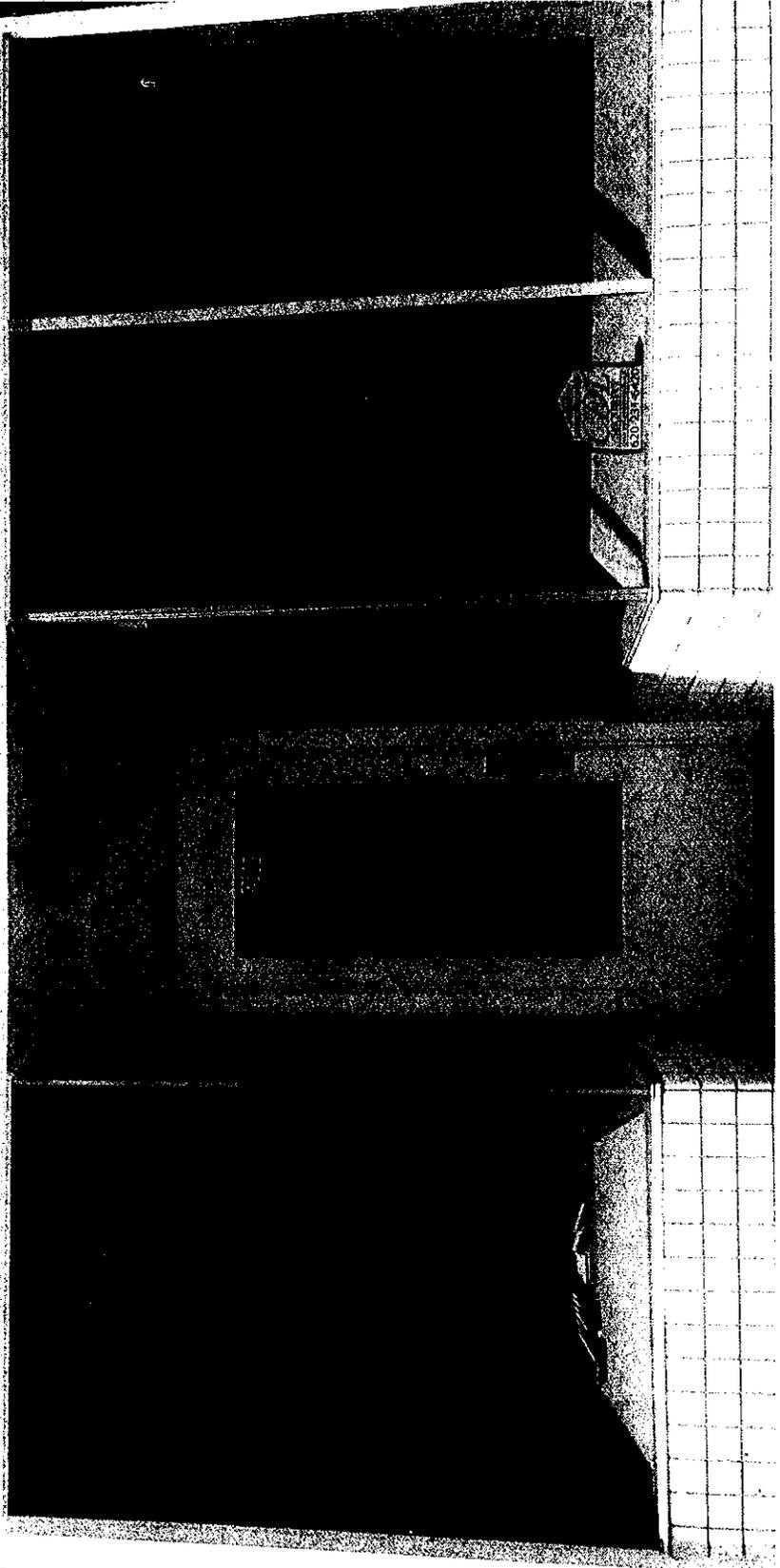
8-19-13
Date

Building Owner Signature

Date

VIAPOOR

GENERAL TIONS



CDL

Electric • Heating • Cooling • Signs • Security

Sign Division

Kelci Cooper

cell: 620-704-0968 work: 620-231-6420 fax: 620-231-6421

201 N. Joplin St. Pittsburg, KS

kelci.rae@cdl-electric.com

www.cdl-electric.com

Nate Wells		8/29/2013
Received By		Date
Vaper Generations	1	9/29/2013
Business	Quotation #	Valid Until
Description		
<p>Fabricate and install (1) 21'6"x35" alu panel sign with vinyl letters "VAPER GENERATION" Storefront Window Vinyl Across Bottom Windows "No Smoking" Store Hours Address</p>		
Comments		Cost
	Materials	\$640.00
	Labor	\$460.00
	Total	\$1100.00
_____	_____	
Customer	Kelci Cooper	Tax Not Included



Submit by Email

Print Form

Downtown Revitalization Façade Improvement Grant Application

Date of Application: 9 / 18 / 13

Applicant Information

Applicant Name: RONALD "SKIP" URICH

Business Name: _____

Street Address: 202 S. COLLEGE ST.
~~210 S. BROADWAY~~

City: PITTSBURG State: KS Zip: 66762

Building Information

Address of building where work is to be done: 210 S. BROADWAY

Name of building owner (if different from above): PITTSBURG, KS 66762

Building renter(s)/occupants: NATE WELLS (
DAVE/NANCY EDSON

Financial Information

Total amount of project: \$ 1,000

Total grant amount applied for: \$ 500

Guidelines:

- Match must be 50/50 with City funds, using the following formula:
 - Based on \$100 per building front foot
 - Extra: for street corner buildings – add up to 25 feet if side has a display window
 - Extra: for rear entrances facing a city parking lot – amount based on \$50 per building foot

Owner/Renter Matching Fund Source:

Cash Bank Financing (list bank): _____ Sweat Equity Other: _____

Description of Improvements

Describe the façade improvements (City matching funds can only be used for façade improvements):

TUCK POINT AND SEAL FRONT OF
BUILDING. (210 S. BDWY)



Downtown Revitalization Façade Improvement Grant Application

Describe how owner/renter funds to match City will be used (exterior improvements will have first priority):

PAYING FOR HALF OF TUCKPOINT/SEAL PROJECT

Please attach the following:

- Copies of any written estimates for building improvements
- Drawings that show work to be done
- Pictures of building in present condition

Is a building permit required for the project?

yes no

If yes, describe: _____

Project Timetable:

Date work is to start:

9 / 19 / 13

Date work is to be completed:

9 / 20 / 13

Is your building located within 500 feet of the Hotel Stilwell, Fox Theatre, or Pittsburgh Public Library?

yes no

If yes, have you received State historical review?

If no, have you inquired about the approval process?

Funds will be paid out once all work has been completed. Invoices or receipts must be furnished for all materials and labor.

New or Expanding Business Information

Will your building improvements create any new jobs?

NEW RETAIL STORE GOING INTO BUILDING

If this is a new business, what goods or services are you going to provide?

Additional Incentive Program

The Neighborhood Revitalization Program may provide property tax rebates for improvements over \$10,000. For more information, call Deena Hallacy at 232-1210 or visit the City's website at www.pittks.org.

Ronald G. Ulrich 9/18/13 Ronald G. Ulrich 9/18/13
 Applicant Signature Date Building Owner Signature Date

From: midlandrci@classicnet.net
Subject: 210 Broadway
Date: 09/18/2013 10:21 AM
To: skipurich1@excite.com

Dear Skip:

Our proposal to tuckpoint and seal the East elevation of 210 Broadway, Pittsburg, Kansas, is \$1,000.00

If you have any questions feel free to contact me at our office.

Russel K. Felt
Midland Restoration Co., Inc.
P.O. Box 247
Fort Scott, Kansas 66701-0247
620-223-6855
fax 620-223-3379

better.

VENDOR SET: 99 City of Pittsburg, KS
BANK: * ALL BANKS
DATE RANGE: 9/18/2013 THRU 10/01/2013

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
C-CHECK	VOID CHECK	V	9/20/2013			171569		

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00

VOID CHECKS:	1 VOID DEBITS	0.00		
	VOID CREDITS	0.00	0.00	0.00

TOTAL ERRORS: 0

VENDOR SET: 99 BANK: *	TOTALS:	1		0.00	0.00	0.00
BANK: *	TOTALS:	1		0.00	0.00	0.00

VENDOR SET: 99 City of Pittsburg, KS

BANK: 80144 BMO HARRIS BANK

DATE RANGE: 9/18/2013 THRU 10/01/2013

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
2519	EAGLE BEVERAGE CO INC	R	9/18/2013			171563		112.00
1	ALPHA GAMMA DELTA	R	9/20/2013			171565		32.00
1	BARR, CAROL	R	9/20/2013			171566		130.00
1	BURCH, CAROL	R	9/20/2013			171567		65.00
4263	COX COMMUNICATIONS KANSAS LLC	R	9/20/2013			171568		1,555.27
3493	KANSAS BOARD OF EMS	R	9/20/2013			171570		260.00
1	KELLY, ELIZABETH	R	9/20/2013			171571		55.00
1	LAIRD, TERRA	R	9/20/2013			171572		65.00
1	PRESIDENT'S OFFICE	R	9/20/2013			171573		400.00
1	SHULTZ, CAROLYN	R	9/20/2013			171574		65.00
1	THE SALVATION ARMY	R	9/20/2013			171575		35.00
6957	U.S. BANK	R	9/20/2013			171576		205.34
2350	WASTE CORPORATION OF MISSOURI	R	9/20/2013			171577		171.58
1108	WESTAR ENERGY	R	9/20/2013			171578		22.66
7060	PHILIPPE & MERRI TERESA ACCAD	R	9/25/2013			171588		2,897.92
1	BHAKTA, MANISHA	R	9/25/2013			171589		57,003.64
2519	EAGLE BEVERAGE CO INC	R	9/25/2013			171590		73.20
7069	AUSTERMAN CONSTRUCTION	R	9/27/2013			171591		4,632.56
1	BURRIS, CHRISTOPHER	R	9/27/2013			171592		500.00
1	CANALES, MARIA	R	9/27/2013			171593		250.00
5283	CLASS LTD	R	9/27/2013			171594		206.25
4263	COX COMMUNICATIONS KANSAS LLC	R	9/27/2013			171595		27.12

VENDOR SET: 99 City of Pittsburg, KS
 BANK: 80144 BMO HARRIS BANK
 DATE RANGE: 9/18/2013 THRU 10/01/2013

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
1	FARRIS, DENISE	R	9/27/2013			171596		45.00
1	JOHNSON, DUANE	R	9/27/2013			171597		230.00
1	KISSEE, AHSLEY	R	9/27/2013			171598		85.00
6817	LYNN JENKINS OFFICE SUPPLY ACC	R	9/27/2013			171599		72.00
1	RAMSEY, DENTON	R	9/27/2013			171600		13.00
1	ROBERTS, HEATHER	R	9/27/2013			171601		30.00
0349	UNITED WAY OF CRAWFORD COUNTY	R	9/27/2013			171602		105.87
1	VANDRIS, BRAD WESLEY	R	9/27/2013			171603		500.00
1108	WESTAR ENERGY	R	9/27/2013			171604		48.14
5371	PITTSBURG FAMILY YMCA	R	9/27/2013			171605		78.22
2004	AIRE-MASTER OF AMERICA, INC.	R	10/01/2013			171614		15.91
5966	BOBCAT OF SPRINGFIELD	R	10/01/2013			171615		363.80
0748	CONRAD FIRE EQUIPMENT INC	R	10/01/2013			171616		243.42
5857	CREATIVE PRODUCT SOURCING INC	R	10/01/2013			171617		100.80
6923	HUGO'S INDUSTRIAL SUPPLY INC	R	10/01/2013			171618		59.20
6119	LACAL EQUIPMENT INC	R	10/01/2013			171619		106.44
6750	HW LOCHNER, BWR DIVISION	R	10/01/2013			171620		2,236.27
7068	PLASTIC PRODUCTS	R	10/01/2013			171621		1,400.00
6806	RED MUNICIPAL & INDUSTRIAL EQU	R	10/01/2013			171622		460.32
3997	S&H FARM SUPPLY, INC.	R	10/01/2013			171623		386.61
6716	SID BOEDEKER SAFETY SHOE SERVI	R	10/01/2013			171624		339.98
3069	VIA CHRISTI PROFESSIONAL SERVI	R	10/01/2013			171625		300.89

VENDOR SET: 99 City of Pittsburg, KS
 BANK: 80144 BMO HARRIS BANK
 DATE RANGE: 9/18/2013 THRU 10/01/2013

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
06712	WEBQA INC	R	10/01/2013			171626		5,484.00
00011	AMERICAN ELECTRIC INC	E	9/25/2013			999999		70.00
00026	STANDARD INSURANCE COMPANY	D	10/01/2013			999999		1,236.62
00038	LEAGUE OF KANSAS MUNICIPALITIE	E	9/25/2013			999999		25.00
00044	CRESTWOOD COUNTRY CLUB	E	9/25/2013			999999		285.40
00046	ETTINGERS OFFICE SUPPLY	E	9/25/2013			999999		1,142.30
00055	JOHN'S SPORT CENTER	E	9/25/2013			999999		139.99
00063	LOCKE WHOLESALE SUPPLY	E	9/25/2013			999999		381.80
00064	MATADORE CO	E	9/25/2013			999999		84.01
00078	SUPERIOR LINEN SERVICE	E	9/25/2013			999999		48.86
00084	INTERSTATE EXTERMINATOR, INC.	E	9/25/2013			999999		350.00
00087	FORMS ONE	E	9/25/2013			999999		90.40
00088	D & H LEASING INC	E	9/25/2013			999999		186.13
00101	BUG-A-WAY INC	E	9/25/2013			999999		100.00
00105	PITTSBURG AUTOMOTIVE INC	E	9/25/2013			999999		906.95
00112	MARRONES INC	E	9/25/2013			999999		441.55
00117	THE MORNING SUN	E	9/25/2013			999999		2,676.89
00128	VIA CHRISTI HOSPITAL	E	9/25/2013			999999		1,095.00
00129	PROFESSIONAL ENGINEERING CONSU	E	9/25/2013			999999		5,841.54
00135	PITTSBURG AREA CHAMBER OF COMM	E	9/25/2013			999999		8.00
00145	BROADWAY LUMBER COMPANY, INC.	E	9/25/2013			999999		124.33
00154	BLUE CROSS & BLUE SHIELD	D	9/20/2013			999999		33,488.44

VENDOR SET: 99 City of Pittsburg, KS
 BANK: 80144 BMO HARRIS BANK
 DATE RANGE: 9/18/2013 THRU 10/01/2013

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0154	BLUE CROSS & BLUE SHIELD	D	9/27/2013			999999		41,430.05
0154	BLUE CROSS & BLUE SHIELD	D	10/01/2013			999999		28,759.16
0163	O'REILLY AUTOMOTIVE INC	E	9/25/2013			999999		21.97
0181	INGRAM	E	9/25/2013			999999		48.30
0194	KANSAS STATE TREASURER	E	9/25/2013			999999		3,712.48
0199	KIRKLAND WELDING SUPPLIES	E	9/25/2013			999999		9.00
0200	SHERWIN WILLIAMS COMPANY	E	9/25/2013			999999		321.35
0207	PEPSI-COLA BOTTLING CO OF PITT	E	9/25/2013			999999		1,042.75
0292	UNIFIRST CORPORATION	E	9/25/2013			999999		100.69
0300	PITTSBURG FORD-MERCURY, INC.	E	9/25/2013			999999		871.87
0306	CASTAGNO OIL CO INC	E	9/25/2013			999999		204.85
0321	KP&F	D	9/27/2013			999999		38,444.56
0328	KANSAS ONE-CALL SYSTEM, INC	E	9/25/2013			999999		338.40
0329	O'MALLEY IMPLEMENT CO INC	E	9/25/2013			999999		499.69
0332	PITTCRAFT PRINTING	E	9/25/2013			999999		82.00
0335	CUSTOM AWARDS PLUS INC	E	9/25/2013			999999		204.74
0339	GENERAL MACHINERY	E	9/25/2013			999999		333.31
0345	VICTOR L PHILLIPS CO	E	9/25/2013			999999		16.89
0375	CONVENIENT WATER COMPANY	E	9/25/2013			999999		30.00
0455	LARRY BARRETT BODY * FRAME * T	E	9/25/2013			999999		1,226.10
0507	SOUTHEAST KANSAS REGIONAL PLAN	E	9/25/2013			999999		3,648.00
0512	CALIFORNIA CONTRACTORS SUPPLIE	E	9/25/2013			999999		395.56

VENDOR SET: 99 City of Pittsburg, KS
 BANK: 80144 BMO HARRIS BANK
 DATE RANGE: 9/18/2013 THRU 10/01/2013

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0516	AMERICAN CONCRETE CO INC	E	9/25/2013			999999		267.50
0530	THYSSENKRUPP CORPORATION	E	9/25/2013			999999		800.16
0583	DICKINSON INDUSTRIES INC	E	9/25/2013			999999		170.00
0585	MOLLE MC AUTOMOTIVE INC	E	9/25/2013			999999		270.60
0597	MIDWEST MINERALS INC	E	9/25/2013			999999		114.49
0706	BLUE WATER POOL & SPA	E	9/25/2013			999999		55.84
0709	BATES SALES COMPANY INC	E	9/25/2013			999999		43.90
0728	ICMA	D	9/27/2013			999999		948.93
0753	CRAWFORD COUNTY MENTAL HEALTH	E	9/25/2013			999999		14,413.42
0805	BROADWAY ANIMAL HOSPITAL PA	E	9/25/2013			999999		806.25
0844	HY-FLO EQUIPMENT CO	E	9/25/2013			999999		85.45
0968	LEE ENTERPRISES	E	9/25/2013			999999		1,936.25
1050	KPERS	D	9/27/2013			999999		30,919.84
1490	ESTHERMAE TALENT	E	9/25/2013			999999		50.00
1619	MIDWEST TAPE	E	9/25/2013			999999		335.52
1704	AMERICAN MEDIA INVESTMENTS	E	9/25/2013			999999		204.00
2111	DELL MARKETING L.P.	E	9/25/2013			999999		8,121.46
2126	BUILDING CONTROLS & SERVICE IN	E	9/25/2013			999999		1,281.91
2137	VAN WALL GROUP	E	9/25/2013			999999		64.96
2161	RECORDED BOOKS, LLC	E	9/25/2013			999999		362.86
2186	PRODUCERS COOPERATIVE ASSOCIAT	E	9/25/2013			999999		2,118.40
2433	THE MORNING SUN	E	9/25/2013			999999		195.45

VENDOR SET: 99 City of Pittsburg, KS
 BANK: 80144 BMO HARRIS BANK
 DATE RANGE: 9/18/2013 THRU 10/01/2013

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
2707	THE LAWNSCAPE COMPANY, INC.	E	9/25/2013			999999		333.00
2825	KANSAS DEPT OF ADMINISTRATION	E	9/25/2013			999999		620.95
3192	MUNICIPAL CODE CORP	E	9/25/2013			999999		290.40
3248	AIRGAS USA LLC	E	9/25/2013			999999		26.86
3261	PITTSBURG AUTO GLASS	E	9/25/2013			999999		150.00
3697	LR ENTERPRISES LLC	E	9/25/2013			999999		560.00
3971	FASTENAL COMPANY	E	9/25/2013			999999		14.21
3972	WASHINGTON ELECTRONICS INC	E	9/25/2013			999999		3,505.16
4133	T.H. ROGERS HOMECENTER	E	9/25/2013			999999		185.71
4390	SPRINGFIELD JANITOR SUPPLY, IN	E	9/25/2013			999999		646.15
4618	TRESA NOYES	E	9/25/2013			999999		789.20
5049	CRH COFFEE INC	E	9/25/2013			999999		45.05
5275	US LIME COMPANY-ST CLAIR	E	9/25/2013			999999		4,053.69
5340	COMMERCE BANK TRUST	E	9/30/2013			999999		138,249.55
5552	NATIONAL SIGN CO INC	E	9/25/2013			999999		225.00
5558	MALLE SERVICE & SUPPLY	E	9/25/2013			999999		72.36
5581	KOAM, LLC	E	9/25/2013			999999		565.00
5635	LASER EQUIPMENT INC	E	9/25/2013			999999		313.80
5668	COUNTRYSIDE ANIMAL HOSPITAL OF	E	9/25/2013			999999		119.36
5904	TASC	D	9/27/2013			999999		6,435.84
5907	BREATHING AIR SERVICES INC	E	9/25/2013			999999		80.00
6067	BANC OF AMERICA LEASING & CAPI	D	9/25/2013			999999		1,380,183.77

VENDOR SET: 99 City of Pittsburg, KS
 BANK: 80144 BMO HARRIS BANK
 DATE RANGE: 9/18/2013 THRU 10/01/2013

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
6175	HENRY C MENGhini	E	9/25/2013			999999		1,334.76
6389	PROFESSIONAL TURF PRODUCTS LP	E	9/25/2013			999999		232.41
6415	ING FINANCIAL ADVISORS	D	9/27/2013			999999		4,587.00
6547	MO MAX SALES INC	E	9/25/2013			999999		51.40
6718	NATIONAL SCREENING BUREAU	E	9/25/2013			999999		174.00
6777	DH PACE CO	E	9/25/2013			999999		1,671.75
6805	WELLNESS INNOVATIONS & NURSING	E	9/25/2013			999999		15,292.55
6952	ADP INC	D	9/20/2013			999999		2,682.63
6952	ADP INC	D	9/27/2013			999999		2,479.52
7038	SIGNET COFFEE ROASTERS	E	9/25/2013			999999		36.00
7043	DREXEL TECHNOLOGIES	E	9/25/2013			999999		6,050.00
7044	NELROD COMPANY	E	9/25/2013			999999		107.50
7050	KRIZ-DAVIS CO.	E	9/25/2013			999999		29.70
7057	CUNNINGHAM ASSOCIATES	E	9/25/2013			999999		23,908.60

** T O T A L S **	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	45	81,469.41	0.00	81,469.41
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	12	1,571,596.36	0.00	1,571,596.36
EFT:	89	258,545.44	6.80CR	258,538.64
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0 VOID DEBITS	0.00		
	VOID CREDITS	0.00	0.00	

TOTAL ERRORS: 0

VENDOR SET: 99 BANK: 80144	TOTALS:	146	1,911,611.21	6.80CR	1,911,604.41
BANK: 80144	TOTALS:	146	1,911,611.21	6.80CR	1,911,604.41

VENDOR SET: 99 City of Pittsburg, KS
 BANK: EFT MANUAL EFTS
 DATE RANGE: 9/18/2013 THRU 10/01/2013

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0046	ETTINGERS OFFICE SUPPLY	E	9/23/2013			999999		8.99
0050	DEENA HALLACY	E	9/23/2013			999999		627.00
0054	JOPLIN SUPPLY COMPANY	E	9/23/2013			999999		336.67
0075	RYAN'S DRIVE-THRU CLEANER	E	9/30/2013			999999		138.30
0194	KANSAS STATE TREASURER	E	9/23/2013			999999		1,387.78
0200	SHERWIN WILLIAMS COMPANY	E	9/30/2013			999999		207.27
0375	CONVENIENT WATER COMPANY	E	9/23/2013			999999		65.00
0420	CONTINENTAL RESEARCH CORP	E	9/30/2013			999999		206.99
0597	MIDWEST MINERALS INC	E	9/23/2013			999999		141.35
0806	JOHN L CUSSIMANIO	E	9/30/2013			999999		245.00
0866	AVFUEL CORPORATION	E	9/30/2013			999999		27,107.82
1619	MIDWEST TAPE	E	9/23/2013			999999		96.97
1631	EVERYTHING SEW SEW	E	9/30/2013			999999		112.00
1792	B&L WATERWORKS SUPPLY, LLC	E	9/23/2013			999999		1,278.38
2035	O'BRIEN ROCK CO., INC.	E	9/23/2013			999999		5,456.23
2186	PRODUCERS COOPERATIVE ASSOCIAT	E	9/30/2013			999999		26,845.98
2223	PITNEY BOWES	E	9/23/2013			999999		894.00
2921	DP2 BILLING SOLUTIONS, LLC	E	9/30/2013			999999		5,579.84
5104	ANGELO FEARS	E	9/23/2013			999999		32.61
5552	NATIONAL SIGN CO INC	E	9/30/2013			999999		556.35
5590	HD SUPPLY WATERWORKS, LTD.	E	9/23/2013			999999		6,485.79
5609	RON WHITE	E	9/30/2013			999999		140.00

VENDOR SET: 99 City of Pittsburg, KS
 BANK: EFT MANUAL EFTS
 DATE RANGE: 9/18/2013 THRU 10/01/2013

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
5745	COGENT	E	9/30/2013			999999		627.88
6402	BEAN'S TOWING & AUTO BODY	E	9/23/2013			999999		1,634.24
6595	AMAZON.COM	E	9/23/2013			999999		5,940.14
6595	AMAZON.COM	E	9/30/2013			999999		6,404.99
6721	LLOYDS TRASH SERVICE	E	9/23/2013			999999		26.78
6752	CAREY STEIER	E	9/30/2013			999999		6.98
6805	WELLNESS INNOVATIONS & NURSING	E	9/30/2013			999999		2,734.48
6816	DEFFENBAUGH OF ARKANSAS LLC	E	9/23/2013			999999		933.74
6822	ELIZABETH BRADSHAW	E	9/30/2013			999999		144.00
6959	JERALD L STEFFENHAGEN SR	E	9/30/2013			999999		210.00
6995	SUMMER WARREN	E	9/30/2013			999999		90.00
7028	MATTHEW L. FRYE	E	9/23/2013			999999		400.00

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	34	97,110.42	6.87CR	97,103.55
NON CHECKS:	0	0.00	0.00	0.00

VOID CHECKS:	0 VOID DEBITS	0.00		
	VOID CREDITS	0.00	0.00	0.00

TOTAL ERRORS: 0

VENDOR SET: 99	BANK: EFT	TOTALS:	34	97,110.42	6.87CR	97,103.55
BANK: EFT	TOTALS:	34	97,110.42	6.87CR	97,103.55	

VENDOR SET: 99 City of Pittsburg, KS
 BANK: HAP BMO HARRIS BANK-HAP
 DATE RANGE: 9/18/2013 THRU 10/01/2013

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
6266	KENNETH JOSEPH BRADY	R	10/01/2013			171606		274.00
6585	CLASS HOMES 1 LLC	R	10/01/2013			171607		247.00
6168	K AND B RENTALS LLC	R	10/01/2013			171608		593.00
6517	STACE MORRIS	R	10/01/2013			171609		352.00
1800	DAN RODABAUGH	R	10/01/2013			171610		383.00
6451	NAZAR SAMAN	R	10/01/2013			171611		928.00
4897	JOHN VINARDI	R	10/01/2013			171612		243.00
4636	WESTAR ENERGY, INC. (HAP)	R	10/01/2013			171613		1,122.00

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	8	4,142.00	0.00	4,142.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0	VOID DEBITS 0.00		
		VOID CREDITS 0.00	0.00	
TOTAL ERRORS:	0			
VENDOR SET: 99 BANK: HAP TOTALS:	8	4,142.00	0.00	4,142.00
BANK: HAP TOTALS:	8	4,142.00	0.00	4,142.00
REPORT TOTALS:	189	2,012,863.63	13.67CR	2,012,849.96

Passed and approved this 8th day of October, 2013.

Michael E. Gray, Mayor

ATTEST:

Tammy Nagel, City Clerk



Memorandum

TO: Daron Hall, City Manager

FROM: Blake Benson, Pittsburg Area Chamber of Commerce President

DATE: October 3, 2013

SUBJECT: October 8, 2013 Agenda Item
Hotel/retail feasibility consultant contract

A priority of the Economic Development Advisory Committee is to conduct a feasibility study that will examine Pittsburg's potential in terms of hotel and retail businesses. To facilitate this, the EDAC contacted more than a dozen consultants that specialize in this type of work, then narrowed its focus to two specific candidates. The EDAC interviewed both candidates, then recommended Hoffman Strategy Group/Jeff Green Partners, LLC, to facilitate the study.

Following a negotiation period, Hoffman Strategy Group/Jeff Green Partners, LLC, agreed to facilitate the study for \$25,000, plus travel and printing costs. The study will take approximately 60 days to facilitate and will be paid for through the Revolving Loan Fund.

Attached is a proposed contract between the City of Pittsburg and Hoffman Strategy Group/Jeff Green Partners, LLC, that has been reviewed by city legal counsel and is ready for commission consideration.

Please place this item on the agenda for the City Commission meeting scheduled for Tuesday, October 8, 2013. Action being requested is the approval or denial of the loan forgiveness recommendation and, if approved, authorize the Mayor to sign the appropriate documents.



AGREEMENT

Parties to the Agreement

Hoffman Strategy Group LLC/Jeff Green Partners LLC and City of Pittsburg, KS agree to undertake *A Retail and Hospitality Feasibility Study* for the City of Pittsburg, KS.

Scope of Services

A description of the services to be provided by Hoffman Strategy Group LLC/Jeff Green Partners LLC is detailed in our proposal to Mr. Blake Benson dated August 15, 2013. This letter is hereby incorporated into this agreement by reference.

Fees and Schedule of Payment

City of Pittsburg, KS agrees to pay \$25,000 in consulting fees for this study plus expenses that shall include travel (e.g., airfare, lodging, mileage reimbursement at IRS rate, and/or rental car), meals for overnight site location visits, and printing/photocopying.

Services will commence upon receipt of these two items:

- One copy of this agreement form signed and dated by a representative of the City of Pittsburg, KS.
- A check in the amount of \$12,500 made payable to Hoffman Strategy Group LLC representing a 50% retainer.

The balance of the study fee (\$12,500) plus the above listed expenses will be invoiced upon completion of the project.

Duration

This project will be completed 60 days from the date of the study authorization, and sooner if possible. Hoffman Strategy Group LLC/Jeff Green Partners LLC agrees to perform all of the services described in this proposal.

Hold Harmless and Indemnification

Hoffman Strategy Group LLC/Jeff Green Partners LLC and their agents, employees, members, principals, officers, representatives and successors and assigns agree to hold the City of Pittsburg and its agents, employees, representatives, officers and assigns harmless from any and all causes of action, claims, demands, judgments, damages, losses, liability, expenses and attorney fees caused by or as a result of services rendered by Hoffman Strategy Group LLC/Jeff Green Partners LLC under this agreement; and further agree to defend and indemnify the City of Pittsburg and its agents, employees, representatives, officers and assigns, from and against any and all causes of action, claims,

demands, judgments, damages, losses, liability, expenses and attorney fees caused by or incurred a result of services rendered by Hoffman Strategy Group LLC/Jeff Green Partners LLC under this agreement.

Agreement Breach

Hoffman Strategy Group LLC/Jeff Green Partners LLC agree that in the event they breach this agreement and the City of Pittsburg files suit to recover any portion of its retainer, then Hoffman Strategy Group LLC/Jeff Green Partners LLC agrees to reimburse the City of Pittsburg, KS for its court costs and attorney fees incurred in preparing, filing and prosecuting said lawsuit.

Entirety of the Agreement

This agreement and letter attached hereto and made part hereof constitute the entire agreement and understanding between Hoffman Strategy Group LLC/Jeff Green Partners LLC and City of Pittsburg, KS and supersedes any prior agreement and/or understanding related to the aforementioned subject matter. It is further understood that no results or conclusions have been promised to City of Pittsburg, KS concerning the work performed by Hoffman Strategy Group LLC/Jeff Green Partners LLC.

This agreement is being entered into in accordance with, and is governed by, Kansas law.

The parties to this agreement consent to sole jurisdiction and venue in Crawford County District Court for any and all disputes and causes of action which arise between the parties.

Hoffman Strategy Group LLC and Jeff Green Partners LLC are jointly and severally responsible for the services to be performed under this agreement. Neither entity can assign any services to be performed under the agreement to a third party without the City of Pittsburg's prior written approval.

Accepted by _____ Date: _____

City of Pittsburg, KS

Accepted by _____ Date: _____

Jerry L. Hoffman, President, Manager & CEO
Hoffman Strategy Group LLC

Accepted by _____ Date: _____

Jeff Green, President, Manager & CEO
Jeff Green Partners LLC



DEPARTMENT OF PUBLIC UTILITIES

303 Memorial Drive · Pittsburg KS 66762

(620) 240-5126

www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: JOHN H. BAILEY, P.E., PhD
Director of Public Utilities

DATE: October 1, 2013

SUBJECT: Agenda Item – October 8, 2013
Kansas Public Water Supply Loan Fund Loan Agreement
Water Treatment Plant Emergency Power Generator
KPWSLF Project No. 2794

The Governing Body, in its meeting of November 27, 2012, held a **PUBLIC HEARING** concerning the potential submission of a loan application through the Kansas Public Water Supply Loan Funds Assistance Program administered by the Kansas Department of Health and Environment (KDHE). The loan will finance the installation of an emergency power generator at the Water Treatment Plant. Following the **PUBLIC HEARING**, the Governing Body passed a resolution authorizing completion of the loan application and execution and delivery of the loan documents.

After providing KDHE with the documents they requested in connection with the loan, the City has now received the Loan Agreement documents for this low interest loan for necessary review and approval. The Loan Agreement documents are on file with the City Clerk and have been reviewed for corrections and form by the City Attorney. This loan shall be used to pay construction costs, loan origination costs, and interest during construction of the project. The maximum amount of loan available for these improvements is \$1,000,000.00 with an associated interest rate of 2.49% per annum for 20 years. According to the provisions of the Loan Agreement documents, the first repayment of \$31,891.71 will be due August 1, 2014 if such documents are approved. The advantage to the City of Pittsburg in utilizing this method of funding is the below market rates for financing available, that money can be drawn from the loan funds only as needed and the fact we anticipate lending rates may increase due to the current national financial situation.

MEMO TO: DARON HALL
OCTOBER 1, 2013
PAGE TWO

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, October 8, 2013. Action necessary will be approval or disapproval of the Loan Agreement documents for the low interest loan. If approved, it will be necessary for the Governing Body to pass Ordinance No. S-1010 on **FIRST and only READING** authorizing the execution of the loan agreement, 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. Also, if approved, the City Attorney should proceed to execute the Form of Opinion of Municipality's Counsel and the City Clerk should provide an excerpt of the minutes regarding the Governing Body's decision in this regard when the executed documents are returned to KDHE.

If you have any questions concerning this matter, please do not hesitate to contact me.

Attachment: Loan Agreement

ORDINANCE NO. S-1010

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN PITTSBURG, 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 Pledge Agreement (the "Pledge Agreement") 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 Pledge Agreement) received pursuant to such Loan Agreements to the Authority; and

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

WHEREAS, Pittsburg, Kansas (the "Municipality") is a municipality as said term is defined in the Loan Act which operates a water system (the "System"); and

WHEREAS, the System is a Public Water Supply System, as said term is defined in the Loan Act; and

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

Install an emergency generator at 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 of not to exceed \$1,000,000.00 (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 PITTSBURG, 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 August 29, 2013, 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.

PASSED by the Governing Body of the City on _____, 2013 and [signed][and **APPROVED**] by the Mayor.

(SEAL)

Mayor – Michael E. Gray

ATTEST:

City Clerk – Tammy Nagel

APPROVED AS TO FORM ONLY.

City Attorney – Henry C. Menghini

LOAN AGREEMENT

Between

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

and

PITTSBURG, KANSAS

KPWSLF PROJECT NO. 2794

EFFECTIVE AS OF AUGUST 29, 2013

The interest of the Kansas Department of Health and Environment ("KDHE") in the interest portion of 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 Pledge Agreement between KDHE and the Authority. 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 Kansas Public Water Supply Loan Fund Revenue Bonds, pursuant to a Master Bond Resolution adopted by the Authority.

LOAN AGREEMENT

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 Contract.....	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 KDHE's Rights.....	15
Section 5.07. Financial and Management	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..... 17

Signatures 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 Loan Payments
- 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 Contract
- Exhibit J - Form of Qualified User Certificate

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

THIS LOAN AGREEMENT, effective as of August 29, 2013, by and between the KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT ("KDHE"), acting on behalf of THE STATE OF KANSAS (the "State"), and PITTSBURG, KANSAS, a "Municipality" according to K.S.A. 65-163d, hereinafter referenced as the "Municipality";

WITNESSETH:

WHEREAS, the Safe Drinking Water Act Amendments of 1996 [PL 104-182] to the Safe Drinking Water Act (jointly, the "Federal Act") established the Drinking Water Loan Fund to assist public water supply systems in financing the costs of infrastructure needed to achieve or maintain compliance with the Federal Act and to protect the public health and authorized the Environmental Protection Agency (the "EPA") to administer a revolving loan program operated by the individual states; and

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

WHEREAS, by passage of the Kansas Public Water Supply Loan Act, K.S.A. 65-163d *et seq.*, as amended (the "Loan Act"), the State of Kansas (the "State") has established the Kansas Public Water Supply Loan Fund (the "Revolving Fund") for purposes of the Federal Act; and

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

WHEREAS, the Secretary, Kansas Development Finance Authority (the "Authority"), and the Kansas Department of Administration (the "DOA") have entered into an Inter-Agency Agreement dated as of September 28, 2009, (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 Pledge Agreement, dated as of November 1, 1997, as the same may be amended and supplemented from time to time (the "Pledge Agreement") 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 Public Water Supply Revolving Loan Fund Revenue Bonds, issued in one or more series, pursuant to Master Bond Resolution No. 106, Master Bond Resolution 287, and supplements thereto.

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

"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 Contract, among KDHE, the Authority, KRWF and the Municipality, the form of which is attached hereto as *Exhibit I*.

"FIAC Origination Fee" means the fee charged by KDHE to implement the FIAC, which shall be an amount equal to 1.0% of the original principal amount of the Loan if such FIAC is entered into in conjunction with the execution of this Loan Agreement, or if the FIAC is entered into after the Municipality commences the Loan Repayments, an amount equal to 1.0% of the outstanding principal amount of the Loan as of the effective date of the FIAC.

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

"Green Project Reserve" means the requirement from Public Law 111-88 indicating that to the extent there are sufficient eligible project applications, 20 % of the funds awarded to the KPWSLF from Public Law 111-88 shall be used by for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

"Indebtedness" means any financial obligation of the Municipality evidenced by an instrument executed by the Municipality, including this Loan, Existing Revenue Indebtedness, Additional Revenue Indebtedness, 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.

"KRWFA" means the Kansas Rural Water Finance Authority.

"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 Origination Fee" means a fee charged by KDHE to originate the Loan pursuant to this Loan Agreement, which shall be an amount equal to 0.25% of the original principal amount of the Loan, as adjusted in accordance with the provisions of *Section 2.01* 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 Pittsburg, Kansas, its successors and assigns.

"Pledge Agreement" means the Pledge Agreement between the Authority and KDHE, dated as of November 1, 1997, 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 \$1,000,000.00 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 interest rate on the loan shall be 2.49% 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*. Any subsequent revision to the amount of the Loan or *Exhibit B* hereto shall not change the gross interest rate on the Loan.

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 amount of the Loan Origination Fee, if not paid from Municipality funds;

(5) 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

(6) the amount of the FIAC Origination Fee, if not paid from Municipality funds.

(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. Such certificate shall be given not later than the date established by KDHE, which shall be approximately the date that the Project is capable of being placed into operation 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 the earlier of two years after receipt by the Municipality of the first disbursement under the Loan or one year after Project completion. The final installment of principal under the Loan shall be fully repaid not later than 20 years after Project completion.

(b) **Prepayment of the Loan.** The Municipality may prepay the outstanding principal of the Loan, in whole, or in part, at any time, without penalty, upon giving 60 days written notice to KDHE of

its intent to so prepay , such notice 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); provided, however, 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) The FIAC Origination Fee (if applicable), if the same was not paid from proceeds of the Loan.

(b) 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 Resolution are insufficient to make such payments; and.

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

Section 2.07. Financial Integrity Assurance Contract. 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 execution of a FIAC by 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 execute a 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 to execute such document in substantially the form attached hereto as *Exhibit I*. The provider of contract services under the FIAC shall be compensated by KDHE from proceeds of the FIAC Origination Fee; the Municipality shall have no further obligation for fees to KDHE under the FIAC. The Municipality will cooperate fully with any recommendations and requirements imposed by the FIAC provider.

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 Costs, as listed in *Exhibit D*, is a reasonable and accurate estimation and, upon direction of KDHE, will supply the same with a certificate from its consulting engineer stating that such Costs are reasonable and accurate estimations, taking into account investment income to be realized during the course of construction of the Project, if any, and other lawfully available money that would, absent the Loan, have been used to pay the Project Costs.

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) a fully executed FIAC, if required by the Secretary, or desired by the Municipality;
 - (5) payment of the FIAC Origination Fee, if applicable, if not included in the principal amount of the Loan;
 - (6) payment of the Loan Origination Fee, if not included in the principal amount of the Loan; and
 - (7) 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 \$275,000 or if the municipality has outstanding debt in excess of \$275,000. Such audit may be a part of the single agency audit made in accordance with the Federal Single Audit Act of 1984, OMB Circular No. A-133, *Audits of States, Local Governments, and Non-profit Organizations* as amended in 1996 and 2003 and as may be further amended and revised. 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, unless the Municipality has received a waiver from such requirement as permitted by state law pursuant to K.S.A. 75-1120a.

(2) The Municipality shall maintain Project accounts 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) **Financial Information.** The Municipality specifically agrees to provide to KDHE a reasonable number of copies of such financial information and operating data of the Municipality and the System, to the extent necessary for KDHE to comply with its continuing disclosure obligations set forth in the SEC Rule and the Pledge Agreement. Such financial information shall be accompanied by an audit report prepared in accordance with the provisions of *subsection (g)(1)* hereof. Any such requested financial information and operating data shall be supplied within 210 days after the end of the Municipal Fiscal Year. Such requirement may be satisfied by submitting the Municipality's comprehensive annual financial report (CAFR) and/or annual report of its System unless KDHE notifies the Municipality of the need for additional information. If an audit is required to be prepared, but is not available within 210 days of the end of the Municipal Fiscal Year, unaudited financial information shall be provided to KDHE pending receipt of the audit report. In addition, the Municipality shall provide KDHE with prompt notification of the occurrence of certain material events. For purposes of this paragraph, "material event" shall mean: (a) principal and interest payment delinquencies on any Indebtedness; (b) non-payment related defaults in agreements authorizing any Indebtedness; (c) rating changes on any Indebtedness; (d) adverse tax opinions or events affecting the tax-exempt status of any Indebtedness; or (e) unscheduled draws on debt service reserves or credit enhancements on any Indebtedness reflecting financial difficulties.

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

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

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

ARTICLE IV

ASSIGNMENT

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

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

- (a) KDHE and the Authority shall have approved said assignment in writing;
- (b) the assignee is a city, county, township, water district, improvement district or other political subdivision of the State or any combination thereof;
- (c) the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Municipality's duties, covenants, and obligations under this Loan Agreement; provided, however, such assignment shall not relieve the Municipality of its duties, covenants, and obligations under this Loan Agreement;

(d) the assignment will not adversely impact KDHE's ability to meet its duties, covenants and obligations under the Authority under the Pledge Agreement, 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, require the Municipality to undergo a financial and management operations review or to enter into a 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

with a copy to its General Counsel

(2) to the Authority:

Kansas Development Finance Authority
555 S. Kansas Avenue, Suite 202
700 S.W. Jackson
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.

[BALANCE OF THIS PAGE HAVE BEEN INTENTIONALLY LEFT BLANK]

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: _____

Robert Moser, MD
Secretary
"KDHE"

Date: _____

PITTSBURG, KANSAS

(Seal)

By: _____

(Printed Name)

Title: _____

Date: _____

ATTEST:

By: _____

(Printed Name)
Title: Clerk

EXHIBIT A

DESCRIPTION OF THE PROJECT

This project will install an emergency power generator at the water treatment plant.

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.

KANSAS PUBLIC WATER SUPPLY LOAN FUND

ESTIMATED Draws - Actual Interest Rate
Amortization of Loan Costs

Prepared for:
City of Pittsburg, Project No. 2794

Project Principal: 997,500.00
Interest During Const.: 0.00
Service Fee During Const.: 0.00
Loan Origination Fee: 2,500.00
Loan Reserve Account: 0.00
Financial Integrity Assurance Contract: 0.00
Gross Loan Costs: 1,000,000.00

Gross Rate: 2.49%
Service Fee Rate: 0.35%
Loan Interest Rate: 2.14%
1st Payment Date: 8/1/2014
Number of Payments: 40

Payment Number	Payment Date	Beginning Balance	Interest Payment	Principal Payment	Service Fee	Total Payment	Ending Balance
1	8/1/2014	1,000,000.00	10,700.00	19,441.71	1,750.00	31,891.71	980,558.29
2	2/1/2015	980,558.29	10,491.97	19,683.76	1,715.98	31,891.71	960,874.53
3	8/1/2015	960,874.53	10,281.36	19,928.82	1,681.53	31,891.71	940,945.71
4	2/1/2016	940,945.71	10,068.12	20,176.94	1,646.65	31,891.71	920,768.77
5	8/1/2016	920,768.77	9,852.23	20,428.13	1,611.35	31,891.71	900,340.64
6	2/1/2017	900,340.64	9,633.64	20,682.47	1,575.60	31,891.71	879,658.17
7	8/1/2017	879,658.17	9,412.34	20,939.97	1,539.40	31,891.71	858,718.20
8	2/1/2018	858,718.20	9,188.28	21,200.67	1,502.76	31,891.71	837,517.53
9	8/1/2018	837,517.53	8,961.44	21,464.61	1,465.66	31,891.71	816,052.92
10	2/1/2019	816,052.92	8,731.77	21,731.85	1,428.09	31,891.71	794,321.07
11	8/1/2019	794,321.07	8,499.24	22,002.41	1,390.06	31,891.71	772,318.66
12	2/1/2020	772,318.66	8,263.81	22,276.34	1,351.56	31,891.71	750,042.32
13	8/1/2020	750,042.32	8,025.45	22,553.69	1,312.57	31,891.71	727,488.63
14	2/1/2021	727,488.63	7,784.13	22,834.47	1,273.11	31,891.71	704,654.16
15	8/1/2021	704,654.16	7,539.80	23,118.77	1,233.14	31,891.71	681,535.39
16	2/1/2022	681,535.39	7,292.43	23,406.59	1,192.69	31,891.71	658,128.80
17	8/1/2022	658,128.80	7,041.98	23,698.00	1,151.73	31,891.71	634,430.80
18	2/1/2023	634,430.80	6,788.41	23,993.05	1,110.25	31,891.71	610,437.75
19	8/1/2023	610,437.75	6,531.68	24,291.76	1,068.27	31,891.71	586,145.99
20	2/1/2024	586,145.99	6,271.76	24,594.19	1,025.76	31,891.71	561,551.80
21	8/1/2024	561,551.80	6,008.60	24,900.39	982.72	31,891.71	536,651.41
22	2/1/2025	536,651.41	5,742.17	25,210.40	939.14	31,891.71	511,441.01
23	8/1/2025	511,441.01	5,472.42	25,524.27	895.02	31,891.71	485,916.74
24	2/1/2026	485,916.74	5,199.31	25,842.05	850.35	31,891.71	460,074.69
25	8/1/2026	460,074.69	4,922.80	26,163.78	805.13	31,891.71	433,910.91
26	2/1/2027	433,910.91	4,642.85	26,489.52	759.34	31,891.71	407,421.39
27	8/1/2027	407,421.39	4,359.41	26,819.31	712.99	31,891.71	380,602.08
28	2/1/2028	380,602.08	4,072.44	27,153.22	666.05	31,891.71	353,448.86
29	8/1/2028	353,448.86	3,781.90	27,491.27	618.54	31,891.71	325,957.59
30	2/1/2029	325,957.59	3,487.75	27,833.53	570.43	31,891.71	298,124.06
31	8/1/2029	298,124.06	3,189.93	28,180.06	521.72	31,891.71	269,944.00
32	2/1/2030	269,944.00	2,888.40	28,530.91	472.40	31,891.71	241,413.09
33	8/1/2030	241,413.09	2,583.12	28,886.12	422.47	31,891.71	212,526.97
34	2/1/2031	212,526.97	2,274.04	29,245.75	371.92	31,891.71	183,281.22
35	8/1/2031	183,281.22	1,961.11	29,609.86	320.74	31,891.71	153,671.36
36	2/1/2032	153,671.36	1,644.28	29,978.51	268.92	31,891.71	123,692.85
37	8/1/2032	123,692.85	1,323.51	30,351.74	216.46	31,891.71	93,341.11
38	2/1/2033	93,341.11	998.75	30,729.61	163.35	31,891.71	62,611.50
39	8/1/2033	62,611.50	669.94	31,112.20	109.57	31,891.71	31,499.30
40	2/1/2034	31,499.30	337.04	31,499.30	55.37	31,891.71	0.00
		Totals	236,919.61	1,000,000.00	38,748.79	1,275,668.40	

EXHIBIT C

CONDITIONS APPLICABLE TO CONSTRUCTION OF THE PROJECT

The standard conditions applicable to the Loan are:

1. Municipality agrees to expeditiously initiate and complete the Project in accordance with the following schedule:
 - a. Advertisement for bids will not be initiated without written authorization by KDHE.
 - b. Advertising for bids within 30 days of authorization to advertise.
 - c. Bid opening at least 30 days from advertisement for bids.
 - d. Notice of Award will not be issued without written authorization by KDHE.
 - e. Contract award within 60 days of bid opening.
 - f. Issuance of notice to proceed within 30 days of contract award.
 - g. Initiation of operation within 60 days of notice to proceed or no later than April 15, 2014.
 - h. Finalization of construction within 90 days of notice to proceed.
 - i. Project Performance Certification 365 days following Initiation of Operation.

No change may be implemented by the Municipality which will delay or accelerate this schedule without prior approval of KDHE. KDHE must be promptly notified of any proposed changes.

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 (as approved by KDHE) 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:
 - (1) all construction deficiencies have been resolved.
 - (2) all testing requirements of the specifications have been performed and met.
 - b. The final plan of operations submitted in accordance with *Exhibit C*, Condition No. 3 must include a draft proposal for these services.
 - c. The final operation and maintenance manual submitted in accordance with *Exhibit C*, Condition No. 4 must be accompanied by a final proposal for these services.
 - d. 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.
 - e. 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 OMB Circular A-133, which implements the single Audit Act, the Municipality hereby agrees to obtain a single audit from an independent auditor if it expends \$500,000 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: <http://harvester.census.gov/fac/> . 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 99751613.
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.wdol.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.wdol.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 s 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 Lee Thomas at thomas.leea@epa.gov or 913-551-7739 ; and to the appropriate DOL Wage and Hour District Office listed at <http://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 must comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements.

Other civil rights laws may impose additional requirements on the Municipality. These laws include, but are not limited to, Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

19. Municipalities that receive over \$100,000 in KPWSLF funds shall comply with the Anti-Lobbying Act, Title 40 CFR Part 34, and file an Anti-Lobbying Certification form and the Disclosure of Lobbying Activities form to KDHE when required. Furthermore the Municipality shall require that the language of this certification be included in the award of any contracts funded by this loan.
20. The Municipality certifies that it is not suspended or debarred from participating in federal assistance and benefit programs and further agrees to fully comply with Subpart C of 2 CFR Part 180 and Subpart C of 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions." The Municipality must ensure that any lower tier covered transaction, as described in Subpart B of 2 CFR Part 180 and Subpart B of 2 CFR Part 1532, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. Recipient may access the Excluded Parties List System at www.epls.gov.

EXHIBIT D

USE OF LOAN PROCEEDS

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

<u>Project Description</u>	<u>Approximate Cost</u>
1. Construction: Install an emergency power generator at the water treatment plant.	\$900,000.00
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.	\$97,500.00
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.	\$2,500.00
<i>Total</i>	\$ 1,000,000.00

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 two original signatures of the form and one set of supporting documentation directly to:

Kansas Department of Health & Environment
Bureau of Water
Public Water Supply Section
1000 SW Jackson Street - Suite 420
Topeka, Kansas 66612

You should retain one copy for your records.

4. The Authorized Municipality Representative identified in the Loan Agreement remains the principal contact for all project matters.

EXHIBIT E

KWPCRF or KPWSLF OUTLAY REPORT AND REQUEST FOR DISBURSEMENT (See Instructions)	1. AGENCY TO WHICH THIS REPORT IS SUBMITTED: KDHE - BUREAU OF WATER	2. KDHE PROJECT NUMBER ASSIGNED
	MUNICIPAL PROGRAMS SECTION OR PUBLIC WATER SUPPLY SECTION	KWPCRF PROJECT # C20 _____ KPWSLF PROJECT # _____

3. TYPE OF REQUEST: FINAL _____ PARTIAL _____	4. PAYMENT REQUEST NUMBER # _____	5. PERIOD COVERED BY THIS REPORT FROM (Mo, day, year) TO (Mo, day, year)
--	--------------------------------------	---

6. RECIPIENT ORGANIZATION INFORMATION	7. FEIN NUMBER:
NAME :	
NO. & STREET :	
CITY :	
STATE AND ZIP CODE	

8. TO: THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT, ACTING ON BEHALF OF THE STATE OF KANSAS UNDER THE LOAN AGREEMENT EFFECTIVE AS OF _____, BETWEEN KDHE AND the _____

The undersigned hereby requests that the following amounts be paid to the following payees for the following Project Costs as defined in said Agreement:

CLASSIFICATION	(a) Total amount requested	(b) Payee	(c) Description	Total Approved (KDHE use only)
a. Administrative expense				See KDHE Attached Sheet or Reverse Side
b. Preliminary expense (Planning and Design)				
c. Land, structures, right-of-way (Not allowable)				
d. Architectural engineering basic fees				
e. Other architectural engineering fees				
f. Project inspection fees				
g. Construction and project improvement cost				
h. Equipment (By Separate Contract)				
i. Miscellaneous cost				
j. Total cumulative to date (sum of lines a thru i)	\$0.00			
k. Deductions for program income				
l. Net cumulative to date (Line j minus line k)	\$0.00			
m. Disbursements Paid to Date				
n. Amount due this Request (Line l minus Line m)	\$0.00			
o. Percentage of physical completion of project				

9. 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 to the persons whose names and addresses are stated above; and have not been the basis of any previous requisition from the proceeds of the Loan; (ii) as of this date, except for the amounts specified above, there are no outstanding statements which are due and payable for labor, wages, materials, supplies or services in connection with the acquisition, purchase, construction, improvement, repair, rehabilitation or extension of the Wastewater Treatment Works or the Water Supply/Treatment/Distribution Works; (iii) all representations made in the Agreement remain true as of the date of this request; and (iv) no adverse developments affecting the financial condition of the Recipient or its ability to complete the Project or to repay the Loan have occurred.

a. RECIPIENT:	b. KDHE Representative Certifying to line 8.n. Rodney R. Geisler or William J. Carr
Signature of Authorized Certifying Official	Signature of Authorized Certifying Official See KDHE Attached Sheet or Reverse Side
Typed or Printed Name and Title	Typed or Printed Name and Title Chief, Municipal Programs Section or Public Water Supply
Date Submitted	Telephone (Area Code, number & ext.)
	Date Approved
	Telephone (Area Code, number & ext.) 785-296-5527 or 296-5503

*** AMOUNT ROUNDED DOWN TO NEAREST WHOLE DOLLAR PER KWPCRF PROGRAM REQUIREMENT.**

INSTRUCTIONS FOR OUTLAY REPORT AND REQUEST FOR DISBURSEMENT

Please type or print legibly. Items 1, 4, 5, 6, 8.n., and 8.o. are self-explanatory; specific instructions for other items are as follows:

Item	Entry	Item	Entry
2	Enter the assigned KPWSLF project number.	8h	Enter amounts for all equipment, both fixed and movable, exclusive of equipment used for construction. For example, permanently attached laboratory tables, built-in audio visual systems, movable desks, chairs, and laboratory equipment.
3	Mark as appropriate. If the request is final, the amounts billed should represent the final cost of the project		
7	Enter the complete employer identification number assigned by the U.S. Internal Revenue Service [or FICE institution code if requested by the Federal agency].	8i	Enter the amounts for all items not specifically mentioned above.
8	Use only columns a, b, and c	8j	Enter the total cumulative amount to date which should be the sum of lines a through i.
8a	Enter amounts expended for such items as travel, legal fees, rental of vehicles and any other administrative expenses. Include the amount of interest expense when authorized by program legislation. Also show the amount of interest expense on a separate sheet.	8k	Enter the total amount of program income applied to the loan agreement. Identify on a separate sheet of paper the sources and types of the income.
8b	Enter amounts pertaining to the work of location and designing, making surveys and maps, sinking test holes, and all other work required prior to actual construction.	8l	Enter the net cumulative amount to date which should be the amount shown on line j minus the amount on line k.
8c	Enter all amounts directly associated with the acquisition of land, existing structures and related right-of-way.	8m	Enter the amount of reimbursements paid to date.
8d	Enter basic fees for services of architectural engineers.	8n	Enter the amount now being requested for reimbursement. This amount should be the difference between the amounts shown on lines l and m. If different, explain on a separate sheet.
8e	Enter other architectural engineering services. Do not include any amounts shown on line d.	9a	To be completed and signed by the duly authorized recipient representative official. The date should be the actual date the form is submitted to the funding agency.
8f	Enter inspection and audit fees of construction and related programs.	9b	To be completed by the funding agency official representative who is certifying to the percent of project completion as provided for in the terms of the loan agreement. Recipient leave blank.
8g	Enter those amounts associated with the actual construction of, addition to, or restoration of infrastructure.		

NOTE: TWO ORIGINAL SIGNATURE DISBURSEMENT REQUESTS AND ONE SET OF SUPPORTING DOCUMENTATION MUST BE SUBMITTED

EXHIBIT F

FORM OF MUNICIPALITY ORDINANCE

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF PITTSBURG, 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 PITTSBURG, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT FOR THE PURPOSE OF OBTAINING A LOAN FROM THE KANSAS PUBLIC WATER SUPPLY LOAN FUND FOR THE PURPOSE OF FINANCING A PUBLIC WATER SUPPLY PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.

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

Yes: _____.

No: _____.

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

(Other Proceedings)

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

(SEAL)

_____ Clerk

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

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN PITTSBURG, 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 Pledge Agreement (the "Pledge Agreement") 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 Pledge Agreement) received pursuant to such Loan Agreements to the Authority; and

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

WHEREAS, Pittsburg, Kansas (the "Municipality") is a municipality as said term is defined in the Loan Act which operates a water system (the "System"); and

WHEREAS, the System is a Public Water Supply System, as said term is defined in the Loan Act; and

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

Install an emergency power generator at 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 \$1,000,000.00 (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 ,
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 August 29, 2013, with the State of Kansas acting by and through the Kansas Department of Health and Environment (the "Loan Agreement") to finance the Project Costs (as defined in the Loan Agreement). The Mayor and Clerk are hereby authorized to execute the Loan Agreement in substantially the form presented to the governing body this date, with such changes or modifications thereto as may be approved by the Mayor and the Municipality's legal counsel, the Mayor's execution of the Loan Agreement being conclusive evidence of such approval.

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

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

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

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

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

(SEAL)

Mayor

ATTEST:

Clerk

[APPROVED AS TO FORM ONLY.]

City Attorney

EXHIBIT G

FORM OF OPINION OF MUNICIPALITY'S COUNSEL

[Date]

Kansas Development Finance Authority
Topeka, Kansas

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

Re: Loan Agreement effective as of August 29, 2013, between the Kansas Department of Health and Environment ("KDHE"), acting on behalf of the State of Kansas (the "State"), and Pittsburg, 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 Pittsburg
Attn: City Manager
201 W. 4th St.
Pittsburg, Kansas 66762-4701

H-1

EXHIBIT I

FORM OF FINANCIAL INTEGRITY ASSURANCE CONTRACT

This Contract is entered into as of August 29, 2013, between the **KANSAS RURAL WATER FINANCE AUTHORITY**, a body corporate and politic of the State of Kansas (the "Authority") and **PITTSBURG**, a municipality of the State of Kansas (the "Municipality") participating in the Kansas Public Water Supply Loan Fund program (the "Program"), with the approval and for the benefit of the **KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT** ("KDHE"), the administrator of the Program and for the benefit of the **KANSAS DEVELOPMENT FINANCE AUTHORITY** ("KDF"), as provider of certain financial services to the Program.

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 Municipality to enter into this contract and also permits the Secretary to require the Municipality to enter this contract as a means of assisting the Municipality to maintain financial integrity of the System over the term of the Loan Agreement.

C. KRWFA has been approved by KDHE to provide the Municipality with assistance in discharging certain System and financial management responsibilities expressly or implicitly undertaken in the Loan Agreement.

D. The Municipality [agrees][has been required by the Secretary] to engage the services of KRWFA for such purposes, and this contract sets forth KRWFA's undertakings with respect to the Municipality, the Municipality's obligations to KRWFA and their joint obligations to KDHE to assist in the performance of the Municipality's covenants pursuant to the Loan Agreement.

E. 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 operating data and financial information in the form prescribed by KRWFA 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 KRWFA. The initial Quarterly Management Report shall be submitted to KRWFA in the first full calendar quarter following the first draw of loan funds by the Municipality.

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

3. **Annual Budget.** Not later than 180 days prior to the beginning of each fiscal year of the Municipality, the Municipality will furnish to KRWFA a proposed System budget for the ensuing fiscal year in the form prescribed by state statute, with such further modifications as may be required by KRWFA. KRWFA will review the proposed System budget and return the same to the Municipality within 30 days with KRWFA's recommendations, if any. 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 KRWFA. The initial budget of the Municipality shall be submitted to KRWFA for the fiscal year of initial draw against loan funds.

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 KRWFA 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. 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 KRWFA. The initial audit of the Municipality shall be submitted for the fiscal year of the initial draw against loan funds.

5. **Proposed Remediation Plan.** Within 60 days of receipt of the Municipality's audit report, KRWFA 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, KRWFA will make recommendations to the Municipality for remediation of the deficiencies. KRWFA 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 KRWFA's recommendations, the Municipality's governing body will meet to review such recommendations and will submit to KRWFA its written plan for curing the deficiencies and/or implementing KRWFA's recommendations.

6. **Assistance in Implementation of Prescribed Changes.** KRWFA will provide the

Municipality with assistance in implementing a remediation plan that will assure future compliance with required financial covenants as soon as is practically feasible, including implementation of changes in the water rates or operational practices of the Municipality as may be prescribed by the Secretary pursuant to the Loan Act.

7. **Compliance Certification.** KRWFA will provide KDHE with an annual written compliance report for the Municipality within the time period set forth in *Section 5* hereof for review of the annual audit. Such report shall indicate compliance or non-compliance by the Municipality with its requirements under the Loan Agreement. Any recommendations provided by KRWFA pursuant to *Sections 5* and/or *6* hereof shall be included in such report. In the event that the Municipality does not implement such recommendations within a reasonable time, KRWFA shall immediately notify the Secretary of such noncompliance.

8. **Fees.** KRWFA shall be paid the FIAC Origination Fee as compensation for its services under this contract for the entire term of the Loan Agreement. The fee may be included in the amount of the Loan Agreement if this contract is entered into at the time of the Loan Agreement, or may be paid by the Municipality (upon the execution of the Loan Agreement) to KDFA for remittance to KRWFA.

9. **Dissemination of Information.** KRWFA shall provide to KDHE and KDFA copies of all reports, recommendations and other written material received by KRWFA from the Municipality or sent by KRWFA to the Municipality pursuant to the terms of this contract.

10. **Term.** This contract shall take effect upon its signature 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.

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

[BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

EXECUTED AND DELIVERED on behalf of the parties by an authorized signatory as of the dates hereinafter set forth.

KANSAS RURAL WATER FINANCE AUTHORITY

By: _____

Date: _____

Title: _____

PITTSBURG

By _____

Date: _____

Title: _____

APPROVED:

**KANSAS DEPARTMENT OF HEALTH
AND ENVIRONMENT**

By: _____

Date: _____

Title: _____

NOT APPLICABLE

EXHIBIT J

FORM OF QUALIFIED USER CERTIFICATE

The undersigned is making the following representations and covenants on behalf of Pittsburg (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 August 29, 2013. The Municipality understands that all or a portion of the proceeds of its Loan may be funded with proceeds of bonds issued by Kansas Development Finance Authority ("KDFA") the interest on which is intended to be exempt from Federal income tax ("Tax-Exempt Bonds"). In the Loan Agreement the Borrower agreed that it would not use any portion of the proceeds of the Loan or the facilities financed with the proceeds of the Loan (the "Financed Facility") in a manner that could cause interest on any of the Tax-Exempt Bonds to become subject to income tax. Each of the following representations and covenants is made for the purpose of satisfying this covenant contained in the Loan Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

PITTSBURG

By: _____

Printed Name

Title