

MEETING AGENDA
La Cygne City Council
January 2, 2020
Meeting Place: La Cygne City Hall

Thank You for **Not Talking** during the meeting until recognized by the Mayor. If you wish to be scheduled on a future agenda, Please contact the City Clerk by Friday preceding the meeting.

1) CALL REGULAR MEETING TO ORDER (6:00pm):

a] Pledge of Allegiance

2) MAYOR'S COMMENTS:

a]

3) NEW YEAR ORGANIZATION:

1. Resolution #409 – Authority to Pay Payroll and Certain Bills Early (Page 6)
2. Resolution #410 – Waiver from Certain Accounting Procedures (Page 7)

4) CONSENT AGENDA:

Action Item: Motion to approve consent agenda;
Minutes of December 18, 2019 City Council Meeting; (Pages 8-14)
Check Register: December 19 - 29, 2019; (Pages 3-5)
Check Register: December 30, 2019 – January 2, 2020; (Blue Pages)

5) DISCUSSION FROM THE FLOOR:

Individuals, not scheduled on the agenda, are afforded an opportunity to participate in the meeting. Individuals may address the Council for a period not to exceed five (5) minutes. The Governing Body is not required to take action on requests and may schedule them for consideration at a future meeting.

✓

6) SPECIAL PROJECTS:

Report from City Clerk – Jodi Wade
Report from Public Works – Dan Nasalroad

Water Treatment Plant

- a) Punch list items – Water heaters not working properly, Water Salesman timer, Rapid Mixer and light ballast was reinstalled on Thursday, Dec 26, 2019.
- b) Reviewing grant dollars with USDA and BG Consultants.

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7) REPORTS OF CITY OFFICERS:

- ✓ City Attorney – Burton Harding
- ✓ Police Chief & Codes Officer – Corporal Kurtis West
- ✓ Public Works Department – Dan Nasalroad
 - a) Odorizer valve replacement - \$1525
- ✓ Fire Chief – Dan Nasalroad
- ✓ City Clerk – Jodi Wade
 - a) COLA Increase for 2020.
 - b) Reviewing new W-4 Form and I-9 forms will have to be updated.

8) REPORTS OF COUNCIL COMMITTEES:

- a] Water & Gas-----James Thies----- Keith Stoker
- b] Street -----Keith Stoker ----- Jerome Mitzner
- c] Sewer-----James Thies----- Jerome Mitzner
- d] Park-----Danny Curtis ----- Keith Stoker
- e] Cemetery-----Danny Curtis ----- Thomas Capp
- f] Public Safety-----Jerome Mitzner----- Keith Stoker
- g] Community Building----- Danny Curtis ----- Thomas Capp
- h] Employee Relations & Training-----James Thies ----- Thomas Capp

9) SPECIAL COMMITTEE REPORTS:

- a] Emergency Management
- b] Swanfest Committee

10) UNFINISHED BUSINESS:

- a] USDI Contract Agreement (Pages 15-23)
- b] Dump Truck for Public Works Department

11) NEW BUSINESS

- a] Kansas Rural Water Association (KRWA) Voting Delegate and Alternate Delegate. Conference dates are set for March 24- 26, 2020 in Wichita, KS. Annual Board meeting will be held on March 26, 2020 at 8:00am.
- b] CCMFOA Annual Spring Conference, March 11-13, 2020, Manhattan, KS, Early Registration Fee \$325, Hotel \$99/night for 3 nights, City Clerk Wade to attend.

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EXECUTIVE SESSION:

a] I move the city council recess into executive session to discuss _____ pursuant to _____ . The open meeting will resume in the city council meeting area at _____ p.m.

12) OTHER BUSINESS

13) NOTES & COMMUNICATIONS TO COUNCIL

a]

14) ADJOURNMENT

TRANSACTION REGISTER

MOD CODE	BANK NO	NAME	NUMBER	DATE	PERIOD	VEND/EMPL	OTHER NUMBER	DEPOSITS	CHECKS AND WITHDRAWALS	VOIDED	CLEARED
1 Labette Bank (Gold)(Linn Co)											
BK DEP	12155555			12/20/19	12/19	rm 1529		2,095.38			
UB DEP	12155556			12/20/19	12/19	UB DEPOSIT		340.97			
UB DEP	12155557			12/20/19	12/19	UB DEPOSIT		73.91			
UB DEP	12155558			12/26/19	12/19	UB DEPOSIT		84.25			
UB DEP	12155559			12/26/19	12/19	UB DEPOSIT		86.92			
UB DEP	12155560			12/26/19	12/19	UB DEPOSIT		1,091.51			
GL DEP	12155561			12/26/19	12/19	ELECTRONIC DEPOSIT		30,244.88			
BK DEP	12155562			12/27/19	12/19	RM1536		12,496.36			
UB DEP	12155563			12/27/19	12/19	UB DEPOSIT		614.74			
PR CHK	1028122			12/20/19	12/19	BLANCHETT, CODE			100.00		
PR CHK	1028123			12/20/19	12/19	BOONE, LISA M			400.00		
PR CHK	1028124			12/20/19	12/19	CHAPLIN, JEFFER			100.00		
PR CHK	1028125			12/20/19	12/19	GORE, CONNIE			100.00		
PR CHK	1028126			12/20/19	12/19	NASALROAD, DANI			100.00		
PR CHK	1028127			12/20/19	12/19	ROSS, WILLIAM R			900.00		
PR CHK	1028128			12/20/19	12/19	WADE, JODIANN K			100.00		
PR CHK	1028129			12/20/19	12/19	WEST, KURTIS A			100.00		
PR CHK	1028130			12/20/19	12/19	WEST, TATE			100.00		
AP CHK	1028131			12/20/19	12/19	AFLAC			163.30		
AP CHK	1028132			12/19/19	12/19	CARUTHERS, AURELIA R.			75.00		
AP CHK	1028133			12/19/19	12/19	CHILDREN'S COALITION			291.00		
AP CHK	1028134			12/19/19	12/19	CONNIE GORE			190.24		
AP CHK	1028135			12/19/19	12/19	DOLLAR GENERAL			399.40		
AP CHK	1028136			12/19/19	12/19	HARDING LAW FIRM L.L.C.			4,605.00		
AP CHK	1028137			12/19/19	12/19	HAWKINS INC			2,391.22		
AP CHK	1028138			12/19/19	12/19	HEARTLAND RURAL ELECTRIC			38.00		
AP CHK	1028139			12/19/19	12/19	ORR WYATT STREETSCAPES			16,109.84		
AP CHK	1028140			12/19/19	12/19	SCHENDEL PEST CONTROL			56.26		
AP CHK	1028141			12/19/19	12/19	SCOTT DRAKE	1657		200.00		
AP CHK	1028142			12/19/19	12/19	SHELLEY ELECTRIC, INC			38,034.23		
AP CHK	1028143			12/19/19	12/19	STEWART KASPER			590.60		
PR CHK	1028144			12/27/19	12/19	BLANCHETT, CODE			1,391.30		
PR CHK	1028145			12/27/19	12/19	CHAPLIN, JEFFER			1,063.11		
PR CHK	1028146			12/27/19	12/19	CRAVEN, CLARENC			515.10		
PR CHK	1028147			12/27/19	12/19	GORE, CONNIE			1,229.41		
PR CHK	1028148			12/27/19	12/19	HARDWICK, RANDY			93.09		
PR CHK	1028149			12/27/19	12/19	MICK, ARLENE R			351.05		
PR CHK	1028150			12/27/19	12/19	NASALROAD, DANI			1,815.08		
PR CHK	1028151			12/27/19	12/19	STONE, STEPHANI			594.34		
PR CHK	1028152			12/27/19	12/19	WADE, JODIANN K			1,365.06		
PR CHK	1028153			12/27/19	12/19	WEST, KURTIS A			1,748.83		
PR CHK	1028154			12/27/19	12/19	WEST, TATE			1,097.41		
AP CHK	1028155			12/27/19	12/19	AFLAC			225.50		
AP CHK	1028156			12/26/19	12/19	CARUTHERS, AURELIA R.			75.00		
AP CHK	1028157			12/26/19	12/19	CORE & MAIN			2,419.12		
AP CHK	1028158			12/26/19	12/19	KANSAS HIGHWAY PATROL PAR			48.00		
AP CHK	1028159			12/26/19	12/19	NAVRAT'S			33.80		
AP CHK	1028160			12/26/19	12/19	ULINE			195.02		
AP CHK	1028161			12/26/19	12/19	VISA			50.34		
AP CHK	1028162			12/27/19	12/19	NAVRAT'S			24.00		

M=MANUAL CHECK *=-RECONCILING

TRANSACTION REGISTER

MOD CODE	BANK NO	NAME	DATE	PERIOD	VEND/EMPL	OTHER NUMBER	DEPOSITS	CHECKS AND WITHDRAWALS	VOIDED	CLEARED
AP CHK	1028163		12/27/19	12/19	POSTMASTER			175.70		
AP ETR	1237835		12/24/19	12/19	KANSAS RETAILERS' SALES T			5,331.40 M		
AP ETR	1237836		12/20/19	12/19	KPERS			128.87		
AP ETR	1237837		12/20/19	12/19	IRS			339.40		
AP ETR	1237838		12/27/19	12/19	KANSAS WITHHOLDING TAX			547.00		
AP ETR	1237839		12/27/19	12/19	KPERS			2,369.96		
AP ETR	1237840		12/27/19	12/19	IRS			3,712.41		

BANK TOTAL							47,128.92	92,083.39	.00	.00
BALANCE							4,474,072.74			

M=MANUAL CHECK *=RECONCILING

City of LaCygne, Kansas
RESOLUTION NO. 409

A RESOLUTION OF THE CITY OF LA CYGNE, LINN COUNTY, KANSAS REGARDING THE PAYMENT OF PAYROLL CHECKS AND CERTAIN ROUTINE MONTHLY BILLS.

WHEREAS, scheduled payment of payroll checks occurs before regularly scheduled city council meetings; and

WHEREAS, to take advantage of discounts or to meet due dates, certain bills are required to be paid before regularly scheduled council meetings; Now Therefore

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LACYGNE, KANSAS; that:

Authorization is granted for the payment of payroll checks and routine monthly bills to take advantage of discounts or if they become due and payable prior to appearing on the next council meeting check voucher list.

PASSED AND APPROVED BY THE GOVERNING BODY OF LA CYGNE, LINN COUNTY, KANSAS THIS 2nd DAY OF JANUARY 2020.

Robert Sullivan, Mayor

ATTEST:

Jodi Wade, City Clerk

City of LaCygne, Kansas
RESOLUTION NO. 410

A RESOLUTION OF THE CITY OF LA CYGNE, LINN COUNTY, KANSAS REGARDING A WAIVER FROM GAAP-PRESCRIBED STATEMENTS AND GENERAL FIXED ASSETS ACCOUNTING.

WHEREAS, The City of La Cygne, Kansas has found that financial statements and financial reports prepared in conformity with generally accepted accounting principles are not relevant to the requirements of the cash basis law and budget laws of Kansas and are of no significant value to the Governing Body or members of the General Public of the City of La Cygne: now therefore

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LACYGNE, KANSAS; that:

The GAAP-Prescribed financial statements and the general fixed assets accounting be waived for the fiscal year ending December 31, 2020, in accordance with the provision of K.S.A. 75-1120a.

PASSED AND APPROVED BY THE GOVERNING BODY OF LA CYGNE, LINN COUNTY, KANSAS THIS 2nd DAY OF JANUARY 2020.

Robert Sullivan, Mayor

ATTEST:

Jodi Wade, City Clerk

REGULAR MEETING:

The La Cygne City Council met on Wednesday, December 18, 2019 at La Cygne City Hall. Council Members present were: Danny Curtis; Thomas Capp; and James Thies. Absent-Jerome Mitzner and Keith Stoker

Others in attendance included, but not limited to: City Clerk Jodi Wade; City Attorney Burton Harding; Linn County News Tony Furse; Public Works Superintendent/Fire Chief Dan Nasalroad; Corporal Kurtis West, and Deb Wilson.

CALL REGULAR MEETING TO ORDER (6:00 P.M.)

Pledge of Allegiance – City Clerk Wade

2019 LA CYGNE AMENDED BUDGET HEARING

Notice of Amended Budget Hearing (Final Draft Packet at Table)

- i. Open Amended Budget Hearing
- ii. Comments from the Public - NONE
- iii. Close Amended Budget Hearing

❖ **Motion**

Council Member Curtis motioned to approve the 2019 Amended Budget as presented. Motion seconded by Council Member Capp voted on, passed 3-0.

MAYOR'S COMMENTS:

- Merry Christmas to our patrons and be sure they have a safe New Years' Eve celebration.
- City Hall and Trash Compactor will be closed on Dec 24, Dec 25 and Jan 1.
- First Council meeting of January will be held on January 2, 2020 at 6pm due to the New Years Holiday. The meeting will be held in the Community Building since Municipal Court is being held in the La Cygne City Hall.
- City Clerk Wade reminded the Council of the meeting on January 13, 2020 meeting.

CONSENT AGENDA:

❖ **Motion to approve Consent Agenda:**

Council Member Curtis motioned to accept the Consent Agenda as presented.

Minutes of December 4, 2019 City Council Meeting;
November 2019 Treasurer's Report;
November 2019 Budget Report;
Check Register: December 05 - 18, 2019

Motion seconded by Council Member Thies, voted on, passed 3-0.

DISCUSSION FROM THE FLOOR:

- Deb Wilson addressed the Council about the concerns expressed by citizens of the danger exiting from Casey's on to Highway 152. She also inquired about the "double yellow lines" on Commercial St/Broadway St (Historic downtown area). Discussion was held. PWS Nasalroad will research.

SPECIAL PROJECTS:

Report from Public Works Superintendent (PWS) – Dan Nasalroad

Report from City Clerk (CC) – Jodi Wade

WATER DISTRIBUTION LINE-

- **Water Improvement Project Contractor Orr-Wyatt Streetscapes Final Pay Application #29 in the amount of \$16,109.84.** City Clerk Wade informed the Council of the completion of the punch list items. Orr Wyatt is mailing a check for \$1200 and a release waiver for the invoices due to Double Eagle Excavating for repairs to service line connections to the new meters are 324 Chestnut, 401 7th St and a Stainless steel clamp for a repair next to the County Barn on Sycamore and 4th street. PWS Nasalroad said he was satisfied with the punch list items and advised the Council the City would be responsible from here forward for any dirt settling and/or gravel needs. Syd's Market at 602 East Market St will be taken care of by Double Eagle excavating. CC Wade spoke with Orr-Wyatt to confirm the 2" tap location for Syd's Market.

❖ **Motion**

Council Member Curtis motioned to pay Orr-Wyatt Streetscapes final pay application in the amount of \$16,109.84 upon receipt of the check from Orr-Wyatt for the invoices to Double Eagle excavating in the amount of \$1200. Motion seconded by Council Member Capp, voted on, passed 3-0.

COMPLETION OF WORK CERTIFICATE, RELEASE OF FINAL SURETY(BOND) AND CONTRACTORS AFFIDAVIT

❖ **Motion**

Council Member Curtis motioned to allow Mayor Sullivan to sign the Completion of Work Certificate for the Water Improvement project Phase 2. Motion seconded by Council Member Capp, voted on, passed 3-0.

WATER TREATMENT PLANT

- **Water Treatment plant contractor Shelley Electric pay request #8 in the amount of \$38,034.23.** Mayor Sullivan confirmed upon the payment of the \$38,034.23 the remaining balance of retainage would be \$56,048.30. CC Wade concurred.

❖ **Motion**

Council Member Capp motioned to pay Shelley Electric pay application 8 in the amount of \$38,034.23. Motion seconded by Council Member Thies, voted on, passed 3-0.

SPECIAL PROJECTS CONT:

WATER TREATMENT PLANT

Council Member Curtis asked City Clerk Wade to review the invoices to see if the City was being billed for an Inspector on the Water Treatment Plant.

Mayor Sullivan asked about the bulk water salesman status. PWS Nasalroad informed the Council the timer piece was to be delivered back to the plant the end of this week and installed/tested by the contractor again. PWS Nasalroad has concerns about the product and supplier due to the shortage of necessary repair parts. Updates will follow upon repair.

REPORTS OF CITY OFFICERS:

CITY ATTORNEY –BURTON HARDING

City Attorney Harding completed the requests from Verizon on the lease agreement. Both parties are in agreement with the terms. City Attorney Harding has reviewed the USDI Contract agreement and submitted some items for USDI to add to the contract.

POLICE OFFICER –KURTIS WEST

- Reviewed Report at the table.
- Pipeline Safety Training, January 15, 2020 in Ft. Scott. Corporal West, Utility Clerk Gore and Fire Chief Nasalroad to attend. No fee for training, only travel expense.

❖ **Motion**

Council Member Capp motioned to send Corporal West, Utility Clerk Gore and Fire Chief Nasalroad to the Pipeline Safety training, January 15, 2020 in Ft Scott. Motion seconded by Council Member Thies voted on, passed 3-0.

- Children's Coalition Annual Donation. CC Wade advised the Council we had 97 convictions in 2019 and in the prior years we have donated \$3 per conviction. Total donation would be \$291.00

❖ **Motion**

Council Member Curtis motioned to approve a \$291 donation to the Children's Coalition. Motion seconded by Council Member Thies voted on, passed 3-0.

PUBLIC WORKS DEPARTMENT – PUBLIC WORKS SUPERINTENDENT (PWS) DAN NASALROAD

- PWS Nasalroad received the concrete rock to perform the repairs on Lincoln Street where the flood water washed out the rip-rap around the culvert and edge of road.
- PWS Nasalroad missed out on a used dump truck. PWS Nasalroad asked the Council if they would approve up to \$30,000 for the purchase of a used Dump Truck so if something comes available then we have a better chance to act quick. Good used dump trucks are hard to find and they sell quick. Council Member Curtis expressed his objections to allowing the purchase of a vehicle to be acted upon without Council approval first and would prefer to have a special meeting called to give approval for spending the tax payers dollars. PWS Nasalroad expressed his due diligence to perform his duties in the best interest of the city and use of the tax payers dollars. Further discussion was held and no action was taken.

REPORTS OF CITY OFFICERS CONT:

PUBLIC WORKS DEPARTMENT CONTINUED – DAN NASALROAD

Mayor Sullivan asked about plowing snow. PWS Nasalroad said he follows the weather forecast to determine when to plow/salt. We have to be conservative on our sand supply. The blade on the 1-ton and a small blade on the uni-loader are all we have to move snow. Council Member Thies asked if we had a blade for the backhoe and the city does not. PWS Nasalroad said we have lost several of the locations in which we used to push snow to pile. Now we have to form a pile and then load the snow in to the Dump truck to haul to a lot to clear.

FIRE DEPARTMENT – FIRE CHIEF DAN NASALROAD –

None

CITY CLERK (CC) – JODI WADE –

- I. **Discussion was held regarding the Chief of Police position.** The following items were addressed.
- Reviewing the Chief of Police job description.
 - Permanent residency within 10 miles of the corporate limits of the city.
 - Code Enforcement Officer opening. Appoint an interim Codes Officer to sign permits.
 - Form an Interview Committee which includes (1 or 2) Council Member(s), Public Works Superintendent, and Court Clerk.

Council Member Curtis asked CC Wade to advertise the Chief of Police position with Codes Enforcement Officer duties included.

Council Member Capp asked CC Wade to research the Code Enforcement Officer position in other communities our size and what type of training requirements there might be for a person handling those duties. Council member Curtis asked CC Wade to find out from Tate West how many hours were spent on Codes work in the past. Council Member Capp asked Corporal West if he would be interested in performing the duties of the Codes Enforcement Officer until the Chief of Police Position was filled. Corporal West advised the Council he would be OK with handling those duties.

❖ **Motion**

Council Member Curtis motioned appoint Corporal Kurtis West as the interim Codes Enforcement Officer until the Chief of Police position is filled. Motion seconded by Council Member Thies voted on, passed 3-0.

- II. **Christmas lights for 2020** – CC Wade discussed options to repair electric plugs/replace Elements/brackets. Discussion was held on contracting out the responsibility to store/hang Christmas lights or if the City was capable to rent a Lift (\$218/day) and perform the task of putting the lights on the poles. Dreamscape estimate for 2020 to just hang & remove lights not hanging brackets or taking down banners \$875. CC Wade would need to check if this includes the snowflakes on Commercial and the ones on Hwy 152. Council Member Capp suggested using the fees from the lease of the new Verizon tower to help with the cost for Christmas pole electric repairs and replacement of lights. CC Wade also advised the Council of assistance from Lincoln Township board is also a possibility.

REPORTS OF CITY OFFICERS CONT:

CITY CLERK (CC) – JODI WADE –

III. **Fellowship/Internship program for City Hall clerk position.**

CC Wade suggested the City establish a 2-year Fellowship/Internship program, 32-36 hrs/week, Permanent-Part time position, KPERS, and health insurance (70/30 split for premiums), must be completing a B.A. or M.B.A in Business/Finance/Management or Administration, and starting pay rate of \$12-\$14/hr. No comments were made.

COUNCIL COMMITTEE REPORTS:

WATER & GAS –NONE

STREET –NONE

SEWER-NONE

PARK-NONE

CEMETERY –NONE

PUBLIC SAFETY -NONE

COMMUNITY BUILDING-

EMPLOYEE RELATIONS & TRAINING - NONE

SPECIAL COMMITTEE REPORTS:

CC Wade informed the Council of an opening on the La Harper Heights Board and a soon to be opening on the Planning & Zoning Commission.

EMERGENCY MANAGEMENT –NONE

SWANFEST COMMITTEE -NONE

UNFINISHED BUSINESS:

VERIZON LEASE AGREEMENT

CC Wade and City Attorney Burton Harding have completed the request from Verizon which included an address for the property, confirmation to list Verizon as an additional insured on the insurance policy and contact information for reports. Council Member Capp confirmed with City Attorney Harding that he was satisfied with the agreement.

❖ **Motion**

Council Member Capp motioned to approve the Verizon Lease Agreement for property located at 419 South 5th Street for the amount of \$6000/year as presented. Motion seconded by Council Member Thies voted on, passed 3-0.

DOUGLAS PUMP PROPOSAL FOR PARK LIFT STATION PUMP

CC Wade reviewed the warranty period of 90 days for a rebuilt pump and 5-year prorated warranty for a new ABS Pump. This new pump would replace the ABS (S/N 21597) pump at the park.

❖ **Motion**

Council Member Thies motioned to buy a new ABS Pump for \$11,345.50 from Douglas Pump to replace (1) of the Park Lift Station pumps. Motion seconded by Council Member Capp voted on, passed 3-0.

NEW BUSINESS:

APPOINTMENT OF LA CYGNE PARK BOARD MEMBER

CC Wade informed the Council of a letter of interest from Maggie Riley for a position on the La Cygne Community Park Board. Jodi Wade and Joe Turpen will not be renewing their position on the board. The City will need to advertise for a person to replace Joe Turpen.

❖ **Motion**

Council Member Thies motioned to appoint Maggie Riley to the La Cygne Community Park Board effective January 1, 2020. Motion seconded by Council Member Curtis voted on, passed 3-0.

AUTHORITY TO TRANSFER EXCESS FUNDS

CC Wade reviewed the 2019 Transfer sheet and the 2019/2020 Project Proposal plans established by the City Council during the Budget workshops. Council Member Thies asked CC Wade to explain the process at year end with excess funds. Council Member Capp inquired about any foreseen expenses in 2019 such as a Dump Truck for Public Works. Discussion was held regarding reserve funds.

❖ **Motion**

Council Member Thies motioned to transfer \$70,000 from the general fund to the Fire Capital Improvement Fund and of the remaining excess funds transfer 50% to the Capital Improvement Fund and 50% to the Equipment reserve. Motion seconded by Council Member Capp voted on, passed 3-0.

USDI OPERATING AGREEMENT

City Attorney Harding and CC Wade reviewed the operating agreement. Redlined items were sent back to USDI for review. Item Tabled until January 2, 2020 meeting.

EXECUTIVE SESSION:

❖ **Motion**

Council Member Curtis motioned to go into executive session for 8-minutes for discussion of employer-employee negotiations. Motion seconded by Council Member Thies voted on, passed 3-0. 7:55pm

Others in attendance included, but not limited to: Corporal West, City Clerk Wade, and City Attorney Harding.

Open Session resumed at 8:08 pm

❖ **Motion**

Council Member Capp motioned to go into executive session for 4-minutes for discussion of employer-employee negotiations. Motion seconded by Council Member Curtis voted on, passed 3-0. 8:10pm

EXECUTIVE SESSION CONT:

Others in attendance included, but not limited to: City Clerk Wade

Open Session resumed at 8:19 pm

OTHER BUSINESS

NOTES AND COMMUNICATIONS TO COUNCIL:

ADJOURNMENT:

❖ **Motion**

Council Member Curtis moved to adjourn the meeting. Motion seconded by Council Member Thies, voted on, passed 3-0. Time 8:20 pm.

I, _____ La Cygne City Clerk, do hereby declare
(Jodi Wade) the above to be true and correct, to the best of
my knowledge, and do hereby subscribe my name
on this 18th of December 2019.

OPERATING AGREEMENT

This Agreement is entered into this _____ day of _____, 2019, between the City of La Cygne, Kansas, hereinafter referred to as **OWNER**, AND Utility Safety and Design, Inc., hereinafter referred to as **OPERATOR**.

WITNESSETH

WHEREAS, the **OWNER** HAS CERTAIN NATURAL GAS DISTRIBUTION FACILITIES TO PROVIDE NATURAL GAS SERVICE TO THE COMMUNITY OF La Cygne, Kansas (the "System") and

WHEREAS, the **OWNER** is a duly constituted municipal governing unit authorized by the laws of the State of Kansas to provide utility service to its residential and business community in and adjacent to the City of La Cygne, and

WHEREAS, the **OWNER** believes that adequate natural gas service at reasonable cost may be provided by contracting for the operation of the System by a responsible operator who will provide trained personnel and operating equipment for **OWNER'S** gas system, and

WHEREAS, the **OPERATOR** is normally engaged in the business of operating utilities and providing overall supervision, equipment, management, and operating personnel, and

WHEREAS, the **OPERATOR** has offered to enter into this Agreement to provide such services for the **OWNER** and the System,

NOW THEREFORE, in consideration of the several covenants, undertakings, and agreements herein to be performed by all parties, said parties agree as follows:

- I. **THE OPERATOR AGREES TO:**
 - A. Furnish operating, supervisory, and office personnel necessary to operate the System in a safe, and efficient manner.
 - B. Supply necessary tools and work equipment.
 - C. Procure and furnish all materials needed for System's operation, extension and maintenance. **OPERATOR** will be reimbursed for the cost of material items in the manner set out in Paragraph III, E below. Provided, however, **OWNER** at its own option may purchase and warehouse all materials used for extension and maintenance. In that event, **OPERATOR** will be reimbursed at an hourly fee for personnel and equipment as set out in Paragraph III, E below for installation of city-owned material.

- D. Grant to the **OWNER** the right and privilege of examining **OPERATOR'S** books and records as applicable to **OWNER'S** System at any time upon reasonable notice.
- E. Perform the following services:
1. Supervise System operations, including System operating pressures.
 2. Conduct all operations, surveys, inspections and test in accordance with Part 192, Minimum Federal Pipeline Safety Regulations and with the laws of the State of Kansas and usual, customary and prudent utility practices.
 3. Establish a meter change-out and maintenance schedule. The charges for this program will be billed to **OWNER** on a cost-plus basis set out in Paragraph III, E.
 4. Make necessary service and emergency calls to customers' premises to provide safe and adequate service. Leak calls shall be made to customers' premises, and customers shall be notified to repair or cause to be repaired, malfunctioning customer equipment and facilities. If the **OPERATOR** is requested by the customer to repair such facilities, the **OPERATOR MAY CHARGE FAIR AND REASONABLE RATES TO THE CUSTOMER FOR ANY SERVICE WHICH MAY BE PROVIDED.** Service payable by the customer is limited to activity on the customer's side of the natural gas meter.
 5. Prepare, at the request of the **OWNER**, annual reports as required by regulatory agencies. The **OWNER** shall submit approved reports to the regulatory agency.
 6. Prepare and submit to the **OWNER** necessary permits and applications as may be required for System extension, replacement, or abandonment. Any cost that may occur for said permits will be paid by the **OWNER.**
 7. Review monthly statement and gas bills from **OWNER'S** natural gas supplier.

8. Provide general comprehensive liability insurance with the **OWNER** named as an additional insured. **OPERATOR** shall also maintain workers compensation and vehicle liability insurance. The amount of liability insurance shall be a minimum of one million dollars per occurrence and two million dollars in aggregate. **OPERATOR** will furnish **OWNER** with copies or other satisfactory evidence of all insurance policies, which may not be terminated without 30 days notice to **OWNER**.
9. Defend, indemnify and hold **OWNER** harmless from any cost, claim or expense, including reasonable attorney fees, caused by **OPERATOR**'s negligence, or its violation of this Agreement.
10. Assume all responsibility for payment of any fines and other action imposed by any governmental body or agency resulting from (i) faulty and negligent operation, (ii) operation not in conformance with this Agreement, or (iii) operation not in compliance with applicable law, provided, however, that the **OPERATOR** will not assume responsibility for fines and other actions imposed by any governmental body or agency resulting from failure to comply with applicable law that is caused by **OWNER**'s refusal to implement capital projects that are timely recommended by the **OPERATOR** and required to comply with applicable law.
11. Take all reasonable precautions, including security measures at least equal to the past security practices of the **OWNER**, to prevent damage, injury or loss to the System and property adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, equipment, structures and other utilities.

II. **OWNER AGREES TO:**

- A. Read its own meters monthly and send bills to its customers. Each month a report shall be submitted to the **OPERATOR**. The report shall include the number of customers billed, the total aggregate volume of the billing and the total volume purchased from the gas supplier and delivered by the pipeline.

- B. Maintain piping and appliance codes, and reasonable customer service rules and regulations, in conjunction with and with the advice of the **OPERATOR**, and assist the **OPERATOR** in enforcing such codes and rules. The rules and codes shall include house piping codes, turn-off notices, collection policies, delinquent notices, re-establishment of service and other rules that constitute good business practices.
- C. Prohibit other individuals, companies, and corporations, from performing similar services or work on the System and related facilities without written consent of **OPERATOR** during the term of this Agreement, except for capital or other major projects costing \$25,000 or more that are subject to competitive bid requirements.
- D. Provide to the **OPERATOR** a storage space for records and materials as they relate to the operation of the System and access to office equipment such as a fax machine to the extent they are necessary to perform only the duties of operating the System safely and efficiently.
- E. Pay for the following:
 - 1. All natural gas purchased.
 - 2. Taxes, permits, etc., pertaining to the ownership of a natural gas system.
 - 3. Labor and materials used by **OPERATOR** to extend, repair or maintain **OWNER'S** system as provided for in Paragraph III, E below.
 - 4. Construction programs, when expressly authorized by **OWNER**.
 - 5. Engineering and other fees when expressly authorized by **OWNER**.
 - 6. Salaries and/or cost of employees and agents not authorized by **OPERATOR**.
 - 7. Financial examinations, audits, etc., prepared by outside accountants at the request of **OWNER**.
 - 8. All fees associated with membership and compliance with Kansas 811 as well as Public Awareness compliance.

- III. **COMPENSATION:** In consideration of the services rendered, the **OWNER** shall pay **OPERATOR** within 20 (twenty) days after the close of each monthly period, a fee to be computed as follows.
- A. **Distribution System Fee:** \$15.00 per month for each retail meter read and billed during the month. This base fee covers the following items:
1. Routine customer turn on and turn offs.
 2. Pipeline locates (KS One Call response).
 3. Service calls for suspected leaks, etc.
 4. Normal supervision (serviceperson(s)).
 5. All surveys, inspections and tests required by State and Federal Pipeline Safety Codes with the exception of leakage and cathodic protection surveys which will be billed at standard rates. Any materials used to complete this service will be billed to **OWNER** on a cost-plus basis as set out in Paragraph III, E below.
 6. Maintaining communications with pipeline company (Panhandle Pipeline Company).
 7. Providing normal 24-hour standby service.
 8. Any reconnections after shut-off for non-payment.
 9. Testing and maintenance of required odorization (**OWNER** will be responsible for the costs of the odorant chemicals).
- B. **Customer Requested Meter Tests:** If a customer requests to have his or her meter tested other than the normal meter change out and maintenance program as referred to in Paragraph I, 3, the cost will be \$150.00 to the customer payable before any testing is done. If the meter is found to be out of tolerance (which is 2.0% + or -) the customer's fee of \$150.00 will be refunded and the **OWNER** will be billed for the test.
- C. The **OPERATOR** shall not be held responsible for damage to **OWNER'S** System above or below ground caused by other persons or equipment. If damage occurs, and the lines were properly located by the **OPERATOR**, and the **OPERATOR** is called in by the **OWNER** to make repairs, the **OWNER** will be billed for the repair on a cost-plus basis set out in Paragraph III, 6 below. The **OWNER** may seek compensation from the party causing said damage. If damage occurs, and the lines were improperly located by the **OPERATOR**, then the **OPERATOR** will make repairs at its own expense.
- D. Construction done with prior approval from **OWNER** will be paid by **OWNER** to **OPERATOR** and will be charged according to the following schedule.

1. New meter set, up to and including size 250: \$295.00
(This includes setting of meter and house regulator, connecting meter to service line, checking house piping, and lighting of pilots.) If a meter or regulator is reset which already belongs to the **OWNER**, the cost of the meter or regulator will be deducted from the new meter set charge.
2. Meter sets larger than 250 and other units of construction approved by **OWNER** shall be installed and billed to **OWNER** on the schedule of charges in Paragraph 7 below.
3. Service lines on the **OWNER'S** side of the meter shall be installed and billed to **OWNER** on the schedule of charges in Paragraph 7 below.
4. Road boring: Agreed upon prior to service
5. Main extensions, service lines, and road casings in excess of one (1) inch in nominal size will be negotiated by the **OWNER** and **OPERATOR** prior to any construction. An agreement will be reached before construction is started as to cost of materials and labor on a per foot basis.
6. Cost of relocation and/or maintenance of natural gas facilities caused by order of **OWNER** or other governmental body, or by action or proposed action of independent contractors shall be paid to the **OPERATOR** by the **OWNER** on the schedule of charges in Paragraph 7 below.
7. Charges to the **OWNER** by **OPERATOR** for materials, labor, tools, and equipment not detailed above shall be as follows:
 - a. Labor including truck @ \$105.00 per hour.
 - b. Trencher @\$35.00 per hour plus labor.
 - c. Backhoe @ \$45.00 per hour plus labor.
 - d. Welding Machine @ \$25.00 per hour plus labor.
 - e. Rental equipment at the cost plus 15% plus labor.
 - f. Materials at cost plus 25% plus any freight charges.

IV. TERMS OF AGREEMENT AND PRICE ADJUSTMENTS:

- A. This Agreement shall be for a term of three years beginning the first day of January, 2020. This Agreement will automatically extend beyond term for additional periods of one year unless written notice of termination is given by either party at least one-hundred & eighty (180) days prior to the expiration date.
- B. **OWNER** may terminate this Agreement if **OPERATOR** is or causes **OWNER** to be in non-compliance with Federal or State laws or regulations and the non-compliance is not cured within the time allowed by the Federal or State agency involved.
- C. All prices herein included will be subject to revision annually, based upon a percentage increase or decrease as reflected by "All Items Index" information from the U.S. Department of Labor, CPI-U, published by the Department of Labor Statistics. The revision will be equal to either the percentage change of the latest twelve months monthly index averaged and compared to like figures from the twelve months prior or **3%, whichever is less**.

For subsequent extensions thereafter, revisions will be equal to the percent change of the latest twelve months monthly index averaged and compared to like figures from the twelve month prior. While both parties recognize the necessity of tying operating costs to the changing economy, the burden of supplying statistics applicable to the change shall be placed upon the **OPERATOR**.

- V. **OPERATIONS MANAGER:** The **OPERATOR** shall assign an individual employee of the **OPERATOR** to act as the "Operations Manger". The **OWNER** reserves the right to reject the **OPERATOR'S** proposed Operations Manager. The Operations Manager shall be responsible, on a full-time basis, for the management and oversight of the safe and reliable operation of the System. The Operations Manger shall be expected to directly supervise the daily activities of **OPERATOR'S** personnel employed to operate, support and monitor all activities associated with the System and the services to be provided by the **OPERATOR** under this Agreement. The Operations Manager will be the primary **OPERATOR** liaison with the **OWNER**. The Operations Manager shall be required to have a thorough working knowledge of the requirements of all laws and regulations applicable to the services to be performed by **OPERATOR** under this Agreement. The Operations Manager shall work cooperatively with the **OWNER** with respect to

service quality, providing operational data, planning future service, and responding to specific requests from the **OWNER**.

When requested, the Operations Manager shall attend meetings and hearings of the **OWNER** pertaining to the System. This includes, but is not limited to, City Council meetings, Utility Advisory Board meetings, and any and all citizen advisory group meetings. In the event the Operations Manager is unable to attend such meetings, the Operations Manager shall appoint a staff member with the authority to act on the **OPERATOR'S** behalf.

If the Operations Manager is unable to perform his or her duties, the Operations Manager shall appoint a staff person to serve in his or her place. The **OPERATOR** shall provide the **OWNER** prior written notice whenever such appointment shall occur. If the Operations Manager is unable to perform his or her duties for more than two consecutive weeks, the **OPERATOR** shall assign another individual employee of the **OPERATOR** to act as a substitute Operations Manager, subject to **OWNER'S** approval.

VI. MISCELLANEOUS:

- A. It is expressly understood and agreed that the **OPERATOR** is acting as an independent contractor, and not as an agent for, or partner or co-adventurer with, the **OWNER**, and that relations between **OPERATOR** and **OWNER**, shall be governed exclusively by the terms and conditions in this Agreement.
- B. **OWNER** has entered into this Agreement based on its knowledge of and past experience with **OPERATOR**, and if this Agreement is assigned by **OPERATOR** without **OWNER'S** consent **OWNER** may terminate this Agreement at its discretion. Failure to not terminate the Agreement immediately upon such assignment shall not constitute a waiver of **OWNER'S** right to do so later.
- C. Within 60 days after the commencement date of this Agreement, **OWNER** and **OPERATOR** shall cooperatively conduct a physical inventory and prepare a current list of all equipment, inventory, mains, lines and other facilities comprising the System, which inventory and list shall be attached to and become part of this Agreement when approved by both parties.
- D. Nothing in this Agreement shall be construed to preclude **OPERATOR** from entering into similar agreements with other Kansas municipalities.

- E. This Agreement constitutes the total agreement of the parties. Any other agreements made between the parties is unenforceable unless reduced to writing and signed off by representatives of each party.
- F. If any section or paragraph in this Agreement is found to be unenforceable by a Court of Law, then only that section or provision shall be void, and the remaining paragraphs remain in full force and effect.
- G. This agreement will be governed by, and construed in accordance with the laws of the State of Kansas. Any dispute shall be heard in the Linn County Kansas District Court."

IN WITNESS WHEREOF, the parties have hereto affixed their hand and seal at La Cygne, Kansas, this ___ day of _____, 20_____.

CITY OF LA CYGNE (OWNER)

**UTILITY SAFETY AND
DESIGN, INC.
(OPERATOR)**

BY: _____
CITY COUNCIL PRESIDENT

BY: _____
VICE PRESIDENT

ATTEST:

CITY CLERK