

**CITY OF GREENSBURG
REGULAR CITY COUNCIL MEETING
300 SOUTH MAIN GREENSBURG, KANSAS
MONDAY, AUGUST 7, 2017
6:00 PM**

A) CALL TO ORDER

B) PLEDGE OF ALLEGIANCE AND INVOCATION

C) ROLL CALL & APPROVAL OF THE AGENDA

D) CITIZEN COMMENTS

All comments are limited to a maximum of three minutes for each speaker. In accordance with the Open Meetings Act, City Council members may not discuss or take action on any item that is not on the Agenda.

E) CONSENT AGENDA

These items are routine and enacted by one motion. There will be no separate discussion of these items unless a Council member so requests. Any consent agenda item can be removed and placed on the agenda as an item of business.

1. Approval of Minutes
 - a. Regular Meeting – August 7, 2017
2. Appropriation Ordinance
 - a. Ordinance #1106

F) ITEMS OF BUSINESS

1. 903 N. Sycamore- Abatement
2. Land Bank- 504 S. Cherry
3. 2nd Quarter Financials (Jan-Jun)
4. PURPA Waiver Ordinance
5. 410 E. Ohio – Co-op/City Properties
6. Airport Bidding Process

G) CITY ATTORNEY'S REPORT

H) CITY ADMINISTRATOR'S REPORT

I) GOVERNING BODY COMMENTS

J) ADJOURNMENT

NOTICE: SUBJECT TO REVISIONS

It is possible that sometime between 5:30 and 6:00 pm immediately prior to this meeting, during breaks, and directly after the meeting, a majority of the Governing Body may be present in the council chambers or lobby of City Hall. No one is excluded from these areas during those times.

To be placed on future agendas please contact City Administrator Kyler Ludwig at administrator@greensburgks.org or call City Offices at 620-723-2751.

**Greensburg City Council
August 7, 2017
City Hall**

A) CALL TO ORDER

Mayor Robert Dixon called the meeting to order at 6:00 p.m. on August 7, 2017.

B) PLEDGE OF ALLEGIANCE AND INVOCATION

The Pledge of Allegiance was said and the invocation given by Dixon.

C) ROLL CALL & APPROVAL OF THE AGENDA

Council present: Mark Trummel, Matt Christenson, Sandy Jungemann, and Haley Kern. Rick Schaffer was absent. Trummel made a motion to approve the agenda as presented. Jungemann seconded. The motion passed 4-0.

D) CITIZEN COMMENTS

Mayor Dixon welcomed those in attendance and opened the floor for citizen comments. There were no comments from the public.

E) CONSENT AGENDA

Kern made a motion to approve the Consent Agenda as presented. Jungemann seconded the motion, which passed 4-0.

F) ITEMS OF BUSINESS

1. 2018 Budget Hearing

Dixon opened the advertised 2018 Budget Hearing for public comment at 6:02 p.m. Staff had received no written comments prior to tonight's proceedings. Hearing no comments from the audience or Council, Dixon closed the hearing at 6:03 p.m. Christenson made a motion to approve the 2018 Operating Budget as published. Trummel seconded. Motion passed 4-0.

2. Property Abatement – 903 N. Sycamore

Ludwig reminded Council of previous conversations regarding the structure that was placed at 903 N. Sycamore. In January owner Arrow Zanghi agreed to conditions placed on a permit to place the structure on a permanent foundation and bring the home into compliance with city codes. The structure was originally located in Greensburg and had been moved to Mullinville by its previous owner. The City of Mullinville had the house removed through an abatement process. Zanghi obtained the house at that time. Zanghi was allowed to place the house on his property and was given until March 18, 2017 to place the structure on a foundation. With no progress shown on the project, Council held a formal abatement hearing on May 15th. At that meeting, a resolution was passed setting a July 31st deadline to bring the exterior of the structure into code compliance. No progress was made between May 15th and the July 31st deadline. On August 1st Zanghi approached Staff saying he has hired someone to do the foundation. Work was scheduled to begin in 3 weeks. When asked about the roofing and siding Zanghi said he would finish that when he had time. Ludwig encouraged Zanghi to check with Council before moving forward. Should Council choose to move forward with abatement, all fees associated would be assessed to the current land owner.

Zanghi was present and read from a prepared statement. Zanghi expressed his frustration over being given a deadline to complete work considering other properties in town, specifically a two story, dilapidated house 3 blocks from him that has been in the same condition for over 10 years.

Acknowledging that he has not handled the situation as well as he could have, Zanghi attributed personal issues and this being an unplanned project (financially) to his inability to meet set deadlines. Zanghi advised Council that he has made financial progress on the project since May. Zanghi has paid the house

mover \$2,500 of the \$3,000 that they had agreed upon and has purchased doors and windows. He estimates that he has invested \$5,000 in the project so far. Denton Schmidt has been hired to pour a foundation and will begin 2 weeks from now. Zanghi mentioned again, as he did in May, that he had the opportunity to place the house in Spearville, but he wants to be in Greensburg. Stating that the house can be on a foundation in 60 days if Schmidt does what he says he will do, Zanghi believes progress will go better than it has thus far. Zanghi thanked Council for their time.

Trummel asked specifics about the foundation. Zanghi plans to pour a footing and lay block, as stated in his permit application. The house can be on the foundation in 60 days. Council expressed that they do not want to stop him from building, but must be fair to others in the community. (As a rule a foundation must be in place before a structure is allowed into town). Trummel reminded Zanghi that he has already been granted two extensions and he is hesitant to give any additional time since no progress was made. Jungemann expressed that she would be willing to give an additional 60 days but hadn't felt like Zanghi had been trying to work with Council. Kern stated that Council has been working on other properties and has had a list of delinquent properties compiled for several years. Due to the financial burden to the City, Kern said that Council has prioritized that list and focuses on 2-3 properties a year. Christenson stated that the Council has moved forward in the case, in an attempt to not add to the delinquent property list. Council works with the owners of those properties who show regular progress, setting milestone dates for the various aspects of each project. He asked Zanghi what he thought was a reasonable time frame for completion of his project. Zanghi stated that the house is water tight, and that he can put windows in and wrap it in two weeks. He intends to put on a porch before installing siding. He intends to do this work himself. Kern expressed concern that more money would be spent on the project and Council would find itself in a difficult position down the road. Trummel asked how they would be guaranteed the project would move forward in a timely fashion. Zanghi said that all he could do was hope and that he could not guarantee physical progress. Additional discussion was had on setting deadlines. Dixon asked how long it would take the foundation to cure. Zanghi said it would take 28 days to completely cure, but that he could start placing block in approximately a week. The house could be on a foundation within 45 days. He stated that his weekends in June and July were spoken for a year ago, but that his weekends are now open and he will do whatever he has to do to get the project done.

Trummel confirmed with Ludwig that at the end of an additional 60 days Council would have the authority to move forward with abatement, if necessary, without republishing. Ludwig also clarified that the original development plan was for the exterior of the home only. The interior can be completed at the discretion of the owner. Ludwig requested more direction on a maximum exterior completion date.

Christenson made a motion to delay abatement action 2 weeks and allow Zanghi to present a development plan with milestone dates. Zanghi is to share the plan with Ludwig so that Council can consider issuing an extension of the conditional use permit. Trummel voiced that he disagreed with a third extension. Jungemann seconded the motion and encouraged Zanghi to do as much as he could in 2 weeks time. Motion passed 3-1 with Kern voting "no". Zanghi was instructed to have a plan submitted to Ludwig by no later than the afternoon of Thursday, August 17th so that it can be included in the Council packet.

3. Pool Roofing Approval

The meeting packet contained 4 bids for the re-roofing of the pool house. Staff reached out to local contractors. Ludwig discussed the particulars of each bid. Dixon asked if the City would receive a lower insurance premium if they installed impact resistant shingles. That information was not readily available. Jungemann made a motion to accept the bid from Brian Gumpenberger for \$10,811.86 (the third lowest bid) as he was the most local. Kern seconded and the motion passed 4-0.

4. 2017 STO

Ludwig advised that the City annually adopts revisions to the Standard Traffic Ordinance (STO), published by the League of Kansas Municipalities. A list of those revisions was included in the meeting

packet. Council was asked to adopt Ordinance 1074, adopting the 2017 STO. Sandy made a motion to adopt Ordinance 1074. Kern seconded. Dixon requested a roll call vote. Christenson: yes; Trummel: yes; Jungemann: yes; Kern: yes. Motion passed unanimously.

5. 2017 UPOC

The City annually adopts revisions to the Uniform Public Offense Code (UPOC), published by the League of Kansas Municipalities. A list of those revisions was included in the meeting packet. Jungemann made a motion to adopt Ordinance 1075, adopting the 2017 UPOC. Kern seconded. Dixon requested a roll call vote. Christenson: yes; Trummel: yes; Jungemann: yes; Kern: yes. Motion passed unanimously.

6. Land Bank – 603 S. Sycamore

The Council recessed at 6:57 p.m. and convened as the Land Bank to discuss property located at 603 S. Sycamore. Staff has received an application from Patricia Chinsue to purchase the property for the purpose of building a home, which will be built after the one year deadline required by policy. The applicant is willing to pay the \$10 per linear foot price to forgo the one year time line. Ludwig requested authorization to publish the property for sale. The family is planning to relocate from California and has family that has recently done so. Trummel made a motion, seconded by Christenson, to authorize Staff to publish the property for sale. The motion passed 4-0. Council reconvened open session at 7:00 p.m.

G) CITY ATTORNEY'S REPORT

City Attorney Clayton Kerbs stated that he had nothing to report. Dixon congratulated him on the new addition to his family.

H) CITY ADMINISTRATOR'S REPORT

Ludwig discussed the following topics:

State Safety Inspection: Tim Cruz with the Department of Labor performed an inspection of City facilities this past week. There were no significant violations. He will be sending a report back to staff notifying us of a few minor changes that are needed.

KPP: Kansas Power Pool has suggested an ordinance which will be presented to the Council requesting a waiver of PURPA responsibilities. This request would shift potential power purchasing burdens to KPP.

Incubator: Circles has delayed their move into the Incubator until September 1st.

League of Kansas Municipalities Conference: The City of Greensburg is entitled to one voting delegate at the upcoming annual conference (Wichita September 16-18). If any Council Member is interested in participating they will need to notify administration before the next Council meeting.

Pool: Revenue totals have surpassed the 2016 totals. There is also a significant savings in chemical costs this year as a result of the chlorine system change. The pool hours will be adjusted starting on August 21st.

Airport: Staff is working with Lochner on possibly delaying construction of the airport until spring when the grading can be done with a permanent cover crop rather than a temporary crop. Staff will let you know when a more clear schedule is created.

Earthquake Station: Kansas Geological Survey has requested that use of the new airport property for their monitoring station. They feel that the noise levels from US 54 would interfere with their equipment. Ludwig will be reaching out to FAA to see if the equipment would be allowed.

Vacation: Ludwig announced that he will be in California and Oregon visiting family from August 22nd through August 28th. He will still be available by phone or email.

I) GOVERNING BODY COMMENTS

Trummel asked if the airport property would need to be mowed before dirt work begins. Ludwig stated that it did not. Trummel voiced that dirt work would be much easier if they did not have to fight tall grasses. Discussion was had the possibility of having the property hayed, as it has been in the past. The property is no longer in the CRP program. Ludwig will reach out to Lochner regarding the subject.

J) ADJOURNMENT

Dixson declared the meeting adjourned at 7:09 p.m.

Robert A. Dixson, Mayor

Christy Pyatt, City Clerk

APPROPRIATION ORD. 1106

08.21.17

CHECK #	VENDOR	REFERENCE	AMOUNT
25768	AIRGAS USA,LLC	CYLINDER LEASE	\$ 128.72
25769	ALLIANCE AG & GRAIN LLC	CHEMICAL	\$ 41.88
25770	BREHM SIGNS	SIGN LEASE	\$ 240.00
25771	CITY OF GREENSBURG	AUGUST UTILITIES	\$ 15,910.93
25772	CITY OF GREENSBURG-CONTINGENCY	CONTINGENCY REIMB.	\$ 749.28
25773	GREENSBURG FRA	15% HEINSON, 2015 PREMIUM	\$ 120.19
25774	JOHNNY ON THE SPOT	HWY GYPSI PORTA POTTIES	\$ 300.00
25775	KANSAS DEPARTMENT OF WILDLIFE	BROCHURES	\$ 765.00
25776	KANSAS GAS SERVICE	MONTHLY SERVICE	\$ 139.60
25777	KANSAS MAGAZINE	SUMMER MAGAZINES FOR RESALE	\$ 7.50
25778	KANSAS POWER POOL	JULY USAGE	\$ 50,154.15
25779	KERBS LAW OFFICE	LEGAL SERVICES	\$ 2,691.48
25780	KANSAS MUNICIPAL UTILITIES	YR 1 & 2 LINEMAN APPRENTICE.	\$ 1,200.00
25781	KYLER LUDWIG	REIMBURSE PERSONAL CARD USE	\$ 388.00
25782	LOCHNER	AV-2018-10 AIRPORT CONST.	\$ 14,556.00
25783	LUMINOUS NEON INC	RE-PAINT BRACKETS FOR POLES	\$ 438.90
25784	MATT DEIGHTON	MERCHANDISE FOR RESALE	\$ 1,170.40
25785	ORKIN	AUGUST SERVICE	\$ 119.98
25786	PRAIRIE FIRE	COFFEE & SUPPLIES	\$ 43.40
25787	STARLA'S STITCH 'N FRAME	PROCLAMATION FRAMINGS	\$ 96.72
25788	TMHC SERVICES, INC	MONTHLY CHARGES	\$ 72.50
25789	UNIFIRST CORPORATION	INVOICES 6/27-7/18	\$ 447.38
	**** PAID TOTAL ****		\$ 89,782.01
	***** REPORT TOTAL *****		\$ 89,782.01

City of Greensburg
City Council Meeting
August 21, 2017

TO: Mayor and City Council
SUBJECT: 903 N. Sycamore- Development Plan
INITIATED BY: City Administrator, Kyler Ludwig

Background:

In January of 2017 Arrow Zanghi approached the City requesting a conditional building permit for his property at 903 N. Sycamore. Mr. Zanghi placed a structure that was under the abatement process in Mullinville onto his property, but he committed to City Staff that he would bring the home into compliance with codes quickly. A written commitment was signed on January 24th stating the conditions of his permit.

The structure was allowed to come into town, without a foundation because Mr. Zanghi said he was going to be doing the concrete work himself, and would need additional time; he was given until March 18, 2017 to get the structure placed on a foundation. During citizen comments on March 6th, Arrow stated that he was injured on March 2nd and would not be able to complete the project in the allotted time. Staff feels that based on the progress Mr. Zanghi made in the first 6 weeks prior to his injury he had no intention to finish the project within the set deadline.

On March 20th after Mr. Zanghi failed to meet the set conditions of his building permit the City Council passed a resolution setting a formal hearing to take place on May 15th. The formal hearing was held on May 15th, which Mr. Zanghi attended. At the hearing the council passed a resolution setting July 31st as a deadline to bring the structure into compliance with the City's Code. The resolution authorized the City to abate the structure if the necessary changes were not made. The resolution was sent to Mr. Zanghi and published in the Kiowa County Signal.

No Progress was made between the May 15th hearing and the July 31st deadline. On August 1, 2017 Mr. Zanghi approached City Staff saying he has hired someone to do the foundation, and the work is scheduled for 3 weeks out. The council discussed the property on August 7th and told gave a temporary extension until August 21st. Mr. Zanghi was asked to provide a written development timeline with deadlines that he could meet similar to the agreement he entered in on January 24th. Mr. Zanghi was instructed to bring his development plan to staff before August 17th so a copy could be included with the Council Packet.

Analysis:

No development plan was provided by Mr. Zanghi prior to the council packet being distributed.

Recommendations/Actions: It is recommended the City Council:

Discuss the development plan of 903 N. Sycamore.

Attachments:

City of Greensburg
City Council Meeting
August 21, 2017

TO: Mayor and City Council
SUBJECT: Land Bank Purchase
INITIATED BY: City Administrator, Kyler Ludwig

Background:

On May 1st the Land Bank approved the advertisement to sell the property at 504 S Cherry. The sale was published in the Kiowa County Signal. On June 19th staff was authorized by the Land Bank to sell this property. Levi Murray, the applicant requesting 504 S. Cherry told staff he was no longer interested in the property. He is aware that another individual expressed interest, and is excited to see the property developed.

Analysis:

On August 11th staff received an application from Jean Finch who interested in building a home at 504 S Cherry. The development is expected to start in April of next year with a completion by the end of 2018. Staff feels that this fits within the scope set out for development “within a year”, and recommends the \$300 price stay in effect.

The sale of this property has been advertised, and we would not need to go through the advertisement process again to move forward with the sale of this property.

Recommendations/Actions: It is recommended the Land Bank:

Authorize staff to sell the property at 507 S. Cherry to Jean Finch.

Attachments: Exhibit A: Land Bank Application



Land Bank
City of Greensburg
300 S. Main
Greensburg, KS 67054

Section 1: Personal Information.

- 1 Applicant's Name: JEAN FINCH
- Spouse (if applicable): MARIL FINCH
- 2 Name of Corporation (if applicable) —
- 3 Street Address: 214 E. GUNN AVENUE APT E
- 4 City, State, Zip: GREENSBURG, KS 67054
- 5 Home Phone #: 818-515-2620 Work Phone #: —
- 6 E Mail Address: Jeanie_Finch@yahoo.com
- 7 List Properties you own in the City of Greensburg: NONE

8 Do you (or your spouse) have any Code Enforcement violations?
Yes No

9 Are you (or your spouse) delinquent on any licenses or taxes in Kiowa County?
Yes No

Section 2: Proposed Land Bank Purchase.

1. Address(s) of Property 504 S. CHERRY
Vacant Land
Structure

2. Proposed Use of Property:
- Yard Extension. Go to section 4.
 - Parking. (Must comply with City regulations) Go to section 4.
 - Garage. Requires building permit. Go to section 4.
 - Home Addition. Requires building permit. Go to section 3.
 - New Home Construction. Requires building permit. Go to section 3.
 - Commercial Construction. Requires building permit. Go to section 3.
 - Rehabilitation of existing structure. Requires building permit. Go to section 3.
 - Other: —

Section 3: Construction Project Information.

1. Does the project comply with current zoning? Yes__ No__
(Call City Clerk's office 620-723-2751)

2. Type of Ownership:

- Individual
- Corporation
- Nonprofit:
- Other: _____

3. **Must attach a letter of credit or pre-approval letter from your bank.**

4. **Must attach drawings for your proposed project.**

5. Proposed use of property:

- Home Ownership.
- Rental Home.
- Business/Commercial Use.
- Apartments.
- Other, Specify: _____

Will you seek Tax Increment Financing or other public tax exemptions? _____

Will you seek Neighborhood Revitalization Tax Rebates? _____

Starting Project Date: 4/2018 Completion Date: 12/2018

Comments: _____

Section 4: Additional Comments & Terms of Proposal.

Incomplete applications will not be considered and will be returned to the sender. As the applicant I attest that the information in this proposal is accurate. I attest that I have read the City of Greensburg Land Bank policy and agree to the terms and conditions of it. I understand that the Land Bank and the City of Greensburg reserve the rights to reject any proposal without cause.

Applicant's Signature Jean Finck

Print Your Name JEAN Finck

Date 8/11/17

Return Completed Application to: Land Bank, City Hall, 300 S. Main, Greensburg, KS 67054
Fax 620-723-2644 Phone 620-723-2751

**City of Greensburg
City Council Meeting
August 21, 2017**

TO: Mayor and City Council
SUBJECT: Quarter 2: Financials
INITIATED BY: Kyler Ludwig, City Administrator

Background:

In an effort to ensure fiscal transparency staff has prepared a brief financial report.

Analysis:

The 2nd Quarter Financial Report has a list of each funds revenues and expenditures for the first half of the year. The report also compares this year's totals with the totals from last year.

Recommendations/Actions: It is recommended the City Council:

Receive and file the 2nd Quarter Financial Reports.

Attachments: Exhibit A: 2nd Quarter Financials

Second Quarter Financials - 2017

	Expenditures- YTD				Revenues- YTD				Cash Balance
	Budget	1st Quarter	2nd Quarter	2Q YTD	Budget	1st Quarter	2nd Quarter	2Q YTD	
Admin	\$304,953	\$45,110	\$119,991	39%					
Police	\$71,515	\$13,017	\$33,688	47%					
Fire	\$20,000	\$2,010	\$6,159	31%					
Streets	\$230,720	\$33,516	\$94,750	41%					
Parks	\$15,975	\$482	\$18,461	116%					
Court	\$15,000	\$113	\$615	4%					
Pool	\$80,000	\$0	\$25,925	32%					
Airport	\$500	\$0	\$0	0%					
Ind Park	\$2,000	\$0	\$0	0%					
Total	\$740,663	\$94,248	\$299,588	40%	\$871,418	\$340,129	\$565,830	65%	\$433,082
Sp Highway	\$172,901	\$0	\$3,090	2%	\$20,220	\$5,387	\$10,390	51%	\$154,315
Big Well	\$258,664	\$45,129	\$146,066	56%	\$195,500	\$39,892	\$98,631	50%	\$316,840
Fire Equip	\$70,658	\$0	\$0	0%	\$0	\$0	\$0	0%	\$69,511
Guest Tax	\$94,099	\$11,170	\$31,676	34%	\$73,500	\$17,100	\$30,477	41%	\$125,367
CIP	\$227,504	\$0	\$0	0%	\$85,000	\$20,005	\$40,176	47%	\$179,155
Incubator	\$46,364	\$5,709	\$16,960	37%	\$31,864	\$7,405	\$14,128	44%	\$171,476
Sp Parks	\$2,402	\$0	\$0	0%	\$790	\$1,509	\$2,661	337%	\$6,017
Electric	\$1,650,238	\$422,916	\$699,310	42%	\$1,506,000	\$419,955	\$730,244	48%	\$861,223
Water	\$250,871	\$49,856	\$113,183	45%	\$200,000	\$43,832	\$89,806	45%	\$276,685
Sewer	\$67,436	\$10,751	\$26,719	40%	\$64,000	\$17,354	\$35,039	55%	\$71,211
Trash	\$123,500	\$19,873	\$48,462	39%	\$119,000	\$30,073	\$58,744	49%	\$158,216

Second Quarter Financials - 2017

	Expenditures			Revenues		
	2016 - 2Q	2017 2Q	Change	2016 - 2Q	2017 2Q	Change
Administration	\$117,030	\$119,991	\$2,960			
Police	\$51,667	\$33,688	-\$17,979			
Fire	\$4,923	\$6,159	\$1,236			
Streets	\$115,678	\$94,750	-\$20,928			
Parks	\$6,339	\$18,461	\$12,122			
Court	\$6,172	\$615	-\$5,557			
Pool	\$25,114	\$25,925	\$811			
Airport	\$0	\$0	\$0			
Industrial Park	\$8,525	\$0	-\$8,525			
General Fund Total	\$335,448	\$299,588	-\$35,860	\$489,595	\$565,830	\$76,235
Special Highway	\$665	\$3,090	\$2,425	\$10,025	\$10,390	\$365
Big Well	\$135,584	\$146,066	\$10,482	\$90,987	\$98,631	\$7,644
Fire Equipment	\$1,147	\$0	-\$1,147	\$0	\$0	\$0
Guest Tax	\$30,963	\$31,676	\$713	\$28,383	\$30,477	\$2,094
Capital Improvement	\$0	\$0	\$0	\$38,776	\$40,176	\$1,400
Incubator	\$24,638	\$16,960	-\$7,678	\$24,638	\$14,128	-\$10,511
Special Alcohol	\$0	\$0	\$0	\$1,252	\$2,661	\$1,409
Electric	\$684,994	\$699,310	\$14,316	\$798,680	\$730,244	-\$68,436
Water	\$113,183	\$113,183	\$0	\$86,478	\$89,806	\$3,328
Sewer	\$28,853	\$26,719	-\$2,134	\$34,004	\$35,039	\$1,034
Trash	\$57,342	\$48,462	-\$8,880	\$57,707	\$58,744	\$1,036

**City of Greensburg
City Council Meeting
August 21, 2017**

TO: Mayor and City Council
SUBJECT: PURPA Waiver Ordinance
PREPARED BY: City Administrator, Kyler Ludwig

Background:

Mark Chesney from Kansas Power Pool (KPP) wrote a letter on July 27, 2017 to all KPP members recommending they adopt an ordinance asking for a waiver from the purchase requirements set in the Public Utility Regulatory Policies Act (PURPA). The requested waiver would move the purchasing requirements to KPP.

Analysis:

What is PURPA- It is a law passed in the late 70s to help encourage US energy independence. The law required utilities to pay any “qualifying facility” for electric production at the estimated “avoided cost rate”.

Today as renewable energies become more cost effective it is becoming more likely for a solar farm (which is a qualifying facility) to approach the city requiring them to buy energy. PURPA compliance and contracts between the City and a qualifying facility could be time consuming and costly (legally). Asking for a waiver would allow for KPP to take these costs on instead of the city.

An additional advantage to the City is that KPP has a lower avoided cost than the city, which would reduce the required rates paid to a qualifying facility.

Recommendations/Actions: It is recommended the City Council:

Staff recommends that the City waive its purchasing requirements under PURPA to KPP through the prepared ordinance.

July 27, 2017



To: All City Clerks and
all Public Utilities Commissions
of KPP member cities

Re: Public Utility Regulatory Policies Act (PURPA)

Greetings;

Although the subject line of this letter may appear vague or unimportant, it is neither. This letter will attempt to explain unwanted and unnecessary expense the City could potentially incur. Further, this letter will offer a solution for avoidance of that expense. That solution is described later in this letter.

If you are already somewhat familiar with PURPA, you may recall that it is federal legislation that was enacted in 1978. As pertaining to an electric utility having a service territory, the Act requires that if a "Qualifying Facility" is constructed within that territory, the incumbent utility must – must – purchase energy from the developer at the utility's avoided cost or greater.

The question arises: what is a "Qualifying Facility" (QF) as defined in the law? If you can remember what was going on in 1978 with respect to the "energy crisis", you may already have an idea. However, to the point, any solar installation is a "Qualifying Facility".

Another point of consideration pertains to identifying your "avoided cost". For purposes of this discussion, you should reliably assume that the avoided cost is the Energy amount found on your bill received each month from KPP – plus the Energy Cost Adjustment (ECA). In June 2017, the Energy cost amount was \$0.03146 per kWh. It is critical to understand that although the avoided cost represents the amount to be paid for QF energy, your City would nevertheless continue to receive a bill from KPP for Demand Charges and other Energy Charges as typically shown on the bill. Consequently, the amount by which your monthly bill is reduced, if at all, would be insignificant. On the other hand, the risk of your cost exposure will be quite significant.

For now, I am asking you to consider a proven approach to securing a waiver of any such purchase obligation. A waiver of the obligation would only be granted by the Federal Energy Regulatory Commission (FERC). FERC is the jurisdictional body governing PURPA.

It has already been proven elsewhere that a City may adopt an Ordinance (such as the one attached). The wholesale entity providing electric service to the City (in this case, KPP) then makes application to FERC to assume the purchase obligation in place of the City. This also has successful precedent.

The complexity and burden of the PURPA proposition can be illustrated in various ways. Consider a scenario where a QF is built and energy is purchased by the City under contract. Consider also the possibility of an eventual contract dispute. The City will then have the burden of retaining Counsel for representation at FERC in Washington, DC.

The purchase requirement under PURPA should not be confused with the parallel generation purchase requirement incumbent upon utilities by Kansas state statute. When there is a more reasonable opportunity, we can visit at length about the difference.

Incidentally, we maintain that the avoided cost of KPP is noticeably lower than the avoided cost of the City. This realization would no doubt impact the feasibility of a project. Regardless, KPP has FERC Counsel well familiar with our agency. It is that same Counsel who has recommended the course of action described in this letter.

For now, please examine the attached Ordinance. This item will get some discussion at our August 3rd Power Supply meeting in McPherson. Thereafter, a KPP representative will be in attendance at a meeting of your governing body. With some advance communication prior to that time, perhaps this could be on the agenda for discussion and possible action.

Sincerely,



Mark Chesney
CEO/GM

Attachment

(Ordinance Summary published in _____ on _____, 2017 and the full text of the Ordinance made available at [INSERT CITY WEBSITE] for a minimum of one (1) week from the date of publication.)

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING FILING OF APPLICATION WITH THE FEDERAL ENERGY REGULATORY COMMISSION (FERC) BY THE KANSAS POWER POOL (“KPP”), A MUNICIPAL ENERGY AGENCY, ON BEHALF OF THE CITY OF GREENSBURG (CITY), A MEMBER CITY OF KPP, FOR WAIVER OF CITY’S MUST-PURCHASE REQUIREMENT UNDER THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978 (PURPA) AND ADOPTING RULES FOR COMPLIANCE WITH FERC’S PURPA REGULATIONS.

WHEREAS, “PURPA” is the Public Utilities Regulatory Policy Act of 1978 and its basic goal is to require electric utilities, which include The Kansas Power Pool (“KPP”), a municipal energy agency, and the City of Greensburg (hereinafter referred to as “City”), to purchase the output of certain generating facilities which may locate in their service territories at a negotiated rate or at “avoided cost”; and

WHEREAS, FERC provides the option to seek a waiver to exempt the City, a Member City of the KPP (“Member City”) that has contracted to purchase its full requirements for electric capacity and energy from KPP, from having to purchase the output of a PURPA qualifying facility (“QF”) that seeks to interconnect with the Member City’s electrical system, directing the QF instead to KPP which would assume the obligation to purchase the output of such QF, while the Member City would remain obligated to interconnect with and make sales of retail electricity to a QF in accordance with PURPA; and

WHEREAS, on July 20, 2017, the Board of Directors of the KPP adopted the Rules for Compliance with FERC’s PURPA Regulations and authorized the filing of the above-referenced application for waivers on behalf of KPP and any Member City which wished to join therein.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF GREENSBURG, AS FOLLOWS:

Section 1. The above recitals are incorporated herein by reference as if fully restated.

Section 2. The filing of said waiver request with FERC by KPP on behalf of City is hereby approved.

Section 3. Regarding the assumption by KPP of the responsibility to purchase the output of QFs in lieu of those Member Cities that wish to participate in the waiver application, the governing body of the City hereby assigns to KPP the responsibility for such purchases and approves the assumption of said undertaking by KPP.

Section 4. The KPP's Rules for Compliance with FERC's PURPA Regulations are hereby approved by the governing body of the City, with which the City shall abide, and which provide, *inter alia*, that (1) KPP and City shall not avoid or frustrate the purpose of any PURPA-mandated obligation; (2) KPP and City shall permit any QF to interconnect with KPP's and Member Cities' transmission and distribution systems subject to reasonable requirements for the protection of their systems; (3) KPP and City shall not charge duplicative fees to any QF for interconnection or wheeling; (4) KPP shall not subject a QF to any duplicative charges or additional fees as a result of KPP's purchase of power from a QF that would otherwise be purchased by any one of the Member Cities; and (5) the City interconnected with the QF shall sell any capacity and energy to the QF that is required by it.

Section 5. The Mayor and City Clerk of City be and each of them are hereby authorized to execute or accept such further documents and to take or cause to be taken any and all such further action as may be reasonably required on the part of the City to carry out, give effect to and consummate the transactions contemplated hereby.

Section 6. This Ordinance shall take effect and be in full force from and after its adoption by the governing body of the City, approval by the Mayor and either (a) publication once in the official newspaper of the City, or (b) publication of a summary hereof certified as legally accurate and sufficient by the City Attorney

PASSED, ADOPTED and APPROVED by majority vote of the governing body of the City of Greensburg this ____ day of _____, 2017.

CITY OF _____

[seal]

By _____
_____, Mayor

ATTEST:

By _____
_____, City Clerk

(Ordinance Summary published in _____ on _____, 2017 and the full text of the Ordinance made available at [INSERT CITY'S WEBSITE] for a minimum of one (1) week from the date of publication.)

Ordinance No. ____ Summary

On _____, 2017, the City of Greensburg, Kansas adopted Ordinance No. ____, authorizing filing by The Kansas Power Pool of an application with the Federal Energy Regulatory Commission for waiver of the City's must-purchase requirement under the public utility regulatory policies act of 1978 (PURPA) and adopting rules for compliance with FERC's PURPA regulations. A complete copy of this ordinance may be obtained or viewed free of charge at the Office of the City Clerk at City Hall, 300 South Main Street. This summary is certified legally accurate and sufficient by the City Attorney pursuant to K.S.A. 12-3001, *et seq.*

SUMMARY CERTIFIED:

City Attorney

**City of Greensburg
City Council Meeting
August 21, 2017**

TO: Mayor and City Council
SUBJECT: 410 E. Ohio Property
PREPARED BY: City Administrator, Kyler Ludwig

Background:

On August 3rd the City Council discussed the property at 410 E. Ohio. This is property with the water treatment plant and streets/parks storage building. The Co-op had expressed interest in acquiring the property, but changes at the Co-op delayed further discussion.

At the August 3rd meeting Jay Newton suggested that the City sell the property for \$1. The price recommendation was based on the economic impact expansion at the co-op could bring. The City Attorney recommended that if the property is sold the City advertise any intent to sell the property.

Analysis:

On August 16th Rod Craft with the Co-op requested that the City once again look into the option to sell the unused property on the west side of the ditch. This property would be used for expansion of their fertilizer capabilities.

If the City sold the property we would also want to move forward with a street vacation of Pine Street between Ohio and the railroad.

Recommendations/Actions: It is recommended the City Council:

Staff recommends that the require the Co-op to pay for a survey setting new boundary lines (which would be required for any development they do on the property) and sell the property for \$1.

Authorize staff to work with the co-op on a property survey, and set October 16th as a sell date for the property.

Greensburg City Council
August 3, 2015
CITY HALL

Item 1: Opening Session

Call to Order; Pledge of Allegiance; Invocation; Roll Call

Councilwoman Haley Kern called the meeting to order at 6:00 p.m. on August 3, 2015. The Pledge of Allegiance was said. Roll call was taken. Council present: Matt Christenson, Mark Trummel, Sandy Jungemann, Rick Schaffer, and Haley Kern. Mayor Bob Dixson was absent.

Official Greensburg City Council Minutes 8.3.15

Item 4: Items of Business

A. Receive Rod Craft, Southern Plains Co-op, for an update on the co-op and further discussion on city property located in the 300 block of E. Ohio Ave.

Rod Craft, Southern Plains Co-op, was unable to attend the meeting due to his seat on the Kinsley City Council, which was also holding a meeting tonight. Newton reminded Council that Southern Plains is interested in discussing the purchase of City property located in the 300 block of E. Ohio Ave. The co-op will need to conduct an environmental study before a final decision on purchase can be made. Newton recommended selling the property to Southern Plains for \$1. The property is not currently being used and Southern Plains has begun cleaning up the property, at their cost. Newton sees the expansion of the co-op as an economic development asset to the City. Craft has advised Newton that three (3) local co-ops, including Southern Plains, recently voted to form an LLC with a single operating board. They will be working to move forward with future planning.

Christenson asked if the City would be required to offer the property at fair market value. City Attorney Gordon Stull advised that the City should publish its intent to sell the property. Newton clarified that this property is not part of the Land Bank. Newton advised that Southern Plains has already spent several thousand dollars on clean-up. Should contamination be found during the environmental study, remediation will bring additional cost. Trummel voiced that he feels the property is worth more than \$1 and that the co-op has proceeded with clean-up, prior to purchase approval, on their own. Christenson agreed that the property should be sold for a reasonable price, whatever that is determined to be, as the City has no plans for utilizing the property.

Newton advised that Craft will be returning to Council with additional information on the organization and to further discuss the property purchase.

**City of Greensburg
City Council Meeting
August 21, 2017**

TO: Mayor and City Council
SUBJECT: Airport Bidding Process
INITIATED BY: Kyler Ludwig, City Administrator

Background:

In March of 2017 KDOT discussed with the City the new Airport Grant for 2018. This grant will pay for the grading and seeding of a grass runway.

Analysis:

Attached is the information Lochner is providing to bidders of the airport project. The timeline set in the packet has a pre-bid meeting on August 29th with bids due on September 7th. The City would make a decision within 60 days of opening the bids. The project should take 90 days from the notice-to-proceed which is scheduled from October 16th, 2017 -March 5th, 2018.

Staff is hoping to shift a few of these dates with a pre-bid likely to take place after Labor Day. Staff will be working with Lochner prior to the meeting to make some of these changes.

Recommendations/Actions: It is recommended the City Council:

Approve the bid schedule on process.

Attachments: Exhibit A: Greensburg Airport Bid Specs