

*(Ordinance Summary published in The Hesston Record on August 22, 2019 and the full text of the Ordinance made available at [www.hesstonks.org](http://www.hesstonks.org) for a minimum of one (1) week from the date of publication.)*

**ORDINANCE NO. 150-2019-037**

AN ORDINANCE AUTHORIZING EXECUTION OF THE NATURAL GAS PREPAY PARTICIPATION AGREEMENT WITH THE KANSAS MUNICIPAL GAS AGENCY AND ALL OTHER NECESSARY DOCUMENTS WITH RESPECT THERETO AND PROVIDING FOR THE PLEDGE OF THE REVENUES OF THE NATURAL GAS UTILITY SYSTEM OF THE CITY TO SECURE SUCH AGREEMENT.

**WHEREAS**, pursuant to an Interlocal Cooperation Agreement, certain Kansas Municipalities have joined together under the provisions of K.S.A. 12-2901 *et seq.* (the "Act"), to organize and create the Kansas Municipal Gas Agency ("KMGA"); and

**WHEREAS**, KMGA has created a Natural Gas Prepay project (the "Project") for the purpose of providing an economic means of a long-term natural gas acquisition for the mutual benefit of its members participating in the Project (the "Project Participants"); and

**WHEREAS**, the City of Hesston, Kansas (the "City") is a member of KMGA and the City desires to participate in the Project and receive the economic benefit associated with the Project; and

**WHEREAS**, KMGA will act on behalf of the Project Participants to enter into a Natural Gas Supply Agreement with the Minnesota Municipal Gas Agency; and

**WHEREAS**, the City and KMGA will enter into a Natural Gas Prepay Participation Agreement to effect the delivery of natural gas to the Project Participants and provide management services related to the Project; and

**WHEREAS**, K.S.A. 12-825j authorizes the City to enter into contracts with any person, firm, corporation or other municipality for the acquisition of natural gas upon such terms as may be deemed necessary and reasonable by the governing body of the City; provided such contracts shall not exceed a period of forty years and shall not be payable by the levy of any tax.

**NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HESSTON, KANSAS:**

**SECTION 1.** It is hereby deemed advisable and in the best interest of the City that the City participate in the Project.

**SECTION 2.** The Mayor and City Clerk are hereby authorized to execute the Natural Gas Prepay Participation Agreement on behalf of the City (the "Participation Agreement") substantially in the form presented to the governing body this date.

**SECTION 3.** The revenues of the natural gas utility system of the City (the "System") are hereby pledged for the repayment of the obligations of the City under the Participation Agreement.

**SECTION 4.** The City agrees to fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the System, as will produce revenues sufficient to enable the City to have reasonable and adequate funds available for its proportionate and allocable share of costs associated with the Project as set forth in the Participation Agreement.

**SECTION 5.** The City Clerk and other officials of the City 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 this Ordinance.

**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 of this Ordinance certified as legally accurate and sufficient by the City Attorney.

*[Remainder of Page Intentionally Left Blank]*

PASSED, ADOPTED AND APPROVED by the governing body of the City of Hesston,  
Kansas on the 17th day of August, 2019.



CITY OF HESSTON, KANSAS

A handwritten signature in black ink, appearing to read "D. Kauffman", written over a horizontal line.

David K. Kauffman, Mayor

ATTEST:

A handwritten signature in blue ink, appearing to read "Jason Thrasher", written over a horizontal line.

Jason Thrasher, City Clerk

EXCERPT OF MINUTES

The governing body of the City of Hesston, Kansas met at the usual place in the City on August 12, 2019, at 6:00 p.m., with the Mayor David K. Kauffman presiding, and the following members of the governing body present:

Larry Fuqua, Jason Jones, Clare Moore, Susan Swartzendruber

and the following members absent:

Brad Unruh

Thereupon, and among other business, there was presented to the governing body, an Ordinance entitled:

AN ORDINANCE AUTHORIZING EXECUTION OF THE NATURAL GAS PREPAY PARTICIPATION AGREEMENT WITH THE KANSAS MUNICIPAL GAS AGENCY AND ALL OTHER NECESSARY DOCUMENTS WITH RESPECT THERETO AND PROVIDING FOR THE PLEDGE OF THE REVENUES OF THE NATURAL GAS UTILITY SYSTEM OF THE CITY TO SECURE SUCH AGREEMENT.

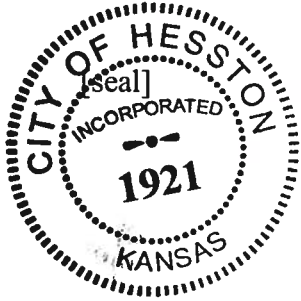
The Ordinance was considered and discussed; and on motion of Larry Fuqua, seconded by Jason Jones, the entire Ordinance was passed by a majority of the members elect.

A majority of the members having voted in favor of the adoption of said Ordinance, it was designated Ordinance No. 150-2019-037 and was ordered to be executed by the Mayor and by the City Clerk, and the City Clerk was directed to publish the Ordinance one time in the official city newspaper as required by law and provided therein.

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CITY CLERK'S  
CERTIFICATION OF EXCERPT OF MINUTES

I hereby certify that the foregoing is a true and correct Excerpt of Minutes of the August 12, 2019 meeting of the governing body of the City of Hesston, Kansas.



  
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Jason Thrasher, City Clerk