

**ORDINANCE 4207**  
**AUTHORIZING EXECUTION OF THE NATURAL GAS PREPAY PARTICIPATION**  
**AGREEMENT WITH KMGA**

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 Garnett, 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 GARNETT, 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 series furnished by or through the Systems, 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 the may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance.

**SECTION 6.** This Ordinance shall be in force and take effect from and after its adoption and publication once in the official newspaper of the City.

**PASSED AND APPROVED BY THE GOVERNING BODY OF GARNETT, KANSAS,** this 24<sup>th</sup> of September 2019.

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Greg A. Gwin, Mayor

ATTEST:

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Travis Wilson, City Clerk

