

(PUBLISHED ONCE IN _____ ON _____
2018

ORDINANCE NO. 907

AN ORDINANCE AUTHORIZING THE EXECUTION OF A GAS ACQUISITION MANAGEMENT PROJECT PARTICIPATION AGREEMENT WITH THE KANSAS MUNICIPAL GAS AGENCY AND ALL NECESSARY DOCUMENTS WITH RESPECT THERETO AND PROVIDING FOR THE PLEDGE OF THE REVENUES OF THE NATURAL GAS/ELECTRIC UTILITY SYSTEM OF THE CITY TO SECURE SUCH AGREEMENT.

WHEREAS, pursuant to an Interlocal Cooperation Agreement, certain Kansas Municipalities, including the City of Cheney, Kansas (the "City"), 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 implemented a certain Gas Acquisition Management Project (the "Project") for the purpose of providing an economic means of long-term natural gas acquisition and transportation for the mutual benefit of certain members and affiliate members participating in the Project (the "Project Participants"); and

WHEREAS, KMGA will act on behalf of the Project Participants to acquire natural gas, effect the transportation and delivery of the acquired natural gas to the Project Participants and provide other management services related to the Project; and

WHEREAS, the City owns and operates a natural gas, electric or other municipal utility system which utilizes natural gas in its operation; and

WHEREAS, the City desires to participate in the Project and receive the economic benefit in combined natural gas acquisition and transportation agreements with other KMGA Members and Affiliate Members; 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.

THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF CHENEY, KANSAS:

SECTION 1. It is hereby deemed advisable and in the best interest of the City that the City participate in the Project and authorize KMGA to act on behalf of the City in providing all project management services relating to the Project for the purpose of having the City receive an economic benefit in combined natural gas acquisitions with other Project Participants.

SECTION 2. The Mayor and City Clerk are hereby authorized to execute the Gas Acquisition Management Project 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.

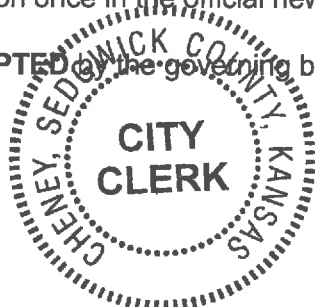
SECTION 5. The City Clerk and other officials of the City are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance.

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

ADOPTED by the governing body of the City of Cheney, Kansas, on March 8, 2018.

(Seal)

ATTEST:





Mayor



City Clerk