

# KANSAS REGISTER

State of Kansas

**BILL GRAVES**  
Secretary of State

Vol. 7, No. 22

June 2, 1988

Pages 1041-1066

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State of Kansas  
**KANSAS STATE UNIVERSITY**

**NOTICE TO BIDDERS**

Sealed bids for the items listed below will be received by the Kansas State University purchasing office, Manhattan, until 4 p.m. C.D.T. on the date indicated and then will be publicly opened. Interested bidders may call (913) 532-6214 for additional information.

**Monday, June 13, 1988**

#80102

Software Licenses for DEC Equipment

**WILLIAM H. SESLER**  
 Director of Purchasing

Doc. No. 006655

State of Kansas  
**WICHITA STATE UNIVERSITY**

**NOTICE TO BIDDERS**

Sealed bids for the following equipment will be received by the Wichita State University purchasing office, 1845 N. Fairmount, 201 Jardine Hall, Wichita 67208-1595, until 2 p.m. C.D.T. on the date indicated, and then will be opened. Interested bidders may call (316) 689-3080 for more information.

**Monday, June 20, 1988**

#BOT 1272-062088H

Multiplex Bus Terminal

**GARY D. LINK**  
 Director of Purchasing

Doc. No. 006643

State of Kansas  
**STATE CONSERVATION COMMISSION**

**NOTICE TO CONTRACTORS**

Sealed bids for the construction of a 40,633 cubic yard and a 30,978 cubic yard detention dam, Sites 15 and 16 in Jackson County, will be received by the Upper Little Arkansas River Watershed Joint District No. 95 at the district office, P.O. Box 95, Little River 67457, until 7:30 p.m. on June 20, at which time they will be opened and read publicly. A copy of the invitation for bids and plans and specifications can be obtained at the office of Booker/Freund Associates, Inc., 111 W. Douglas, Suite 412, Wichita 67202, (316) 263-6121.

**KENNETH F. KERN**  
 Executive Director

Doc. No. 006639

State of Kansas  
**WICHITA STATE UNIVERSITY**

**NOTICE TO BIDDERS**

Sealed proposals for the fabrication of the following equipment will be received by the Wichita State University purchasing office, 1845 N. Fairmount, 201 Jardine Hall, Wichita 67208-1595, until 2 p.m. C.D.T. on the date indicated, and then will be opened. Interested offerers may call (316) 689-3080 for additional information.

**Thursday, June 16, 1988**

#BOT 1355-061688H

Horizontal Crash Simulator

**GARY D. LINK**  
 Director of Purchasing

Doc. No. 006644

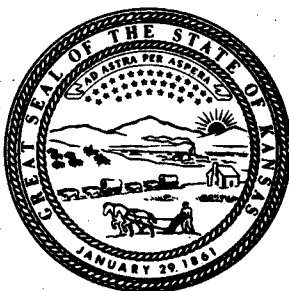
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**PUBLISHED BY**  
**BILL GRAVES**  
 Secretary of State  
 2nd Floor, State Capitol  
 Topeka, KS 66612-1594



Phone: (913) 296-3489

State of Kansas  
DEPARTMENT OF CORRECTIONS

NOTICE OF COMMENCEMENT  
OF NEGOTIATIONS  
FOR ARCHITECTURAL SERVICES

Notice is hereby given of the commencement of negotiations for architectural services for the Stockton Correctional Facility, Stockton.

Any questions or expressions of interest should be directed to Capital Improvements Projects Manager, Department of Corrections, 900 S.W. Jackson, 4th Floor, Topeka 66612, (913) 296-3317, prior to June 17.

ROGER V. ENDELL  
Secretary of Corrections

Doc. No. 006645

State of Kansas  
DEPARTMENT OF ADMINISTRATION  
DIVISION OF ARCHITECTURAL SERVICES

NOTICE OF COMMENCEMENT  
OF NEGOTIATIONS  
FOR TECHNICAL SERVICES

Notice is hereby given of the commencement of negotiations for a contract for air and water balancing of the mechanical system and an infrared scan for the Human Development Center, University of Kansas, Lawrence.

Interested individuals or firms in the balancing field must be certified by the National Environmental Balancing Bureau or the Associated Air Balance Council. Said individuals or firms must be engaged in balancing work on a full-time basis. Balance agencies which are of the same parent company as the designers or contractors of a particular project will not be considered for that project. Submit qualifications with letter of interest.

Interested individuals or firms in the infrared scan field must be an independent testing company using trained personnel who work full time on infrared testing projects. Personnel shall be familiar with the operation of the infrared camera and capable of analyzing the results. The infrared survey shall be done with a Model No. 750 infrared camera as manufactured by AGA Corporation of Secaucus, New Jersey, or equal. Submit qualifications with letter of interest.

Questions or expressions of interest should be directed to Myron Reed, Division of Architectural Services, 625 Polk, Topeka 66603, (913) 233-9367, prior to June 17.

EDWARD A. DE VILBISS, AIA  
Director, Division of  
Architectural Services

Doc. No. 006652

State of Kansas  
DEPARTMENT OF COMMERCE

NOTICE OF HEARING

A public hearing on the proposed program description for the Kansas Small Cities Rental Rehabilitation Program for 1988 will be held at 10:30 a.m. Tuesday, June 14, in Room 522-S, State Capitol, Topeka.

Copies of the proposed program description are available at the KDOC Small Cities Rental Rehabilitation Program offices, 400 W. 8th, Suite 500, Topeka 66603.

Written comments on the proposed program description will be received for consideration in preparation of the program description by the Kansas Small Cities Rental Rehabilitation Program through June 16.

HARLAND E. PRIDDLE  
Secretary of Commerce

Doc. No. 006642

State of Kansas  
DEPARTMENT OF ADMINISTRATION  
DIVISION OF ARCHITECTURAL SERVICES

NOTICE OF COMMENCEMENT  
OF NEGOTIATIONS  
FOR ARCHITECTURAL SERVICES

Notice is hereby given of the commencement of negotiations for architectural services for a new United States Property and Fiscal Office for the Adjutant General's Department in Topeka.

The building size is to be approximately 19,800 square feet and be of masonry construction with a standing seam metal roof. The building will be used primarily as an office facility, with special features such as a communication center and an automated data processing equipment room. The estimated construction cost is \$1,321,000.

Questions or expressions of interest should be directed to Jack Nelson, Division of Architectural Services, 625 Polk, Topeka 66603, (913) 233-9367; or to Lt. Col. William Vonderschmidt, Adjutant General's Department, P.O. Box C-300, Military Division, Topeka 66601-0300, (913) 233-7560, extension 185, prior to June 17.

EDWARD A. DE VILBISS, AIA  
Director, Division of  
Architectural Services

Doc. No. 006637

## State of Kansas

DEPARTMENT OF ADMINISTRATION  
DIVISION OF PURCHASES

## NOTICE TO BIDDERS

Sealed bids for the following items will be received by the Director of Purchases, Landon State Office Building, 900 Jackson, Room 102, Topeka, until 2 p.m. C.D.T. on the date indicated, and then will be publicly opened. Interested bidders may call (913) 296-2377 for additional information.

Monday, June 13, 1988

#27478

Kansas Correctional Industries—SILICA AND CALCIUM CARBONATE

#27521

Wichita State University—WAXED CORRUGATED BOXES FOR TITE-WAD COMPACTORS

#27547

Kansas Correctional Industries—TRAFFIC ALKYD RESIN

#74418

Kansas State University—GAS CHROMATOGRAPH

Tuesday, June 14, 1988

#A-5807

Winfield State Hospital and Training Center—INSTALL SHEET VINYL, VARIOUS AREAS, Medical Services Building

#27099

University of Kansas Medical Center—CARDIAC CATHETER SUPPLIES

#27226

Kansas Correctional Industries—LEAD-FREE PAINT GRANULES

#27479

Kansas Correctional Industries—BLENDED TRAFFIC PAINT THINNER

#27826

University of Kansas—RADIOLOGICAL CONSULTATION SERVICES

#74440

Kansas State Library—BACK-UP STORAGE TAPE SYSTEM AND TAPE CARTRIDGES

#74441

Kansas State University—DESIGN WORKSTATIONS

#74473

Kansas State University and Kansas Soldiers' Home—FARM EQUIPMENT, various locations

Wednesday, June 15, 1988

#A-5773

Youth Center at Beloit—REPLACE EXISTING LANDSCAPING PLANTS

#27230

Kansas Correctional Industries—NEW 55-GALLON STEEL DRUMS

#27235

Kansas Correctional Industries—RUTILE TITANIUM DIOXIDE (W-5)

#74489

Kansas State University—FREQUENCY, FUNCTION AND WAVEFORM SYNTHESIZER

#74525

Department of Transportation—READER/PRINTER, Hutchinson

#74532

Kansas Lottery—CARGO VAN TRUCKS

Thursday, June 16, 1988

#A-5941

Kansas State University—B-3 PARKING LOT RECONSTRUCTION AND EXPANSION

#A-5946

Kansas State University—COLISEUM/STADIUM PARKING LOT IMPROVEMENTS

#27229

Kansas Correctional Industries—VINYL ACRYLIC AND VARIOUS EMULSIONS

#27828

Department of Social and Rehabilitation Services—JANITORIAL SERVICES

#74551

Department of Transportation, Kansas State University, and Larned State Hospital—SHOP MACHINERY, various locations

#74552

Department of Administration, Central Motor Pool—VEHICLES

#74553

Kansas State University and Ellsworth Correctional Facility—PALLET JACK AND FORKLIFT

#74554

Department of Transportation—AGGREGATE, various locations

#74583

Department of Social and Rehabilitation Services—VENDING MACHINES, Overland Park

#74584

Kansas State Reception and Diagnostic Center—PLUMBING MATERIALS

#74585

Department of Social and Rehabilitation Services—TERRY CLOTH SQUARES

#74616

Kansas Lottery—TESTING EQUIPMENT

#74617

Kansas State University—LAB INCUBATOR/SAFETY CABINET

#74619

University of Kansas Medical Center—BROADCAST EQUIPMENT

#74620

Department of Corrections—TOXIC DRUG TESTING EQUIPMENT, Norton

#74621

Department of Transportation—TYPESETTER

#74622

University of Kansas Medical Center—RADIOGRAPHIC SYSTEM REFURBISHMENT

Tuesday, June 21, 1988

#74582

Department of Social and Rehabilitation Services—MEMORY BOARD FOR DG MV/20000-1

Wednesday, June 22, 1988

#74460

Department of Health and Environment—AIR  
QUALITY EQUIPMENT

\*\*\*\*\*

Monday, June 20, 1988

#74747

Department of Commerce—COAL UTILIZATION  
STUDY

NICHOLAS B. ROACH  
Director of Purchases

Doc. No. 006646

State of Kansas

SECRETARY OF STATE

NOTICE OF HEARING  
ON PROPOSED  
ADMINISTRATIVE REGULATIONS

The Secretary of State will conduct a public hearing on proposed temporary regulation 7-33-1 at 8 a.m. Tuesday, July 5, in Room 245-N, State Capitol, Topeka. Interested parties shall be given reasonable opportunity at the hearing to present their views or arguments on adoption of this regulation either orally or in writing.

The regulation proposed for adoption as a temporary regulation directs each county register of deeds, when providing information concerning filings under Article 9 of Chapter 84 of Kansas Statutes Annotated to persons by telecopier, to charge \$10 for a statement of filings and \$2 per page for copies of financing statements or related statements. The register of deeds shall then remit \$5 to the county general fund.

The purpose of the proposed temporary regulation is to allow each county register of deeds to retain more money on requests for statement of filings made through telecopier.

The regulation will have no economic impact on the general public. The Secretary of State's revenues will decrease approximately \$15,000 per year. The registers of deeds will share an increase in revenues of approximately \$15,000 per year.

Copies of the proposed regulation and the economic impact statement can be obtained from the Secretary of State, 2nd Floor, State Capitol, Topeka 66612, (913) 296-2236.

This 30-day notice constitutes a public comment period for the purpose of receiving written public comments on the proposed temporary regulation. Written comments may be submitted to the Secretary of State at the address above.

BILL GRAVES  
Secretary of State

Doc. No. 006653

State of Kansas

ATTORNEY GENERAL

Opinion No. 88-70

Accountants, Certified Public—General Provisions—Client Communications, Privileged, Exception. Representative Vincent K. Snowbarger, 26th District, Olathe, May 20, 1988.

Though the Kansas appellate courts have not construed the accountant-client privilege in K.S.A. 1-401, the language of the statute clearly creates an absolute privilege between a certified public accountant and his client regardless of judicial process. The only limitations to the statutorily-created privilege include instances where the communication is material to the defense of an action against a certified public accountant [K.S.A. 1-401 (b)] and where the communication is material to a peer review against the accountant's accounting and auditing practices, where such disclosure is not tantamount to a waiver of the privilege [K.S.A. 1-401 (c)]. Cited herein: K.S.A. 1-401. GE

Opinion No. 88-71

Intoxicating Liquors and Beverages—Cereal Malt Beverages—Hours and Days of Sales. Douglas F. Martin, Shawnee County Counselor, Topeka, May 20, 1988.

An applicant for a license to sell cereal malt beverages for on-premise consumption need not demonstrate compliance with the 30 percent food sales requirement for Sunday sales in order to qualify for licensure. Compliance with the food sales requirement is not a prerequisite to licensure. Cited herein: K.S.A. 1987 Supp. 41-2703; 41-2704; 41-2708; K.S.A. 41-2711. JLM

Opinion No. 88-72

Courts—Supreme Court—Supreme Court Nominating Commission; Appointment of Non-Lawyer Members. Representative Joe Knopp, 67th District, Manhattan, May 20, 1988.

An appointed non-lawyer member may not continue membership on the judicial nominating committee once that member has been granted a temporary permit to practice law. Cited herein: K.S.A. 20-119; 20-120; 20-123; 20-124; 20-125; 20-127; Supreme Court Rule 705. TMN

ROBERT T. STEPHAN  
Attorney General

Doc. No. 006641

State of Kansas  
STATE CORPORATION COMMISSION

NOTICE OF MOTOR  
CARRIER HEARINGS

Applications set for hearing are to be heard at 9:30 a.m. before the State Corporation Commission, Docking State Office Building, fourth floor, Topeka, unless otherwise noticed.

This list does not include cases previously assigned hearing dates for which parties of record have received notice.

Questions concerning applications for hearing dates should be addressed to the State Corporation Commission, 4th Floor, Docking State Office Building, Topeka 66612, (913) 296-3808 or 296-3364.

Your attention is invited to Kansas Administrative Regulations (K.A.R.) 82-1-228, "Rules of Practice and Procedure Before the Commission."

Applications set for June 14, 1988

Application for Certificate of Convenience  
and Necessity:

Monfort Transportation Co. ) Docket No. 160,661 M  
North Hwy. 85, P.O. Box G )  
Greeley, CO 80632 ) MC ID No. 107137

Applicant's Attorney: W. Robert Alderson, 1610 S.W.  
Topeka Blvd., P.O. Box 237, Topeka, KS 66612

*General commodities (except household goods, classes  
A and B explosives and commodities in bulk),*

Between points and places in Kansas.

\*\*\*\*\*

Application for Certificate of Convenience  
and Necessity:

Lyon & Lyon Enterprises, Inc. ) Docket No. 160,660 M  
409 N. Jefferson )  
Carrollton, MO 64633 ) MC ID No. 122495

Applicant's Attorney: John Rosacker, 1400 S. Topeka  
Blvd., Topeka, KS 66612

*Construction machinery or equipment, heavy equipment  
or parts necessary for the construction business,*

Between all points and places in the state of Kansas.

\*\*\*\*\*

Applications set for June 21, 1988

Application for Certificate of Convenience  
and Necessity:

Mark West ) Docket No. 160,658 M  
Box 49 )  
Alamota, KS 67830 ) MC ID No. 131258

Applicant's Attorney: William Barker, 3401 Harrison,  
Topeka, KS 66611

*Grain, dry feed, dry feed ingredients, dry fertilizer and  
dry fertilizer ingredients,*

Between points on and west of U.S. 81, on the one  
hand, and on the other, all points and places in Kansas

\*\*\*\*\*

Application for Certificate of Convenience  
and Necessity:

Schwien Tank & Lease Service, Inc. ) Docket No. 160,659 M  
Bazine, KS 67516 )

Applicant's Attorney: Robert Southern, 2000 Washington,  
P.O. Box 936, Great Bend, KS 67530

*Crude oil, used in and for production, processing, treat-  
ing, salvage, construction and for lease road purposes in  
bulk, fresh water for drilling purposes and salt water for  
disposal purposes,*

Between points and places in all counties through which  
U.S. 81 runs, west to the state line, plus the counties of  
Harper, Kingman, Reno and Rice.

\*\*\*\*\*

ALFONZO A. MAXWELL  
Administrator  
Transportation Division

Doc. No. 006650

State of Kansas  
DEPARTMENT OF TRANSPORTATION

NOTICE TO CONTRACTORS

Sealed proposals for the construction of road and bridge  
work in the following Kansas counties will be received at  
the office of the Chief of Construction and Maintenance,  
K.D.O.T., Topeka, until 10 a.m. C.D.T. June 16, 1988,  
and then publicly opened:

DISTRICT FOUR—Southeast

Crawford—69-19 M-1529-01—U.S. 69, beginning at  
the south city limits of Frontenac north to the Atchison,  
Topeka and Santa Fe Railway crossing, approximately 50  
feet north of the north junction of U.S. 69 and U.S. 160,  
.76 mile, concrete pavement patching. (State Funds)

DISTRICT FIVE—Southcentral

Cowley—15-18 M-1529-01—K-15, 0.9 mile west of the  
north U.S. 77 and K-15 junction, bridge repair. (State  
Funds)

Proposals will be issued upon request to all prospective  
bidders who have been prequalified by the Kansas De-  
partment of Transportation on the basis of financial con-  
dition, available construction equipment, and experience.  
Also, a statement of unearned contracts (Form No. 284)  
must be filed. There will be no discrimination against  
anyone because of race, age, religion, color, sex, handi-  
cap, or national origin in the award of contracts.

Each bidder shall file a sworn statement executed by  
or on behalf of the person, firm, association or corporation  
submitting the bid, certifying that such person, firm, as-  
sociation or corporation has not, either directly or indi-  
rectly, entered into any agreement, participated in any  
collusion, or otherwise taken any action in restraint of

free competitive bidding in connection with the submitted bid. This sworn statement shall be in the form of an affidavit executed and sworn to by the bidder before a person who is authorized by the laws of the state to administer oaths. The required form of the affidavit will be provided by the state to each prospective bidder. Failure to submit the sworn statement as part of the bid-approval package will make the bid nonresponsive and not eligible for award consideration.

Plans and specifications for the projects may be examined at the office of the respective county clerk or at the K.D.O.T. district office responsible for the work.

HORACE B. EDWARDS  
Secretary of Transportation

Doc. No. 006631

## State of Kansas

### DEPARTMENT OF TRANSPORTATION

#### NOTICE TO CONTRACTORS

Sealed proposals for the construction of road and bridge work in the following Kansas county will be received at the office of the Chief of Construction and Maintenance, K.D.O.T., Topeka, until 10 a.m. C.D.T. June 16, 1988, and then publicly opened:

#### DISTRICT SIX—Southwest

Gray—56-36 M-1527-01, U.S. 56, beginning at the Haskell/Gray county line, then northeast to the east city limits of Montezuma, 24.5 miles, cold milling. (State Funds)

Proposals will be issued upon request to all prospective bidders who have been prequalified by the Kansas Department of Transportation on the basis of financial condition, available construction equipment, and experience. Also, a statement of unearned contracts (Form No. 284) must be filed. There will be no discrimination against anyone because of race, age, religion, color, sex, handicap, or national origin in the award of contracts.

Each bidder shall file a sworn statement executed by or on behalf of the person, firm, association or corporation submitting the bid, certifying that such person, firm, association or corporation has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the submitted bid. This sworn statement shall be in the form of an affidavit executed and sworn to by the bidder before a person who is authorized by the laws of the state to administer oaths. The required form of the affidavit will be provided by the state to each prospective bidder. Failure to submit the sworn statement as part of the bid-approval package will make the bid nonresponsive and not eligible for award consideration.

Plans and specifications for the project may be examined at the office of the respective county clerk or at the K.D.O.T. district office responsible for the work.

HORACE B. EDWARDS  
Secretary of Transportation

Doc. No. 006620

## State of Kansas

### OFFICE OF THE GOVERNOR

#### EXECUTIVE ORDER NO. 88-109

#### ESTABLISHING THE GOVERNOR'S COMMISSION ON CHILDREN AND FAMILIES

WHEREAS, The Constitution of the State of Kansas vests supreme executive power in the Governor;

WHEREAS, the Constitution of the State of Kansas requires the Governor to report periodically on the condition of the state;

WHEREAS, the condition of the children and families in Kansas is critical to the future of our state;

WHEREAS, the State of Kansas has made substantial investments to assure the health, education, and welfare of children and families in Kansas and has increased these investments significantly in recent years;

WHEREAS, these investments require effective work and coordination among a number of federal, state, and local agencies;

WHEREAS, certain state and national trends adversely affect the status of children and families in Kansas;

WHEREAS, numerous proposals have been advocated to improve the condition of children and families in Kansas;

NOW, THEREFORE, pursuant to the authority vested in me as Governor of the State of Kansas, I hereby create the Governor's Commission on Children and Families.

The Commission shall be composed of the Secretary of Health and Environment, the Secretary of Human Resources, the Secretary of Social and Rehabilitation Services, as ex officio members, and such other members as are designated by the Governor. Members of the Commission shall serve without compensation and at the pleasure of the Governor, but shall be deemed advisory personnel for purposes of paying travel allowances pursuant to K.A.R. 1-16-1b.

The Commission is charged with the following tasks:

1. To identify those public issues most critical to the future of the children and families in Kansas;
2. To assess the status of children and families in Kansas to identify those considered to be most vulnerable;
3. To identify policy choices available to Kansas in responding to these issues;
4. To draw upon leadership and expertise within Kansas to analyze these public issues and policy choices;
5. To solicit views from the public at-large on these issues and policy choices; and
6. To report and make recommendations to the Governor on improving the condition of children and families by December 1, 1988.

This document shall be filed with the Secretary of State as Executive Order No. 88-109 and shall become effective immediately.

Dated May 23, 1988.

MIKE HAYDEN  
Governor

Attest: BILL GRAVES  
Secretary of State

Doc. No. 006640

**State of Kansas  
STATE BANK COMMISSIONER  
STATE BANKING BOARD**

**NOTICE OF MEETING**

The State Banking Board will meet at 9:30 a.m. Monday, June 20, in the conference room of the State Banking Department, Suite 300, 700 Jackson, Topeka. The board reviews matters relating to its supervisory authority set forth in K.S.A. 9-1801 *et seq.*

W. NEWTON MALE  
State Bank Commissioner

Doc. No. 006654

(Published in the *Kansas Register*, June 2, 1988.)

**NOTICE OF BOND SALE**

**\$413,353.85**

**General Obligation Bonds**

**Series 1988-1**

**of the**

**City of Frontenac, Kansas**

**(general obligation bonds payable  
from unlimited ad valorem taxes)**

**Sealed Bids**

Sealed bids will be received by the undersigned, city clerk of the city of Frontenac, Kansas, on behalf on the governing body of the city at the City Hall, 315 E. McKay, Frontenac, until 7 p.m. C.D.T. on Thursday, June 9, 1988, for the purchase of \$413,353.85 principal amount of general obligation bonds, Series 1988-1, of the city hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the governing body immediately thereafter. No oral or auction bids will be considered.

**Bond Details**

The bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof, except one bond in the denomination of \$8,353.85. The bonds will be dated June 1, 1988, and will become due serially on October 1 in the years as follows:

Year	Principal Amount	Year	Principal Amount
1989	\$ 8,353.85	1999	\$20,000.00
1990	10,000.00	2000	20,000.00
1991	10,000.00	2001	25,000.00
1992	10,000.00	2002	25,000.00
1993	10,000.00	2003	25,000.00
1994	15,000.00	2004	30,000.00
1995	15,000.00	2005	30,000.00
1996	15,000.00	2006	35,000.00
1997	15,000.00	2007	35,000.00
1998	20,000.00	2008	40,000.00

The bonds will bear interest from the date thereof at rates to be determined when the bonds are sold as hereinafter provided, which interest will be payable semiannually on April 1 and October 1 in each year, beginning on April 1, 1989.

**Place of Payment and Bond Registration**

The principal of and interest on the bonds will be payable in lawful money of the United States of America by check or draft of the Kansas State Treasurer, Topeka, Kansas (the paying agent and bond registrar), to the reg-

istered owners thereof whose names are on the registration books of the bond registrar as of the 15th day (whether or not a business day) of the calendar month next preceding each interest payment date. The bond will be registered pursuant to a plan of registration approved by the city and the Kansas Attorney General.

The city will pay for the fees of the bond registrar for registration and transfer of the bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the bond registrar, will be the responsibility of the bondowners.

**Redemption of Bonds Prior to Maturity**

Bonds maturing in the years 1989 to 1998, inclusive, shall become due without option of prior payment. At the option of the city, bonds maturing in the years 1999 and thereafter may be called for redemption and payment prior to maturity in whole or in part (selection of bonds to be designated by the city in such equitable manner as it may determine) on October 1, 1998, or on any interest payment date thereafter, at the redemption price of 103 percent (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Whenever the city is to select bonds for the purpose of redemption, it will, in the case of bonds in denominations greater than \$5,000, if less than all of the bonds then outstanding are to be called for redemption, treat each \$5,000 of face value of each such fully registered bond as though it were a separate bond in the denomination of \$5,000.

If the city elects to call any bonds for redemption and payment prior to the maturity thereof, the city shall give written notice of its intention to call and pay said bonds on a specified date, the same being described by maturity, said notice to be mailed by United States certified mail addressed to the owners of said bonds, to the Kansas State Treasurer, and to the original purchaser of the bonds, each of said notices to be mailed not less than 30 days prior to the date fixed for redemption. The city shall also give such additional notice as may be required by Kansas law in effect as of the date of such notice. If any bond be called for redemption and payment as aforesaid, all interest on such bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

**Authority, Purpose and Security**

The bonds are being issued pursuant to K.S.A. 12-631t, 12-631w, 12-626 to 629 *et seq.*, 12-619 *et seq.*, 12-624 and 12-6a01 *et seq.*, all as amended, for the purpose of paying the cost of certain sewer improvements. The bonds and the interest thereon will constitute general obligations of the city, payable in part from special assessments levied upon the property benefited by the construction of said improvements and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the city, with the balance payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the city.



### Conditions of Bids

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be a multiple of  $\frac{1}{8}$  or  $\frac{1}{20}$  of 1 percent. No interest rate may exceed a rate equal to the index of treasury bonds published by the weekly *Credit Markets* in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus 2 percent. The difference between the highest rate specified and the lowest rate specified can not exceed 4 percent. No bid of less than the entire par value of the bonds and accrued interest thereon to the date of delivery will be considered and no supplemental interest payments will be considered. Each bid must specify the total interest cost to the city during the term of the bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the city on the basis of such bid, all certified by the bidder to be correct—and the city will be entitled to rely on the certificate of correctness of the bidder. Each bid must also specify the average annual net interest rate to the city on the basis of such bid.

### Good Faith Deposit

Each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States of America in the amount of \$8,267.08 (2 percent of the principal amount of the bonds), payable to the order of the city to secure the city from any loss resulting from the failure of the bidder to comply with the terms of the bid. Good faith checks submitted by unsuccessful bidders will be returned. If a bid is accepted, said check or the proceeds thereof will be held by the city until the bidder has complied with all of the terms and conditions of this notice. If a bid is accepted but the city fails to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check or the proceeds thereof will be returned to the bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this notice, the proceeds of such check will be retained by the city as and for liquidated damages. No interest will be paid upon the successful bidder's good faith check.

### Basis of Award

The award of the bonds will be made on the basis of the lowest net interest cost to the city, which will be determined by subtracting the amount of the premium bid, if any, from the total interest cost to the city. If there is any discrepancy between the net interest cost and the average annual net interest rate specified, the specified net interest cost shall govern and the interest rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost are received, the governing body will determine which bid, if any, will be accepted, and its determination is final. The city reserves the right to reject any and all bids and to waive any irregularities in a submitted bid. Any bid received after 7 p.m. on the date of sale will be returned to the bidder unopened.

### Bid Forms

All bids must be made on forms which may be procured from the city clerk or the financial adviser. No additions

or alterations in such forms shall be made and any erasures may cause rejection of any bid.

### Submission of Bids

Bids must be submitted in sealed envelopes addressed to the undersigned city clerk and marked "Proposal for General Obligation Bonds." Bids may be submitted by mail or delivered in person to the undersigned at the City Hall and must be received by the undersigned prior to 7 p.m. C.D.T. on Thursday, June 9, 1988.

### Bond Rating

The city has not applied for a rating on the bonds herein offered for sale.

### CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on or assigned to the bonds, but neither the failure to print such number on or assign such number to any bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses in relation to the assignment and printing of CUSIP numbers on the bonds will be paid by the city.

### Delivery and Payment

The city will pay for printing the bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder on or before June 30, 1988, at such bank or trust company in the state of Kansas or Kansas City, Missouri, as may be specified by the successful bidder. Delivery elsewhere will be made at the expense of the successful bidder. The successful bidder will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity and a certificate regarding the completeness and accuracy of the official statement. Payment for the bonds must be made in Federal Reserve funds, immediately subject to use by the city.

The number and denominations of the bonds and the names, addresses and social security or taxpayer identification numbers of the registered owners must be submitted in writing by the successful bidder to the city and bond registrar at least two weeks prior to the closing date. In the absence of such information, the city will deliver one bond per maturity registered in the name of the manager of the successful bidder.

The reoffering prices to the public by the original purchaser must be furnished to the city at least one week prior to the closing date. A certificate stating that at least 10 percent of the bonds of each maturity has been sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at such reoffering prices must be furnished to the city by the original purchaser at closing.

### Official Statement

The city has prepared an official statement dated May 25, 1988, copies of which may be obtained from the city clerk or from the financial adviser. Upon the sale of the bonds, the city will furnish the successful bidder with a

(continued)

reasonable number of copies thereof without additional cost upon request. Additional copies may be ordered at the successful bidder's expense.

#### Assessed Valuation and Indebtedness

The total assessed valuation of the taxable tangible property within the city, for the year 1987, is as follows:

Equalized assessed valuation of taxable tangible property .....	\$4,471,076
Tangible valuation of motor vehicles.....	\$1,928,825

Equalized assessed tangible valuation for computation of bonded debt limitations .....	\$6,399,901
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The total general obligation indebtedness of the city as of the date of the bonds, including the bonds being sold, is \$1,013,353.85.

#### Approval of Bonds

The bonds will be sold subject to the legal opinion of Gilmore & Bell, Wichita, Kansas, bond counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the city, printed on the bonds and delivered to the successful bidder as and when the bonds are delivered.

#### Opinion of Bond Counsel

In the opinion of bond counsel, assuming continued compliance by the city with the terms of the bond ordinance, under existing law, the interest on the bonds: (a) is excludable from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted net book income (adjusted current earnings for taxable years ending after December 31, 1989) for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) above is subject to the condition that the city comply with all requirements of the Internal Revenue Code of 1986, as amended that must be satisfied subsequent to the issuance of the bonds in order that interest thereon be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the bonds to be so included in federal gross income retroactive to the date of issuance of the bonds. The city has covenanted to comply with all such requirements.

The bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the code), a deduction is allowed for 80 percent of that portion of such financial institution's interest expense allocable to interest on the bonds.

Bond counsel expresses no opinion regarding other federal tax consequences arising with respect to the bonds.

The bonds are exempt from intangible personal property taxes levied by Kansas counties, cities or townships.

A form of bond counsel's opinion is contained in the official statement of the city with respect to the bonds.

#### Supplemental Opinion of Bond Counsel

On May 3, 1988, the Kansas Legislature adopted Senate Substitute for House Bill No. 2543. The bill was signed

by the Governor on May 10, 1988, and will become effective upon publication in the statute book (July 1, 1988). Section 4 of the bill provides that interest on obligations of the state of Kansas or political subdivisions thereof issued after December 31, 1987, shall be excluded from computation of Kansas adjusted gross income for taxable years commencing after December 31, 1987. If the bill becomes law, interest on the bonds will be excluded from computation of Kansas adjusted gross income for taxable years commencing after December 31, 1987.

#### Related Federal Tax Matters

Prospective purchasers of the bonds should be aware that: (i) Section 265 of the code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the bonds, except with respect to certain financial institutions (within the meaning of Section 265(b)(5) of the code); (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the code, for taxable years beginning after December 31, 1986, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the bonds; (iii) for taxable years beginning after December 31, 1986, and before January 1, 1992, interest on the bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the code; (iv) for taxable years beginning after December 31, 1986, interest on the bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the code; (v) passive investment income, including interest on the bonds, may be subject to federal income taxation under Section 1375 of the code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25 percent of the gross receipts of such Subchapter S corporation is passive investment income; and (vi) Section 86 of the code requires recipients of certain Social Security and certain railroad retirement benefits to take into account in determining gross income, receipts or accruals of interest on the bonds. These categories of bondowners should consult their own tax advisers as to the applicability of these consequences.

#### Additional Information

Additional information regarding the bonds may be obtained from the city clerk or from the financial adviser, Kenneth E. Smith, Municipal Bond Consultant, 150 N. Parkwood, Wichita, KS 67208, (316) 683-6338.

Dated May 25, 1988.

CITY OF FRONTENAC, KANSAS

By Richard Cicero, City Clerk

City Hall

315 E. McKay

P.O. Box 1012

Frontenac, KS 66762

(316) 231-9210

Doc. No. 006638

(Published in the Kansas Register, June 2, 1988.)

**NOTICE OF REDEMPTION**  
**Shawnee County, Kansas**  
**Single Family Mortgage Revenue Bonds**  
**1981 Series A**  
**CUSIP #862624AYO**

Notice is hereby given that \$1,410,000 principal amount of bonds (of which \$130,000 is a mandatory sinking fund redemption), as listed below, are called for redemption on July 1, 1988, at the redemption price of 100 percent of the principal amount being redeemed plus accrued interest thereon to the redemption date.

The serial numbers of the 9.75 percent option bonds due July 1, 2013, to be redeemed July 1, 1988, are as follows:

**9.75% Option Bonds**  
**Due July 1, 2013**

110, 116, 158, 202, 205, 213, 236, 263, 271, 282, 303, 317, 345, 366, 378, 408, 415, 431, 440, 452, 475, 488, 489, 500, 548, 571, 574, 608, 650, 665, 691, 694, 697, 711, 733, 743, 777, 779, 792, 812, 841, 847, 865, 901, 959, 964, 974, 983, 986, 999, 1006, 1011, 1026, 1033, 1034, 1046, 1084, 1134, 1151, 1153, 1234, 1256, 1265, 1271, 1273, 1280, 1285, 1302, 1311, 1348, 1385, 1390, 1422, 1426, 1430, 1434, 1440, 1466, 1467, 1513, 1572, 1577, 1604, 1618, 1624, 1628, 1629, 1660, 1678, 1711, 1717, 1732, 1745, 1757, 1773, 1851, 1871, 1887, 1899, 1918, 1927, 1938, 1940, 1969, 1973, 2000, 2025, 2032, 2047, 2048, 2064, 2095, 2117, 2135, 2150, 2199, 2200, 2209, 2247, 2252, 2259, 2265, 2297, 2323, 2335, 2352, 2369, 2373, 2434, 2438, 2446, 2453, 2486, 2493, 2552, 2562, 2564, 2578, 2586, 2608, 2648, 2664, 2672, 2684, 2685, 2694, 2712, 2730, 2813, 2814, 2834, 2856, 2894, 2929, 2943, 2950, 2951, 2978, 2992, 3013, 3041, 3042, 3048, 3059, 3084, 3086, 3099, 3118, 3131, 3156, 3211, 3222, 3228, 3234, 3245, 3249, 3255, 3268, 3275, 3277, 3283, 3306, 3311, 3317, 3348, 3354, 3359, 3367, 3378, 3391, 3433, 3439, 3446, 3467, 3499, 3539, 3560, 3566, 3574, 3599, 3600, 3615, 3623, 3641, 3647, 3653, 3660, 3667, 3682, 3691, 3706, 3744, 3780, 3808, 3831, 3834, 3849, 3857, 3874, 3898, 3921, 3922, 3930, 3976, 3980, 3995, 4000, 4045, 4077, 4096, 4129, 4133, 4158, 4168, 4202, 4212, 4213, 4218, 4219, 4227, 4244, 4265, 4273, 4311, 4323, 4342, 4369, 4383, 4419, 4430, 4433, 4443, 4447, 4485, 4496, 4499, 4504, 4505, 4506, 4524, 4549, 4623, 4624, 4660, 4662, 4679, 4726, 4777, 4790, 4792, 4793, 4809, 4820, 4857, 4868, 4870, 4875, 4883, 4887, 4961, 4966, 4968

**Registered Bond Numbers**  
**are as Follows:**

R-11, R-49, R-57, R-98, R-111, R-119, R-121, R-124, R-129, R-130, R-133

On July 1, 1988, all bonds designated for redemption will become due and payable upon presentation thereof at the addresses given below. On and after July 1, 1988, interest on the principal amount called for redemption shall cease to accrue.

The bonds may be presented for payment, along with an IRS form W-9 verifying owner's taxpayer identification number, in person or by mail at the Merchants National Bank of Topeka, Attn: Corporate Trust/Redemption Clerk, P.O. Box 178, Topeka, KS 66601-0178; or Citibank, N.A., Attn: Municipal Processing Agency, Sort #3685, New York, NY 10043.

**JAMES D. DENNISON**  
 Assistant Trust Officer

Doc. No. 006636

**State of Kansas**

**DEPARTMENT OF HEALTH AND ENVIRONMENT**

**NOTICE CONCERNING KANSAS WATER POLLUTION CONTROL PERMIT**

In accordance with state regulations 28-16-57 through 28-16-63 and the authority vested with the state by the administrator of the U.S. Environmental Protection Agency, tentative permits have been prepared for discharges to the waters of the United States and the state of Kansas for the applicants described below.

The tentative determinations for permit content are based on preliminary staff review, applying the appropriate standards, regulations and effluent limitations of the state of Kansas and the EPA, and when issued will result in a state water pollution control permit and national pollutant discharge elimination system authorization to discharge subject to certain effluent limitations and special conditions.

Name and Address of Applicant	Waterway	Type of Discharge
Carey Salt Division Processed Minerals Incorporated P.O. Box 1728 Hutchinson, KS 67501 Reno County, Kansas	Arkansas River via Cow Creek via East Side Storm Drainage Ditch	Once through cooling water and boiler blowdown
Kansas Permit No. I-AR49-P002 Federal Permit No. KS-0001112		
Description of Facility: This facility produces sodium chloride using the solution brine mining process. This is an existing facility and the previous limitations have been modified. Proposed effluent limitations are pursuant to Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).		

Written comments on the proposed determinations may be submitted to Bethel Spotts, Permit Clerk, KDHE, Division of Environment, Bureau of Water Protection, Forbes Field, Topeka 66620. All comments received prior to July 1 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate application number (KS-88-31) and name of applicant as listed when preparing comments.

If no objections are received, the Secretary of Health and Environment will issue the final determinations. If response to this notice indicates significant public interest, a public hearing may be held in conformance with state regulation 28-16-61.

The application, proposed permit, including proposed effluent limitations and special conditions, fact sheets as appropriate, comments received, and other information are on file and may be inspected at the Division of Environment offices from 8 a.m. to 4:30 p.m. Monday through Friday.

The documents are available upon request at the copying cost assessed by KDHE. Additional copies of this public notice may also be obtained at the Division of Environment.

**STANLEY C. GRANT, Ph.D.**  
 Secretary of Health and Environment

Doc. No. 006648

**State of Kansas  
DEPARTMENT OF HEALTH  
AND ENVIRONMENT**

**NOTICE CONCERNING KANSAS  
WATER POLLUTION CONTROL PERMIT**

In accordance with state regulations 28-16-57 through 28-16-63, 28-16-83 through 28-16,98, and the authority vested with the state by the administrator of the U.S. Environmental Protection Agency, tentative permits have been prepared for discharges to publicly owned treatment works for the applicants described below.

The tentative determinations for permit content are based on preliminary staff review, applying the appropriate standards, regulations and limitations of the state of Kansas and the EPA, and when issued will result in a state water pollution control permit to discharge subject to certain limitations and special conditions.

Name and Address of Applicant	POTW	Type of Discharge
ABCO Wire and Metal Products P.O. Box 313 Russell, KS 67665 Russell County, Kansas Kansas Permit No. P-SH31-0001	Russell MWWTP	Process Wastewater

Description of Facility: This facility manufactures wire magazine racks and office furniture. This facility is capable of performing chromium, nickel and brass electroplating. This is a new permit. Proposed limitations are pursuant to agency regulations and/or Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant	POTW	Type of Discharge
Sands Level and Tool Division of Harmon, Inc. 1250 Tank Ave. Neodesha, KS 66757 Wilson County, Kansas Kansas Permit No. P-VE29-0001	Neodesha MWWTP	Process Wastewater

Description of Facility: This facility manufactures carpenter levels and squares, cement finishing and other hand tools. Regulated processes include copper electroplating, chemical etching and milling and conversion coating of aluminum. This is a new permit. Proposed limitations are pursuant to agency regulations and/or Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant	POTW	Type of Discharge
Hillsboro Industries, Inc. 220 Industrial Road Hillsboro, KS 67063 Marion County, Kansas Kansas Permit No. P-NE35-0001	Hillsboro MWWTP	Process Wastewater

Description of Facility: This facility manufactures stock trailers for the agricultural industry. This facility performs conversion coating on the trailers prior to painting. This is a new permit. Proposed limitations are pursuant to agency regulations and/or Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant	POTW	Type of Discharge
M-C Company, Inc. Box 1002, 304 Pedigo Drive Pratt, KS 67124 Pratt County, Kansas Kansas Permit No. P-AR73-0001	Pratt MWWTP	Process Wastewater

Description of Facility: This facility manufactures hydraulic adapter fittings and can either perform zinc electroplating or chromating on the hydraulic fittings. This is a new permit. Proposed limitations are pursuant to agency regulations and/or Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant	POTW	Type of Discharge
Oxwell, Inc. 600 E. 15th Wellington, KS 67152 Sumner County, Kansas Kansas Permit No. P-AR92-0002	Wellington MWWTP	Process Wastewater

Description of Facility: This facility manufactures, tests, and overhauls aircraft instruments, oil coolers and pumps. This facility performs chemical conversion coating on these parts. This is a new permit. Proposed limitations are pursuant to agency regulations and/or Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant	POTW	Type of Discharge
Plessey Aero Precision Corporation P.O. Box 6 Wellington, KS 67152 Sumner County, Kansas Kansas Permit No. P-AR92-0001	Wellington MWWTP	Process Wastewater

Description of Facility: This facility manufactures sheet metal parts and assemblies for the aircraft and missile industries. This facility does conversion coating of aluminum parts and passivating (chemical cleaning) of stainless steel parts. This is a new permit. Proposed limitations are pursuant to agency regulations and/or Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant	POTW	Type of Discharge
Parsons Precision Products, Inc. P.O. Box 320 Parsons, KS 67357 Labette County, Kansas Kansas Permit No. P-NE55-0001	Parsons MWWTP	Process Wastewater

Description of Facility: This facility heat treats aluminum sheets with sodium nitrate and forms them into parts for automatic weapons. These parts are then anodized with sulfuric acid. Some aluminum parts are also colored black using a conversion coating process. This is a new permit. Proposed limitations are pursuant to agency regulations and/or Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant	POTW	Type of Discharge
Philips Industries, Inc. (Ruskin Division) P.O. Box 129 Grandview, MO 64030 Labette County, Kansas Kansas Permit No. P-NE55-0002	Parsons MWWTP	Process Wastewater

Description of Facility: This facility manufactures aluminum fire and smoke dampers. They operate an aluminum cleaning line of seven tanks using a chromate conversion coating process. This is a new permit. Proposed limitations are pursuant to agency regulations and/or Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant	POTW	Type of Discharge
SAC Corporation P.O. Box 916 Parsons, KS 67357 Labette County, Kansas Kansas Permit No. P-NE55-0003	Parsons MWWTP	Process Wastewater

Description of Facility: This facility performs metal conversion coating on welded steel wire products and boat bumpers using a phosphating process. This is a new permit. Proposed limitations are pursuant to agency regulations and/or Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Name and Address of Applicant	POTW	Type of Discharge
Snorkel-Economy, A Figgie International Company P.O. Box 65	Elwood MWWTP	Process Wastewater

Stockyards Station  
St. Joseph, MO 64504  
Doniphan County, Kansas  
Kansas Permit No. P-M005-0001

Description of Facility: This facility manufactures aerial life platforms. This facility performs chemical etching using hydrofluoric acid as a cleaner (brightner) for aluminum parts and uses a conversion coating (phosphating) operation to treat steel parts prior to painting. This is a new permit. Proposed limitations are pursuant to agency regulations and/or Kansas Surface Water Quality Standards, K.A.R. 28-16-28(b-f).

Written comments on the proposed determinations may be submitted to Bethel Spotts, Permit Clerk, KDHE, Division of Environment, Bureau of Water Protection, Forbes Field, Topeka 66620. All comments received prior to July 1 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate application number (KS-PT-88-1/10) and name of applicant as listed when preparing comments.

If no objections are received, the Secretary of Health and Environment will issue the final determination. If response to this notice indicates significant public interest, a public hearing may be held in conformance with state regulation 28-16-61.

The application, proposed permit, including proposed limitations and special conditions, comments received, and other information are on file and may be inspected at the Kansas Division of Environment offices from 8 a.m. to 4:30 p.m. Monday through Friday.

The documents are available upon request at the copying cost assessed by KDHE. Additional copies of this public notice may also be obtained at the Division of Environment.

STANLEY C. GRANT, Ph.D.  
Secretary of Health  
and Environment

Doc. No. 006649

## State of Kansas

### DEPARTMENT ON AGING

#### TEMPORARY ADMINISTRATIVE REGULATIONS

##### Article 1.—GENERAL PROVISIONS

**26-1-1. Definitions.** (a) "Area agency" or "area agency on aging" means the agency or organization within a planning and service area that has been designated by the secretary to develop, implement and administer a plan for the delivery of a comprehensive and coordinated system of services to older persons in the planning and service area.

(b) "Area plan" means the document developed by an area agency which describes the comprehensive and coordinated system of services to be provided to older persons in a planning and service area.

(c) "Comprehensive and coordinated system of services" means a program of interrelated supportive and nutrition services designed to meet the needs of older persons in a planning and service area.

(d) "Contract" means a procurement agreement.

(e) "Contractee" means the party or parties who, under contract with the department or an area agency,

are to actually provide services to older persons in a planning and service area.

(f) "Contribution" means a donation of money, foodstamps or anything of monetary value, that is given by a participant to a service provider.

(g) "Cost sharing or matching" means the value of third-party in-kind contributions and that portion of the costs of a grant-supported project or program not borne by the state government.

(h) "Department" means the Kansas department on aging, created by K.S.A. 75-5903 and any amendments to it.

(i) "Employment" means any activity which includes the exchange of labor or services for wages or money, food, clothing, or shelter.

(j) "Employment-full-time" means employment of 30 or more hours per week.

(k) "Employment-part-time" means employment of fewer than 30 hours per week.

(l) "Employment-permanent" means employment which is represented by an employer to be of 30 or more days duration.

(m) "Employment-temporary" means employment which is represented by an employer to be of fewer than 30 days duration.

(n) "Family" means a collective body of persons who live in one house or under one head or management.

(o) "Federal act" means the older Americans act of 1965, as amended.

(p) "Final financial report" means a recipient-prepared document which contains the complete financial results of the grant or the complete financial results of the subgrant.

(q) "Financial and compliance audit" means an audit which determines:

(1) whether the financial statements of an audited entity present fairly the financial position and the results of financial operations in accordance with generally accepted accounting principles; and

(2) whether the entity has complied with laws and regulations that may have material effects upon the financial statements.

(r) "Financial audit" means an official examination and verification of a recipient's accounts which determine whether the financial statement of an audited entity present fairly the financial position and the results of financial operations in accordance with generally accepted accounting principles.

(s) "Grant" means an award of financial assistance in the form of money, or property in lieu of money, by the department.

(t) "Grantee" means any legal entity to which a grant is awarded and which is accountable to the department for the use of the grant. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant.

(u) "Granting agency" means the Kansas department on aging.

(v) "Greatest economic need" means the need for services resulting from an annual income level at or

(continued)

below the poverty threshold established annually by the federal office of health and human services.

(w) "Greatest social need" means the need for services caused by non-economic factors which restricts an individual's ability to perform normal daily tasks or which threaten the capacity to live independently. (Non-economic factors include physical and mental disabilities, language barriers, and cultural or social isolation including that caused by racial or ethnic status.)

(x) "Indian tribal organization" means the recognized governing body of any Indian tribe, or any legally established organization of Indians which is controlled, sanctioned, or chartered by the governing body of an Indian tribe.

(y) "In-home meal provider" means any legal entity to which funds are paid for the purpose of providing home-delivered meals under the in-home nutrition programs.

(z) "In-home service" means the provision of health, medical or social services to a private individual in his or her non-institutional place of residence.

(aa) "Kansan" means any person who currently resides within the state of Kansas.

(bb) "Metropolitan area" means a standard metropolitan statistical area as defined by the census bureau.

(cc) "Modification of a grant or contract" means a change under the area plan or other grants or contracts that would:

(1) Alter the program scope, planned objectives, or the manner in which services are delivered;

(2) provide financial assistance or payments to any entity not authorized by the original grant or contract; or

(3) alter the approved budget of the original grant or contract.

(dd) "Monthly gross income" means the monthly sum of income received by an individual or couple from the following sources:

(1) wages or salary;

(2) net-income from self-employment;

(3) social security;

(4) dividends, interest, income from estate or trusts, net rental income or royalties;

(5) public assistance or welfare payment;

(6) pensions and annuities;

(7) unemployment compensation;

(8) workers compensation;

(9) alimony; and

(10) veteran's pensions.

(ee) "Notification of grant award" or "NGA" means the document, issued by the department, awarding financial assistance for the provision of services to older persons and specifying the terms of the grant.

(ff) "Notification of subgrant award" means the document, issued by an area agency, awarding financial assistance to a subgrantee for the provision of services to older persons and specifying the terms of the subgrant.

(gg) "Obligation" means the amount of orders placed, contracts and subgrants awarded, services received, and similar transactions during the grant

period, which will require payment within 75 days following the last day in which the grant is active.

(hh) "Older person" means any person 60 years of age or older.

(ii) "Older worker" means any person 55 years of age or older, who is employed or seeking employment.

(jj) "Planning and service area" or "PSA" means a geographic area of the state designated by the department for area plan development and area agency designation.

(kk) "Program income" or "project income" means gross income earned by a grant recipient from activities, part or all of which cost is paid by the grant or by funds used to match the grant.

(ll) "Purchase of service contract or grant" means an award of financial assistance in which the payment is made on a reimbursement basis at a unit rate of cost of service with an upper limit on the total cost of the grant. Payment is made in the form of money, or property in lieu of money by the department.

(mm) "Recipient" means grantee or subgrantee. Use of the term "recipient" in a provision shall be taken as referring equally to grantees or subgrantees.

(nn) "Redesignation" means a change in the geographic boundaries of a planning and service area or selection of an area agency that is different than the area agency previously designated for a particular planning and service area.

(oo) "Request for Proposal" or "RFP" means the document containing criteria which is used to solicit applications for a contract or subgrant from potential service providers.

(pp) "Secretary" means the secretary of the Kansas department on aging.

(qq) "Self-employment" means work for income performed by a person engaged on that person's own account in a business firm, farm or other enterprise.

(rr) "Service provider" means any legal entity that is obligated to provide services to older persons in any planning and service area.

(ss) "State act" means the Kansas act on aging, K.S.A. 75-5901 through K.S.A. 75-5923.

(tt) "State advisory council" means the advisory council on aging created by K.S.A. 75-5911, and any amendments to it.

(uu) "State plan" means the document submitted by the department in order to receive its allotment of funds under the older Americans act.

(vv) "State program income" or "state project income" means gross income earned by a grantee or contractee from activities in which part or all of the cost is either borne as a direct cost by a grant or contract from the department or counted as a direct cost toward meeting a cost-sharing or matching requirement of such a grant or contract.

(ww) "Subgrant" means an award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to a subgrantee.

(xx) "Subgrantee" means any legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of the grant funds.



(yy) "Unit of local government" means:

(1) Any county, city, township, school district, or other similar political subdivision of the state, or any agency, bureau, office or department thereof; or

(2) any Indian tribal organization.

(zz) "Unused supplies" means supplies that still have a useful life that have not been put to use in the project or program for which they were acquired when the grant, contract or subgrant under which they were acquired expires or is terminated. (Authorized by and implementing K.S.A. 75-5908; effective, T-85-47, Dec. 19, 1984; effective, May 1, 1985; amended, T-86-48, Dec. 18, 1985; amended May 1, 1986; amended May 1, 1987; amended, T-89-14, April 26, 1988.)

**26-1-5. Area plan development.** (a) Each area agency shall develop and submit an area plan for approval by the department. An area agency shall not receive any funds until the area plan has been approved by the department.

(b) Each area plan shall be submitted on forms prescribed by the department and shall contain all of the information requested on the form, including:

(1) The application for grant award;

(2) a verification of application;

(3) the assurance of Title VI civil rights compliance;

(4) the assurance of compliance between the area agency on aging (AAA) and Kansas department on aging (KDOA);

(5) a copy of the organization chart of the AAA;

(6) a profile of the AAA population;

(7) a determination of area needs and AAA services;

(8) a request for waiver of the requirement to provide an adequate proportion of Title III—B funds for priority services, if applicable;

(9) a description of community focal points;

(10) a statement of administrative objectives;

(11) a statement of advocacy objectives;

(12) a description of the manner in which implementation of objectives will be coordinated;

(13) a description of program development objectives;

(14) a description of information and referral objectives;

(15) a description of outreach objectives;

(16) a description of case management objectives;

(17) a description of supportive services objectives;

(18) a description of congregate nutrition services objectives;

(19) a description of home-delivered nutrition services objectives;

(20) the program characteristics of nutrition services;

(21) a description of the program characteristics and supportive services data;

(22) a copy of the form: "Title III-C(1)-congregate nutrition services";

(23) a copy of the form: "An annual budget summary";

(24) an annual budget for area plan administration;

(25) budget cost justifications for the program component;

(26) capital cost justifications for the program component;

(27) resource justifications for the program component;

(28) a copy of the form: "Title III-B supportive services annual budgets";

(29) a copy of the form: "AAA direct services—III-B annual budgets";

(30) a copy of the form: "III-B supportive services data";

(31) a congregate meal budget summary; and

(32) a home-delivered meal budget summary.

(c) Each area agency shall ensure that units of local government, local advisory councils, potential service providers and older persons have an opportunity for involvement in the development of the area plan.

(d) Each area agency, as part of the area plan, shall describe the rationale for the proposed allocation of funds for services in the planning and service area. The rationale shall identify the manner in which the proposed distribution of funds will meet identified, priority nutrition and supportive service needs.

(e) The area plan developed by the area agency shall provide assurances that the area agency will spend in each fiscal year, for services to older individuals residing in rural areas in the area agency's planning and service area, an amount equal to 105 percent or more of the amount expended for such services in fiscal year 1978. The amount expended in fiscal year 1978 includes amounts expended under Title V and Title VII of the Older Americans Act of 1965. (Authorized by and implementing K.S.A. 75-5908; effective, T-85-47, Dec. 19, 1984; effective May 1, 1985; amended, T-86-48, Dec. 18, 1985; amended effective May 1, 1986; amended, T-89-14, April 26, 1988.)

**26-1-7. Confidentiality.** (a) Each area agency, their subgrantees and all other grantees and subgrantees of the department, shall establish and maintain procedures to protect the confidentiality of information about individuals collected in the delivery of services.

(b) No information identifying an individual shall be given by a service provider without that individual's informed consent, unless the disclosure is required by court order or is authorized by federal, state or local law for monitoring purposes.

(c) Subsection (b) shall be extended to include legal services providers who shall not be asked to provide the names, addresses, or telephone numbers of any clients. (Authorized by and implementing K.S.A. 75-5908; effective, T-89-14, April 26, 1988.)

## Article 2.—GRANTS AND CONTRACTS

**26-2-1. Notification of grant award (NGA) or contract.** (a) Each grantee or contractee of the department shall sign and return to the department a notification of grant award or contract before funds will be advanced. The notification of grant award or contract shall include:

(1) the total financial amount of the grant award or contract, including:

(continued)

(A) the amount of funds to be provided by the department;

(B) the amount of funds to be provided by the grantee or contractee; and

(2) the effective and expiration dates of the grant or contract;

(3) assurance that all materials published in connection with the grantees, contractees, and subcontractees activities shall conspicuously acknowledge the support of the administration on aging and the department;

(4) special conditions which may be specified as part of the grant or contract;

(5) the signature of the authorized representative of the grantee or contractee and the secretary;

(6) the statement that the grant award or contract is made subject to the Kansas Administrative Regulations and the department's policy issuances which shall become effective after the date of the initial grant award for the grant period.

(b) Unless revised, computation of grant amounts which appear on the document shall constitute a ceiling for state and federal participation in the approved cost.

(c) Unless specifically exempted by the secretary, providers of services funded in whole or in part by state funds shall comply with the financial requirements applicable to providers of services funded by federal act funds. When an exemption is given, appropriate financial requirements shall be imposed concerning the use of these funds. (Authorized by and implementing K.S.A. 75-5908; effective, T-85-47; Dec. 19, 1984; effective May 1, 1985; amended, T-86-34, Oct. 23, 1985; amended, T-86-48, Dec. 18, 1985; amended May 1, 1986; amended May 1, 1987; amended, T-89-14, April 26, 1988.)

**26-2-3. Reporting requirements.** (a) Each grantee or contractee of the department shall submit program and financial reports to comply with federal and state requirements. The reports shall be submitted by the due dates on forms prescribed by the secretary.

(b) Each grantee or contractee shall be responsible for obtaining and reporting necessary information from those sub-grantees and service providers with whom the grantee or contractee has sub-grants or contracts.

(c) Each grantee shall submit Title III final financial reports to the department on or before December 15th following the end of the grant period on September 30. The grantee shall submit a consolidated final financial report for each program component. These reports shall be accompanied and supported by copies of the area agency's subgrantee reports. Each grantee shall have received services and goods ordered and shall have liquidated corresponding obligations prior to submission of the final financial reports.

(d) If a grantee revises or modifies its final financial report, the grantee shall adhere to the following conditions and criteria.

(1) A revised final financial report received by the department on or before December 31st of the calendar

year in which the grant period ended shall be considered as a final financial report.

(2) A revised final financial report received by the department after December 31st but on or before April 15th of the year following the end of the grant shall be considered a final financial report only if accompanied by a CPA audit report which confirms accuracy of the revised financial report.

(3) A revised final financial report received after April 15th of the calendar year following the end of the grant period shall not be considered a final financial report.

(e) Calculation of unearned funds shall be based upon the final financial report submitted as of the date the computation began. Final financial reports received after the issuance of unearned funds on a notification of grant award shall be used to adjust the unearned funds only if such report results in an increase or decrease of .5% or more in federal or state funds earned.

(f) Each grantee who submits revised final financial reports, as defined in subsection (d), shall adhere to the following:

(1) With an increase in unearned funds of .5% or more, the grantee shall either submit a check payable to the Kansas department on aging for the amount of the increase in unearned funds or submit a request for a reduction in the allocation of the next grant year funds in the amount of the increase.

(2) With an increase in unearned funds of less than .5%, the grantee may take no action at the time the revised final financial report is submitted.

(3) With a decrease in unearned funds, the grantee shall absorb the cost which results in the decrease in unearned funds. (Authorized by and implementing K.S.A. 75-5908; effective, T-85-47, Dec. 19, 1984; effective May 1, 1985; amended, T-86-48, Dec. 18, 1985; amended May 1, 1986; amended May 1, 1987; amended, T-89-14, April 26, 1988.)

**26-2-5. Assessments of performance and compliance with department grants and contracts.** (a) Each grantee or contractee shall submit to an annual on-site assessment to:

(1) Determine the extent of compliance with state and federal requirements; and

(2) assess the degree to which objectives which are part of the grant or contract have been achieved.

(b) A written report of the on-site assessment shall be provided to the grantee or contractee describing the findings of the on-site assessment, and listing any corrective actions deemed necessary and the deadline for taking such action.

(c) Each grantee or contractee shall respond to the department to any exceptions noted by the department within 30 days from receipt of the written assessment report.

(d) If corrective actions listed within the assessment report are not taken:

(1) The corrective action deadline may be extended by the department;

(2) the current grant may be suspended or terminated by the department; or



(3) subsequent grant applications may be denied by the department.

(e) Each grantee shall assess its subgrantees annually. (Authorized by and implementing K.S.A. 75-5908; effective, T-85-47, Dec. 19, 1984; effective May 1, 1985; amended, T-86-34, Oct. 23, 1985; amended, T-86-48, Dec. 18, 1985; amended May 1, 1986; amended May 1, 1987; amended, T-89-14, April 26, 1988.)

**26-2-6. Basis for withholding of payments.** (a) Payments to a grantee or contractee shall be withheld by the department if:

(1) Expenditures by the grantee or contractee fail to comply with applicable federal or state requirements; or

(2) The secretary suspends or terminates the grant or contract.

(b) Payments may be withheld by the department if a grantee or contractee fails to submit any document required by the department on or before the established due date.

(c) Payments that are withheld shall be released within 30 days after the requirements are met by the grantee or contractee. (Authorized by and implementing K.S.A. 75-5908; effective, T-85-47, Dec. 19, 1984; effective May 1, 1985; amended May 1, 1986; amended, T-89-14, April 26, 1988.)

**26-2-9. Audit Requirements.** (a) Each area agency on aging, its subgrantees and contractees and all other subgrantees and contractees of the department that receive older American act grants, job training partnership act grants through the department or general fund grants equal to or in excess of \$25,000 per year shall have an annual financial and compliance audit made by an independent auditor.

(b) The audit shall be made in accordance with the following regulations:

(1) "Standards for Audit of Government Organizations, Programs, Activities and Functions," 1981 Revision;

(2) Single Audit Act of 1984 (P.L. 98-502) Office of Management and Budget Circular No. A-128 "Audits of State and Local Government" as in effect April 12, 1985;

(3) Office of Management and Budget Circular No. A-102 "Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments"—Attachment O, "Procurement Standards" as in effect June 9, 1981;

(4) Title 45 Code of Federal Regulations Public Welfare Subtitle A—Department of Health and Human Services General Administration, Part 74 Administration of Grants, as in effect June 9, 1981;

(5) Title 45 Code of Federal Regulations, Part 1321—Grants for State and Community Programs on Aging, as in effect July 1, 1987;

(6) Older Americans Act of 1965 as amended P.L. 89-73, as amended November 2, 1984;

(7) Title 20 Code of Federal Regulations Parts 626-638 and Part 674, as in effect July 1, 1987;

(8) Title 41 Code of Federal Regulations Part 29.70, as in effect July 1, 1987;

(9) Office of Management and Budget Circular No. A-122 "Cost Principals for Non-Profit Organizations," as in effect July 1, 1987;

(10) Office of Management and Budget Circular No. A-87 "Principles for Determining Costs Applicable to Grants and Contracts with State, Local, and Federally Recognized Indian Tribal Governments," as in effect July 1, 1987;

(11) department on aging policy issuances; and

(12) department on aging administrative regulations as shown in chapter 26 of the Kansas administrative regulations.

(c) The independent auditor shall reconcile the audited financial statements and the final financial reports submitted by the auditor to the department.

(d) The audit shall be completed within six months after the end of the agency's fiscal year being audited.

(e) Each area agency's subgrantee shall submit a copy of its audit report to the grantee area agency within 30 days after the subgrantee's receipt of the audit report and each area agency shall submit a copy of the subgrantee's audit report to the department within seven days after the area agency's receipt of the subgrantee's audit report.

(f) Each area agency or other subgrantee or sub-contractee of the department shall submit a copy of its audit report to the department within 30 days after the agency's receipt of the audit report.

(g) The cost of the audit shall be disallowed and the grant or contract may be suspended if an audit report that is not in accordance with the regulations listed in subsection (b) is submitted except as follows:

(1) Any audit report completed more than six months after the end of the agency's fiscal year of the agency being audited may be accepted by the secretary of aging if it is accompanied by a fully documented justification detailing the reasons the report is late.

(2) Any audit report of an area agency or other subgrantee of the department that is not submitted to the department within 30 days after the agency's receipt of the audit report may be accepted by the secretary of aging if accompanied by a fully documented justification detailing the reasons that the report was not submitted within the time frame stated herein.

(3) Any audit report of an area agency subgrantee which is not submitted to the area agency within 30 days after the subgrantee's receipt of the audit report or is not submitted to the department by the area agency within seven days after the area agency's receipt of the subgrantee's audit report may be accepted by the secretary of aging if accompanied by a fully documented justification detailing the reasons that the report is late.

(h) The right to conduct additional audits of the agency records and to examine the audit workpapers of the independent auditor shall be reserved by the department.

(i) Administration of audits.

(1) Each subgrantee or contractee of the department

(continued)

shall administer its own audit if the grant or contract conditions do not state otherwise.

(2) Any area agency may allow its subgrantees to administer its own audits if the department grant or contract conditions do not state otherwise.

(3) Any area agency on aging may administer the audits of its subgrantees including issuing the request for bid and selecting the firm and may use Federal Title III funds to pay for the audit if:

(A) The request for proposal for services issued by the area agency on aging contains a statement that requires all bidders to budget a proportional share of the cost for audits that will be administered by the area agency on aging;

(B) the notification of grant award issued by the area agency on aging contains a condition in which both the grantor and grantee have agreed that the audit will be administered by the area agency on aging;

(C) the subgrantee of the area agency is not a local, state, or Indian tribal government; and

(D) the department grant or contract conditions do not state otherwise.

(j) The cost of the audit shall be disallowed if the area agency does not comply with the regulations listed in subsection (i). (Authorized by and implementing K.S.A. 75-5908; effective, T-89-14, April 26, 1988.)

### Article 3.—PROCUREMENT

**26-3-1. Contracting and granting practices.** (a) No department subgrantee or contractee shall make a subgrant or contract involving funds made available by the department until an area plan or other document detailing the proposed use or uses of the funds has been approved by the department for a specific time period and the secretary has issued a notification of grant award or contract to the subgrantee or contractee.

(b) In making a subgrant or contract, each department subgrantee or contractee shall use the funds awarded under a department-approved area plan for those services which are consistent with service definitions issued and provided by the department and the identified, priority service needs within the PSA.

(c) Each department grantee or contractee and each subgrantee or contractee of a department grantee or contractee, when proposing to contract or subgrant for services to older persons, shall select a service provider to deliver services in accordance with the provisions of paragraphs 8 to 15, inclusive, of attachment O, "procurement standards," of OMB Circular A-102, uniform administrative requirements for Grants-in-Aid to state and local governments, as in effect on June 9, 1981. These provisions are adopted by reference, with the following exceptions:

(1) Each reference in the federal regulations to "grantee" shall be deemed to refer equally to grantees, contractees and subgrantees as defined in 26-1-1.

(2) Each reference in the federal regulations to "federal grantor agency" or "grantor agency" shall be

deemed to refer to the department on aging or to the department grantee or contractee.

(3) Each reference in the federal regulations to "Comptroller General of the United States" and "Office of Federal Procurement Policy" shall be deemed to refer to the secretary.

(4) The second sentence of subsection (e) of paragraph 11 shall be deleted.

(5) Each reference to "\$10,000" in paragraph 11 of the federal regulations shall be deemed to be \$2,500.

(d) A department grantee or contractee or grantee or contractee of a department subgrantee or contractee may use the small purchase procedure described in paragraph 11(a) of Attachment O, if the procurement is for a total dollar amount of fewer than \$2,500. However, procurement of audits from independent auditors shall not be made using the small purchase procedure. (Authorized by and implementing K.S.A. 75-5908; effective, T-85-47, Dec. 19, 1984; effective May 1, 1985; amended, T-86-48, Dec. 18, 1985; amended, T-89-14, April 26, 1988.)

**26-3-4. Responsibilities when subgranting or contracting services under an area plan.** When subgranting or contracting for services under an area plan, each area agency shall: (a) Subgrant or contract for services within 90 days after the effective date of the notification of grant award issued by the department unless written approval for an extension of time is both requested of and granted by the secretary;

(b) not alter the subgrant or contract during the final 60 days of any grant period unless written approval to do so is requested of and granted by the secretary;

(c) obtain written approval from the department when proposing to contract or subgrant for services with any for-profit organization;

(d) submit a copy of the subgrant or contract to the department within 15 days following the receipt of any approved subgrant or contract that has been approved by the department; and

(e) retain pertinent records for each subgrant or contract in the area agency office for review and audit purposes for a period of three calendar years from the end of the calendar year or from the date of the final financial report, whichever is later. If any litigation or audit is begun or if a claim is instituted involving a subgrant or contract, the records pertaining to such subgrant or contract shall be retained until such litigation, audit, or claim is settled. (Authorized by and implementing K.S.A. 75-5908; effective, T-85-47, Dec. 19, 1984; effective May 1, 1985; amended May 1, 1986; amended, T-89-14, April 26, 1988.)

**26-3-5. Modification of approved subgrants or contracts.** (a) A subgrantee or contractee shall submit to an area agency a written request for modification of a subgrant or contract.

(b) Any area agency may agree to a modification of a subgrant or a contract with a non-profit public or private organization, if the area agency determines that such a modification is consistent with state and area plans and will not adversely affect the provision of services to older persons in the PSA.

(c) Each area agency, prior to agreeing to a modifi-

cation of a contract with a for-profit organization, shall submit the modification to the department for its approval. The request shall include a statement that the area agency has determined that the proposed modification is consistent with the state and area plans and will not adversely affect the provision of services to older persons in the PSA. (Authorized by and implementing K.S.A. 75-5908; effective, T-85-47; Dec. 19, 1984; effective May 1, 1985; amended May 1, 1986; amended, T-89-14, April 26, 1988.)

**26-3-6. Reporting requirements.** Each subgrantee or contractee of an area agency shall:

(a) Submit program and financial reports to the area agency deemed necessary by the department to comply with federal and state requirements; and

(b) submit such reports by the due dates, using the forms prescribed by the secretary. (Authorized by and implementing K.S.A. 75-5908; effective, T-85-47, Dec. 19, 1984; effective, May 1, 1985; amended, T-89-14, April 26, 1988.)

#### Article 4.—HEARINGS AND APPEALS

**26-4-1. Opportunity for a hearing regarding certain actions.** (a) If the secretary proposes to take any of the actions specified in subsection (b) of this rule and regulation, written notice shall be given by the secretary to any entity or entities that will be affected at least 30 days before taking action. The basis for the proposed action shall be stated in the notice.

(b) Notice of a proposed action shall be required if the secretary proposes to:

(1) Disapprove of a proposed area plan of any area agency;

(2) deny a request for redesignation of the boundaries of any planning and service area;

(3) withdraw the designation of any area agency;

(4) suspend or terminate a grant or contract, except as provided by the terms of the grant or contract;

(5) withhold payments under K.A.R. 26-2-6;

(6) deny funding to an eligible applicant for funds under the in-home nutrition program; or

(7) deny funding to any eligible applicant for funds under the older Kansans employment program.

(c) Within 30 days of the date that the secretary sends the notice of proposed action; each entity receiving the notice may file a written request for a hearing concerning the proposed action.

(d) Each request for a hearing shall state clearly the proposed action upon which a hearing is requested and shall be delivered or mailed to the department. (Authorized by and implementing K.S.A. 75-5908; effective, T-85-47, Dec. 19, 1984; effective May 1, 1985; amended May 1, 1986; amended, T-89-14, April 26, 1988.)

**26-4-4. Decision of the secretary.** (a) Within 30 days of the conclusion of the hearing, the hearing panel shall submit its report to the secretary. This report shall contain findings of fact and a recommendation to the secretary.

(b) Within 20 days after receiving the hearing panel's recommendation, the secretary shall issue a

decision. The decision shall be written, signed and mailed or personally delivered to all interested parties. If mailed, the decision shall be sent by certified or registered mail with return receipt requested. If delivered, an acknowledgment of receipt shall be signed by the party to whom the decision is delivered.

(c) The decision of the panel shall not be binding upon the secretary. (Authorized by and implementing K.S.A. 75-5908; effective, T-85-47, Dec. 19, 1984; effective, May 1, 1985; amended, T-89-14, April 26, 1988.)

#### Article 5.—IN-HOME NUTRITION PROGRAM

**26-5-1. Application for funding.** (a) Each agency choosing to provide services under the in-home nutrition program shall submit a proposal to the department on or before June 1 of each year on forms supplied by the department.

(b) The application shall contain:

(1) A narrative overview of any current or proposed program operation;

(2) the geographic areas to be covered;

(3) documentation of need;

(4) resources currently used by the program;

(5) the most recent financial statement or audit and number of meals served for the same time period;

(6) current cost per meal and explanation of anticipated changes;

(7) total dollars requested;

(8) reimbursement rate requested; and

(9) number of meals to be provided. (Authorized by and implementing K.S.A. 75-5908; effective, T-86-48, Dec. 18, 1985; effective May 1, 1986; amended May 1, 1987; amended, T-89-14, April 26, 1988.)

**26-5-2. Provider accountability.** (a) Upon receipt of funding from the department, the in-home service provider shall comply with reporting requirements of K.A.R. 26-2-3.

(b) Accurate, current, and complete disclosure of the financial results of the program shall be made in accordance with the financial reporting requirements of the contract.

(c) Accounting records shall contain information pertaining to authorizations, obligations, unobligated balances, assets, outlays, income, liabilities, project income, and other income and shall identify adequately the source and application of funds for program activities.

(d) Effective control and accountability shall be maintained for all contract funds, real and personal property, and other assets. Recipients shall adequately safeguard all such property and shall assure that the property is used solely by authorized persons.

(e) Accounting records shall be supported by source documentation such as cancelled checks, paid bills, payrolls, and contract documents.

(f) Each recipient shall follow a systematic method to assure timely and appropriate resolution of audit findings and recommendations.

(g) Each recipient shall have an annual audit which

(continued)

complies with K.A.R. 26-2-9 performed by a certified public accountant. (Authorized by and implementing K.S.A. 75-5908; effective, T-86-48, Dec. 18, 1985; effective, May 1, 1986; amended May 1, 1987; amended, T-89-14, April 26, 1988.)

**26-5-8. State Program Income.** (a) (1) Program income includes, but is not limited to:

- (A) proceeds from the sale of personal or real property with an acquisition cost of less than \$1,000;
- (B) usage or rental fees;
- (C) sale of assets purchased with grant funds with an acquisition cost of less than \$1,000;
- (D) royalties on patents and copyrights; and
- (E) contributions of recipients of service and interest on such contributions.

(2) In other cases, the department shall apply the following tests to determine if a specific revenue is to be classified as state program income, and it shall be subject to the provisions of this section if the revenue:

(A) Can be clearly shown to have been generated from some particular activity conducted by the grantee or contractee; and

(B) was generated by an activity supported in whole or in part by state funds.

(b) The following specific revenues shall not be included as state program income:

- (1) Rebates, discounts and recoveries;
- (2) income earned by individuals or a group of project participants, when such income accrues directly to the participants;
- (3) revenues, including taxes and special assessments that are raised by a grantee or contractee which is a government with governing powers; and
- (4) tuition and related fees received by an institution of higher education for a regularly offered course taught by an employee who is performing under a grant or contract.

(c) State program income may be used under one or both of the alternatives below:

(1) Deduction alternative. The income may be used for allowable costs of the project or program. However, if there is a cost-sharing or matching requirement, costs borne by the income may not count toward satisfying that requirement. The income shall be used for current costs; or

(2) Cost-sharing or matching alternative. The income may be used for allowable costs of the project or program and the costs borne by the income may assist in satisfying a cost-sharing or matching requirement. The maximum percentage of federal participation may be applied to total allowable costs and third-party in-kind contributions. The income shall be used for current costs.

(d) Additional requirements.

(1) All state program income earned under grants financed by state funds and federal Title III, part B, part C(1), and part C(2) shall be used only for services allowable under the section from which it was earned.

(2) All state program income shall be used during the project year in which the income is earned.

(e) Accountability for state program income.

(1) Each grantee and contractee shall utilize gener-

ally accepted accounting standards for collecting and recording state program income. Such standards shall require the accurate recording of amounts collected at the project and site levels and the subsequent use of these funds.

(2) Each recipient shall account for state program income on a daily basis, and shall report such income to the area agency on aging through the established financial reporting system.

(3) Each area agency shall report state program income collected to the department.

(4) Accounting records and reports submitted by the recipient to the area agency on aging shall provide a clear audit trail on all state program income and the uses of the income.

(5) Recipient account records and reports shall accurately reflect the receipt and use of state program income funds separately from the receipt and use of other funds. (Authorized by and implementing K.S.A. 75-5908; effective, T-89-14, April 26, 1988.)

## Article 6.—EMPLOYMENT PROGRAM

**26-6-1. Eligibility requirements to operate employment programs.** (a) To qualify to operate Older Kansans employment programs each applicant shall be:

- (1) An area agency on aging;
  - (2) an organization which provides social services;
- or

(3) a unit of local government.

(b) To qualify to operate older American community service employment programs each applicant shall be:

(1) a public or private non-profit agency or organization;

(2) a national organization;

(3) an agency of a state government;

(4) a political subdivision of a state;

(5) a combination of political subdivisions of a state;

or

(6) a tribal organization or as authorized by Section 502(b)(1) of the Older Americans Act of 1965.

(c) Each application shall be made on forms provided by the department.

(d) Selection to become a grantee shall be based upon the organization's:

(1) experience with employment and related personnel matters;

(2) prior contacts or affiliations with major private sector employers;

(3) objectives and methods of achieving objectives, including staff qualifications and work schedules;

(4) budget proposals, including cost justification, support for future fundings, and ability to provide in-kind services or share program costs;

(5) prior experience with meeting the job related needs of the elderly; and

(6) adherence to equal employment opportunity and affirmative action guidelines. (Authorized by and implementing K.S.A. 75-5908; effective, T-86-48, Dec. 18, 1985; effective May 1, 1986; amended May 1, 1987; amended, T-89-14, April 26, 1988.)

**26-6-2. Types of mandated services.** Each organization operating an employment program shall include the following services: (a) Outreach and recruitment to enroll the participants. Outreach and recruitment may be accomplished by:

- (1) Coordination of program activities with other community agencies which serve older persons; and
- (2) education of employers in local communities concerning the advantages of hiring older workers;
- (b) job counseling;
- (c) training in job-seeking skills;
- (d) job development; and
- (e) job placement with emphasis upon placement in private sector jobs including jobs that are shared, flex-time, and part-time. (Authorized by and implementing K.S.A. 75-5908; effective, T-86-48, Dec. 18, 1985; effective May 1, 1986; amended May 1, 1987; amended, T-89-14, April 26, 1988.)

**26-6-3. Allowable expenses.** (a) staff salaries;

- (b) staff travel;
- (c) participant training;
- (d) conferences and work shops for staff training; and
- (e) supportives services for participants, including:
  - (1) transportation;
  - (2) meals;
  - (3) employment interviews;
  - (4) client clothing; and
  - (5) office supplies for participant job interviews.

(Authorized by and implementing K.S.A. 75-5908; effective May 1, 1986; amended, T-89-14, April 26, 1988.)

**26-6-5. Participant eligibility requirements.** Each participant shall be a Kansas resident and 55 years old or older. Priority shall be given to minority or low income elderly persons. (Authorized by and implementing K.S.A. 75-5908; effective, T-86-48, Dec. 18, 1985; effective May 1, 1986; amended, T-89-14, April 26, 1988.)

**26-6-6. Grant or contract terminations.** (a) Any grant may be terminated for:

- (1) Failure to meet departmental requirements concerning minimum program, outreach, and performance standards;
- (2) fraud;
- (3) loss of legislative appropriations; or
- (4) use of funds for political or other non-allowable purposes.

(b) Grantees may appeal funding termination in accordance with K.A.R. 26-4-1. (Authorized by and implementing K.S.A. 75-5908; effective, T-86-48, Dec. 18, 1985; effective May 1, 1986; amended May 1, 1987; amended, T-89-14, April 26, 1988.)

ESTHER V. WOLF  
Secretary of Aging

Doc. No. 006647

State of Kansas

## THE KANSAS LOTTERY

### TEMPORARY ADMINISTRATIVE REGULATIONS

#### Article 3.—INSTANT GAME RULES

**111-3-1. Definitions.** The following definitions apply to all instant ticket games:

(a) "Bare arm technique" means a type of drawing in which the person drawing the winning ticket from the receptacle wears a short-sleeved (sleeve not extending past the elbow) or a no-sleeve shirt which exposes the drawer's bare arm.

(b) "Book" means a pack of fanfolded instant game tickets which are attached to each other by perforations, which perforations the retailer tears when selling a ticket from the book. The books are packed in plastic shrinkwrapping which shall be removed by the retailer so that the retailer can apply the retailer's name and number to each ticket prior to sale. Each book shall consist of 300 instant game tickets fanfolded by fives.

(c) "Book-ticket number" means the unique number appearing on each ticket which includes the number of the book from which it was removed and the serially assigned number of the ticket within that book. The book-ticket number is a book number followed by a dash and then a 3-digit ticket number. The ticket numbers in each book start with 000 and end with 299. The book-ticket number is printed in gray-black ink on the bottom right portion of the front of each instant game ticket.

(d) "Claimant" means a person who presents a ticket for payment of a prize.

(e) "Drum" means a container which can be sealed and rotated for the purpose of mixing, and into which "Kansas Lottery Entry Envelopes" are placed for the purpose of drawing the preliminary and final "Grand Prize Drawing" winner.

(f) "Executive director" means the executive director of the Kansas lottery.

(g) "Instant game" means a lottery game in which a ticket is purchased by a player and the player can immediately determine whether he or she has won a prize by removing the removable covering on the ticket and comparing the exposed play numbers or symbols with those specified as winners in the published game rules for that instant game.

(h) "Participant" means any person, player, or contestant participating in a lottery game and anyone designated by a prize winner to appear on his or her behalf for any lottery game including the Grand Prize Drawing and the "Televised Draw Show." In the event the prize winner or his or her designee fails to appear for the Grand Prize Drawing or "Televised Draw Show," the executive director shall designate an adult who may be a member of his staff to participate on behalf of the non-appearing prize winner. Any prize won by a participant appearing through a designee shall be payable to and delivered to the prize winner as provided by these rules and regulations.

(continued)

(i) "Play area" is the portion of the front of each instant game ticket where the play symbols appear. It is covered by a removable layer of material which is intended to be removed ("scratched off") by the player to reveal the play symbols.

(j) "Play symbols" are the numbers, letters, symbols, or pictures printed in the play area of each instant game ticket and which determine if the ticket bearer is entitled to a prize.

(k) "Play symbols captions" are the words or portions of words printed beneath each play symbol in the play area and are used to repeat or explain the play symbol. The play symbol caption associated with each play symbol is designated by the rules of the game.

(l) Prize Tiers:

(1) "Low-tier prize" means a lottery instant game prize not exceeding \$25.00.

(2) "Mid-tier prize" means a lottery instant game prize of more than \$25.00 but not exceeding \$100.00.

(3) "High-tier prize" means a lottery instant game prize in excess of \$100.00.

(m) "Retailer validation code" means the small letters found under removable covering in the play area of each instant game ticket. The retailer uses this code to verify and validate winners which are to be paid by the retailer.

(n) "Special event" means a drawing or other method of awarding an additional prize or prizes within a group of lottery instant game winners as defined by the rules for a particular instant game.

(o) "Ticket bearer" means the person who has signed the ticket or has possession of the unsigned ticket.

(p) "Ticket validation number" means a unique number appearing on each ticket which is used to validate winning tickets. The ticket validation number appears under the "Void If Removed" spot on the bottom right center portion of the front of each instant ticket. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-88-39, Oct. 15, 1987; amended T-89-7, Feb. 26, 1988.)

**111-3-3.** (Authorized by and implementing L. 1987, Chapter 292, Section 10; effective T-88-39, Oct. 15, 1987; revoked, T-89-7, Feb. 26, 1988.)

**111-3-4.** (Authorized by and implementing L. 1987, Chapter 292, Section 10; effective T-88-39, Oct. 15, 1987; revoked, T-89-7, Feb. 26, 1988.)

**111-3-10.** (Authorized by and implementing L. 1987, Chapter 292, Section 10; effective T-88-39, Oct. 15, 1987; revoked, T-89-7, Feb. 26, 1988.)

**111-3-13. Ticket Validation Requirements.** (a) Each instant game ticket shall be validated prior to payment of a prize.

(b) Besides meeting all other requirements in these rules and those printed on the back of each instant ticket, the following validation requirements shall apply to all tickets for these instant games:

(1) The ticket must have been issued by the Kansas lottery in an authorized manner and must not be counterfeit in whole or in part.

(2) The ticket must be complete and intact and not

mutilated, altered, unreadable, reconstructed, or tampered with in any manner.

(3) The ticket must not be blank or partially blank, miscut, misregistered, defective, or printed or produced in error.

(4) The display printing on the ticket must be regular in every respect and correspond precisely with the artwork on file at the Kansas lottery.

(5) The ticket must not be stolen nor appear on any list of omitted tickets on file at the Kansas lottery.

(6) Exactly six play symbols must appear in the play area. Each play symbol must be exactly one of those described in K.A.R. 111-3-1.

(7) Each of the six play symbols must have a play symbol caption underneath, and each play symbol caption must agree with its play symbol. Each play symbol caption must be exactly one of those described in K.A.R. 111-3-1.

(8) Each of the play symbols and play symbol captions must be present in its entirety, fully legible, right side up, not reversed in any manner, and correspond precisely to the artwork on file at the Kansas lottery.

(9) The ticket must have exactly one ticket validation number, one book-ticket number and one retailer validation code, each of which must be present in its entirety, be fully legible, be exactly as described in K.A.R. 111-3-1, and correspond precisely to the artwork on file at the Kansas lottery. The ticket validation number shall correspond, using the Kansas lottery codes, to the play symbols on the ticket.

(10) The ticket validation number of an apparent winning ticket shall appear on the Kansas lottery's official list of ticket validation numbers of winning tickets and a ticket with that ticket validation number shall not have been paid previously.

(11) The ticket must pass all additional confidential validation tests of the Kansas lottery.

(c) Any ticket not passing all of the validation checks in this paragraph is void and ineligible for any prize. However, the executive director may, solely at his or her option, reimburse the player for the cost of an invalid ticket. In the event that a defective ticket is purchased, the only responsibility or liability of the Kansas lottery shall be for reimbursement of the cost of the defective ticket. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-89-4, Jan. 21, 1988; amended T-89-7, Feb. 26, 1988.)

**111-3-14. Payment of Prizes.** The procedures for payment of instant prizes to the winners of the instant games are as follows:

(a) The executive director or his designee shall award the designated prize to the appropriate person as soon as it is determined that all laws, regulations, and rules have been adhered to.

(b) Low-tier instant game prizes of \$25.00 or less shall be paid as follows:

(1) Present the ticket to the same retailer from whom the ticket was purchased. Upon validation of the ticket, the retailer shall immediately make payment for the prize to the claimant. If the retailer cannot validate the claim, the claimant shall fill out a claim form provided by the retailer and personally



present or mail the completed form together with the ticket to Kansas lottery headquarters. If the claim is validated, then payment shall be made to the claimant by mail.

(2) Bring the ticket to any Regional office of the Kansas lottery during the hours that such office is open to the public for business. Upon verification of the claim, payment for such claim shall be made to the winner in the following manner:

(A) The prize for a validated free ticket winner redeemed in this manner shall be \$1.00 to be paid by the Kansas lottery.

(B) The prize for other validated low-tier winners redeemed in this manner shall be paid out of the lottery prize payment fund. Upon verification of the claim, the payment for the prize shall be mailed to the claimant.

(3) Mail the ticket with a completed claim form in any envelope other than an official "Grand Prize Drawing" envelope to any office of the Kansas lottery. Claim forms can be obtained from any lottery instant game retailer or any office of the Kansas lottery. Upon verification of the claim, the payment for such claim shall be made to the winner in the following manner:

(A) The prize for a validated free ticket winner redeemed in this manner shall be \$1.00 which shall be paid by the Kansas lottery. Upon verification of the claim, the payment for the prize shall be mailed to the claimant.

(B) The prizes for other validated low-tier winners redeemed in this manner shall be paid out of the lottery prize payment fund. Upon verification of the claim, the payment for the prize shall be mailed to the claimant.

(c) Mid-tier game prizes in excess of \$25.00 but not exceeding \$100.00 shall be paid by any one of the following methods:

(1) Present the ticket to any authorized Kansas lottery retailer. Upon validation of the ticket the retailer may immediately make payment of the prize to the claimant. If the retailer chooses not to make the payment, the claimant shall claim the prize in another manner prescribed in these rules.

(2) Bring the ticket to any office of the Kansas lottery during the hours that such office is open to the public for business. Upon verification of the claim, the payment for the prize shall be mailed to the claimant.

(3) Mail the ticket with a completed claim form in any envelope other than an official "Grand Prize Drawing" envelope to the Kansas lottery headquarters. Claim forms can be obtained from any lottery instant game retailer or any office of the Kansas lottery. Upon verification of the claim, the payment for the prize shall be mailed to the claimant.

(d) High-tier instant game prizes in excess of \$100.00 shall be paid by any one of the following methods:

(1) Bring the ticket to any office of the Kansas lottery during the hours that such office is open to the public for business. Upon verification of the claim, the payment shall be made to the claimant by the executive director by any means deemed appropriate.

(2) Mail the ticket with a completed claim form in

any envelope other than a "Grand Prize Drawing Envelope" to any office of the Kansas lottery. Claim forms may be obtained from any lottery instant game retailer or any office of the Kansas lottery. Upon verification of the claim, the payment shall be made to the claimant by the executive director by any means deemed appropriate. (Authorized by K.S.A. 1987 Supp. 74-8710(c); implementing K.S.A. 1987 Supp. 74-8710(c), 74-8712(a) and 74-8720(c); effective T-89-4, Jan. 21, 1988; amended T-89-7, Feb. 26, 1988.)

#### Article 4.—INDIVIDUAL GAME RULES

**111-4.2. Definitions.** (a) All definitions contained in the Kansas lottery act (K.S.A. 1987 Supp. 74-8701 *et. seq.*) and lottery regulations are hereby incorporated by reference and govern unless otherwise indicated.

(b) "Gala event" means an event held to promote lottery ticket sales for each new Kansas instant game.

(c) "Gala Drawing" means the act of drawing a door prize at gala events where one person per location is selected to win a one-thousand dollar (\$1,000) prize.

(d) "Sponsor drawings" means an act of drawing a door prize which may be held at the gala event subsequent to the "Gala Drawing."

(e) "Sponsor" means the person designated by the executive director to be in charge of organizing each gala event.

(f) "Non-winning ticket" means a Kansas instant game lottery ticket not eligible to win a prize under the new instant game rules.

(g) "Receptacle" means a container in which non-winning Kansas instant game lottery tickets are placed and from which the "Gala Drawing" is made. Receptacles shall be sealable and capable of being rotated for the purpose of mixing.

(h) "Bare arm technique" means a type of drawing where the person drawing the winning ticket from the receptacle wears a short-sleeved (sleeve not extending past the elbow) or a no-sleeve shirt which exposes the drawer's bare arm. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(a) & (b); effective T-88-38, September 28, 1987; amended T-88-61, December 19, 1987; amended T-88-61, Dec. 19, 1987; amended T-89-7, Feb. 26, 1988.)

**111-4.4. Prerequisites for a Drawing.** Before a "Gala Drawing" may be validly conducted, a sponsor(s), a location, and a receptacle must be approved in writing by the executive director or his designee and the drawing must be open to the public. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-88-38, Sept. 28, 1987; amended T-88-61, Dec. 19, 1987; amended T-89-7, March 1, 1988.)

**111-4.6. Entry into Drawing.** Entry into the "Gala Drawing" is accomplished by the process detailed in the following subparagraphs:

(a) Obtain a valid Kansas instant lottery ticket;

(b) Determine if the ticket is a winning ticket in accordance with the new instant game rules. If the ticket is a winning ticket, it is not eligible for the "Gala Drawing" and shall be redeemed in accordance with the instant game rules;

(continued)

(c) If the ticket is a non-winning ticket in the new instant game, the ticket is eligible for winning the drawing and the holder of the ticket may enter the "Gala Drawing";

(d) The holder of the non-winning ticket must complete the information form on the back of the ticket in a legible manner and sign it;

(e) The holder of the non-winning ticket must take the non-winning ticket with the completed information form to the location of the "Gala Drawing" and place it in the receptacle provided;

(f) The receptacle shall be available and entries may be made commencing at least one hour prior to the beginning of the gala event, or at the discretion of the sponsor, may be available between 12:00 noon and 7:00 p.m. on that day. Entries shall be allowed until the actual winner selection process begins;

(g) The holder of the ticket shall not be required to attend the "Gala Drawing" or be present at the time of the drawing to be determined a winner;

(h) The drawing will be conducted no sooner than one hour after the commencement of the gala event;

(i) There is no limit to the number of entries a participant may make. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-88-38, September 23, 1987; amended T-88-61, December 29, 1987; amended T-89-7, Feb. 26, 1988.)

**111-4-7. Determination of "Gala Drawing" Winners.** (a) The sponsor shall announce to the audience at least ten minutes before the drawing of the time that the winner selection process will begin. Any persons wishing to enter the drawing who have not yet done so, shall immediately place their tickets into the receptacle at this time.

(b) Prior to sealing the receptacle, the sponsor shall announce that entries into the "Gala Drawing" are closed. No further entries will be accepted.

(c) The receptacle shall be sealed and mixed to ensure random selection.

(d) The sponsor(s) of each approved "Gala Drawing" event shall designate one individual of their choice to participate in the selection process.

(e) The selection of the "Gala Drawing" winner shall be accomplished by the individual designated by the sponsor, using a bare arm technique, removing only one ticket from the receptacle in which all entries were placed. A person representing the sponsor of the "Gala Drawing" event as well as a law enforcement officer approved by the Kansas lottery, division of security, and a Kansas lottery employee, shall review the selected ticket to determine if the name stated on the information form located on the back of the selected ticket is legible and if the ticket is signed. If the name is determined to be legible and the ticket is signed, the name shall be announced to the audience.

(f) The named person shall not be required to be present in order to win the "Gala Drawing" prize.

(g) The person whose ticket has been drawn from the receptacle shall be determined the "Gala Drawing" winner.

(h) The winner shall be given a prize claim form to be completed and returned to the lottery;

(i) If the name on the ticket is not legible or the ticket is not signed the ticket drawn will be void and the selection process shall be repeated until a winner is selected. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-88-38, Sept. 28, 1987; amended T-December 28, 1987; amended T-89-3, Jan. 7, 1988; amended T-89-7, Feb. 26, 1988.)

**111-4-8. Security of Drawing.** (a) The receptacle located at the drawing site into which drawing participants place their ticket entries shall be monitored from the commencement of ticket entries until completion of the gala event by a law enforcement officer approved by the Kansas lottery, division of security and approved by the executive director.

(b) The actual drawing event shall be recorded on both audio and video tape by the designated law enforcement officer. The audio and video tape shall contain no other material than the actual drawing beginning with the sealing of the receptacle and continuing through the announcement and verification of the winner. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(d); effective T-88-38, Sept. 28, 1987; amended T-89-7, Feb. 26, 1988.)

**111-4-67. Televised Draw Show Procedure.** The following method shall be used to determine the draw show winner:

(a) An electronic game board with a ten (10) space grid path for each of the six (6) players shall be provided. At the top of the grid paths will be a space designated as the grand prize. The first player to reach the grand prize space wins the grand prize.

(b) Movement up and down the grid paths will be determined by each player taking turns spinning a wheel. The spaces on the wheel will be marked with a variety of positive and negative numbers as approved by the external auditor. The space on which the wheel stops determines the movement of the player on the grid path.

(c) The beginning point is the bottom space of the grid path of each player. For the first spin, each player shall spin the wheel in the order each was selected to be participants on the show. For subsequent spins, the player spinning first in the immediately preceding spin shall spin last and the person spinning second in the preceding spin shall spin first. This process shall continue until a player has reached the spot designated as the grand prize.

(d) All players must spin the wheel clockwise, and it must complete at least one full revolution to be considered a valid spin. Should the wheel not travel one full revolution, the player will be entitled to spin again. Disputes in this area shall be resolved by the auditor.

(e) A player landing on a negative number shall move backwards down the grid path the number of spaces indicated on the wheel. If a player lands on a negative number on his or her first spin, that player shall remain at the beginning point. If a player lands on a negative number in subsequent rounds but has not progressed up the grid path, the player shall remain at the beginning point. Landing on a negative number shall never disqualify a player and negative



spaces that a player cannot move are not carried over to his or her next spin.

(f) A player landing on a positive number shall advance up the grid path a corresponding number of spaces.

(g) The grand prize shall be awarded to the first player who moves 11 spaces up the grid path into the grand prize space. The exact number is not required to enter the grand prize space. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710(b); effective T-89-4, Jan. 21, 1988; amended T-89-7, Feb. 26, 1988.)

**111-4-72. Equipment Inspection.** The following equipment inspections shall be conducted by the designated Kansas lottery security person and the auditor:

(a) A physical examination of the wheel and the drum to ensure that neither is damaged nor has been tampered with; and the drum is empty.

(b) The wheel shall be spun at least ten times to ensure that it travels freely, that it is in good working order, that it revolves no more than 17 seconds per spin, and that the light signifying a completed turn is operating.

(c) The drum shall be rotated at least two revolutions to ensure that it moves freely.

(d) Upon completion of the testing, the designated Kansas lottery security person and the auditor shall issue a signed report to the executive director certifying that the equipment is in good working order.

(e) The inspection required by subsections (a), (b) and (c) shall be conducted not more than one hour before the draw show and it shall be video taped. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-89-4, Jan. 22, 1988; amended T-89-7, Feb. 26, 1988.)

**111-4-73. Televised Draw Show Prize Structure.** Prizes awarded weekly on the televised draw show shall include, but are not limited to, the following:

(a)	Grand Prize Winner _____	\$25,000
(b)	Five Non-Winning Players _____	1,000 each
(c)	Home Partner of Grand Prize Winner _____	2,500
(d)	Home Partners of Non-Winning Players _____	500 each
(e)	Home Partner of Bonus Prize Winner (if any) _____	1,000
(f)	Bonus Round Home Player _____	1,000 (or non-cash prize)

(Authorized by and implementing K.S.A. 1987 Supp. 74-8710(c); effective T-89-4, Jan. 21, 1988; amended T-89-7, Feb. 26, 1988.)

### LES FOR INSTANT GAME NO. 3 "KANSAS CASH"

**111-4-78. Name of Game.** The Kansas lottery shall conduct an instant winner lottery game entitled "Kansas Cash" commencing on March 3, 1988. The rules for the "Kansas Cash" game are contained in K.A.R. 111-4-78 through 111-4-82. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-89-7, Feb. 26, 1988.)

**111-4-79. Definitions.** The following definitions shall apply to the "Kansas Cash" instant lottery game:

(a) "Play symbols" are the numbers, letters, symbols, or pictures printed in the play area of each instant game ticket and which determine if the ticket bearer is entitled to a prize. In this instant game, the instant play symbols are printed in gray-black ink in Kansas font in positive. A play symbol appears in each of six play spots within the play area. Each play symbol for this instant game is one of the following: "FREE," "\$2.00," "\$5.00," "\$25.00," "\$100.00," or "\$5,000.00."

(b) "Play symbols captions" are the words or portions of words printed beneath each play symbol in the play area and are used to repeat or explain the play symbol. The play symbol caption associated with each play symbol is as follows:

Play Symbol	Play Symbol Caption
FREE	TICKET
\$2.00	TWO
\$5.00	FIVE
\$25.00	TWENTY-FIVE
\$100	ONE HUNDRED
\$5000	FIVE THOUSAND

(c) "Ticket validation number" means a unique number appearing on each ticket which is used to validate winning tickets. For this instant game, the ticket validation number is a 10-digit number which appears under the "Void If Removed" spot on the bottom right center portion of the front of each instant ticket.

(d) "Book-ticket number" means the unique number appearing on each ticket which includes the number of the book from which it was removed and the serially assigned number of the ticket within that book. For this instant game, the book-ticket number is an 8-digit book number followed by a dash and then a 3-digit ticket number. The ticket numbers in each book start with 000 and end with 299. The book-ticket number is printed in grayblack ink on the bottom right portion of the front of each instant game ticket.

(e) "Retailer validation code" means the small letters found under removable covering in the play area of each instant game ticket. The retailer uses this code to verify and validate winners which are to be paid by the retailer. In this instant game, the retailer validation code is a two letter code printed and appearing in varying two of nine locations among the play symbols. The codes and their meanings are as follows: DD = Free Ticket; JJ = \$2.00; AA = \$5.00; BB = \$25.00; CC = \$100.00. (Authorized by and implementing K.S.A. 1987 Supp. 74-8710; effective T-89-7, Feb. 26, 1988.)

**111-4-80. Determination of Instant Prize Winners.** An instant prize winner is determined for this instant game when the player removes or "scratches off" the removable layer of material covering the play area to reveal the six play symbols and captions. If any three play symbols match, the player wins the following prize:

(continued)

GET	WIN
3 — FREE'S	FREE TICKET
3 — \$2.00's	\$2
3 — \$5.00's	\$5
3 — \$25.'s	\$25
3 — \$100.'s	\$100
3 — \$5000.'s	\$5000

(Authorized by K.S.A. 1987 Supp. 74-8710(b), (c) & (i); implementing K.S.A. 1987 Supp. 74-8710(b), (c) & (i) and 74-8720(b) & (d); effective T-89-7, Feb. 26, 1988.)

**111-4-81. Number and Value of Instant Prizes.** (a) There will be approximately 14,940,000 tickets initially ordered for this instant game. The expected number and value of the instant prizes are as follows:

Prizes	Expected Number of Prizes in Game	Expected Value in Game
FREE TICKET	1,494,000	—
\$ 2.00	1,245,000	\$2,490,000
\$ 5.00	298,800	1,494,000
\$ 25.00	19,920	498,000
\$ 100.00	4,980	498,000
\$5000.00	83	415,000
	3,062,783	\$5,395,000

Events	Additional Prizes Expected No.	Expected Payments
Grand Prize	1	\$ 100,000
Draw Show Prizes	Approx. 112	434,000
Other Prizes	various	121,014
		\$ 655,014
<b>TOTAL PRIZES</b>		<b>\$6,050,014</b>

(b) The executive director may terminate the sale of tickets prior to the complete sale of all tickets. In this event, the number and value of prizes will be approximately proportional to the number of tickets actually sold.

(c) All prizes are subject to deductions provided by law. (Authorized by K.S.A. 1987 Supp. 74-8710(b), (c) & (f); implementing 74-8710(b), (c) & (f) and 74-8720; effective T-89-7, Feb. 26, 1988.)

**111-4-82. Special Game 3 Drawing.** (a) In addition to the 14 entries selected pursuant to K.A.R. 111-3-22, a 15th envelope will be drawn at the "weekly selection of participants" during the fifth, sixth and seventh weeks of the "Kansas Cash" instant game. These drawings will take place on April 7, 14 and 21, 1988.

(b) The prize for each winner selected on those dates is a 1988 Pontiac Grand Prix automobile equipped in accordance with lottery specifications or an equivalent cash prize.

(c) The 15th envelope selected as a winner on the weekly drawings must contain five valid non-winning instant tickets which comply with the rules and regulation of the commission.

(d) The winners of the special game 3 drawing will be announced during "Kansas Lottery Live" on the Saturday immediately following the drawing. (Authorized by K.S.A. 1987 Supp. 74-8710(b) & (c); implementing K.S.A. 1987 Supp. 74-8710(b) & (c) and 74-8720(b) & (c); effective T-89-7, Feb. 26, 1988.)

LARRY MONTGOMERY  
Executive Director

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