



To: House Financial Institutions and Rural Development

From: Roger Holter, City Administrator

Date: March 3, 2021

RE: Testimony in Support of City Utility Low-Interest Program

The City of Marion operates the Municipal Electric Utility serving 1,210 accounts and over 1,900 souls in our community.

The impacts of the dramatic wholesale power purchase increased for the period of February 12th to the 19th have resulted in the need for the City to declare a Financial Emergency for the City.

This Arctic Blast event will result in the total elimination of all unencumber cash reserves to fulfill our obligations to the power supplier for the city. Our business community remains in a very challenged position from the restrictions and impacts of COVID-19. Our Community has over 30% of the population on Social Security who already face monthly decisions between medications, groceries, or utilities.

Access to the proposed City Utility Low-Interest Loan Program described in current legislation, would allow Marion Municipal Utilities to borrow from the State to cover the extraordinary electric or natural gas costs incurred during the extreme weather crisis event of February 2021.

This would create a 10-year glide path for our local businesses and residents to pay the extraordinary. We anticipate that this will allow us to move Energy Cost Adjustments for residents from the \$800 to \$1,500 single month charge to a much more manageable monthly ECA of \$7 to \$13 for these households. Most likely, this will allow our single local grocer to continue to survive and serve our community for many years into the future, thus avoiding the additional stresses to the community of adding a "Food Desert" situation.

We respectfully request your consideration and approval of the City Utility Low-Interest Program legislation.

Sincerely,

Roger Holter, City Administrator