



Proponent Testimony Provided to the
House Financial Institutions and Rural Development Committee

March 3, 2021

Douglas D. Allen, Sabetha City Administrator

In Support of House Bill 2429

Mr. Chairman, Vice-Chair and Ranking Member,

The City of Sabetha strongly supports House Bill 2429. This legislation would provide an urgently needed tool for many municipal utilities who are under great financial stress from the extreme winter weather event this February.

The City of Sabetha has accumulated a large financial burden due to the week of February 13th-19th. The city has approximately 1800 customers, and as a whole, usually pay around \$20,000 to \$30,000 per week for our electric power. We have not yet received the entire bill for these days in question, but from what numbers we have received, we are estimating that week to cost the city between \$700,000 and \$800,000. The burden this will put on our city budget will be devastating, to say the least. By the time this is passed on to our local consumers, we are concerned about their ability to pay and what it will do to their overall budgets. Imagine gas and electric bills for a young family, living paycheck-to-paycheck, increasing ten times their normal bill. The hardship that will cause cannot be overstated.

House Bill 2429 will allow municipalities to spread the cost of this over a period of up to ten years. Allowing just a small increase to our consumers' monthly bills will help local communities' economies thrive and possibly even prosper. The municipality itself will be able to continue business as usual and not have to go into survival mode for the next several years. Not all municipalities will need House Bill 2429, but for a majority of them, this will be their best and only option.

CITY OF SABETHA, KANSAS

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If somewhere down the line federal funds become available for this extreme weather event, the municipalities can use those funds to repay their loan. Since this will be a quick fix for an emergency situation, the funds should only be used for the extreme weather event of this last February.

Thank you in advance for your consideration of House Bill 2429. It could be a major tool available for all of Kansas, helping us withstand this large unforeseen burden.

Sincerely,

A handwritten signature in cursive script that reads "Douglas D. Allen". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Douglas D. Allen
Sabetha City Administrator