

Approved: March 28, 2002

Date

Carl D. Holmes

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:05 a.m. on February 7, 2002 in Room 526-S of the Capitol.

All members were present except: Rep. Gene O'Brien

Committee staff present: Robert Chapman, Legislative Research
Dennis Hodgins, Legislative Research
Mary Torrence, Revisor of Statutes
Jo Cook, Administrative Assistant

Conferees appearing before the committee: Don Pitts, Suburban Water Company
Karl Mueldener, Kansas Department of Health & Environment
Kim Gulley, League of Kansas Municipalities

Others attending: See Attached List

HB 2627 - Public Water supply project loan program

Chairman Holmes opened the hearing on **HB 2627** and welcomed Representative Ray Cox, the bill's sponsor. Representative Cox introduced Ray Breuer and Don Pitts.

Don Pitts, Legal Counsel for Suburban Water Company, appeared in support of **HB 2627** (Attachment 1). Mr. Pitts provided a brief history of the company and the reason for the requested proposed legislation. Mr. Pitts explained that this request was made to make Kansas statute consistent with federal statute.

Karl Mueldener, Director, Bureau of Water, Department of Health & Environment, addressed the committee in opposition to **HB 2726** (Attachment 2). Mr. Mueldener shared concerns about the bill's negative impact on the credit rating of the program's revenue bonds, which may lead to higher interest rates.

Kim Gulley, Director of Policy Development & Communications for the League of Kansas Municipalities, offered comments in opposition to **HB 2627** (Attachment 3). Ms. Gulley stated they believe that adding private water systems to an already strained program would not be prudent.

Mr. Pitts, Mr. Mueldener, and Ms. Gulley responded to questions from the committee. Additionally, Jack Brier, President of the Kansas Development Finance Authority, responded to questions.

Chairman Holmes closed the hearing on **HB 2726**.

HB 2635 - Kansas Development Finance Authority authorized to issue bonds to finance certain electric transmission lines and appurtenances

Chairman Holmes opened the debate on **HB 2635**. Representative Sloan distributed a balloon showing several proposed amendments (Attachment 4). In response to questions raised by the committee during hearings, Rebecca Floyd, KDFA General Counsel, provided a memo to the committee (Attachment 5). Representative Sloan moved to adopt the balloon. Representative Kuether seconded the motion. The motion carried. Representative Loyd moved to recommend HB 2635, as amended, favorable for passage. Representative Dreher seconded the motion. Motion carried. The bill will move to the Appropriations Committee.

HB 2712 - KDFA authorized to issue bonds to finance regional broadband technology facilities

Chairman Holmes opened the debate on **HB 2712**. Representative Sloan distributed a proposed amendment to the bill (Attachment 6). Representative Sloan moved to amend HB 2712 as proposed. Representative Kuether seconded the motion. Representative McLeland moved to table HB 2712. Representative Merrick seconded the motion. The priority motion to table carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 526-S Statehouse, at 9:05 a.m. on February 7, 2002.

HB 2631 - Organization of cooperative to generate electricity from renewable resources and technologies and to wholesale such electricity

Chairman Holmes opened the debate on **HB 2631**. Representative Sloan distributed a proposed amendment (Attachment 7). Mary Torrence, Revisor, explained the provisions of the Electric Cooperative Act. Representative Sloan moved to adopt the amendment. Representative Kuether seconded the motion. Motion failed. Due to time constraints, the chairman suspended the debate on **HB 2631**.

Meeting adjourned at 10:58.

The next meeting is February 11, 2002.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: February 7, 2002

NAME	REPRESENTING
Ron Appletoft	Water Dist. No 1 of Jo. Co.
JOE Dick	KCK BPU
DAVE HOCHHAUS	KFC
George Barbee	Ks Consulting Engrs
Stacy Ygles	KFC
Don Pitts	Shugart, Thomson + Kilroy
Ray Brewer	Suburban Water Co.
Scott Heidner	Williams
Karl Mueldeener	KDHE
Bruce Gehan	KEPCo
Kim Gulley	LKM
JOHN C. BOTTENBERG	WESTAR ENERGY
Tom Slattery	AGC/KS
Rob Hodges	KTIA
George Barbee	Ks Consulting Engrs
JACK BRIER	Ks. DEV. FINANCE AUTHORITY.
DENNY KOCH	PNM - SWB
Ray by	3rd Dist
Tom Gleason	Independent Telecom Group
Anna Wagner	

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: February 7, 2002

NAME	REPRESENTING
<i>[Signature]</i>	
<i>Carlos Alberto Tomas</i>	<i>Intern w/ Ray Cox</i>
MARK SCHREIBER	<i>Westar Energy</i>
<i>Chris Dejasin</i>	<i>Sierra Club</i>

Before the House Committee on Utilities

Testimony
of
Donald L. Pitts

Legal Counsel
Suburban Water Company
Basehor, Kansas

Thursday, February 7, 2002



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Kansas City, MO 64105
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913-451-3355
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602-264-7033 FAX

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Tucson, AZ 85071
520-623-2100
520-623-2870 FAX

HOUSE UTILITIES

DATE: 2-7-02

ATTACHMENT 1

Before the House Committee on Utilities

**Testimony
of
Donald L. Pitts
SHUGHART, THOMSON & KILROY, P.C.
Legal Counsel
Suburban Water Company**

Thursday, February 7, 2002

Mr. Chairman and Members of the Committee. My name is Donald Pitts and I am an attorney with the law firm of Shughart, Thomson and Kilroy, P.C. which serves as legal counsel for Suburban Water Company. I have been requested to visit with you today as you consider House Bill No. 2627.

Before turning our attention to the nature of the bill which is before you, I would like to take a moment to draw for you a sketch of Suburban Water Company. The year is 1981. Residents living in the seven homes located in the Rolling Hills Subdivision, which is located approximately one-half mile east of the City of Basehor in Leavenworth County, Kansas, are hauling drinking water to their homes because there are no wells on the land that will produce water fit to drink. The residents approach nearby Consolidated Water District No. 4 and request service. The request is denied because it costs too much to drill through the rock and extend the service line to their homes.

The residents of Rolling Hills then approach Ray Breuer, President of Suburban Water Company, and asked if he will supply water to their homes. Ray agrees. He drills a well about a mile away and makes the necessary cuts through the rock to lay the service lines. For the first time since their homes have been built, a resident of Rolling Hills is able to fill a glass from his or her kitchen sink, and take a drink. An act most of us consider a fundamental right. It can be said then that the very existence of Suburban Water Company is spawned in direct response to the needs and desires of the community.

In 1986, as new families move into the area, Suburban is providing water to 200 households. This growth brings Suburban under the regulatory oversight of the Kansas Corporation Commission. Suburban files a map of the proposed service area and the area is approved and franchised by the KCC. At that same time, the KCC also sets the rates which Suburban can charge its customers. With the agreement of Suburban, those rates are set below the rates recommended by the KCC staff and Suburban has neither sought nor received any rate increases since. Although Suburban's current customer base of approximately 800 customers reflects a three fold increase, and although the rates which Suburban can charge have not increased, Suburban's customers remain the beneficiaries of quality water, excellent service, and responsible management.

In addition to providing the highest level of service to its customers, Suburban is also a "good citizen" for the City of Basehor as well as Leavenworth County. In 1982 Suburban paid \$2,500 in taxes and that amount has increased steadily to the point that Suburban now pays almost ten times that amount - approximately \$20,000 per year and the total amount of taxes paid to Leavenworth County through the years exceeds \$150,000. Suburban also pays a 5% franchise fee to the City of Basehor on gross receipts from sales within its city limits; contributes \$.03 per

thousand gallons of water to the Kansas Water Protection Plan to help protect wildlife across the state of Kansas; and, contributes \$.03 per thousand gallons of water for the Clean Water Drinking Fee.

Although Suburban operates two water well fields that are estimated by its engineers to be fully adequate for the present and future water consumption of its customers, Suburban has recently obtained a secondary source of water. Last year, Suburban entered into a contract with the Kansas City Board of Public Utilities for a reserved water supply. Pursuant to that contract, Suburban is expending approximately \$21,600 during this first year. That expenditure will increase by that same amount the second and third years. Suburban will pay approximately \$86,400 per year the fourth year and each year thereafter, whether it uses the water or not. At the present time the water is neither needed nor used. Suburban is investing its own assets now to insure an uninterrupted water supply for its customers.

Also underway is the purchase of property for a 1.2 million gallon ground reservoir tank which will be constructed at a cost of approximately \$1.5 million dollars. Construction of this reservoir will assure continued quality of service and will assure that water pressure will be maintained for existing and future customers throughout the service area. This new reservoir will also open the opportunity for Suburban to partner with Leavenworth County Rural Water District #6 and the City of Tonganoxie to provide either a primary or secondary supply of water.

I make these recitals to emphasize the fact that Suburban Water Company is a public water supply company making contributions of many kinds for the support of the community and the state. Fortunately, one of the fastest growing areas in eastern Kansas is within the Suburban Water Company service area. There are currently five subdivisions in the planning stage within Suburban's franchise territory which will create approximately 900+ homes, approximately 24 office buildings and a new elementary school.

Suburban exhibits in every way its commitment to use its resources to provide the best quality of water, the highest level of service, and the greatest benefit to the community. At the present time ALL of the receipts received by Suburban Water Company are retained in the water company to fund the proposed growth.

You have before you House Bill No. 2627 which establishes the Kansas Public Water Supply Program and is, in effect, a funnel for those funds authorized and awarded by the federal government pursuant to 7 U.S.C.A. §1926(c). That federal statute allows issuance of the grants to "rural public water supply companies" which is defined by the regulators to include public water supply companies such as Suburban. The amendment proposed in House Bill No. 2627 serves merely to make the Kansas statute consistent with the federal statute.

I can think of no better conclusion than to read the words of Ray Breuer himself. By way of explanation, I asked him to prepare a statement for me as if he would be the one making this presentation to you. In essence, I have relayed to you the concerns he expressed. However, his closing comments in that draft statement particularly struck me and I believe they are well worth quoting:

"I am 72 years old to this day. I have drilled in my lifetime over 1,000 wells, mostly water wells, in this general area. I have managed Rural Water District #7 for over 15 years. I have installed three water districts in my lifetime, Leavenworth District #10, in Delia, Kansas (approximately 32 miles north of Topeka with approximately 36 customers) and Bourbon County #4 (107 miles of lines with over 120 customers). I own the majority of the shares in Suburban

Water Company. I also have seven sons, no daughters, and they are all with the exception of one, utility contractors. Naturally, after me, the company will have seven+ owners. We have never to this date had any government help at all. But at this junction in time, due to the costs caused by the increased growth in the area, I feel that it is time for a change to a level playing field.”

In conclusion, the federal loan program in §1926(c) intends by language and interpretation to include water suppliers such as Suburban Water among those “rural water supply corporations” qualified for low interest loans. I ask for your favorable vote on this bill not only to establish consistency with the federal statute, but also ask for your vote to assure that all federal funds, for which Kansans are eligible, will indeed be received by those Kansans for the economic benefit of Kansas.

Thank you.

▽

UNITED STATES CODE ANNOTATED
TITLE 7. AGRICULTURE
CHAPTER 50--AGRICULTURAL CREDIT
SUBCHAPTER I--REAL ESTATE LOANS

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Current through P.L. 107-56, approved 10-26-01

§ 1926c. Water and waste facility loans and grants to alleviate health risks

(a) Loans and grants to persons other than individuals

(1) In general

The Secretary shall make or insure loans and make grants to rural water supply corporations, cooperatives, or similar entities, Indian tribes on Federal and State reservations and other federally recognized Indian tribes, and public agencies, to provide for the conservation, development, use, and control of water (including the extension or improvement of existing water supply systems), and the installation or improvement of drainage or waste disposal facilities and essential community facilities including necessary related equipment. Such loans and grants shall be available only to provide such water and waste facilities and services to communities whose residents face significant health risks, as determined by the Secretary, due to the fact that a significant proportion of the community's residents do not have access to, or are not served by, adequate affordable--

(A) water supply systems; or

(B) waste disposal facilities.

(2) Certain areas targeted

(A) In general

Loans and grants under paragraph (1) shall be made only if the loan or grant funds will be used primarily to provide water or waste services, or both, to residents of a county--

(i) the per capita income of the residents of which is not more than 70 percent of the national average per capita income, as determined by the Department of Commerce; and

(ii) the unemployment rate of the residents of which is not less than 125 percent of the national average unemployment rate, as determined by the Bureau of Labor Statistics.

(B) Exception

Notwithstanding subparagraph (A), loans and grants under paragraph (1) may also be made if the loan or grant funds will be used primarily to provide water or waste services, or both, to residents of a rural area that was recognized as a colonia as of October 1, 1989.

(b) Loans and grants to individuals

(1) In general

The Secretary shall make or insure loans and make grants to individuals who reside in a community described in subsection (a)(1) of this section for the purpose of extending water supply and waste disposal systems, connecting the

1-5

systems to the residences of the individuals, or installing plumbing and fixtures within the residences of the individuals to facilitate the use of the water supply and waste disposal systems. Such loans shall be at a rate of interest no greater than the Federal Financing Bank rate on loans of a similar term at the time such loans are made. The repayment of such loans shall be amortized over the expected life of the water supply or waste disposal system to which the residence of the borrower will be connected.

(2) Manner in which loans and grants are to be made

Loans and grants to individuals under paragraph (1) shall be made--

(A) directly to such individuals by the Secretary; or

(B) to such individuals through the rural water supply corporation, cooperative, or similar entity, or public agency, providing such water supply or waste disposal services, pursuant to regulations issued by the Secretary.

(c) Preference

The Secretary shall give preference in the awarding of loans and grants--

(1) under subsection (a) of this section to rural water supply corporations, cooperatives, or similar entities, or public agencies, that propose to provide water supply or waste disposal services to the residents of those rural subdivisions commonly referred to as colonias, that are characterized by substandard housing, inadequate roads and drainage, and a lack of adequate water or waste facilities; and

(2) under subsection (b) of this section to individuals who reside in a rural subdivision commonly referred to as a colonia, that is characterized by substandard housing, inadequate roads and drainage, and a lack of adequate water or waste facilities.

(d) "Cooperative" defined

For purposes of this section, the term "cooperative" means a cooperative formed specifically for the purpose of the installation, expansion, improvement, or operation of water supply or waste disposal facilities or systems.

(e) Limitations on authorization of appropriations

There are authorized to be appropriated--

(1) for grants under this section, \$30,000,000 for each fiscal year, and

(2) for loans under this section, \$30,000,000 for each fiscal year.

(f) Regulations

Not later than 30 days after October 28, 1992, the Secretary shall issue interim final regulations, with a request for public comments, implementing this section.

CREDIT(S)

1999 Main Volume

(Pub.L. 87-128, Title III, § 306C, as added Pub.L. 101-624, Title XXIII, § 2327, Nov. 28, 1990, 104 Stat. 4015, and amended Pub.L. 102-237, Title VII, § 701(b), Dec. 13, 1991, 105 Stat. 1879; Pub.L. 102-552, Title V, § 516(l), (m), Oct. 28, 1992, 106 Stat. 4139; Pub.L. 102-554, § 24, Oct. 28, 1992, 106 Stat. 4161.)

< General Materials (GM) - References, Annotations, or Tables >

1-6

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1990 Acts. Senate Report No. 101-357 and House Conference Report No. 101-916, see 1990 U.S. Code Cong. and Adm. News, p. 4656.

1991 Acts. House Report No. 102-175, see 1991 U.S. Code Cong. and Adm. News, p. 1481.

Amendments

1992 Amendments. Subsec. (a)(2). Pub.L. 102-554, § 24, in the heading substituted "areas" for "counties", designated existing provision as subpar. (A) and, in subpar. (A) as so designated, inserted heading "In general" and redesignated former subpars. (A) and (B) as cls. (i) and (ii), respectively, and added subpar. (B).

Subsec. (b)(1). Pub.L. 102-552, § 516(l), substituted ", connecting the systems to the residences of the individuals, or installing plumbing and fixtures within the residences of the individuals to facilitate the use of the water supply and waste disposal systems" for "or connecting such systems to the residences of such individuals".

Subsec. (f). Pub.L. 102-552, § 516(m), added subsec. (f).

1991 Amendments. Subsec. (a)(2). Pub.L. 102-237 realigned the margins of subpars. (A) and (B).

Effective and Applicability Provisions

1991 Acts. Amendment by section 701(b) of Pub.L. 102-237 effective as if included in section of Pub.L. 101-624 to which it relates, see section 1101(b)(6) of Pub.L. 102-237, set out as a note under section 1421 of this title.

Severability of Provisions

If any provision of Pub.L. 101-624 or the application thereof to any person or circumstance is held invalid, such invalidity not to affect other provisions or applications of Pub.L. 101-624 which can be given effect without regard to the invalid provision or application, see section 2519 of Pub.L. 101-624, set out as a note under section 1421 of this title.

CROSS REFERENCES

Aliens who are not qualified aliens ineligible for Federal public benefits, see 8 USCA § 1611.

"Rural development program" defined as in this section for purposes of prohibition on restricting water and waste facility services to electric customers, see 7 USCA § 917.

7 U.S.C.A. § 1926c

7 USCA § 1926c

END OF DOCUMENT



KANSAS
DEPARTMENT OF HEALTH & ENVIRONMENT
BILL GRAVES, GOVERNOR
Clyde D. Graeber, Secretary

Testimony on HB 2627
to
House Utilities Committee
Presented by Karl Mueldener
Director, Bureau of Water

February 7, 2002

Chairperson Holmes and members of the Utilities Committee, I am pleased to appear before you today to outline KDHE's opposition to House Bill 2627.

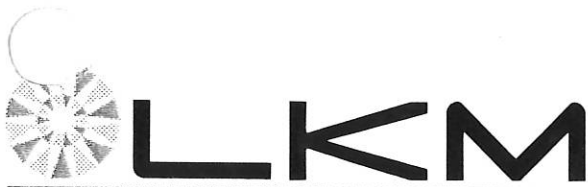
This bill amends the Kansas Public Water Supply Loan Fund Act to allow loans to privately owned public water supply systems. Current law, passed in 1994, allows loans only to municipalities, defined as political or taxing subdivisions of the state. Kansas has 920 community public water supply systems, 845 of which are eligible to apply for loans under current law. Privately owned water systems include mobile home parks and a handful of privately or investor owned utilities.

KDHE developed the loan fund with input from several interest groups. One of the issues addressed in workgroup meetings was whether to request the legislature to amend Kansas legislation to allow loans to privately owned systems. The issue was discussed because the companion federal legislation, the 1996 Safe Drinking Water Act, did allow loans to privately owned systems. The workgroup recommended against seeking amendments to allow loans to privately owned systems. This recommendation was based primarily on the knowledge that the loan fund would not have sufficient moneys to meet the needs of even the publicly owned systems, let alone the privately owned systems.

The Kansas Public Water Supply Loan Fund operates as a leveraged program. Capitalization grants received from EPA are placed in a reserve account and pledged as security for state issued revenue bonds. The Kansas program leverages four dollars in bonds for every dollar placed in reserve. No other state program leverages at this high of a ratio. The Kansas loan fund has the capacity to loan approximately \$32 million per year, based on the amount of the FY02 capitalization grant. KDHE received funding requests totaling over \$160 million for the current year's funding.

KDHE is concerned inclusion of privately owned water systems in the pool of eligible loan recipients will have a negative impact on the credit rating of the program's revenue bonds, leading to higher interest rates. This would lead either to higher interest rates charged to loan recipients, or a reduction in the amount of revenue bonds leveraged off the capitalization grant. Loans are provided at less than the market interest rates (4.08% in January). Any increase would make the loans less attractive.

KDHE is also concerned loans to privately owned water systems could jeopardize the tax exempt status of the program's revenue bonds. Loss of tax exempt status would effectively kill the loan program.



League of Kansas Municipalities

2/7/2002
#3 RL

300 SW 8th Avenue
Topeka, Kansas 66603-3912
Phone: (785) 354-9565
Fax: (785) 354-4186

To: House Utilities Committee
From: Kim Gulley, Director of Policy Development & Communications
Date: February 7, 2002
Re: Opposition to HB 2627

Thank you for allowing me to appear on behalf of the League of Kansas Municipalities and our member cities. We offer comments today in opposition to HB 2627.

It is our understanding HB 2627 authorizes private water systems to utilize the state revolving loan fund which was established for public water supply systems. Most cities in Kansas operate public water supplies and many of these systems are facing serious financial challenges as a result of the pressure of increased federal and state regulation in recent years combined with an aging infrastructure.

The state revolving loan fund has been a very important source of funding for these municipal systems. However, each year, the need for funding exceeds the funds that are available. As a result, a number of projects are either not completed or the city must find an alternative source of revenue.

We believe that adding private water systems to a program which is already strained beyond capacity would not be prudent at this time. For this reason, we respectfully request that you do not recommend HB 2627 favorably for passage.

Again, thank you for giving us the opportunity to comment on this piece of legislation. I would be happy to answer questions at the appropriate time.

HOUSE UTILITIES
2-7-02
ATTACHMENT 3

HOUSE BILL No. 2635

By Committee on Utilities

1-15

9 AN ACT concerning certain electric transmission lines; providing for is-
10 suance of certain bonds therefor.

11
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (a) As used in this section:

14 (1) "Appurtenances" means all towers, poles and other necessary ap-
15 purlenances to a line used for the bulk transfer of electricity.

substations,

16 (2) "Electric transmission line" means any line or extension of a line
17 which is at least five miles long and which is used for the bulk transfer of
18 electricity.

structures and equipment necessary

19 (b) The Kansas development finance authority is hereby authorized
20 to issue revenue bonds in amounts sufficient to pay the costs of such
21 construction, purchase and installation, including any required interest
22 on the bonds during construction and installation, plus all amounts re-
23 quired for the costs of bond issuance and any required reserves on the
24 bonds, for the purpose of financing the costs of: (1) Construction or up-
25 grading of electric transmission lines and appurtenances having the ca-
26 pacity to transfer 115 kilovolts or more of electricity; (2) acquisition of
27 the right-of-way on which transmission lines and appurtenances having
28 the capacity to transfer 115 kilovolts or more of electricity are to be con-
29 structed; and (3) upgrading of electric transmission lines and appurte-
30 nances to have the capacity to transfer 115 kilovolts or more of electricity.
31 The bonds, and interest thereon, issued pursuant to this section shall be
32 payable from revenues derived from use of the transmission lines.

to be used for the transfer of

33 (c) The provisions of subsection (a) of K.S.A. 74-8905, and amend-
34 ments thereto, shall not prohibit the issuance of bonds by the Kansas
35 development finance authority for the purposes of this section and any
36 such issuance of bonds is exempt from the provisions of subsection (a) of
37 K.S.A. 74-8905, and amendments thereto, which would operate to pre-
38 clude such issuance.

39 (d) Revenue bonds, including refunding revenue bonds, issued here-
40 under shall not constitute an indebtedness of the state of Kansas, nor
41 shall they constitute indebtedness within the meaning of any constitu-
42 tional or statutory provision limiting the incurring of indebtedness.

43 (e) Revenue bonds, including refunding revenue bonds, issued here-

HOUSE UTILITIES

DATE: 2-7-02

ATTACHMENT 4

memorandum

to: Committee on Utilities
from: Rebecca Floyd, KDFA General Counsel
subject: HB No. 2712 and 2635
date: 2/5/2002
cc:

This memo is intended to help clarify the intent behind certain language involving KDFA in the above-referenced bills.

The language regarding KDFA, as KDFA understands it, would provide one possible financing mechanism for the improvements these bills seek to implement. KDFA would not be the sole financing option; the improvements which are contemplated in these bills could also potentially be financed by other public or private sources, including legislative appropriations, federal grants, bonds issued by participating municipalities, or, utility revenues, or other public or private moneys.

KDFA was created by the legislature as an independent instrumentality of the state to provide access to the long term capital markets to afford state agencies and other public and private entities the lowest possible cost of borrowing. KDFA may only finance activities as authorized by the legislature. KDFA bonds are special limited obligations of the Authority, and are not backed by the full faith and credit pledge of the State of Kansas. Bonds issued by KDFA for private entities do not affect the Issuer's shadow credit rating of AA+ that KDFA carries for the State of Kansas.

KDFA is authorized in its enabling act to provide bond proceeds which may be used to finance myriad improvements within the State of Kansas, including projects for various state agencies, the Regents institutions, other educational facilities, as well as projects to provide financing for affordable housing, manufacturing, agricultural and health care facilities. KDFA is **not** authorized to use bond proceeds for out of state improvements.

PROPOSED AMENDMENT TO HB 2712

Amend page 4, lines 15 through 20, to read:

(i) The authority may issue bonds for the purpose of financing the construction of broadband technology facilities by cities, counties and school districts, in partnership with the private sector, in areas of the state where there are not such facilities. Bonds issued pursuant to this subsection shall be exempt from the provisions of clause (2) of subsection (a).

HOUSE UTILITIES

DATE: **2-7-02**

ATTACHMENT **6**

PROPOSED AMENDMENT TO H.B. 2631

Add the following language to section 4:

No cooperative organized under this act nor any member of such cooperative shall:

(1) Enter into any contract for parallel generation services pursuant to K.S.A. 66-1,184, and amendments thereto, with regard to power generated by such cooperative or member from renewable resources; or

(2) sell electricity at retail or have a certificated territory in this state.

HOUSE UTILITIES

DATE: 2-7-02

ATTACHMENT 7