



Testimony Submitted to the
Senate Federal & State Affairs Committee
February 20, 2024

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Testimony in Opposition to SB 474

Good morning, Mr. Chairman and members of the committee, thank you for the opportunity to provide testimony on SB 474. Kansas Municipal Utilities is opposed to the new language included in SB 474.

Kansas Municipal Utilities (KMU) is the statewide association representing Kansas cities and other public or not-for-profit organizations involved in the ownership and operation of publicly owned utilities across Kansas. Formed in 1928, KMU provides assistance and information to members with regard to workforce training and educational programs, Mutual Aid, regulatory and legislative assistance and numerous other services toward the advancement of municipal utilities to achieve maximum benefits for the customer-owners served by our utilities. Our membership ranges in size from some of the largest utilities in the state such as those operated by the Kansas City Board of Public Utilities and the City of Wichita down to some of the smallest utility systems in the state serving fewer than 100 customers.

Our principal opposition to SB 474 is that it changes the language of K.S.A. 12-3013 to include administrative ordinances. Administrative ordinances are typically the governing structure used for municipal utilities and it would not be helpful to have those decisions subjected to petition and potentially delayed for extended periods pending a special election.

A municipal utility is already arguably the most accessible utility to the individuals it serves – any revenue generated from the utility returns to the community, and its governance ultimately passes through a city council or a local board of public utilities, both of which are democratically elected and whose possibilities for public engagement are second to none in the state.

Running a utility requires a certain nimbleness in decision-making. For example, many of our member communities still maintain Reciprocating Internal Combustion Engines (RICE), and while the RICE engines may appear to be unused for extended stretches of time – sometimes even years – they can become crucial to maintaining



overall grid stability during extreme weather events such as Winter Storm Uri. Petition could lead to a situation where our communities would not be able to make a decision on our units fast enough to manage a fast-moving situation like an extreme weather event while we waited for a special election to be held.

The use of the petition process could be used to potentially repeal certain building and safety codes that provide common standards to protect the community including building codes, electric and plumbing codes, electric safety, and any other regulatory and administrative codes necessary to protect the community as a whole.

Community owned utilities own and operate a combination of electric, natural gas, water and wastewater utilities. Providing access to safe, reliable and affordable power, heat and water is crucial. To ensure system maintenance and stability, there are various infrastructure improvements or new projects undertaken whether that is new generation, an upgraded transmission line, substation improvements, enhancements to the town border station on the natural gas system, water line and main replacement, or new wastewater treatment facilities—the ability to operate the systems safely, effectively and efficiently and in the best interest of the overall community is essential to our communities, citizens and businesses. The prospect that critical infrastructure could be further delayed pending a special election could increase the project cost or threaten the project all together. Neither of which is a beneficial outcome for the community.

Municipal utilities are already accessible to the public in many other ways, and while we consider that accessibility one of the strongest aspects of a community owning its own utility, the power to petition on administrative ordinances would likely not increase that accessibility at all but only make it harder to run the actual utility itself. We would be happy to field any questions from the committee.