

CITY OF BLUE MOUND

To: House Financial Institutions and Rural Development

From: Max Krull City clerk / superintendent

Date: March 3, 2021

In Support of House Bill 2429

Mr. Chairman, Vice-Chair and Ranking Members,

The City of Blue Mound strongly supports House Bill 2429. The legislation would provide an urgently needed tool for many municipal utilities to respond to the significant financial strain caused by the February extreme winter weather event.

The City of Blue Mound operates the Municipal Electric Utility serving 144 accounts and over 270 citizens in our little 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 unencumbered cash reserves to pay our obligations to the power supplier for the city. Our community remains in a very challenged position from the impacts of COVID-19. Our Community has over 50% of its Citizens 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 Blue Mound's 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 path for our local businesses and residents to pay the overwhelming bill. We anticipate that this will allow us to move Energy cost adjustments for residents from the \$500 to \$1000 single month charge to a much more manageable monthly charge of \$5 to \$10 for these households. Most likely, this will allow our local restaurant, Bar, and Gas Station to stay in operation. We have already lost our School, Grocery Store, and Hardware Store.

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

Sincerely,



Max Krull, City Clerk / Superintendent