



Proponent Testimony Provided to the
House Financial Institutions and Rural Development Committee
March 3, 2021

Matt Stiles, City Administrator, City of Hillsboro

In Support of House Bill 2429

Mr. Chairman, Vice-Chair and Ranking Member,

The City of Hillsboro 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.

Below are points of the bill:

- HB 2426 would create a low-interest loan program from which a city could borrow from the State in order to cover the extraordinary costs related to the extreme weather crisis which impacted the Midwest in February.
- Bill would allow for community owned electric or natural gas utilities to utilize the low-interest low program.
- The loan could be paid back over a 10-year period, with an interest rate 2% below the market rate as per K.S.A. 75-4237.
- The loan cannot be used for normal operating expenses.
- If federal funding is made available related to the extreme weather event, those funds will be used to repay this loan.

The City of Hillsboro is an electrical supplying utility and as such is monitoring the impact of the extreme weather very closely. As a member of the Kansas Power Pool, the city does not purchase power directly in the open market. Membership in the Kansas Power Pool provides the city with additional avenues to smooth out spikes in customer bills, however there are limits to those programs. At this point the full impact of the weather event has not be realized.

As of now the long-term costs associated with the extreme winter weather are unknown. Having access to the resources provided in HB 2429 could ease the burden on Hillsboro residents and businesses. The City of Hillsboro strongly supports HB 2429 as written.

Thank you for your consideration and we urge your support of HB 2429.