

701 Washington P.O. Box 603 Concordia, KS 66901 785-243-2670 Frax 785-243-3328

TO:

House Financial Institutions and Rural Development

FROM:

Amy L. Lange, City Manager, Concordia

DATE:

March 3, 2021

RE:

Written Only - Testimony in Support of City Utility Low-Interest Loan Program(HB 2429)

Committee Members, thank you for the opportunity to testify in support of the City Utility Low-Interest Loan Program on behalf of the City of Concordia.

The extreme winter weather event and resulting skyrocketing utility costs in February 2021 will have a significant negative effect on many Kansas residents and businesses. While we are fortunate the majority of our homes and businesses are served by Kansas Gas Service and are thus somewhat protected through KCC regulations, the City of Concordia does provide natural gas service to one industrial park via the Kansas Municipal Gas Association (KMGA). Two customers are currently on this line: the Cloud County Law Enforcement Center and Jail and a regional Kansas Department of Transportation facility.

Normally the City's bill from KMGA for this industrial park averages \$1,000 per month during the winter. We pass this along to the Jail and KDOT, adding a small fee for local administration of the line. Our bill for February 2021 is estimated to be \$33,000 for the supply of natural gas only. Delivery and other charges will be added to this amount. Then the City will pass this bill along to the Jail and KDOT, pro-rating it by consumption.

The proposed Low-Interest Utility Loan Program for cities will allow us to spread out the extraordinary cost of February 2021 natural gas for these two public entity customers, and thereby assist all three of us with much needed cash flow and compliance with Kansas Cash Basis laws.

With this testimony in mind, the City of Concordia strongly urges you to support the City Low-Interest Loan Program. Thank you for consideration.

Amy L. Lange City Manager