



*Proponent Testimony Provided to the*  
House Financial Institutions and Rural Development Committee

March 3, 2021

Gary Emry  
City Administrator  
City of Hesston

**In Support of House Bill 2429**

Mr. Chairman, Vice-Chair and Ranking Member,

The City of Hesston stands in full support of House Bill 2429. The legislation would provide municipalities with a badly needed mechanism for many municipal utilities to respond to the significant financial burden we are faced with because of the extreme winter weather event experienced in February.

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.

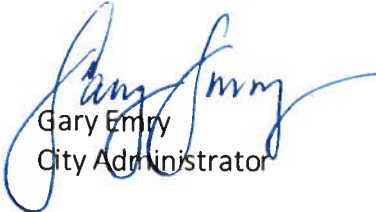
Based on data provided to us by our natural gas management agency, the City of Hesston anticipates receiving a natural gas billing of \$5.5M for the month of February. To put that number in perspective, a typical monthly billing for us for that time of year ranges from \$100,000 to \$120,000 depending on weather conditions.

In some ways, this is our 500-year flood. It is without question that as we approach the exit of the COVID-19 pandemic, a billing of this magnitude will undoubtedly cause catastrophic financial

strain on families, and very likely bankrupt some of our small businesses unless we find a way to successfully navigate this. It cannot be done alone, we need your support.

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

Regards,



Gary Emry  
City Administrator