



P.O Box 186 | Humboldt, KS 66748 | 800.248.6564 | www.turnoverball.com

To: House Financial Institutions and Rural Development
From: Joe Works, President, B&W Trailer Hitches
Date: March 3, 2021
RE: Testimony in Support of City Utility Low-Interest Program

Mr. Chairman, Vice-Chair and Ranking Member,

B&W Custom Truck Beds, Inc. (aka B&W Trailer Hitches) 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.

- HB 2429 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.

This Natural Disaster of extreme winter weather event during February 2021 had devastating impact on the City of Humboldt's financial status. The City approved Resolution 2-22-2021, Declaring a Local State of Financial Emergency.

The overall City gas bill for February is anticipated to be approximately \$1.6 million. The total cost for gas in 2020 was \$270,139. They have approximately \$250,000 balance in their gas fund for operations, cost of gas, and reserve.

The majority of customers will not be able to pay if the City passes the cost to them. Businesses and households will be required to pay 25 to 30 times their typical monthly expense for this one bill. One family's monthly actual billing cost should be \$203.40 but will increase to approximately \$5,400 in February. The City has not yet passed this cost to the customers in the hopes that federal funding will be available. B&W took the initiative to shut down all powder-coat and e-coat paint lines during this extreme weather situation in an effort to reduce gas usage and cost for our community.

Your consideration and support of HB 2429 would be greatly appreciated.

Respectfully,

A handwritten signature in black ink that reads 'Joe Works'.

Joe Works
President

