



City of Chetopa
"The Pecan & Catfish Capital"

618 N. 11th St.
P. O. Box 205
Chetopa, KS 67336

To: House Financial Institutions and Rural Development

From: Debra Darnell, City Treasurer for City of Chetopa, KS

Date: March 3, 2021

RE: Testimony in Support of City Utility Low-Interest Program

The City of Chetopa has a utility services provide electric, water, sewer and trash services to a population of approximately 1100 people.

The impacts of the dramatic wholesale power purchase increase for the period of February 12th to the 19th has made a major impact on the city's financial stability.

This Artic Blast event could very well result in the total elimination of all unencumbered cash reserves to fulfill our obligations to the power supplier for our city. Our business community has struggled for months from the restrictions and impacts of COVID-19. Our community has over 30% of the population on some type of government assistance who already face difficulty payment their utility bills.

Access to the proposed City Utility Low-interest Loan Program described in the current legislation, would allow our city to borrow from the State to cover this large debt we are currently facing due to the extreme weather crisis event of February 2021.

This program would allow the City of Chetopa to give some much needed relief to our citizens during these already difficult times. We have a single grocery store that has struggled to keep their doors open throughout the COVID-19 restrictions, if we can get the utilities to a more affordable rate we may not have to lose this valuable asset to our community.

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

Sincerely,

Debra Darnell, City Treasurer

Phone (620)236-7541
Fax (620)236-7025
E-mail: chetopacity@kans.com



City of Chetopa
"The Pecan & Catfish Capital"

618 N. 11th St.
P. O. Box 205
Chetopa, KS 67336

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

Debra Darnell, City Treasurer for the City of Chetopa, KS

In Support of House Bill 2429

Mr. Chairman, Vice-Chair and Ranking Member,

The City of Chetopa 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:

- HB2429 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 loan program.
- The loan could be paid back over a 10-year electric 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 extreme price increase the City of Chetopa has been impacted with has completely depleted the city's budget for the entire year. The population of our small town is comprised with a large majority of individuals 65 years or older and on fixed incomes. These individuals already have day to day struggles and this increase is adding to the hardship of these citizens.

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

Sincerely,

Debra Darnell, City Treasurer

Phone (620)236-7541
Fax (620)236-7025
E-mail: chetopacity@kans.com