

A RESOLUTION ESTABLISHING A FRAMEWORK FOR THE FUEL ADJUSTMENT ON CUSTOMER ELECTRIC BILLS CAUSED BY THE WEATHER EVENT OF MID-FEBRUARY.

WHEREAS, the City of Osawatomie, Kansas (the “City”) owns and operates a municipal electric utility system (the “System”); and

WHEREAS, over a two-week period in February, historically low temperatures with sub-zero wind chills over several days, accompanied by snow, sleet, and freezing rain (collectively, the “Weather Event”) across the state have significantly strained the regional energy infrastructure, including the increased demand for electricity and natural gas and decreased production of such resources over the same time period; and

WHEREAS, the Governor of the State of Kansas declared a State of Disaster Emergency Proclamation within the state on February 14, 2021; and

WHEREAS, the Board of County Commissioners for Miami, Kansas approved a resolution Declaring a State of Local Disaster Emergency on February 24, 2021; and

WHEREAS, the City Council for the City of Osawatomie, Kansas approved Resolution 849 Declaring a Local Financial Emergency on February 25, 2021; and

WHEREAS, as a result of the Weather Event, the cost to purchase essential natural gas and electricity exceeded 10 – 200 times the normal prices and the City was forced to pay higher costs to acquire electric energy to operate the System than it anticipated and budgeted and a resulting System revenue deficiency exists (the “Deficiency”); and

WHEREAS, the governing body of the City found and determined it to be necessary to provide for extraordinary emergency funds of the City to fund the required purchase of electricity for the System and to raise such funds by the issuance of No Fund Warrants of the System and its funds in an amount of not to exceed \$900,000, under authority of the Act; and

WHEREAS, the governing body of the City is contemplating the approval of Resolution 852 and Ordinance 3794 to take advantage of a \$100,000,000 short-term loan program that was established by the State of Kansas.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE:

SECTION 1. Calculation. That the City Manager determine the amount of the “Price Spike” in the electric utility in February, 2021.

SECTION 2. Framework. That the City Manager then develop a framework with at least three options for spreading the “Price Spike” over time.

SECTION 3. Presentation. That the City Manager present to the City Council a framework and formal plan for the City Council to consider at their March 25, 2021 City Council meeting

ADOPTED this 11th day of March 2021 and **SIGNED** by the Mayor.

L. Mark Govea, Mayor

ATTEST:

Tammy Seamands, City Clerk