

**RESOLUTION NO. 857**

**A RESOLUTION AUTHORIZING THE CITY OF OSAWATOMIE, KANSAS TO BILL ACCORDING TO A CALCULATION FRAMEWORK PROPOSED FOR THE ELECTRIC UTILITY AND APPROVED BY THE CITY COUNCIL.**

**WHEREAS**, the health, safety, and economic well-being of our residents is the top priority for the governing body of the City of **39TOSAWATOMIE**, Kansas (the “City”); and

**WHEREAS**, on February 14, 2021, pursuant to the Kansas Emergency Management Act, Chapter 48, Article 9, of the Kansas Statutes Annotated, Governor Laura Kelly proclaimed a State of Disaster Emergency, recognizing power outages and critical energy supply shortages were anticipated; and

**WHEREAS**, during February 2021, the City faced a winter weather emergency that resulted in extraordinary electric costs; and

**WHEREAS**, annually, the City budgets \$4,100,000 to cover the costs associated with electricity needs; and

**WHEREAS**, as of this date, the City estimates it will have an obligation to pay a total of \$4,800,000 in electricity as a result of the unprecedented prices charged during the extreme winter weather conditions in February 2021; and

**WHEREAS**, this price spike currently estimated at \$700,000 could create a financial burden for Osawatomie electric customers.

**THEREFORE, BE IT RESOLVED BY THE CITY OF 39TOSAWATOMIE, KANSAS AS FOLLOWS:**

1. The City staff has prepared a payment framework for the City Council to consider.
2. The framework (Exhibit A) includes the following:
  - a. A base calculation of a one-time charge, which includes a mechanism to make up for lost revenues (created by defaults) and accrued interest of 0.25% annually.
  - b. Three payment options for consideration including 12-, 24-, 36-month payment options.
  - c. Based on the presentation presented the City Council selects \_\_-month payment option for the City staff to implement.
3. This resolution shall take effect and be in force immediately upon its adoption and shall remain in effect until future action is taken by the Governing Body.

**ADOPTED** this 25<sup>th</sup> day of March 2021 and **SIGNED** by the Mayor.

\_\_\_\_\_  
Mayor

Attested:

\_\_\_\_\_

City Clerk