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Continued Utility Billing Actions Taken Regarding Electric Spike Charges

Osawatomie, Kansas - City Officials continue to work toward a solution regarding the mid-February cold snap that caused price spikes in electric and natural gas utilities across the entire Midwest. The City of Osawatomie received around \$700,000 in charges for a two-week period of severe weather, which is roughly the cost of six to eight months during a regular year. The issue has been a primary topic of concern at the February 25th, March 2nd, and March 11th meetings of City Council, and officials continued their discussion of the electric spike charges at the regularly scheduled March 25th meeting.

The City of Osawatomie was glad to receive a \$700,000 ultra-low-interest loan from the State's newly introduced City Utility Low-Interest Loan Program, which was designed for use by municipalities facing exorbitant utility bills as related to the February severe weather. This loan allows the City to pay off the \$400,000 in higher interest no-fund warrants (NFW) as originally issued for the first portion of the charges due, and the City is able to stretch out repayment up to 10 years as compared to the one-year repayment for the NFW. This more forgiving repayment opportunity allows us to keep the monthly impact to consumers as low as possible.

After a presentation from City Manager Mike Scanlon regarding several proposed repayment options, and after listening to feedback from the residents in attendance, Council voted to approve a proposed 36-month framework repayment calendar. A final version of the plan will be presented and voted on at the April 8th meeting before implementation can begin in mid-April. The loan program timeline and necessary actions from City Council prevented these changes from appearing on the bill arriving next week as originally stated in a March 1st release. Once a plan has been established and approved by Council, the City will notify customers of their payment options.

[A complete timeline of this process and actions taken, including the proposed framework calendar, is available on our website at www.osawatomieks.org/February-utility-timeline.](http://www.osawatomieks.org/February-utility-timeline)

The City of Osawatomie and all its associated staff members, community partners, and other advisory groups are grateful for the support and understanding of residents during this incredibly trying time. This has been a period of exhaustive new information, record-breaking speed of legislation, and complicated financial mathematics. The City is proud to have been on the forefront of many of these statewide conversations and spearheaded many of the solutions being implemented across the region.

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