

CITY OF OSAWATOMIE

439 Main Street
PO Box 37
Osawatomie, Kansas 66064



913.755.2146 (p)
913.755.4146 (f)
ozcity@osawatomieks.org
www.osawatomieks.org

L. Mark Govea, Mayor

PRESS RELEASE
March 1, 2021

MEDIA CONTACT: Samantha Moon
smoon@osawatomieks.org
913-755-2146, 103

OSAWATOMIE URGES RESIDENTS TO PREPARE FOR HIGHER UTILITY BILLING DUE TO EXTREME WEATHER AND THE RELATED ENERGY CRISIS

Osawatomie, Kansas – As the Midwest dug itself out of the extreme winter weather in mid-February, a new but related challenge presented itself. Power partners and providers across the Midwest were seeing hyper-inflated pricing due to the out of balance open markets, and municipalities across the region were scrambling to pay weekly energy bills that are more than 10x higher than their previous monthly averages. Osawatomie was not immune to market conditions, as we were told to expect our next weekly bill from KMEA to be valued at near \$1,000,000.

Fortunately, some rates have been reevaluated and our pool credit applied to the open market charge and this week's bill is now \$195,531.00. We expect next Friday's bill to be similarly high, as the rates didn't immediately drop back to regular levels. In order to pay these much higher bills, we're working with financial partner First Option Bank to issue no-funds utility warrants equivalent to \$400,000 that we expect will cover the payments for this week and next. We sought this short-term financing in an effort to preserve our existing fund balances and protect our assets moving forward should another emergency present itself.

What does this higher bill mean for the consumer? It means that utility bills for Osawatomie residents will be significantly higher for the month of February. We estimate that the average consumer will see an additional \$235.00 on top of regular winter usage charges. This number will of course fluctuate depending on your home's efficiency and your usage throughout the month. We recognize that this is yet another financial burden during an already financially stressful period for many households, so we are preparing two different payment plans for those unable to pay in full. "Plan A" will allow residents to pay the balance over three (3) months and "Plan B" will allow payment over six (6) months.

While this is undoubtedly a shock to many household budgets, we hope residents recognize how much worse this could have been and instead pride themselves on their conservation efforts during our energy crisis. We fully believe that our community's dedication to conservation was the main contributing factor to our bill being so much lower than originally estimated. Because of your resolve to keep our community online and safe during the worst winter weather in a generation, you likely saved yourselves several hundred dollars in additional energy costs.

We urge residents to prepare for these increased utility bills and consider keeping usage to a minimum as we move into more pleasant spring-like weather to help offset the higher charges coming on the February bill.

###