CITY COMMISSION MEETING

Winfield, Kansas

Special Called Meeting

DATE: Thursday March 22, 2021

TIME: 8:00 a.m.

PLACE: Community Council Room, City Hall, 200 E. 9th Avenue

AGENDA

BUSINESS FROM THE FLOOR

NEW BUSINESS

Ordinances & Resolutions

Bill No. 2133 - An Ordinance - An Ordinance amending Section 34-78-332 of the Municipal Code of the City of Winfield regarding the Purchased Gas Adjustment Clause.

ADJOURNMENT

-Next regular meeting 5:30 p.m. Monday, April 5, 2021

AN ORDINANCE

AMENDING

Section 34-78-332 of the Municipal Code of the City of Winfield regarding the Purchased Gas Adjustment Clause.

WHEREAS, because of increased demand for natural gas due to prolonged subzero temperatures and decreased supply from frozen natural gas wells, extraordinary energy market charges were incurred by the City of Winfield, Kansas during February 2021; and

WHEREAS, to avoid catastrophic damage to life and property, the City of Winfield maintained natural gas flow to customers; and

WHEREAS, the City of Winfield employed many outreach efforts to encourage customers to reduce energy usage during the weather event; and

WHEREAS, during the period of February 12th through February 19th, 2021, purchased natural gas pricing increased upwards of 200 times the daily market for the City of Winfield; and

WHEREAS, on March 12, 2021, the City of Winfield estimated purchased gas commodity financial liability to be \$13,238,625; and

WHEREAS, on March 15, 2021, the City of Winfield applied for a low interest loan through the State of Kansas in the amount of \$12,788,625 and was approved on March 16, 2021 by the State of Kansas and subsequently accepted by the City of Winfield on March 17, 2021 creating a debt of the City's natural gas utility; and

WHEREAS, the City of Winfield, after consideration, has determined the need for variance from the normal Purchased Gas Adjustment Clause to separately recover the costs of said debt through an assessment to customers over approximately six years to reduce the impact of the charges on customers' monthly bills;

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WINFIELD, KANSAS, THAT:

<u>Section 1.</u> Section 34-78-322 of the Municipal Code of the City of Winfield shall be amended to add section (b) to read as follows:

February 2021 purchased gas adjustment variance

Notwithstanding the language of the Purchased Gas Adjustment Clause, prior purchased gas cost dollars recorded for February 2021 shall be removed from the adjustment and be applied as follows:

To make necessary debt payments on purchased natural gas commodity charges incurred by the utility for February 2021, the city manager shall assess an additional \$.80/ccf for monthly metered gas service to the purchased gas adjustment clause set forth in Section 34-78-322 beginning on the 17th day of March 2021. The City Manager shall be authorized to adjust

the purchased gas adjustment variance beginning the 17th day of June 2021. The city manager is authorized to calculate immediate liability of certain customers and approve payment plans.

<u>Section 2.</u> Severability. Any provision of this Ordinance which shall be declared invalid shall not affect the validity and authority of any other provisions of this Ordinance.

<u>Section 3.</u> Effective Date. This Ordinance shall be in full force and effect on March 22, 2021 and after its publication in the official city newspaper.

ADOPTED this 22nd day of March 2021.

(SEAL)

Gregory N. Thompson, Mayor

ATTEST:

Brenda Peters, City Clerk

Approved as to form:

William E. Muret, City Attorney

Approved for Commission action:

Taggart Wall, City Manager