

*(Ordinance Summary published in The Hesston Record on July 15, 2021 and the full text of the Ordinance made available at [www.hesstonks.org](http://www.hesstonks.org) for a minimum of one (1) week from the date of publication).*

**ORDINANCE NO. 150-2021-039**

AN ORDINANCE AMENDING SECTION 15-401 AND 15-408 OF CHAPTER XV, ARTICLE 4 OF THE CODE OF THE CITY OF HESSTON, KANSAS IN SUPPORT OF THE CITY'S PREVIOUSLY DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF THE CITY UTILITY LOW-INTEREST LOAN AUTHORIZED BY THE KANSAS STATE TREASURER AND ESTABLISHED IN ORDINANCE NO. 150-2021-038.

WHEREAS, the Governing Body of the City of Hesston, Kansas (the "City") approved Ordinance No. 150-2021-038 finding it necessary to accept a loan from the Kansas State Treasurer to finance the extraordinary natural gas costs incurred by the City during the extreme winter weather event of February 2021 ("City Utility Low Interest Loan"), and establishing a dedicated source of revenue for repayment of said loan;

WHEREAS, the City entered into a Loan Agreement effective March 23, 2021 with the Kansas State Treasurer, acting on behalf of the State of Kansas ("Loan Agreement");

WHEREAS, the City finds it desirable to formally amend Chapter XV, Article 4, Sections 15-401 and 15-408 of the Code of the City of Hesston, Kansas (the "Code") to recognize and reflect the dedicated source of revenue approved by Ordinance No. 150-2021-038.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HESSTON, HARVEY COUNTY, KANSAS:

SECTION 1. This Ordinance amends Chapter XV, Article 4, Section 15-401 and 15-408 of the Code to reflect the City's dedicated source of revenue for repayment of the City Utility Low-Interest Loan established in Ordinance No. 150-2021-038.

SECTION 2. Chapter XV, Article 4, Section 15-401 of the Code is hereby repealed and amended, as follows:

15-401. RATES. The rates per month for gas furnished by the city shall be as follows:

(a) <u>Per Hour Meter Capacity</u>	<u>Minimum Rate per Month for Meter Service</u>
600 cu. ft. or less	\$ 9.00
601 cu. ft. to 900 cu. ft.	\$ 9.50
901 cu. ft. to 1500 cu. ft.	\$ 11.25
1501 cu. ft. to 2000 cu. ft.	\$ 15.75
2001 cu. ft. to 3000 cu. ft.	\$ 30.00
3001 cu. ft. to 6000 cu. ft.	\$ 52.50
6001 ft. to 10000 cu. ft.	\$ 82.50

For each person, firm, company, corporation, or industry, the above listed minimums will be charged for the first 1,000 cubic feet (MCF) of gas metered to each installation. All metered gas above the first 1,000 cubic feet (MCF) shall be billed at \$8.45 per 1,000 cubic feet (MCF) or \$0.00845 per cubic foot, except as provided otherwise below.

- (b) For each heavy use industrial customer using gas in excess of 8,000 MCF per month, all metered gas above the first 1,000 cubic feet (MCF) shall be billed at \$7.65 per MCF. Heavy use industrial customers shall be determined annually by the City Administrator by totaling the monthly usage of all the meters serving a potential heavy use industrial customer for the prior year and dividing such usage by 12 (annual usage of all meters serving the customer divided by 12 months = the average monthly usage).
- (c) Gas rates for customers outside the corporate limits of the City are hereby set and provided for under Section 15-408 of this Article.
- (d) Gas rates for all customers may be subject to a fuel cost adjustment charge (FC) which may be applied when natural gas supply fuel cost increases are charged to the City by its natural gas suppliers. The amount of the fuel costs adjustment will be determined by the City Administrator.
- (e) In addition to the gas rates charged by the City to customers as established herein, the City shall charge all customers a \$1.90 surcharge per 1,000 cubic feet (MCF) of gas metered, effective as of the May 1, 2021 billing cycle, as the dedicated source of revenue established in Ordinance 150-2021-038 necessary for repayment of the City Utility Low-Interest Loan.

SECTION 3: Chapter XV, Article 4, Section 15-408 of the Code is hereby repealed and amended, as follows:

15-408. RATES. Rates for the use of city gas shall be extended to rural customers as follows:

<u>(a) Per Hour Meter Capacity</u>	<u>Minimum Rate per Month for Meter Service</u>
600 cu. ft. or less	\$ 13.00
601 cu. ft. to 900 cu. ft.	\$ 14.25
901 cu. ft. to 1500 cu. ft.	\$ 16.75
1501 cu. ft. to 2000 cu. ft.	\$ 23.65
2001 cu. ft. to 3000 cu. ft.	\$ 45.00
3001 cu. ft. to 6000 cu. ft.	\$ 78.75
6001 cu. ft. to 10000 cu. ft.	\$ 123.75

For each month the above listed minimums will be charged for the first 1,000 cubic feet (MCF) of gas metered to each rural installation. All metered gas above the first 1,000 cubic feet (MCF) shall be \$12.175 per 1,000 cubic feet (MCF).

- (b) Gas rates for all customers may be subject to a fuel cost adjustment charge (FC) which may be applied when natural gas supply fuel cost increases are charged to the City by

its natural gas suppliers. The amount of the fuel costs adjustment will be determined by the City Administrator.

- (c) In addition to the gas rates charged by the City to rural customers established herein, the City shall charge all rural customers a \$1.90 surcharge per 1,000 cubic feet (MCF) of gas metered, effective as of the May 1, 2021 billing cycle, as the dedicated source of revenue established in Ordinance 150-2021-038 necessary for repayment of the City Utility Low-Interest Loan.

SECTION 4. This Ordinance is in support of Ordinance No. 150-2021-038 and sets forth the specific surcharge imposed on all City gas customers which is the City's dedicated source of revenue for repayment of the City Utility Low-Interest Loan. In the event any portion of this Ordinance shall be held illegal, invalid, or unconstitutional, the surcharge set forth herein shall nonetheless be applied.

SECTION 5. This Ordinance shall take effect and be in full force on the later of publication once in the official newspaper of the City of the full text of this Ordinance, or publication of a summary of this Ordinance certified as legally accurate and sufficient by the City Attorney.

PASSED AND ADOPTED by the Governing Body of the City of Hesston, Kansas this 12 day of July, 2021.



CITY OF HESSTON, KANSAS

David K. Kauffman, Mayor

ATTEST:

Jason Thrasher, City Clerk