

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:05 a.m. on February 7, 2002 in Room 526-S of the Capitol.

All members were present except: Rep. Gene O'Brien

Committee staff present: Robert Chapman, Legislative Research
Dennis Hodgins, Legislative Research
Mary Torrence, Revisor of Statutes
Jo Cook, Administrative Assistant

Conferees appearing before the committee: Don Pitts, Suburban Water Company
Karl Mueldener, Kansas Department of Health & Environment
Kim Gulley, League of Kansas Municipalities

Others attending: See Attached List

HB 2627 - Public Water supply project loan program

Chairman Holmes opened the hearing on **HB 2627** and welcomed Representative Ray Cox, the bill's sponsor. Representative Cox introduced Ray Breuer and Don Pitts.

Don Pitts, Legal Counsel for Suburban Water Company, appeared in support of **HB 2627** (Attachment 1). Mr. Pitts provided a brief history of the company and the reason for the requested proposed legislation. Mr. Pitts explained that this request was made to make Kansas statute consistent with federal statute.

Karl Mueldener, Director, Bureau of Water, Department of Health & Environment, addressed the committee in opposition to **HB 2726** (Attachment 2). Mr. Mueldener shared concerns about the bill's negative impact on the credit rating of the program's revenue bonds, which may lead to higher interest rates.

Kim Gulley, Director of Policy Development & Communications for the League of Kansas Municipalities, offered comments in opposition to **HB 2627** (Attachment 3). Ms. Gulley stated they believe that adding private water systems to an already strained program would not be prudent.

Mr. Pitts, Mr. Mueldener, and Ms. Gulley responded to questions from the committee. Additionally, Jack Brier, President of the Kansas Development Finance Authority, responded to questions.

Chairman Holmes closed the hearing on **HB 2726**.

HB 2635 - Kansas Development Finance Authority authorized to issue bonds to finance certain electric transmission lines and appurtenances

Chairman Holmes opened the debate on **HB 2635**. Representative Sloan distributed a balloon showing several proposed amendments (Attachment 4). In response to questions raised by the committee during hearings, Rebecca Floyd, KDFA General Counsel, provided a memo to the committee (Attachment 5). Representative Sloan moved to adopt the balloon. Representative Kuether seconded the motion. The motion carried. Representative Loyd moved to recommend HB 2635, as amended, favorable for passage. Representative Dreher seconded the motion. Motion carried. The bill will move to the Appropriations Committee.

HB 2712 - KDFA authorized to issue bonds to finance regional broadband technology facilities

Chairman Holmes opened the debate on **HB 2712**. Representative Sloan distributed a proposed amendment to the bill (Attachment 6). Representative Sloan moved to amend HB 2712 as proposed. Representative Kuether seconded the motion. Representative McLeland moved to table HB 2712. Representative Merrick seconded the motion. The priority motion to table carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 526-S Statehouse, at 9:05 a.m. on February 7, 2002.

HB 2631 - Organization of cooperative to generate electricity from renewable resources and technologies and to wholesale such electricity

Chairman Holmes opened the debate on **HB 2631**. Representative Sloan distributed a proposed amendment (Attachment 7). Mary Torrence, Revisor, explained the provisions of the Electric Cooperative Act. Representative Sloan moved to adopt the amendment. Representative Kuether seconded the motion. Motion failed. Due to time constraints, the chairman suspended the debate on **HB 2631**.

Meeting adjourned at 10:58.

The next meeting is February 11, 2002.