



Municipal Services - Water - Power & Light

***CITY OF INDEPENDENCE, MO
PUBLIC UTILITY ADVISORY BOARD***

**Public Utilities Advisory Board Hybrid Meeting Minutes
October 15, 2020**

PUAB MEMBERS PRESENT

Lawrence Porter, Chairperson
Mark McDonald, Vice-Chairperson
Joe Zsak
Garland Land
David McDowell
Bridget McCandless

OTHERS PRESENT

Mike Huff, Councilmember
Michael Steinmeyer, Councilmember
Sarah Carnes-Lemp, City Attorney
Bryan Kidney, Finance Director
Steve Wagner, City 7

PUAB MEMBERS ABSENT

Jack Looney

PRESENT FROM POWER & LIGHT

Adam Norris, Assistant City Manager
Jim Nail, General Manager
Khristina Irvine, Administrative Assistant III

PRESENT FROM WATER

Dan Montgomery, Director

Municipal Services

Lisa Phelps, Director

Chairperson, Larry Porter called the meeting to order at 2:31 p.m.

- A. Roll Call** - The Board was able to establish a quorum. All members were present except Mr. Looney
- B. Approval of minutes of the regular meeting on July 16, 2020 and approval of minutes of the regular meeting on August 20, 2020** – Ms. McCandless made a motion to approve both sets of minutes. Mr. Zsak seconded the motion. Vote was all in favor, motion passed.
- C. Reports –**
- 1. City Finance & Admin. Dept.**
 - a. September Utility Financials** – Bryan Kidney gave the update September Financials for all three utilities.
 - 2. Assistant City Manager**
 - a. Status of Dashboard Report** – Adam Norris stated the goal is to give this Board the information they need to help them make the best recommendations and understand the utilities the best as possible. We would like to get something like this out to you for next month. Please e-mail me to let me know if you see anything on the dashboard that is no longer needed or anything you would like added. Mr. Land stated he has noticed there have been comments on social media about issues related to their billings and estimated billings. Maybe we need to have some metrics relating to estimated readings since that seems to be coming up more often now. Adam replied we will look into that. Ms.



Municipal Services - Water - Power & Light

***CITY OF INDEPENDENCE, MO
PUBLIC UTILITY ADVISORY BOARD***

McCandless stated she would like to know the number of people requesting utility assistance for the various departments.

3. **Municipal Services** - Lisa Phelps gave the capital project quarterly update. The most interesting one to everyone is our bio solids, which is our \$5 million replacement of our incinerator. That is finally under construction and contractor is there every day. One of our new capital projects this year is our polymer relocation that has to come about to facilitate the new location of the bio solids system. Our sanitary neighborhood improvements are three different sites. One of them at 40th Terrace & Spring Street has been completed. The second site at Blue Ridge Terrace & 24th Street is under construction. The last one is 24 Hwy. east of Chrysler and construction on all three will be completed this calendar year. We are looking to replace the blowers at the plant to save energy costs there. Our SCADA replacement system at the plant is complete. The Arrowhead shopping project is scheduled to advertise next week on the 22nd with bid openings on November 11. 16th Street & Scott is complete. Moore & Spring is currently under construction and that is our biggest in house construction project to date. We are looking to install a manifold system at Kentucky Hills. We are looking at a concrete storage tank for the Kentucky Hills project. Our electrical substation rehab at the plant is complete. Lisa continued going over the new projects.
4. **Water**
 - a. **Utility Bill Pay Update on Delinquencies** – Dan Montgomery stated 11% of our customers are behind on their utility payments. \$1.1 million will have been obligated to the Community Services League for utility assistance. On November 1 we will be heading back to the disconnect route. We will still make arrangements with them, and we encourage delinquent customers to sign up with CSL because December 30 the CARES money will be gone. Mr. McDonald asked what we looked like this same period last year as far as delinquencies. Dan replied in 2019 it was \$869,000 and this year at the same time, the delinquent amount is \$1.7 million. Mr. McDonald asked Adam if the motion made at the last PUAB meeting about there not being shut offs for homes with school aged children who are doing their school work from home was brought before the Council yet. Adam responded that has not gone to the City Council yet. Mr. McDonald asked how many bills have been estimated and asked Adam to add that to the dashboard each month. Jim Nail stated our Meter Reading staff is set to support the number of reads that we do. Unfortunately, with the COVID issues we did have a Meter Reader test positive and two co-workers who had been in close contact with that individual also had to quarantine. We had another individual who sprained their ankle so they were on light duty. Our Meter Reading staff has taken a hit recently, so there have been some days where we did not have full staff to cover all the reads in the cycle. We do know how many are estimated each day and we can provide that information. Mr. McDonald asked how you estimate a bill. Dan replied the estimation would be based on the customer's usage a year ago for the same time period. The only people that complain about an estimated bill are the people who paid a lower estimated bill to start with and then had to pay the difference on the next month's bill. Dan stated there are 1,684 customers who are



Municipal Services - Water - Power & Light

***CITY OF INDEPENDENCE, MO
PUBLIC UTILITY ADVISORY BOARD***

behind on their bills right now, but that does not mean all of them would qualify for the CARES money. Mr. McDonald asked what the back up plans are when the Meter Reading Department is down four employees. Adam responded in this case we would contact the union hall and they would provide us temporary folks that can help us out. Jim said we have temporary folks who started this week. Mr. McDonald asked if this would eliminate bills being estimated. Dan responded the only way to completely eliminate estimations is by having something like AMI. Ms. McCandless asked Adam if we could see a comparison of other municipalities who run their own utilities and how they are doing estimated reads. Do they have the same amount that we have? Are they staffed differently and how have they approached that? I think that would help us to be using some benchmarks for ourselves about what we expect of our own utility. Mr. Porter asked if we are paying the CSL administrative cost. Adam replied I believe the agreement includes the administrative cost.

5. IPL

- a. Detailed Listing of all IPL Non-Operating Expenditures FY 2019-2020 Clarification** – Jim Nail asked the Board what types of expenses are you wanting to see. Mr. McDonald replied this was something I made a request to have Bryan provide us. Mr. McDonald stated I am looking for anything that is non-personnel related whether that be sponsorships, funding of particular groups, signage, and marketing. Common sense would tell you what we are looking for is what our average ratepayer is paying up and beyond what they are paying for beyond the usage for their utilities. I would also like that expanded to be able to see the Water and Municipal Services expenses also. Jim stated we'll have an update for you next month.
- b. Update on an Electric Rate Comparison for Municipally Owned Utilities within a 200 or 300 Mile Radius of Independence Missouri** – Jim Nail stated our staff is working on that now. Depending on whose website you go to you will find either a listing that includes Independence, Springfield, and Columbia or you will find a list of 30 or 40 municipals in Missouri. We are trying to sort that out to be sure we are giving you an apples to apples comparison, and we are reaching out to Kansas as well.
- c. Update on IPL Prioritization Process** – Jim Nail stated we have met with everybody but Mr. Zsak this week to start getting some input from you and to help answer questions. We will continue to work through that this month and next month to come up with a list of targeted priority items for IPL to work on and we will then present that to the PUAB. Mr. McDowell asked if Jim could generate something quickly so we can look at what everyone else has said. That might speed up the process, and I would like to have a second meeting with you after I have a chance to look at that. Jim responded we will work through this process with you. Mr. McDowell stated by Wednesday of next week I would like to have a report of what everyone has come up with and then let us start the second set of meetings with everybody. Mr. Porter stated I would not mind having a special meeting on November 5 or the 12th. Mr. Porter asked to have the meeting set up on November 12 at 2:30.



Municipal Services - Water - Power & Light

***CITY OF INDEPENDENCE, MO
PUBLIC UTILITY ADVISORY BOARD***

Jim also stated we have three big projects this year. Sub K construction is well under way. The second one is rebuilding the transmission line from Sub E to Sub F. Our third big project this year was a capacitor bank to provide voltage support on the Blue Valley Plant.

Mr. Porter stated I would like to have an update on our November 19 meeting in regards to the solar farms. Adam suggested the solar farms update be moved to December. Mr. Land responded that would be fine.

Mr. McDonald said he would like to thank the City Council for their work and for recognizing the PUAB and their role in the utilities. He made a motion to provide economic relief to our utility ratepayers. Per City of Independence Charter, section 3.16, item 9. May recommend to the executive or legislative officials of the city, programs for financing, use ownership, service, operation or franchising of public utilities operated within the city, including but not limited the recommendation of rate adjustments... We the Public Utility Advisory Board recommend a financial relief program to the Independence utility Rate Payers (amount and method to be determined by the City staff and City Council. This recommends all of our utilities participate: Water, WPC and IPL. Given the economic crisis of many of our ratepayers due to the current COVID-19 pandemic, it is critical that the financial benefit is recognized as soon as possible. Mr. Zsak seconded the motion. Mr. Land requested the motion be tabled until another meeting. Mr. Land stated the concern is we decided we would not bring things up during that meeting that was not on the agenda. Sarah Carnes replied it was passed and we did amend our rules and procedures probably in March or April. It is under article 3; paragraph two that any item that is to be placed on the agenda must be done 24 hours in advance. If you want to amend the agenda to allow for an item, you would have to take a vote to amend the agenda. Then vote on that, and if it passed, we can entertain Mr. McDonald's motion. The proper procedure if you want to take this up today would be a motion to amend. Mr. McDonald stated he would like to make a motion to suspend that rule for today's meeting. Mr. Zsak seconded it. Motion passed 4-2. Ms. McCandless stated in concert with Garland's concern about this being the last item of the meeting, when we do rate changes I want to be sure that we do it with good data behind us like how much, why, what's the fiscal impact to the utility budget, when is it applied? I feel like there are a lot of questions that you want to be sure that you answer when you do a rate reduction. Is it a temporary rate reduction? Is this a permanent rate reduction and how does it get rolled out? Mr. McDonald replied the City budget has no impact on Enterprise funds. You can look at the financials that we received today just to see how many dollars are sitting there in regards to unrestricted reserves. This motion is to bring up what Mr. Huff brought up back in March that we need to look at a way to give relief to the ratepayers. Mr. Porter stated we are not talking about a rate reduction. We are talking about a one time, or whatever the City Council decides. Mr. Land replied we are not sure what we are voting on. Ms. McCandless asked if we could at least clarify what this



Municipal Services - Water - Power & Light

***CITY OF INDEPENDENCE, MO
PUBLIC UTILITY ADVISORY BOARD***

sentence means that all of our utilities participate. Mr. McDonald stated it is a typo and we can add an s to recommends. Motion passes with four voting in favor and two abstaining.

D. Upcoming Agenda Items:

- 1. Missouri Sunshine Law Training-November** – Mr. Porter requested to move this training to the December meeting. Ms. McCandless asked if there is a procedure for how I can perceive the Sunshine Law to make sure that I am compliant. Sarah Carnes said she could send something.
- 2. IPL Prioritization Preliminary Report-November Special Meeting Set**
- 3. Utility Bill Pay Update on Delinquencies-November**
- 4. Recommended Cash Balance Policy-November**
- 5. IPL Prioritization Final Recommendations-TBD**

E. Board Member Comments

- 1.** Mr. McDowell asked Jim Nail that whenever you have time could you get that list together as soon as you can get it emailed out would be great. I would like to meet with you guys in 24-48 hours after.
- 2.** Mr. Land requested a possible future agenda item to be Water Dept. using staff to reconstruct some of the lines.

F. Due to Mayor Weir, declaring a State of Emergency for the potential risk to public health and safety related to the COVID-19 outbreak, the next regular meeting date and venue is to be determined at a later time. Next normal meeting is tentatively scheduled for Thursday, November 19, 2020.

G. Adjourn–Meeting adjourned by Mr. Porter at 3:56 p.m.