



City of Columbia, Missouri

Meeting Minutes

Water and Light Advisory Board

Wednesday, December 5, 2018
8:00 AM

Regular

701 E Broadway
Conference Room 4A

I. CALL TO ORDER

Mr. Fines called the meeting to order at 8:03 a.m.

Staff: Tad Johnsen, City Utilities Director; Ryan Williams, Assistant City Utilities Director of Water & Light; Sarah Talbert, Utility Financial Manager; Christian Johanningmeier, Power Production Superintendent; David Storvick, Engineering Manager; Matt Lucas, Rate Analyst; Terry Freeman, Utility Services Manager; Lissie Wade, Water & Light Communications Specialist; Chris Kisch, Sr. Administrative Support Assistant

Public: Stephanie Lerner, Missourian; Kelsie Kernstein, KMIZ-17 News; Kathy Doisy, CGC; Bill McKelvie, CGC; David Krine, Citizen

Present: 5 - Dick Parker, Robert Hasheider, Kim Fallis, Scott Fines and Robin Wenneker

II. INTRODUCTIONS

Mr. Fines did a round robin for introductions.

III. APPROVAL OF AGENDA

Mr. Hasheider requested to discuss the Water Rates and Rate Structure at 11:00 a.m. He noted there would be citizens representing community gardens present at that time. He also requested to add comment on the Climate Action Plan.

Mr. Dick Parker made a motion to approve the agenda as revised with a second by Ms. Kim Fallis. Motion passed unanimously.

IV. APPROVAL OF MINUTES

The November 7, 2018 meeting minutes were approved with changes on a motion by Mr. Dick Parker and a second by Ms. Robin Wenneker. Motion passed unanimously.

Attachments: [Meeting Minutes Draft 11 7 18](#)

V. FINANCIAL REPORT as available

Mr. Johnsen noted there was not a lot of information. Ms. Talbert advised there were items not noted in the report. She said the Capital Improvement Projects (CIP's) funded through Enterprise Revenue were removed and was reflected here. Ms. Talbert noted the Cash and Cash Equivalents for water was up from September and down slightly for Electric. She said Operating Revenues and Operating Expenses for water and electric were both down from September. Ms. Talbert added fewer operating expenses were incurred in the first month of the fiscal year, including purchase power and intra-governmental charges that had not been recorded yet. Mr. Parker asked about billing. He explained his conclusion was the customer used water and electric in one month, the customer is billed for that usage the following month, and the customer paid after that. He said if that was the correct process Finance was two months behind. Ms. Talbert explained once the customer was billed Finance would accrue that as revenue whether the customer had paid or not. She noted a September billing would be due in October, meaning only one month behind. Mr. Hasheider said usage to reading could be as long as three weeks then billing would take place in four to five days. He said he felt it could be as long as five weeks. Mr. Fines stated the water utility looked better for this Fiscal Year (FY). Ms. Talbert noted October represented 8.33 percent of the budget year. She said operating revenues for October was currently at 10.1 percent of budget and electric was currently at 8.6 percent of budget. Mr. Parker noted Sales to Public Authority for water had nothing budgeted. He asked if the utility sold water. Ms. Talbert advised the new billing system would not track that. She noted it had been moved to Residential and Commercial. Mr. Fines asked why it was still a line item on the report. Ms. Talbert said Sales to Public Authority still included electric. Mr. Fines asked why not include electric with Residential and Commercial. Ms. Talbert advised in the past the utility was able to track electric separately. She continued saying the new billing system did not have separate spreadsheets. Mr. Hasheider stated at the last meeting the finance report was preliminary, now the Water and Light Advisory Board (WLAB) was looking at the October report and it too was preliminary. He asked when the WLAB would get the final FY report. Mr. Johnsen advised that would be when the audit was complete, adding the audits were normally completed in January. Ms. Weneker verified the WLAB would not see final figures for the finance report until after the audit was completed in January. Mr. Fines advised they could go to the Comprehensive Annual Finance Report (CAFR) site but there would be no final reports for the WLAB until after the audit was completed. Mr. Fines expressed the hope for the final report at the February, 2019 meeting.

Attachments: [01-October 2018 Statement Memo](#)

Attachments: [01-October 2018 Financial Statements](#)

Attachments: [October Financial Statements comments](#)

Attachments: [Summary Change In Revenue & Expense - FY19](#)

Attachments: [Summary Change in Billed usage for Water and Electric](#)

VI. NEW BUSINESS

Mr. Fines introduced the annual agenda, pointing out the CAFR review in February. Mr. Johnsen brought to the attention of the WLAB the January, 2019 meeting was scheduled for January 2, 2019. He asked if there was any interest in moving that meeting to January 9, 2019. Mr. Johnsen advised the WLAB the North American Electric Reliability Corporation (NERC) report would not be ready by January 2, 2019. Mr. Parker noted he was available either date, Ms. Wenneker stated she was not available until January 15, 2019. Mr. Fines advised a decision was needed by the end of this meeting. After a short discussion, the WLAB agreed to schedule the next WLAB meeting for January 9, 2019. Mr. Parker said he felt the need to discuss the Rate Philosophy at least one month earlier in the month of March. He noted he would like to discuss the Capital Improvement Projects (CIP's) adding he did not see a CIP philosophy. Mr. Parker said he did not see the impact on the CIP's. He noted he felt it was appropriate for the WLAB to weigh in on proposed construction projects. Mr. Johnsen advised the CIP was normally introduced in May. Mr. Hasheider noted it was the philosophy not the budget that was requested to be discussed. He added he would like to discuss what the WLAB review should actually be. Mr. Hashedider advised he did not feel the WLAB had the tools to access this information and felt the WLAB had no input on the CIP's. Mr. Johnsen advised it was Mr. Williams who provided that information. Mr. Hasheider said he was interested in the WLAB's role and wished to discuss the whole process including how the projects were added. Mr. Fines suggested calling it Budgeting Philosophy and felt March was a good time. It was decided the "Budgeting Philosophy" would be discussed in March, 2019. Mr. Parker informed staff he would like to add a report on electric resources for the month of November. He said at the last meeting staff stated they would have a breakdown of the various sources for electric transmission costs, fixed costs, payments made, city-owned sources, and megawatt hours (Mwh) used and billed. He added he would like this information on an annual basis to follow where payments go. Mr. Fines advised November was a busy month and suggested December. Mr. Parker agreed December would work. He added he felt it was a simple task to pull the requested information. Mr. Johnsen confirmed he wanted this on a yearly basis. Mr. Parker replied it was. Mr. Johnsen advised it could be a part of the planning process and suggested the name of "Detailed Production Report". Mr. Fines stated this report would be expected next year and suggested Ms. Talbert or Mr. Johanningmeier could discuss and decide the format. Mr. Hasheider noted October was Public Power Month and suggested the WLAB interface with the public to encourage citizens to attend the meeting. He suggested October, 2019 be an evening meeting so more citizens could attend. Mr. Fines stated he thought it was a good idea to include an evening meeting for the WLAB at least once yearly. He said October seemed like a good time for that. Mr. Parker stated he did not feel it should be a regular meeting but should be an independent meeting and felt if the decision was made now it would have time to be added to the City Source Newsletter. Ms. Wade advised the requirement was a two month advance notice. It was decided the

October, 2019 meeting would be an evening meeting.

Mr. Dick Parker made a motion to approve the Annual Agenda with the discussed revisions with a second by Ms. Robin Wenneker. Motion passed unanimously.

Attachments: [2019 Annual Agenda and Meeting Schedule](#)

VII. OLD BUSINESS

None

VIII. DIRECTOR'S REPORT

a) Water Main Breaks Procedure

Mr. Johnsen noted Mr. Williams had a memo with the information on boil orders and procedures. Mr. Williams advised the WLAB the information in the memo was a preview of where the procedures were heading. He said the Missouri Department of Natural Resources (DNR) created a pilot program to investigate Low Pressure Events (LPE's). Mr. Williams explained that helped lead to a revision of the American Water Works Association (AWWA) Standard on Disinfecting Water Mains. He advised Columbia Water and Light (CWL) would like to use these new classifications to alter their procedures when dealing with main breaks as well as when to implement Boil Advisories and Orders pending the official adoption by DNR. Mr. Williams explained when a water main breaks, CWL must localize the repair and issue boil advisories for any LPE. He advised Boil Advisories were voluntary and Boil Orders were DNR required. He said the goal of the program was to create a consistent method of communication between water systems and the department as well as a more consistent standard for the issuance of boil advisories and boil orders. He noted there were 172 breaks last year. Ms. Fallis asked how many Boil Orders there were out of the 172 breaks. Mr. Williams replied none. Mr. Johnsen explained when there was a Boil Order the break was large enough that chlorine would not be able to handle the disinfecting process. Mr. Williams explained the different classifications of water main breaks as:

- Type I Break - Breaks are repaired under pressure. The repair site can be cleaned and disinfected such that there are no signs of contamination. These type breaks do not require boil advisories or bacteriological samples.
- Type II Break - During these breaks, the water main is depressurized in a controlled shutdown after preparing the repair site. These repair sites can be cleaned and disinfected such that there are no signs of contamination. The repair is followed by flushing of the pipe. These breaks do not require boil advisories or bacteriological samples.
- Type III Break - These breaks lose pressure during the break and are a partially controlled or uncontrolled shutdown. There is the

possibility of contamination. The repair should be cleaned and disinfected as is procedure. Customers should be instructed to flush their plumbing upon return to service. These breaks have two different situations if the depressurization is not larger than the treated area no boil advisories or bacteriological samples are required. However if the depressurization is larger than the treated area boil advisories and bacteriological samples are required.

- Type IV Break - These breaks are catastrophic breaks that include widespread depressurization in the system. These breaks will always require bacteriological samples as well as boil orders.
- For all breaks the residual disinfectant level should be checked before returning the main back into service.

Mr. Williams advised the majority of CWL's breaks were Type I and II. Mr. Parker asked for clarification of "flushing of the pipe". Mr. Williams explained it was a rapid flow of water through the main. Mr. Parker noted the need for more explanation or meaning. Mr. Williams advised CWL works with DNR and other water suppliers to get these adopted. He then explained the procedure for notifying customers of boil advisories as:

- 02 - 20 pounds per square inch (psi) receive a door hangtag
- 20 - 200 psi receive a door hangtag and a robocall
- Over 200 psi receive a robocall and a press release would be issued

Ms. Wenneker asked what the turn-around time was for a bacterial test. Mr. Fines replied 24 hours. Mr. Williams agreed. Ms. Fallis asked if there was public notification for break types I and II. Mr. Williams replied there was no public communication until the break was a type III. Mr. Parker asked if this was going to be DNR standards. Mr. Storvick advised it was going to be AWWA standards. Mr. Johnsen explained this was to make the WLAB aware of what would be coming up.

Attachments: [MEMO- Main Breaks smc112918](#)

b) Renewable Energy

i) Impact Methodology

Mr. Johnsen said information presented here was for discussion on proposed changes to the renewable energy impact methodology and no decision was expected at this meeting. He said included was a section of "Costs of Renewable Energy". Mr. Johnsen asked the WLAB to look at the last page of the memo. He directed attention to the columns saying the premise was the Locational Marginal Pricing (LMP) price and how it impacted cost. Mr. Johnsen gave explanation of what the columns meant and how the calculations worked. He said this was a simple way to treat every resource tied to incremental costs. Mr. Johnsen noted the calculations did show a reducing impact on wind and Crystal Lake II was showing a cost benefit. He said the utility did what the renewable ordinance asked and decision making was not part of the process. Mr. Johnsen added the impacts were based on how things were

presently done. Mr. Fines asked if the chart compared resources to Sikeston. Mr. Johnsen replied yes. Mr. Fines asked if on a year to year basis if that could change. Mr. Johnsen said yes, incremental costs change. Mr. Fines asked for an explanation on why landfill gas was more expensive. Mr. Johnsen advised there was a swap for incremental costs. Mr. Fines said there was an increase with solar also. Mr. Lucas advised in the past when based on LMP that was only when solar produced and by switching the comparison cost that would drop. Mr. Johnsen advised LMP was production weighted. Mr. Johnsen told the WLAB this was what staff had to present. He asked them to review the information, talk with staff, or even schedule a special meeting to discuss the revisions. Mr. Parker noted two concerns: 1) Capacity Cost - he said the consultant based that on how it impacted Columbia during the peak period. He noted it had nothing to do with capacity requirement. Mr. Parker noted he would like to see the renewable energy be consistent as the ordinance stated. He said the ordinance should be written to permit what needs to be done to meet the planning process and 2) Net Metered and Photovoltaic (PV) - he said he disagreed with the cost. He stated the rate needed to be changed to recover the cost adding the net metered customers should cover their impact. Mr. Hasheider pointed out Council had voted to change the ordinance to include CWL in the methodology. He noted he was unsure how the utility intended to approach that. Mr. Johnsen advised there was no pre-described mission and staff would always work with the WLAB. He noted next year the report would reflect the changes from Council.

Attachments: [Memo Renewable Energy Methodology](#)

Attachments: [REP Sec](#)

ii) Purchases

Mr. Johnsen noted there was inquiry on Crystal Lake production. He began by pointing out it had been a bad year for wind. Mr. Johnsen noted Bluegrass, Crystal Lake I and II production was down. He said there had been issues at the landfill. Mr. Johnsen advised there was concern of falling short of the 15 percent this year. Mr. Williams noted it appeared it could be as much as 25 Mwh short of the 15 percent. He said the utility worked with The Energy Authority (TEA) to ensure it met the 15 percent. Mr. Parker asked if the resources TEA looked at in MISO if they would be from within MISO. Mr. Williams replied it would be in the MISO market. Mr. Parker said he preferred there be generation sources and should not be limited. Mr. Williams noted there would be more at a premium with MISO and other options could be explored. Mr. Johnsen advised the utility looked at MISO as that was where the utility's load was from. Ms. Fallis asked what the percentage would be. Mr. Williams replied he expected it to be maybe one or two percent below the 15 percent. Ms. Fallis asked what that cost would be. Mr. Williams replied the cost was one dollar per Mwh. Mr. Hasheider said he was curious what the utility planned to avoid falling short again. Mr. Johnsen advised the utility had felt it was where it should have been but wind did not provide what it was thought it would. Mr. Fines advised the utility should do what was needed to comply with the ordinance.

Attachments: [RER 1810](#)

c) Water Rates and Rate Structure

Mr. Johnsen said included with the memo was information from the public outreach meeting. He said Ms. Wade had put together all the information received and had that posted on the City's website. He noted there was a summary from the survey results, an update on the timeline for the process, and staff recommendations. Mr. Johnsen said with the rate structure there was a sheet with information on where the utility could be with the recommendations. He noted staff took the current rates and the consultants' recommendations for FY2020 and came up with staff's recommendations. Mr. Johnsen advised staff recommended to follow the consultants' Individualized Block Rate Design proposal except the FY2019 water rates proposed by the consultant would be replaced with phased-in water rates to allow for a two year transition from current water rates and rate structures to the water rates and rates structure proposed by the consultant for FY2020. Staff was recommending the phased-in or transition approach for the following reasons:

- The impact on customer costs are more gradual and can be better planned for
- Will allow an increased time for water conservation programs to be developed and communicated to the community
- Provide a better opportunity for customers to understand and implement water conservation programs
- Allow for the utility to assess the financial and physical impacts resulting from the proposed rate and rate structure changes

Ms. Talbert advised the consultants' recommendations did not include a phased-in process but staff's proposed recommendations did. She noted Tier 3 was reduced and Tiers 1 and 2 were phased-in. Mr. Fines asked if there was a bill impact. Ms. Talbert replied there was. She said there was a slight decrease per month with staff's recommendations versus the consultant's recommendations. Ms. Talbert noted staff also recommended using Winter Quarter Averages. Mr. Hasheider asked if 4 CCF was the minimum in Tier 3. Mr. Johnsen replied it was for Winter Quarter Averages. He added the Winter Quarter Averages would need to be standardized for customers to understand the rate structure. Ms. Doisy suggested placing an asterisk (*) next to CCF with the explanation at the bottom of the page. Ms. Talbert noted that could be a possibility. Mr. Johnsen explained where the group was now. He said the information was given to the WLAB and what staff recommended. The next step was to submit recommendations to Council at their next meeting. Mr. Johnsen advised the WLAB had the next 30 days to get their recommendations to Council. Mr. Hasheider stated he felt both the consultant and the staff recommendations gave hefty costs. He introduced guests from the Community Garden Coalition (CGC) and the Columbia Center for Urban Agriculture (CCUA). Ms. Doisy explained the group supported approximately 31 community gardens and they were all on hydrant systems. She noted the CGC helped with paying the water for three of them. Ms.

Doisy said all of the community gardens would be affected if these were not taken into consideration. She said these community gardens not only share food with their families but with their neighbors, food pantries, and low income citizens. She advised 88 percent of the food from these gardens were shared and served all types of citizens. Mr. Parker provided a handout recommending the ordinance be changed to read as follows to reflect that issue:

Community Garden Definition - A food producing garden that fits one or more of the following criteria:

- It is maintained by multiple households utilizing individual or shared plots.
- It serves the public interest or produces a public benefit. Examples include providing food to feed families in need or used for educational purposes.

Mr. Parker stated he felt it should be a utility requirement for community garden meters if nothing else ran off the meter. Mr. McKelvie noted one garden site off College Avenue and another site by the ARC that were designated to food pantries and educating children that do have irrigation systems. He said 17,000 pounds of food was donated and the cost for that would rise significantly. Mr. McKelvie stated he felt Mr. Parker's proposed ordinance change would help in keeping the cost down. Ms. Doisy agreed it would be a challenging effect on some larger ones but felt growing food in gardens was not the same as conservation. Mr. Johnsen said if the WLAB was interested in this to endorse, this would be water rate specific use. He advised the WLAB to provide staff with what they felt was needed and staff would present it to the Legal staff to investigate what was required to implement that. Ms. Fallis asked if there was a way for residential customers who had gardens to ensure they did not go above 170 percent. Mr. Hasheider advised there was a huge range in garden sizes but the smallest had a maximum summer usage of 3 CCF. He added if the minimum was 4 CCF it may be 1 CCF above. Ms. Fallis asked who was responsible for the cost of irrigation meters. Ms. Talbert advised it was the customer. Mr. Fines said he had two issues 1) if or how to introduce community gardens, 2) rate of rate structure as written today. Ms. Wenneker noted she had concerns with applying one sub-group. Mr. Parker advised not including single family gardens and keeping with community gardens for the low income. Mr. Johnsen asked if there was any consideration for Council. Mr. Parker noted irrigation meters were not structured on the commercial meter rate of Tier 1. Mr. Johnsen noted that was seasonal and not a constant. Mr. Fines advised he was not thrilled with the increases on the fixed charges. Mr. Parker felt the base rate charges had too high of an impact on low income customers. He said the base rate should be based on what it takes to serve a customer not based on service ability as it was currently. Mr. Hasheider advised staff had come in with an alternate proposal not previously discussed. He said the WLAB was not obligated to endorse or to not endorse. He said he was not willing to change his opinion on where the rate should be. Mr. Hasheider noted it was a very fortuitous year to raise rates adding the income predicted may be lower. He said actual cost for

bond was less this year and was important to do now not later. Mr. Hasheider advised he preferred to keep the consultant's proposal. Mr. Parker noted he had concern with the gradual approach that next year Council would say to increase the rate across the board and the utility would not get to Tier 2 or even a phased-in tier. He noted based on assumption he suggested recommending the consultant's rates. Mr. Parker said they have a larger shock value on base rate for FY2020 but maintained the Tier 3 rate higher. He added at some point the WLAB should review the Cash Reserve. Mr. Johnsen agreed. Mr. Hasheider advised looking at this from the customer stand-point. He said they came to the public outreach meeting and if things were changed now with staff recommendations he felt public perception would not be good. Ms. Wenneker stated the timeline shared at the public outreach meeting noted staff would be making their own recommendations.

Mr. Jay Hasheider made a motion for staff to work on a rate to address food production and multi-family customers that work with the intent to allow people to produce food in such a shared fashion and approved by the department in Tier 2 with a second by Mr. Dick Parker.

Mr. Jay Hasheider amended his motion. He motioned for staff to work on a rate to address food production and multi-family customers that include four families or more that work with the intent to allow people to produce food in such a shared fashion and approved by the department in Tier 2 with a second by Mr. Dick Parker. Motion passed unanimously.

Mr. Jay Hasheider made a motion to consider the consultant's proposal of an Individualized Block Rate Design with a second by Mr. Dick Parker. Motion passed unanimously.

Ms. Robin Wenneker made a motion for the WLAB to endorse staff's rate proposal recommendations with a second by Ms. Kim Fallis. Motion passed three to two. Roll Call: Aye: Ms. Robin Wenneker, Mr. Kim Fallis, and Mr. Dick Parker; Nay: Mr. Jay Hasheider, Mr. Scott Fines.

Mr. Jay Hasheider made a motion to submit endorsement of consultant's proposed rates recommendations with a second by Mr. Dick Parker. Motion passed three to two. Roll Call: Aye: Mr. Jay Hasheider, Mr. Dick Parker, Mr. Scott Fines; Nay: Ms. Kim Fallis, Ms. Robin Wenneker.

Attachments: [Memo Water Rates and Structures](#)

Attachments: [Customer Water Rate Questions](#)

Attachments: [Staff Rate Proposals Information - W&L Advisory Board](#)

Attachments: [Survey Responses](#)

Attachments: [Water Rates Time Line](#)

IX. CHAIRMAN'S REPORT

a) Interview Panel Participant

Mr. Fines noted historically the Chair member participated in this. He noted he would be available to attend. Ms. Fallis noted Human Resources (HR) was her background and advised she was interested in being a participant as well as long as the date and time allowed. Ms. Wenneker motioned for Ms. Fallis to be the participant with Mr. Fines as a backup. The WLAB agreed Ms. Fallis would attend if the date and time allowed.

b) Climate Action Plan Update (Jay Hasheider)

Mr. Hasheider advised there was a first look at the actual Climate Action Plan followed by a staff meeting. He noted energy was a huge item and there was a need to ensure the utility would know what it could do. Mr. Hasheider said the Climate Action Plan was moving forward to a decision being made adding this would be done in June. He noted Mr. Williams would be attending the January, 2019 Climate Action Plan meeting with a presentation for the group.

X. GENERAL COMMENTS BY PUBLIC, MEMBERS AND STAFF

Mr. Hasheider asked about the Lineworker study and if the salaries were still at a dismal rate. Mr. Johnsen advised HR was working on putting that information together for staff to bring back to the WLAB.

XI. NEXT MEETING DATE

January 9, 2019

XII. ADJOURNMENT

The meeting adjourned at 12:50 p.m.

Members of the public may attend any open meeting. For requests for accommodations related to disability, please call 573-874-CITY (573-874-2489) or email CITY@CoMo.gov. In order to assist staff in making the appropriate arrangements for your accommodation, please make your request as far in advance of the posted meeting date as possible.