



City of Columbia, Missouri

Meeting Minutes

Water and Light Advisory Board

Wednesday, October 3, 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; Brain Adkisson, Communications & Marketing Manager; John Glascock, Deputy City Manager; Christian Johanningmeier, Power Production Superintendent; Matt Lucas, Rate Analyst; Terry Freeman, Utility Services Manager; Lucia Bourgeois, Energy Technician; Lissie Wade, Water & Light Communications Specialist; Chris Kisch, Sr. Administrative Support Assistant

Public: Stephanie Learner, Missourian; Dan Shifley, Dogwood Solar; Philip Fracica, The Rural Missourian; Tom O'Connor, Solar Engineering; Kirstie Crawford, KMIZ-17

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

II. INTRODUCTIONS

Introductions were made.

III. APPROVAL OF AGENDA

Mr. Scott Fines made a motion to approve the agenda with a second by Ms. Kim Fallis. Motion passed unanimously.

IV. APPROVAL OF MINUTES

The September 5, 2018 meeting minutes were approved as submitted on a motion by Mr. Dick Parker and a second by Mr. Scott Fines. Motion passed unanimously.

Attachments: [Meeting Minutes Draft - 09.05.18](#)

V. FINANCIAL REPORT as available

Mr. Johnsen explained there was not much to discuss but the next meeting would be dedicated to the end of year financials. Mr. Fines provided graphs reflecting monthly net income, saying there were standard deviations and could measure net income on

any given day. He explained the “X” was for the current year’s water and electric. Mr. Hasheider asked what the year span was. Mr. Fines advised it included the last ten years. Mr. Fines noted he could share the spreadsheet with the group if there was any interest. Mr. Hasheider expressed interest in receiving that. Mr. Fines stated he was surprised how high the month of July was he thought it would have been the month of August. Mr. Johnsen stated it was due to usage billed. Mr. Hasheider asked about the delay time in billing. Ms. Talbert advised it was one month, explaining the process was to read the meter, bill for the usage, and then the customer had twenty days to pay their bill. Mr. Parker noted purchased power was up by one percent, usage was up by two percent, and power was down. He asked what moved the power cost down. Mr. Johnsen explained there were two factors; consumption and market price. Mr. Parker asked what drove expenses down. Mr. Johnsen advised that would need to be looked into. Mr. Parker asked how the MISO average was varying. Mr. Fines stated he had reviewed the report MISO presented and that information was included in the report. Mr. Fines requested clarification on the net income for water. He stated the memo noted \$2,117,492 but the financial report showed \$660,761. Ms. Talbert explained the \$2,117,492 was listed on page five under “net income (loss) transferred to retained earnings”. Mr. Fines verified the report included the eleven months ending August 31, 2018. Ms. Talbert answered it did. Mr. Parker suggested changing the date on the page headings of the financial reports to say “Month of August 31, 2018” or “Month Ending August 31, 2018”. Mr. Johnsen clarified he was asking for single month detail. Mr. Parker advised he was. Mr. Hasheider stated he felt confused. He said the data for net income did not fit, adding four million was high. Mr. Hasheider stated he thought September, 2017 was warmer than July, 2018. Ms. Talbert advised she would have to review the October statement and do some research. Mr. Hasheider referred to page five of the financial report saying both water and electric had increases of 4000 percent above a year ago without any rate increases. Mr. Hasheider stated this was a phenomenal increase. Mr. Johnsen advised he would need to look into that. Mr. Hasheider noted he had mapped electric and water usage. He added electric usage was up but water usage had declined over a ten year history. Mr. Hasheider said that was pretty significant. He stated water usage was moving in two directions. Mr. Hasheider requested the load factor for electric and the max day pumping for water for the last ten years. Mr. Williams advised the max load factor for electric was 263 kilowatt hours (KWh) and the max day pumping for water was 22 million gallons per day (mgd). Mr. Hasheider asked if it was possible to get that information in the report. Mr. Johnsen noted the electric load factor was important but water was different as it is stored. Mr. Fines asked about max day values. Mr. Johnsen advised there was an item on the annual agenda that included the usage report and that information would be provided at that time. He noted that would be at the next meeting. Ms. Talbert advised the October, 2017 financial statement showed electric at 5.2 million and then 5.9 million for October, 2016. Mr. Fines asked for clarification that it was not 2.3 million. Ms. Talbert stated that would likely be the combined. Mr. Hasheider

pointed out the total would 3.5 million if it were combined. Ms. Talbert advised she was unsure about the 2.3 million but would verify that information.

Action Items:

Mr. Johnsen advised he would need to look into what drove expenses down for power cost.

Ms. Talbert advised she would have to review the October statement and do some research on why data for net income did not fit.

Mr. Johnsen advised he would need to look into the 4000 percent increase in both water and electric.

Ms. Talbert advised she was unsure about the 2.3 million but would verify that information.

Attachments: [11-August 2018 Statement Memo](#)

Attachments: [FY 2018 August Financial Statements](#)

Attachments: [Summary Change In Revenue & Expense - FY18](#)

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

Attachments: [August Financial Statements comments](#)

VI. NEW BUSINESS

None.

VII. OLD BUSINESS

a) Water Rates

i) Outreach Plan & Meeting Date

Mr. Johnsen advised the memo described what was being done. He added staff would like feedback on the approach and content. Mr. Johnsen explained information would be put together for the public in order to get good feedback. He noted staff from Community Relations would have mailings, Facebook notifications, etc. Mr. Johnsen said the Water and Light Advisory Board (WLAB) meeting was scheduled for November 7, 2018 and was hoping to have the Public Outreach that evening. He explained staff would begin the presentation; the consultant would also be present; and then have questions from the public. Mr. Johnsen stated if the WLAB had information requests to direct those to Ms. Kisch. He explained the requests would be gathered then answers would be provided. Once this was complete the list would be provided to the WLAB. Ms. Fallis stated the last request for information was not received before the hearing and she would prefer to get this

information before the public outreach. Mr. Fines suggested any items the WLAB wanted beforehand to be specific or precise versus detailed. He added one question could be the number of people impacted and felt it would be beneficial to have that answer. Ms. Wenneker agreed it would be good to have answers to questions people ask the most. Mr. Johnsen advised if the WLAB wanted the list before the public hearing that could be done. Ms. Fallis asked about the timeline. Mr. Johnsen noted he hoped by the end of the year. Ms. Fallis asked if there would be someone that would be able to provide customer information at the outreach meeting. Mr. Johnsen advised there would be Customer Service Representatives (CSR's) available for that. He added the customer could also pay their bill if needed. Mr. Fines asked the WLAB if they would be available for November 7, 2018. It was noted the WLAB agreed with the November 7, 2018 meeting date for the Public Outreach meeting. Mr. Parker stated he felt rates should be provided for residential, commercial, and irrigation customers. Mr. Johnsen asked how much information was wanted and what should be included. Mr. Parker noted the following:

- Upper level rates - doubled
- Irrigation rates - doubled

Mr. Parker stated this information needed to be provided. Mr. Fines disagreed saying he felt it should be delivered at the outreach meeting. Mr. Parker explained the percentage was of no particular interest to most people but doubled rates would be. Mr. Fines noted only if the rates doubled. Ms. Fallis agreed with Mr. Parker saying there needed to be more than just rates are going to change. She suggested saying "could be significant changes". Mr. Johnsen recommended "Water Rates Going Up" in large letters similar to a flyer. Ms. Wenneker suggested showing the current rates and then where the rates could be. Mr. Fines advised against using the words "proposing or proposed". He noted people were not interested in the water but were more interested in their bill. Ms. Fallis suggested "How This Impacts You" might draw attention to get more attendance. Mr. Fines thought letting customers know CSR's would be on hand to help look at their bills could help. Ms. Talbert pointed out the CSR's could look at current and past bills but could not provide any explanations. Mr. Hasheider asked if there was a proposed rate. Mr. Johnsen noted the consultant did but the utility did not. Mr. Johnsen explained four percent revenue was needed and the rate would decide the structure required. He added as of now there was no proposal to Council. Mr. Johnsen said the process was to educate to allow the public to participate. Mr. Parker noted the proposal should include a third tier and suggested 8 CCF start that tier. Mr. Fines disagreed saying the goal was to get the public to the meeting and that could be discussed there. Ms. Wenneker asked Ms. Wade for her thoughts. Ms. Wade advised the public would not want specific proposed information. She said the idea would be to find what was of interest to them then give the information once they were at the meeting. Mr. Adkisson added the middle ground would be the best route and suggested saying "could be possible changes". He added including just enough information but not too much. Ms. Wenneker noted CCF should be defined. Ms. Wade stated she agreed with Ms.

Wenneker and Mr. Fines that a list of common questions would be beneficial. Mr. Parker stated the rates should be designed to put the cost on the high summer users. He added the cost should be on those who drive the cost. Mr. Johnsen noted that was the intent. Mr. Fines advised the consultant's rate may not happen and there could be another option come from the public outreach meeting. Mr. Johnsen stated if there was a drastic change it would need to be phased in. Mr. Johnsen asked about online feedback. Mr. Adkisson advised there could be something maybe a survey after the public outreach meeting. Mr. Hasheider asked if there was a phased approach. Mr. Johnsen noted there was not one planned. Mr. Hasheider stated he expected to see a phased approach after the November 7, 2018 meeting. He added rates should be separate from the budget and should be done at a different time. Mr. Hasheider said people have said:

- Cost of Service (COS) studies were favored
- Promised three percent, now more and unfair

He stated he did not see how that generated openness. Mr. Fines advised there was no reason the WLAB could not make recommendations of their own. He stated the hope was to get the public informed. Mr. Fines said the WLAB could get public opinion and make recommendations from there. Mr. Hasheider noted summer water usage was up but there was nothing in the consultants plan addressing irrigation as the driver. Mr. Johnsen advised the comments from the last meeting had been delivered to the consultant and hoped to have the update before the outreach meeting. Mr. Fines stated now was the time to ensure the presentation included how irrigation affects the water system. He added it could be presented by either the WLAB or staff. Ms. Wenneker asked if the consultant could. Mr. Johnsen stated he could include it with his presentation. Ms. Fallis agreed it should be included. Mr. Hasheider asked about winter quarter averages. Mr. Johnsen advised the consultant had been asked to do that. Mr. Parker asked if winter quarter averages could be done for residential. Ms. Talbert noted she would check into that. Mr. Parker noted the consultant did not address the change in usage. He said large households could get caught in this in terms of fairness. Mr. Parker stated there should be a better option and the consultant ignored this along with other things. Mr. Johnsen advised there was difficulty getting information to the consultant due to software issues. He noted he believed the issues had been resolved now. Mr. Fines explained the focus was on the November 7, 2018 outreach meeting and the WLAB needed to request specific items for staff to include. He added the WLAB should also include pieces they wanted staff to have at the meeting. Ms. Fallis requested a note on irrigation while Mr. Fines requested winter quarter averages. Mr. Fines stated he would like to see at the outreach meeting the following:

- Average residential usage for the last 12 months
- A list of the top 10 percent of users
- A list of the lowest 10 percent of users
- The cutoff for the 10 percent below 8 CCF
- The percentage of customers that exceed 8 CCF

Ms. Fallis asked if the consultant would be attending the WLAB meeting that morning. Mr. Fines stated the WLAB would prefer the consultant be at the WLAB meeting on the morning of November 7, 2018 with information on winter quarter averages. Mr. Hasheider stated the public had voted on a three percent increase and would like that to be addressed along with what the City Water Bond Issue promised. He added he would like to discuss the bond issue and the legalities. Mr. Johnsen clarified he was requesting the debt service requirement and how it was presented. Mr. Hasheider said he would also like to know what the revenue at risk would be. Mr. Parker suggested a meeting the week following the outreach meeting. The WLAB agreed to meet on Wednesday, November 14, 2018 at 9:00 a.m. to devise a final proposal. Mr. Parker concluded saying only 15 percent of the customers were affected but the report noted 85 percent were affected.

Action Items:

Mr. Parker asked if winter quarter averages could be done for residential. Ms. Talbert noted she would check into that.

Ms. Fines stated the WLAB would prefer the consultant be at the WLAB meeting on the morning of November 7, 2018 with information on winter quarter averages.

Mr. Hasheider stated the public had voted on a three percent increase and would like that to be addresses along with what the City Water Bond Issue promised. He added he would like to discuss the bond issue and the legalities.

Hasheider said he would also like to know what the revenue at risk would be.

Attachments: [Memo Water Rates Coummuity Outreach](#)

Attachments: [Community Outreach Plan - Proposed Water Rate Structure](#)

VIII. DIRECTOR'S REPORTS

a) Renewable Energy

i) Annual Report Revision

Mr. Johnsen began saying this item had been tabled from the last meeting. He noted staff wanted feedback and/or advice on how the WLAB wanted to see the methodology change. Mr. Johnsen advised this was the opportunity to do so. He noted he understood capacity credit was one area the board was interested in. Mr. Fines stated rebates were second. Mr. Parker provided a handout regarding the renewable energy ordinance calculation of impact on rates. He emphasized the WLAB has had an issue for many years regarding the interpretation of the ordinance. Mr. Hasheider introduced Mr. Dan Shifley with Dogwood Solar and Mr. Tom O'Connor with Solar Engineering. He stated the utility did not report the amount and cost produced by rooftop solar. Mr. Hasheider said there had been different aspects

discussed, the issue had been brought to Council's attention back in May, and Mr. Matt Pitzer had requested if the terminology was changed to allow the utility to account for all rooftop energy. He noted Ameren accounted for rooftop energy exactly as proposed along with other utilities across the country. He advised he had spoken to others that want their rooftop energy accounted for as well. Mr. Hasheider said if the utility accounted for the energy produced it would be substantial. He added there would be less cost for the utility with more benefit for the community. Mr. Hasheider noted Mr. Pitzer had requested to change "Electric Retail Sales" to "Electric Retail Use". Mr. Parker stated it was a simple change. He said to count all as renewable energy and add Photovoltaic to total demand to the the percentage. Mr. Johnsen clarified he meant one approach by adding generation and load. Mr. Parker confirmed. Mr. Hasheider pointed out Mr. Pitzer said to look at changing "sales" to "usage" then bring that back to Council. He added he would like to change "Electric Purchased" to "Electric Produced". Mr. Hasheider noted he would like for the WLAB to move forward for Council to change the wording from "Electric Retail Sales" to "Electric Retail Usage". Ms. Weneker asked about the effect with the word changed from sales to usage. Mr. Johnsen noted sales leave good numbers adding there was currently no way to measure solar energy generated. Mr. Lucas pointed out production behind the meter was estimated. He added other utilities require production meters. Mr. Fines clarified production meters were meters between that captured the energy produced. Mr. Lucas confirmed he was correct. He added more than half of the estimated production was behind the meter. Mr. Lucas noted in one day, an air conditioner could use energy that would not always come to the utility. Mr. Parker asked about the amount of variation. Mr. Lucas advised last year there was an estimated 4600 megawatt hours (mWh) for one commercial customer. Mr. Shifley stated Boone Electric Coop (BEC) provided production meters. He added BEC would supply the meters and the contractor would install them. Mr. Fines noted the 15.5 percent on the renewable energy report. He said people read that differently. He requested information on what it really meant. Mr. Parker stated it meant that was the percentage the utility was receiving. He added the utility was on track with their goal. Mr. Parker explained the number came from the renewable energy. Mr. Fines asked what the public interpreted it as. Ms. Fallis stated she presumed it meant 15.5 percent of renewable energy was being produced from this utility. She added she felt others probably did too. Mr. Parker noted the interpretation was not unusual. He added some believe the power plant produces all Columbia's energy. Mr. Shifley stated it was his understanding the 15.5 percent accounted for all energy produced. He noted he felt the utility was under reporting the renewables as he felt the solar percentage should be higher. Mr. Parker advised it made a difference to the people who have installed rooftop solar. He added they should be getting credit for what was being produced.

Mr. Jay Hashieder made a motion to propose changing "Electric Retail Sales" to "Electric Retail Usage" and have staff take the changes to Council

with a second by Mr. Dick Parker. Motion passed 3-2, Aye from Ms. Kim Fallis, Mr. Dick Parker, and Mr. Jay Hasheider; Nay from Mr. Scott Fines; Ms. Robin Wenneker abstained.

Attachments: [Memo Renewable Energy Report Rev](#)

Attachments: [NM PV Renewable Impact CapRev](#)

Attachments: [Solar Cost Calculation](#)

ii) Photovoltaic Rebate Review

Mr. Johnsen noted this was a review of changes made due to concerns from changes to the rebate structure. He advised Mr. Freeman would be presenting this information. Mr. Freeman stated this came from a request from Mr. Hasheider and the breakdown was per year, KWh, Rebate amount, etc. He noted the intent was to make the rebates performance based rebates. Mr. Freeman stated the numbers for solar install included the fiscal year amounts and annual amounts. He explained the current rebate structure allowed for a 25 percent rebate premium for west facing arrays and a 25 percent rebate reduction for east facing arrays. He added the 25 percent premium presented a beneficial choice for systems to face west. Mr. Fines asked if there were many dual roofs. Mr. Freeman answered there were. Mr. Fines asked about complaints from contractors and if there were any issues. Mr. Freeman noted he had received some feedback. He noted the representation was to protect the rebates for longevity to keep it around as long as possible. Mr. Hasheider asked what the average delay from application to approval was. Mr. Freeman advised the time was less than one week from the time the application was received. Mr. Hasheider stated the number of installs had a steep decline from 70 to 24. He claimed other investor owned utilities such as Ameren, Kansas City Power and Light (KCP&L), and Empire, had rebate systems and required the same information as the City of Columbia. He then asked what utility rebate the model was structured from and why the City of Columbia was making it difficult to receive the rebates. Mr. Fines stated he did not feel as though it was being made difficult to receive rebates adding there was no information making that indication. Mr. Fracica asked if other models such as pathfinder had been reviewed. Mr. Freeman advised there had been other models considered and noted pathfinder had been an option. Ms. Fallis asked with new community installs if they would have the opportunity to take advantage of storage. Mr. Freeman advised it was the intent to do so.

Attachments: [Memo Photovoltaic Rebate Review](#)

IX. CHAIRMAN'S REPORTS

a) Climate Action Plan Update (Hay Hasheider)

Mr. Hasheider advised the next meeting would be October 28, 2018 and the group would be reviewing the first draft of the plan.

X. GENERAL COMMENTS BY PUBLIC, MEMBERS AND STAFF

Mr. Tom O'Connor noted this was a speed bump but was critical to the rebate policy. He said projects were not being solar smart and there was a commitment to clean energy. Mr. O'Connor advised the image the utility was projecting seemed unaccepting.

XI. NEXT MEETING DATE

November 7, 2018

XII. ADJOURNMENT

The meeting adjourned at 12:12 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.