

DRAFT
Water and Light Advisory Board
October 26, 2023

A meeting of the Water and Light Advisory Board was called to order on Thursday, October 26, 2023 at 701 E Broadway, Conference Room 1A and 1B.

Gregg Coffin, Chair; Philip Fracica, Vice-Chair; David Switzer, Member; Tom Jensen, Member

Staff: Sarah Talbert, Assistant Utility Director; David Sorrell, Utilities Director; Brandon Renaud, Energy Services Manager; Todd McVicker, Energy Services Supervisor; Matt Nestor, Communication Specialist; Erin Keys, Acting Utility Director - Electric; Ron Wyble, Power Production Superintendent; Steve Hunt, Acting Utility Director – Water, Aubrey Turner, Public Information Specialist, Shawn Carrico, Engineering Supervisor, Earl Kraus, Assistant City Counselor; Chris Kisch, Sr. Administrative Support Assistant

Public: Mike Murphy, John Conway, Mark Haim, Jim Windsor, Dick Parker, Fredricka Sullivan, Howard Fenster

CALL TO ORDER AND ROLL CALL

Mr. Coffin called the meeting to order at 1:00 p.m.

INTRODUCTIONS

A round robin was done for introductions.

APPROVAL OF THE AGENDA

Mr. Coffin noted Mr. Manny Teodoro was not available today and would need to re-schedule his presentation. Mr. Switzer would be providing his presentation on Affordability Metrics as scheduled.

Mr. Tom Jensen made a motion to approve the agenda with the changes Mr. Coffin noted with a second by Mr. Philip Fracia. Motion passed unanimously.

MANNY TEODORO PRESENTATION

Mr. Coffin advised Mr. Teodoro was not available for the presentation and would need to be rescheduled.

DIFFERENT WAYS OF CONCEPTUALIZING AFFORDABILITY

Mr. Switzer provided a power point presentation on Affordability Metrics and Policy Special. He started out with questions for the Water and Light Advisory Board (WLAB) to ask themselves:

- How do we want to use our measures?
- What measures do we want to adopt?
- How do we measure them?
- Future Affordability Programming?

Mr. Switzer noted the state of California also applied electric to the last question. His next question was:

- What do we see as the goal of developing these metrics?

Then he asked how did the WLAB see them being used. Mr. Switzer followed up noting it was important to know the why as well. Mr. Jensen added citizens wanted stability and this also needed to be done. Mr. Switzer noted different ways other cities used affordability metrics, including the city of Austin, TX. He noted Austin, TX used both tracking affordability over time paired with comparison with peer cities. He stated Austin ran both water and electric but only water had affordability metrics. Mr. Switzer noted Austin used eight different metrics, then explained each. Mr. Coffin suggested the focus should be on tools available and the use of standard metrics.

MEASURING LOW INCOME

Mr. Switzer said he had reviewed different studies and reports on different measures. He provided different measures used by other cities; noting Hours Minimum Wage seemed to be the universal comparison. This showed the number of hours a customer needed to work in order to afford their utilities. The AR20 measure, Mr. Switzer advised could be used for any income level and was used by all. Mr. Switzer provided ways to measure affordability against.

MEASURING ESSENTIAL USE

Mr. Switzer had the question: How do we measure essential use for water; explaining essential use was non-discretionary use. He provided some explanation of Mr. Teodoro's process for measuring essential use. Mr. Switzer provided a list of standards adopted by other cities then asked if the WLAB felt there should be any standards. He added most cities had adopted a 10 percent standard for water which was a standard number that was able to meet. He noted he did have hesitations with setting standards.

PLANS MOVING FORWARD

Mr. Switzer noted the next steps were to:

- Process metrics for Columbia, MO
- Evaluation of CAP programming
- Identify what data available

Mr. Coffin noted he would like to hear from Mr. Teodoro. Mr. Switzer stated he would contact Mr. Teodoro for a time possibly during a regular WLAB meeting.

GENERAL COMMENTS BY PUBLIC, MEMBERS, AND STAFF

Mr. Windsor provided information on summer residential rates, saying this was information was based on Rates and Fiscal Planning information from February, 2023. He there were five months where 50 percent of the usage was less the 500 kilowatt hours (KWh). He said it was important to know what would happen when the rate change occurred. He said with 1000 KWh the bill would increase by \$8.96. He said if you look at 500 KWh usage increments, the impact was clear. For the first 500 KWh, the increased cost was a total of \$10.06. As additional 500 KWh increments were added, that \$10.06 began to be eliminated until the overall bill was reduced by \$1.84 at a usage of 2000 Kwh's. Mr. Windsor added the most dramatic reduction was for usage between 1000 and 2000 KWh. Each of those increments received a \$5.40 reduction of the original \$10.06 increase, from the new electric rates. He stated residential electric rates, during the non-summer months, were different depending on the type of heating used. The largest group of customers were those with natural gas heating. For these customers the first 500 KWh was increased \$10.06. The next 500 KWh increment costs an additional

\$2.00. For all additional 500 KWh increments, the increase would be 80 cents per 500 KWh increment, regardless of usage. Mr. Windsor stated for rates to be truly affordable the WLAB needed to re-evaluate residential electric rates as well as water rates based on cost of service.

Mr. Haim noted Mr. Windsor had made some very valid points. He continued asking how much the charge was for people for energy and how that pricing worked. He said the cost included externalized items and any current excessive use was subsidized in some way, possibly by future generations. Mr. Haim said low income people preferred those items not to be included with their bill. He said there should be a way for the utility to come with a way for those who were not able to afford their utility bills to not pay. Those who could afford their utility bill would need to pay. Mr. Haim stated the utility needed to deal with the extras, advocate for clean energy, and remove fossils. He suggested creating a payment plan for appliances for the low income to use less energy.

Mr. Parker noted the WLAB needed not to rely on inaccurate data and to resist making decisions on inaccurate data. He stated the WLAB did not object to the two percent rate increase, they just ignored it. Mr. Switzer objected and stated the WLAB had no decision in that, Council had made that decision themselves. Mr. Conway confirmed this was a Council decision as well. Mr. Parker stated affordability should be based on the building size. Mr. Sorrell advised it was.

Mr. Conway noted Mr. Switzer was 100 percent correct, the two percent rate increase came from Mr. Matt Pitzer, and the WLAB had no opportunity to discuss that. He continued saying it was not easy to arrive at a point to define a problem. He said he felt there should be more analysis on the cap. He said if the utility was able to know why customers could not afford their bills that could possibly reveal for more study. He asked if the low income was a one or two income family. He ended saying he would like to know that date, if possible, when Mr. Teodoro would be available.

Mr. Fenster said he agreed with the other commenters, he did not aim for his comment to be a scolding, but wanted the WLAB to think hard about rates. He felt this meeting was more of a brainstorming meeting and comparisons were the real issue. He suggested meeting before their regular meeting to brainstorm. Mr. Jensen explained the WLAB was not allowed to meet or discuss prior to their regular meetings and the brainstorming had to happen in their regular meetings. Mr. Fenster advised the citizens could help the WLAB with facilitation by looking at the comparisons. He said it would also be good for the WLAB to look at the available data for median bills.

Mr. Coffin reiterated the WLAB was a public board and was required to have public meetings; adding no progress was made by dwelling in the past. The utility needed to move forward and develop rate metrics to move beyond the present board and to focus on the future.

Mr. Fracica added things would improve with the Advance Metering Infrastructure (AMI).

ADJOURNMENT

The meeting adjourned at 2:35 p.m. on a motion by Mr. Tom Jensen with a second by Mr. Philip Fracica. Motion passed unanimously.