

## MINUTES OF THE PUBLIC UTILITY BOARD MEETING 9/25/2023

**Date and time:** 09/25/23 01:00 pm

**Present:** John Bell, Jacque Cowherd, Charles Williams, John Bell, Council Liaison Lauren Nelson, Utilities Superintendent Darrell Dunlap, Director of Administration Courtney Doyle, CFO Dustin Dougherty, City Clerk Kathie Ratliff and Councilman Hinchie

**Absent:** Richard Vaughn, Mayor Steve Myers

**Location:** Fulton City Hall

### DISCUSSION

#### 1. CALL TO ORDER.

The Public Utility Board was called to order at 1:00 p.m. with three members present, one absent (Vaughn). Quorum met.

#### 2. ROLL CALL

All members, staff, and guests in attendance had the chance to view the newest Wastewater truck in the fleet and meet essential personnel.

#### 3. COMMENTS FROM VISITORS

There were no comments made.

#### 4. APPROVAL OF MINUTES

**Decision** Motion was made by Charles Williams and Seconded by Jacque Cowherd to approve the August 28, 2023 Minutes. Motion carried with three members voting in favor, one absent.

#### 5. APPROVAL OF FINANCIAL REPORT

Chief Financial Officer Dougherty reviewed various utility departments' funds, specifically those related to internal administrative cost allocation. It was determined that the same allocation methodology used in the past will not be used moving forward, resulting in a fairly static number with little variance in the coming years.

He went on to say that everything else is in line with the budget and what we expected, with the exception of the power plant (76%), which is higher during this time of year. Because of the water tower repair, the water fund had a non-operating cost of 98%.

**Decision** Motion was made by Charles Williams and Seconded by Jacque Cowherd to accept the financial report for July 2023 as presented. Motion carried with three members voting in favor, one absent.

#### 6. UNFINISHED BUSINESS

##### Sikeston Update:

SPP has accepted Fulton as a customer, and thanks to our finance department, there has been no need for money up front, and this is our backup plan if we don't get Sikeston back. Columbia has offered to serve as Sikeston's tie-in if necessary. On Friday, there was a conference call with MISO to discuss electricity transmission. Everything appears to be in order for it to happen.

Energy sales review: Purchased for \$204,000 and sold for \$264,700. It may not always be profitable, but it appeared to be profitable today. In addition, SPP has electronic devices attached, which means it can be moved remotely. It was previously moved manually.

Rates:

Dunlap said that purchase power appears to be around 11 million, and if we apply our current electric rates in the structuring of the upcoming (rough draft) budget, we're essentially \$1.1 million short.

Currently, around 7-8% of the City's rate income is transferred to city funds. Dunlap stated that it takes a 12% transfer to make water a solid number.

Rate increases of 8% for residential customers and 5% for commercial and industrial customers were discussed, with incremental increases over the next five to ten years. He also suggested raising the current \$14-meter cost to \$20.

Public Utility Board members and leadership collectively agreed that while utility rates have remained low over the years, it is time for a necessary increase not just to help our community develop and grow, but also to keep costs similar with surrounding utility increases.

**7. NEW BUSINESS**

Other brief discussions included the lead pipe service line project, enterprise loans, boring lines for the I-70 project, the impact of winter, and a rate increase meeting with the City Council.

**8. ADJOURN**

With no other business to come before the board, Motion was made by Charles Williams and Seconded by Jacque Cowherd to adjourn the meeting at 2:02 p.m. Motion carried with three members voting in favor, one absent.