

**Infrastructure Task Force  
Meeting Minutes  
September 16, 2010, 3:30 p.m.  
City Hall, Conference Room 2A**

**Members Present:** Scott Atkins, Andrew Beverley, Rex Campbell, Rhonda Carlson, Ryan Euliss, Mike Grellner, Phebe LaMar, Ben Londeree, Rusty Strodman, Bob Walters, Doug Wheeler and Rhonda Carlson.

**Staff Present:** Paula Hertwig Hopkins, Billye Clemons.

**Members Absent:** Andy Lee, Tracy Greever-Rice, Karl Skala.

**Old Business**

Minutes of 09/02/2010.

Mr. Campbell moves to approve. Ms. Carlson seconds. *Motion carries.*

Parks & Recreation – Mike Hood

Mr. Hood reviews the existing Parks & Recreation infrastructure (Power Point) and how it is funded. There are no projected needs for community parks at this time. City ordinance establishes user fees. Mr. Campbell asks if user fees go back to the actual use, ie golf fees to go the golf course. Mr. Hood says mostly, but they can use at their discretion. Golf course improvement fee is strictly used for that. Golf and ARC fees goal is 100% of operating costs. Youth sports program user fees goal is 50% of operating costs. Adult sports programs, recovery goal is 90%. Operational budget is 12 million, 3 major sources; general fund, activity fees and 1/8<sup>th</sup> cent permanent tax. Additional 1/8<sup>th</sup> cent tax up for voter renewal April 2011. No funds are received from the general fund for capital improvements. Public health benefit identified as good investment and economic development to incoming businesses.

Before 1/8<sup>th</sup> cent temporary sales tax capital funds came from a Capital Improvement Tax. Various user and activity fees discussed. A fee structure comparison was done with great difficulty finding a good comparison because each community is done differently.

Water & Electric – Tad Johnsen

Tad reviews railroad, water and electric utility and funding sources. Railroad has an advisory board and is a self-sustaining entity. Infrastructure includes the railway, the track, trail beds, bridges and the road crossings. Funding sources are switching fees, capital maintenance fees and grants. Mr. Euliss asks about rumors of potential closing of the Power Plant on Business Loop. How would that closing affect the Rail Road since significant revenue comes from the coal traffic? Mr. Johnsen notes that some of the variable cost would go down.

Mr. Johnsen describes Water Utility. Water Utility is a self-sustaining utility. Infrastructure includes water production, transmission system, storage facility, distribution, services and metering system. Rates account for 98% of funding and include a base charge based on size of the meter and commodity charge. Bonding is used to fund some capital projects. Other infrastructure support mechanisms are on the developer side. Developers put distribution

mains in the ground and then either are approved to place a main to serve their sub-division or the City pays them to place a larger main so that we can serve subdivisions in the future. Fire protection is the driving factor for approving a differential payment.

Other fees include connection, tap, meter box and aperture fee. Size of the service is a factor in the fees. Mr. Johnsen outlines the rate structure for irrigation fees. A cost of service study was done 3 years ago for the water utility.

Ms. LaMar asks for the developer to provide cost of water and electric service to single family residence. Mr. Johnsen will provide an estimate based on a single family, 2000 square foot residence.

Mr. Walters asks about upgrading/repairing older water lines, where do those funds come from? Mr. Johnsen states that a repair is a hole in a line that is patched. Once the line has reached it's useful life and a section needs to be replaced, that is a capital item to be run through the Capital Improvement Plan, or bonded.

In relation to water utilities, developers withstand a lot of the cost of installing the distribution main.

Electric infrastructure is reviewed, including production, the power plant, some distribution generators, a lento gas generator that runs at the production facilities, transmission system, distribution system and services. Services for electric are from the final transformation down to the meter base. Customer sales count for 92% of revenues. There are several structures and classes, depending on the type of customer classification type.

There is a territorial agreement. The city serves approximately 65,000 meters; Boone Electric serves approximately 30,000 meters, per Mr. Euliss.

Approximate 80/20 split on bonding. Philosophy for term of the bond is driven by project being funded. Planning period is about 5-6 years.

All other fees, connection, tap and other on the electric side are all "rolled into" rates. Those are all part of the rate structure put together in coordination with the developer. The developer will do some of the infrastructure placement. If they open the trench to all other lines, gas, water, etc, they want to put the conduit for the electric lines in at the same time. Revenue also comes from transmission system. We are part of a regional transmission operator and receive revenue from that system.

Mr. Beverley requests the average rate cost per kilowatt hour. Mr. Johnsen indicates 9.3 cents per kilowatt hour. Based on a rate comparison to other Missouri towns, both water and electric were right in the middle.

Mr. Euliss asks of the total costs, what percent is power costs. Mr. Johnsen notes it's in the upper 80's.

### **New Business**

All new business postponed due to lack of time.

Next Meeting: September 30, 2010 (tentatively)

September 30<sup>th</sup> not a good option. Ms. Clemons will research dates in Sept and Oct other than Thursdays that work for staff.

**Other**

Ms. LaMar asks for suggestions of people that might be able to provide this task force with useful perspective and/or information. Mr. Campbell wants to know if we can pay travel expenses to get someone from UMR here. Ms. Hertwig Hopkins indicates that she will check, but not likely.

Ms. LaMar requests breakout of the Capital Improvement Budget by projects and capital maintenance costs for the last 10-15 years.

Big 12 infrastructure funding sources document briefly reviewed. Ms. Hertwig Hopkins notes this is nearly complete.

**Adjourn**

Mr. Grellner moves to adjourn. Mr. Strodman seconds. Meeting adjourned at approximately 5:10 p.m.