



400 N. Iron Street, Salem, Missouri 65560
 (573) 729-4811 Fax (573) 729-5371
 www.salem-mo.com

UTILITY COMMITTEE MEETING MINUTES

May 17, 2021

Council Chambers, 202 N. Washington

6:00 PM

In Attendance:

Members: Chairman Shawn Bolerjack, Alderwoman Kim Steelman, Catherine Dent, John Hambacker, Kevin James, Gary Brown, Mayor Brad Nash (Ex Officio)

City Staff: City Administrator Ray Walden, Public Works Director Mark Nash, Temporary City Clerk Tammy Koller, Economic Development Director Sally Burbridge, Police Chief Joe Chase

Visitors: Alderman Greg Parker, Alderman Kenneth Nash, Stan McElfresh, Carolyn Boyle, Tammy Walker, Bob Parsons, Caleb Brubaker (Salem News), Donald Dodd (IDA), Todd Kinerk

- I. **Review of High Water Consumption Discount** – Tammy Walker of Heartland Metals requested the Utility Committee to review her high water consumption rate and see if we’re able to help her and her business. Ms. Walker mentioned that she had a 30% drop in sales due to COVID and the water/sewer bill is a big expense to her business. Ms. Walker mentioned that the rack work line of their business is getting ready to go away which their water consumption would go down, however the rack work line is a big part of their business. Economic Development Director Burbridge mentioned that if we’re considering special rates for commercial/industrial customers that we look at our capacity of our system (electric, water, sewer, etc.) to see if we’re capable of providing it and setting the rates. After some discussion, the Utility Committee voted to table the discussion until the committee has reviewed the new fiscal 2021-2022 budget. The motion was made by Kevin James and seconded by Catherine Dent with all committee members voting “aye”. The motion passed.

- II. **Discussion of discount incentive on electric usage from 2/8/2021 through 5/15/2021 for customers paying bill in full and no prior balance due** – In the last Utility Committee meeting (05/03/2021), a member of the public asked if the City planned on providing an incentive to those that pay the full balance of the utility bill just like the last catch-up bill in May 2020. The rebate was 5% of the stated electric and water charges for consumption. The Utility Committee voted to recommend to the Board of Aldermen to adopt a policy on utility rebate credits. Rebates will be 5% of the stated electric and water charges for consumption from February 8, 2021 through May 15, 2021 and processed as a credit to the customer’s

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James Weber

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POLICE DEPARTMENT: Joe Chase

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account. The motion was made by Catherine Dent and seconded by John Hambacker with all committee members voting “aye”. The motion passed.

III. Review of sample bill for usage from 2/8/2021 through 5/15/2021 and informational cover letter – City Administrator Walden presented and explained to the committee a sample bill that comes out of Incode that will show the total bill for all three months’ usage. With the bill will come an attachment that will show the last utility meter readings as of 3/9/2021, 4/8/2021 and 5/15/2021 to show the total bill broken up to three separate months. The attachment will also show what the 5% rebate amount would be if the bill was paid in full and the budget billing calculation based on 5/1/2020 to 4/30/2021 consumption. Walden also presented the cover letter that will go with the bill to explain the bill and to mention options of creating a payment plan or do budget billing. Walden plans to put the information on the Budget Billing and the Payment Plan on the city’s website (salemmo.com). The sample bill with attachment and cover letter are in with these minutes.

IV. Update on fiscal year-to-date utility financials – Walden presented to the committee the Electric, Water and Sewer sales revenues YTD as of 5/12/2021 from billed consumption through 2/8/2021 (figures below). In a newspaper article on 4/20/2021, according to financial reports received from the city, the utility department recorded revenues for water at \$2.193 million and \$2.1 million for sewer and exceeded budget by average of 173.4%. Chairman Bolerjack asked Walden to explain the difference between these figures from the article and the figures being presented tonight. Walden explained that it was mentioned in the article that adjustments are under review for some accounts and could impact reported revenues and account balances. Walden said that adjustments have been made and recorded properly into Incode.

	2020-2021 Budget	YTD as of 5/12/2021 (from billed consumption through 2/8/2021)	Percent Actual to Budget (66.7% of year)
Electric Sales Rev.	5,500,000	3,563,525	65%
Water Sales Rev.	800,000	641,243	80%
Sewer Sales Rev.	800,000	610,886	76%

V. Other Discussion – It was mentioned during the meeting that a question in a meter reading can be tested for \$10. If the meter is incorrect, the City will cover the cost of the test and adjust the bill accordingly. If the meter is correct, the customer would cover the cost of the

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test and the bill of their usage. Alderwoman Steelman mentioned that she has received a lot of calls about extremely high water bills from reliable customers that don't seem to be correct. This has been an ongoing concern with the AMI meter rollout. It was recommended by Chairman Bolerjack that the City look into having a firm conduct an audit of the AMI meter rollout with the billing software to find the answers to these ongoing concerns.

Having no further business, the meeting was adjourned. The motion was made from Kevin James and seconded by Catherine Dent with all committee members voting "aye". The motion passed.

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Account Number: 99-99999-99
 Service Address: 123 Lucky Lane

	Electric (kW-h)	Water (gals)
Last Utility Bill Ending Meter Readings	20000	15000
Utility Meter Readings as of 3/9/2021	21000	19000
Utility Meter Readings as of 4/8/2021	22000	23000
Utility Meter Readings as of 5/15/2021	23000	27000
Total outstanding consumption from 2/8/2021 through 5/15/2021	3000	12000

5% Credit on Electric and Water Services from 2/8/2021 through 5/15/2021	Electric	Water	Total	5% Rebate
Charges based on current rates for above quantities	\$ 279.30	\$ 82.68	\$ 85.80	\$ 4.29

Budget Billing Calculation based on 5/1/2020 to 4/30/2021 consumption	Electric (kW-h or \$)	Water (gals or \$)	Sewer (gals or \$)	Trash	Total	Monthly Budget Billing (5/2021 to 4/2022)
Consumption from 5/1/2020 thru 4/30/2021	9,520	1,720	1,720			
Calculated annual budget billing amount	\$ 886.31	\$ 81.27	\$ 81.72	\$ 173.40	\$ 1,222.70	
Monthly Budget Billing Amount not including any payments for past due balance						\$ 101.89



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May 2021

DRAFT

Dear City of Salem Utility Customer:

The City's Advanced Meter Infrastructure (AMI) project to improve the City's utility service and outage management response capabilities is providing customers and the City additional information about utility usage on a timely basis.

Prior to the AMI project, meter reads would typically be collected manually the first two weeks of each month with bills processed and mailed afterwards. The last utility bill represented consumption from 1/9/2021 through 2/8/2021. Going forward utility bills will be based on meter reads the 15th of each month.

As part of the transition to the 15th read cycle and for utility bills to reflect more recent consumption, your next utility bill will reflect consumption from 2/8/2021 through 5/15/2021.

For customers on budget billing the difference between their actual billing and what they have paid will be included in their balance due on the next bill and information will be provided on what their new budget billing amount would be for the next twelve months. Customers wanting to continue with budget billing will need to notify the utility office accordingly or otherwise be processed in regular billing.

For customers on payment plans any remaining unpaid amount on their payment plan will be included in their balance due on the next bill. Customers wanting to request a new payment plan will need to notify the utility office accordingly.

The Salem Board of Aldermen have approved a rebate of 5% of the charges for water and electric usage from 2/8/2021 through 5/15/2021 for customers paying the listed total balance due on the next bill by June 20, 2021. The rebate will be processed as a credit on the customer's account.

Penalties and service disconnects for non-payment will resume July 1, 2021. Customers can avoid interruption of service for non-payment by bringing their account current or making payment arrangements by July 1, 2021.

Customers in need of utility payment assistance are encouraged to check the www.salemmo.com website for information on available resources for assistance or to contact the utility office for more information at (573) 729-4117.

Sincerely,

Ray Walden
City Administrator

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