

MINUTES OF THE PUBLIC UTILITY BOARD MEETING 10/23/2023

Date and time: 10/23/23 01:00 pm
Present: John Bell, Jacque Cowherd, Richard Vaughn, Charles Williams, John Bell, Council Liaison Lauren Nelson, Mayor Steve Myers, Utilities Superintendent Darrell Dunlap, CFO Dustin Dougherty, and City Clerk Kathie Ratliff
Absent: Int. Director of Administration Courtney Doyle
Location: Fulton City Hall

DISCUSSION

1. CALL TO ORDER

The Public Utility Board was called to order at 1:00 p.m. with all members present. Quorum met.

2. ROLL CALL

Members and staff was completed with a lively discussion related to old cars.

3. COMMENTS FROM VISITORS

There were no visitors.

4. APPROVAL OF MINUTES

Decision Motion was made by Charles Williams and Seconded by Jacque Cowherd to approve the September 25, 2023, minutes. Motion carried with all members voting in favor.

5. APPROVAL OF FINANCIAL REPORT

Chief Financial Officer Dougherty stated that the numbers presented look relatively level overall as he further reviewed the utilities expenditures and revenues. He said it's as it should be with revenues on the positive side with lower expenditures.

Decision Motion was made by Charles Williams and Seconded by Richard Vaughn to accept the financial report for September 2023 as presented. Motion carried with all members voting in favor.

6. UNFINISHED BUSINESS

Rates and Reserves:

The rates and reserves subject are now a dual discussion that has been brought to the Public Utility Board for guidance and debate. To address one, you must consider the other since both have a direct impact on the residents of Fulton.

Much discussion followed about raising the rates for water, sewer, and electric services. City leadership and the Public Utility Board agreed that we have no option but to raise them to deliver the services our city provides. This will not only cover the financial aspect of the increased costs of energy purchases from year to year, but by establishing a reserve fund, we can ensure that we will have resources to fund infrastructure upgrades, such as the repair of water towers and electric substations, which are critical for maintaining reliable service and ensuring the safety of those who rely on these utilities.

Dunlap provided an example of water revenues and expenditures. He pointed out that if a household consumes 5,000 gallons of water per month, their water bill is \$25.00. To which the comparison was made of a recent rehab to a city water tank, which recently went back in service at a cost of \$1.3-million for the renovation. Charles Williams nodded in agreement. He said, "consumption is way less than the expenditures related the maintenance of a water system. It will always be a lopsided utility."

After reviewing all options, the Public Utility Board mutually agreed and asked Superintendent Dunlap and CFO Dougherty to prepare a draft proposal of rate increases as discussed, with a six-year reserve plan set to begin in the spring of 2025 with incremental increases for electric, water, and gas utilities with a sunset.

They will meet to approve and recommend passage to Council once it is ready with the date undetermined at this time.

Other Updates:

Dunlap provided updates to the Public Utility Board about the October 18 outage. He explained that a lightning arrestor at the Cote Sans Dessein substation blew up, shorting out a wire against the steel.

He then briefed the board on the progress of the Panhandle case and stated that IMGA intends to have more information before the end of the year.

7. NEW BUSINESS

There was none.

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 2:05 p.m. Motion carried with all members voting in favor.

Respectfully submitted,
/s/ Kathie Ratliff
City Clerk