

MUNICIPAL ENTERPRISES COMMITTEE REPORT – OCTOBER 12, 2020

Members: Martin, Chairperson, Richard, Reinhold, Ressler (Alternate)

Attendees: Martin, Reinhold Richard, Ressler, Rowe, Zimmerman, 3 Visitors Present and 1 Visitor via Zoom

The Municipal Enterprises Committee met on September 21, 2020 and discussed the following:

Action Items:

There are no actions items for October.

Discussion Items:

1. The Committee discussed a rate concern from John Stewart that was carried over from the August Committee meeting. Mr. Stewart referred to a customer who reached out to him about a recent electric bill. Mr. Stewart stated that there is no benefit to small customers from the all-electric rate. The staff compared the customer's usage with the Commercial General Service Total Electric (GST) rate with the Commercial General Service (GS) rate. The Commercial General Service rate is approximately \$22-25 per month less than the total electric rate. This is reflected in the difference between the customer charges for GS (\$25) and the GST (\$52.50). The Staff will change the rate class that this customer will be charged to Commercial General Service. The Staff will also perform the same comparison for all other Commercial General Service Total Electric customers to identify if there are others that should change class.
2. The Committee discussed a second concern from Mr. Stewart that was carried over from the August Committee meeting. Mr. Stewart complained that the Borough was charging a fee of \$125 to remove an electric meter at the customer's request. He claims that no other electric utility charges such a fee. Borough Manager Thompson reported that the \$125 fee is to remove the electric service from the customer's property including the meter and that the fee is to recover the cost incurred by the Borough. The Committee was satisfied with Mr. Thompson's explanation and did not recommend any changes to the fee.
3. Borough Manager Thompson reviewed with the Committee the financing for the AMP R.I.C.E. Peaking Project. AMP will pay for the project by borrowing money from their line of credit (LOC). Monthly charges will equal the credits received from the peaking shaving project resulting in no additional monthly charges to the Borough. Once the debt is retired, the Borough will receive monthly credits being the net from the peak shaving and the monthly operation and maintenance charges for the generators. It is estimated that the debt will be retired in approximately ten years.
4. The Committee discussed a proposal from Joy Ashley, Executive Director of the Ephrata Area Social Services, to create a COVID Relief Fund to assist customers to pay their utility bills. Ms. Ashley suggested that the Borough consider funding such an account, (Kelly Warner also participated in the discussion via Zoom.) Borough Manager Thompson informed the Committee that he has reviewed the Pennsylvania Borough Code and could not find that the Code grants to a Borough the authority to use public funds to create such an account. The only reference is to create a fund that benefits seniors. In addition, it was discussed that the Borough could create a mechanism to allow the public to voluntarily pay

into a COVID Relief account and the Borough could distribute the money to those in need. Mr. Thompson informed the Committee that he asked the Borough Solicitor to look into the authority of what the Borough can and cannot do. The Solicitor will attend the Budget and Finance Committee on September 28, 2020 at 6:30 PM and report on his findings.

5. The Committee discussed a second proposal from Joy Ashley consisting of an incentive program for past due customers who pay their bills in full by a certain established deadline. Bills could be discounted by 10-15%. The Committee had concerns for this proposal citing that this favors customers who have not paid their bill on time, while those who did pay on time are not rewarded. The Committee did not make any recommendation to move this proposal forward.

The Committee also discussed the Borough's budget billing program. This program requires that the past due amounts be paid in full before a customer can participate in the program. Councilwoman Martin stated that the program information and application form is very difficult to locate on the Borough's website and asked that it be prominently displayed in the Electric Documents section on the website. Ms. Martin also asked that a link be shared with social services organizations that can assist customers pay their bills.

(NOTE: EASS and the Northern Hub suggested that there be monthly meetings between the Borough, EASS and the Hub. Ms. Ashley requested that a council person be part of the Borough's team.)

6. The Committee discussed establishing an electric rate for the Borough's electric vehicle charging stations. Borough Manager Thompson informed the Committee that Lansdale Borough has had EV charging stations online since July 2019. During that period, they have used 26,600 kWh, valued at approximately \$2,000. Mr. Thompson recommended that the Committee establish the initial EV charging rate at \$0.00/kWh; suggesting that they can be used as an economic development tool. The Committee supports preparing an ordinance establishing the EV rate at \$0.00/kWh with the option to adjust future rates via resolution. The Solicitor will prepare the ordinance for the November Council meeting.

Old Business Items:

1. Borough Manager Thompson reminded the Committee that the Borough's alternate position to the AMP board of trustees is still vacant. No further action is required.