

No Standing News

Since we have no standing, we stand with those left standing

Volume II

April 29, 2005

Number 25

Serving the Outlaw City of Missouri

RMU'S WELCOME TO ROLLA

RMU's web page seems to be permanently "under construction." It doesn't even have their basic rates on it so anyone thinking about moving here can't conveniently find

out what their utility rates would be. We wrote this for them so they can quit using their "under construction" excuse.

Notice from RMU: If you're thinking about moving to Rolla and think you're going to use our utilities, bring us lots of cash or a cashier's check for your security deposits. We don't trust anyone so even if you do pay your bills on time every month so we won't release your deposit for a really long time and even then you'll have to have a hissy fit to get your money back.

About Rates: We reserve the right to jack up our electric rates by 10% or more without notice and we also reserve the right to lie about why we're doing it. This is necessary because we picked a fight for five years with UE (we sue everyone who crosses us) so now we're scraping up what power we can get from an association we joined called MoPep. They aren't big power producers they just buy power on the spot market and because they're small-time players in the power business our so-called wholesale costs are the first to go up and the last to go down. Here are some other really good reasons why we overcharge you for electric power.

Reason #1: We got suckered into buying 17 overpriced diesel generators that MoPep turns on and off from Jefferson City whenever they want so they can sell our power to someone else. We didn't check around before we got into this generator thing and we didn't do any cost studies on what it would cost us to buy expensive diesel fuel to produce cheaper kilowatts and as the generators age they're damned expensive to maintain. Our RMU manager used to be the Mayor's maintenance man so he's not too swift about this fancy schmancy cost/benefit stuff and neither are we so as the cost of oil goes up, boy are you going to get some gawdawful price increases.

Here's the deal. We get MoPep "Power Credits" for the diesel generated power they suck out of Rolla. MoPep Power Credits work kind of like Mexican Pesos. We had \$500,000 in MoPep Power Credits in 2003 when we started this generator thing but now energy prices are going up so our 2003 MoPep dollars aren't going to buy as many kilowatts back from MoPep as it cost us to generate the MoPep credits which we produced when the price of oil was cheaper.

You think that's stupid? Well listen to this. We got the Rolla City Council to issue revenue bonds for the generators by telling them they would provide emergency power for the electrical outages we had about every week. Then we had a three-day power outage and the mayor couldn't even have an emergency meeting about the emergency because the generators weren't hooked up to the Rolla lines, they were all hooked up to MoPep. We finally got Wal-Mart hooked up but left the hospital blacked out because sick people don't generate sales taxes. They really thought we were going to spend \$7 million on generators for Rolla's blackouts? Now that's stupid!

Reason #2: We overcharge you because we can. We're a monopoly stupid, that's what monopolies do. The city council could pass an ordinance to limit the terms of our appointed-for-life board members and they could pass ordinances to force us to have public hearings but then we'd have to face an angry crowd and explain why we are raising their rates. But the way we have things fixed we don't have to explain anything to anyone. We can give the newspaper guy any excuse; he knows better than to ask questions we don't want to answer. The council doesn't have the nerve to pass ordinances to control us. Those ankle-biters in City Hall just want to get more money out of us. We give them about \$600,000 a year to bail out some of their silly spending (you pay for that too); that usually keeps them quiet.

Reason # 3: We're not that interested in the power business, we let what's-his-name do whatever he wants, that's why he puts all his relatives on the public payroll. What we're really interested in is giving away the money we get from over-billing you to the RCDC for economic development because two of the four of us are on the RCDC board.

In 1998 the former state auditor accused us of "hidden taxation." She said we had given away \$1.3 million for economic development in the previous five years that we skimmed off your payments. Well, the B#*%*&* was wrong. We proved to her we had actually given away \$4.4 million!

About Billing: Oh yes, about your bills. We've hidden a \$16 monthly fee in your bill for our electric and water meters. We told the city council it was a fee for "replacement and maintenance" of the meters but we don't service them and they're dirt cheap to replace so we're really cleaning up on that one. That's another \$192 a year we're soaking you people for. It brings in another \$1.5 million extra a year and the whole thing hardly cost us a dime. You have to do a lot of calculations to find those fees buried in your bill and we figured no one would bother. We were right. Now how clever was that?

About Repairs: Oh yeah, if you have a problem with your sewer or water lines...call a plumber lackwit. Who do you think we are - a public service department? Consider yourself lucky you don't have to pay to repair our water and sewer lines clear out to the main any more. (We cleverly bury our lines under the streets so every time a line breaks we can tear up a street Hargis has just had repaved. We just love doing that because he gets all the complaints and it drives him nuts. The council never stops us from doing that either even though it's a huge waste of city money.) We had passed another one of our secret rules a few years ago that you had to pay to repair the lines on your

property and ours too - clear out into the street. Man it was great. We were planning to rent you your electric poles next, but some guy whined to the council about having to pay to repair public property so the council started jawing about how unfair we were. They argued and chewed on it for months and then for the first time in 60 years those chuckleheads finally got up the nerve pass an ordinance on us that said we had to pay for our own repairs past your property line. Rats!

But we're not through with them yet. It's OUR power and we can turn off *their* free utilities anytime we want. We're not an arrogant monopoly for nothing.

About Communications: We don't like to so don't bother us - just pay your bill.

About Safety: Uh...don't use a blow-dryer in the bathtub?

Oh yeah, *Welcome to Rolla.*

Yours Truly,
The RMU Board

Council jittering about RMU again. The council's new ordinance #35-175 to prevent RMU from making homeowners pay for RMU's line repairs past the owner's property line is barely cold and now they're getting wishy washy on it again. **Councilman Terry Ruck** wants a new ordinance on this but it's hard to tell why. Obviously RMU isn't happy that they can't stick their customers with their repairs so Councilman Terry Ruck wants a new ordinance drafted with some kind of \$500 refundable deposit in it. Sometimes the council complains about RMU's attitude, arbitrary rate increases and unreasonable fees, then at another meeting they're bowing and scraping before RMU. At the April 18th meeting they were back in their bowing and scraping mode. Just when we thought they were growing backbones **Councilman Jim Waterman** thanked RMU representatives for doing them the great favor of attending the last few council meetings. All other city department heads have to come to every council meeting – it's a job requirement. They also need to be there to try to head off some of the council's freakier ideas. Why does RMU rate a big Valentine for showing up?

RMU Survey – RMU is doing a survey to find out what their customers say about them. They've also offered to pay for part of the Public Relations Spin Doctor the city is going to hire. When they were making up reasons to justify voting to pay for this new hire, Councilmember Wiggins said if they had a public relations expert the TIP project would have gone better. No, Charlotte. Better 'spinning' would not have made TIF popular. People don't want private property seized by city government to give to greedy developers and no matter how much lipstick you put on that pig - it's still a pig.

The fact that both groups need to hire someone to clean up their public image is an admission they have big problems but better "spin" isn't the solution. They earned the image they now want to clean up by treating the citizens of this community as if they have no right to have opinions, as if their property rights are meaningless, as if they are just cash cows to be milked for unexplained rate increases, unjustified fees, and sales taxes for city projects planned in secret meetings. The city and RMU are not willing to change what they do or give up the heavy-handed methods they use to do it, they just want to be able to put a better mask on it so they can pretend they're the popular kids in school.

Only the people who get survey calls from some boiler room will ever know how the RMU image questions are slanted and most won't recognize the bias. Only the most favorable responses will be publicized. Like the water study they contracted for three years ago, if the responses are unfavorable you'll never hear about it again. When the city was testifying at the PSC hearings in their quarrel with Intercounty, they claimed that, "A citizens' attitude survey conducted by RMU in 1994 showed a 93 percent approval rating." A 93% approval of anything is highly implausible but no one saw the questions or the answers so why shouldn't they claim a 93% approval rating.

And then they told the Big Lie again: In an October 25, 2001 RDN interview, the RMU board was trying to fend off a council push to get a bigger "franchise fee" for the city. (For explanation of the phony franchise fee go to [NSN Vol. 1 #60 RMU's Ponzi Scheme](#)). **Board Chairman Jim Stoffer** said they had given \$791,000 to the city the year before and they contributed electrical services to the Rec building and *they spent \$7 million on backup generators*, which Stoffer said were, "*To assure that the city, the fire department and the police department be in place in case of power failure.*" Stoffer bragged that with the diesel generators, "We have the ability to provide facilities to the City of Rolla in the worst case scenario. We won't have any down time," and he said, "we can keep functioning without failure or outages." Too bad Stoffer didn't know then that just two years later, on August 4, 2003, the three-day blackout would make a liar out of him while they scrambled to get the "emergency" generators away from MoPep and hook up a few of them to Rolla's power lines. He should have had his mouth washed out with soap.

Board member Maurice Alfermann said that "for the city to ask RMU to put up eight to 10 percent (annual franchise fee) is "back door taxing. It's taxation without representation." According to **Dain Ward**, "to raise the franchise fee would mean an overall increase for everyone." All that is true but in 1998 when **State Auditor Margaret Kelly** accused them of "back door taxation" by giving away millions to RCDC for development, they hotly denied their practice was hidden taxation – taxation without representation.

The RMU survey will be done by **Missouri Enterprise**, a private non profit corporation with offices at

800 W. 14th Street. Coincidentally that is where the RREC is planning to locate the offices of the new RREC economic developer. The Missouri Enterprise Executive Vice President is **Bob Thompson**. Until 2002, **Bob Thompson** was also on the RCDC board; **Bill Jenks** and the late **Dain Ward** are/were both RMU board members and both on the RCDC board. Is there any doubt how the RMU customer satisfaction survey will come out?

RMU appointment – new blood at last? Soon Mayor Morgan will be coming up with an appointment to replace Dain Ward on the utility board. Morgan says he is going to announce it and give a 30-day period for interested people to apply. Finally there is an opportunity for the city to try to recruit someone from UMR who actually knows something about the power business but don't hold your breath. Morgan will find someone that meets the approval of the rest of the RMU board because the city needs lots more money for the RREC developer.

Is it possible that it would be someone from UMR who actually knows something about electrical power? Nah. It's okay to be chums with the university when the city needs money for their public/private economic development partnerships but they draw the line at letting UMR people—particularly someone in engineering who might have some knowledge of the area - have anything to do with the community they live and pay taxes in.

We looked up the ordinance with the qualifications for RMU appointments and were reminded that no more than two members can be from the same political party. RMU board members also can't hold any other elected or appointed office. That rules out doubling up on someone Morgan is already using on some other board or committee. Morgan already has most of the real estate people in town appointed to something so that patch has been picked over pretty thoroughly.

Not this time, but someday in the future, there will be people on the RMU board who are understand that keeping utility rates low and investing their 'profits' back into larger, more secure power capacity is a greater financial stimulus to the local economy - and city hall's sales tax revenues - than all the attempts to score headlines with schemes for economic development. Low rates are good for business and good for families too because it frees up money they can spend locally. It doesn't, however, make big headlines for those who want a pat on their important backsides.

The missing Water Report. The city has appointed people to their Planning Commission and now they are supposed to be having a series of meetings held at (undisclosed locations?) to get public input on the City Comprehensive Plan. To make any serious contribution to update all these public policies it would be necessary to have many, many hours of meetings to brief the public on each of about 20 subject areas and then have many hours of open discussions as to what needs to be done in the future for each of those complex subject areas – but this is a rush job so you will only get a few minutes per subject. They're only updating

the Plan so they can include the 17 TIF areas they didn't have in the Plan when they started TIF.

If this was a serious process one of the most important areas of discussion would be about Rolla's water. Most people will think that means they're supposed to give an opinion on how their water tastes or what they're charged for it but that's not the point of this kind of planning. To do any real planning for Rolla's future water needs the Planning Commission and the public must first read the **Rolla Water Report** which RMU commissioned at great expense from a geologist or hydrologist about three years ago. The **Rolla Water Report** was supposed to tell where Rolla's water is coming from, how fast we're using it up, how deep they've had to drill to find more in the last 10 years and how much of it Rolla *may not have in the future*.

It hasn't yet occurred to the RREC or City Hall that there's not much point in spending a lot of money on economic development if Rolla can't supply a larger population with ample water. Unfortunately the public and the Planning Commission will never see **Rolla's Water Report** because the RMU board didn't like the news they got in the draft the geologist submitted so they hid it and they claim they had a substitute done "in-house." No one, including the council, has been allowed to see either report.

Recently RMU had to buy some property *outside* the Southside city limits to drill a new very deep well. All of the new wells are being located further out on the city's borders and they have to be drilled deeper than ever. To understand why that's a bad sign you would need to read the missing RMU **Rolla Water Report** but no one outside RMU has and they're not telling. That's typical Rolla thinking. Don't examine your problems and work out solutions; just keep telling everyone that everything is perfect until a crisis hits.

Isn't that how we wound up in a three-day blackout with generators that couldn't be used for emergency power?

TIF II – the ethics dilemma. The second Rolla TIF Preferred Developer, **Sansone**, is baulking at putting down a "reimbursement in advance" for the city to spend to restart their TIF. A couple of years ago when they started TIF I, **Kaplan Co.**, their first TIF Preferred Developer, just happened to drop in on the council one night when they were wondering how they could pay their up front costs to start TIF. The Man from Kaplan just happened to have \$10,000 in a plain brown envelope and an agreement for them to sign so Kaplan Co. could "donate" \$37,000 to the city's TIF fund. They called it a "reimbursement in advance." Well they forgot to tell Sansone they expected a cash "reimbursement in advance" from him too and he doesn't see any reason why he should give them one. Sansone is wise to keep his money in his pocket. If it was a performance bond it should have been in the RFP. But if it had been a performance bond and it had been in their RFP, the city couldn't spend it to pay their TIF expenses. When you make people give you "reimbursements in advance" so they can do business with you, it's not a "reimbursement in advance" it's a "kickback."

The reason they want Sansone to give them money is because they've overspent the budget. They gave RREC

\$115,000 and they've had cost overruns on the city hall renovations so they're already eating into their reserves which the auditor said weren't too healthy to begin with. Everything they spent on the first TIF attempt was wasted because they have a new developer with a new proposal so they'll have to pay for another cost benefit analysis (worthless though the first one was) and they'll have to pay the expensive law firm to start the bond process all over again. John Butz explained that most of the \$50,000 is for the work John Petersen has to do on it. Now wait, isn't Petersen a salaried city employee? So he has to work longer hours; that's just what department heads have to do sometimes.

The last we heard, **David Wright** (Kaplan Co.) was making threats because he wants the city to pay him back the \$100,000 he says they wasted on Rolla's TIF I. Wright also pointed out that the first TIF deal with him didn't end it just kind of spluttered out but Wright claims Kaplan Co. was never officially terminated so he claims they're still the Preferred Developer. Now they have two exclusive developers.

Although they want Sansone to give them money to hire a consulting firm that Sansone recommends and uses a lot to do the required cost/benefit analysis, they don't want Sansone to directly hire the firm to critique his TIF plan because that would look like what it looks like. So they resolved this ethical dilemma by deciding to use an "expedited" process to hire the firm Sansone works with so they can make sure to get the firm Sansone wants to do the cost/benefit analysis of Sansone's TIF plan. After Sansone gives the city the "reimbursement in advance" money that is not a kickback, then the city can pay the firm Sansone wants that way it won't look like what it looks like. We're glad they got their ethics problem straight on that one. TIF II is really going well don't you think?

Petersen's Shifting Galactic Zoning Code. John Petersen presented a number of rezoning proposals to the council.

One of them was for 48 new Senior Apartments on Lanning Lane and Cedar Grove Road. The complex has only one entrance/exit. When someone questioned if it was a bad thing to have such concentrated housing units with only one entrance and exit, Petersen said no because they're old people so there won't be much traffic like there would be for people who work and come and go a lot. OK, he didn't actually call them "old people" but his implication was very clear that because seniors don't work and just sit around on their old wrinkled behinds they only need one entrance.

Since Petersen talked the council into adopting his new Galactic Zoning Code the council has no idea what they're doing so they do whatever Darth tells them to which is exactly why he laid these incomprehensible new rules on them. This is the second time he has talked the council into approving tightly packed housing with only one entrance/exit. Park Place, a senior apartment complex by the same Columbia developer, had the same concentrated of apartments and it had only one entrance/exit too. Wasn't that the big objection Petersen had to Chapman's plans for his subdivision? Now he's shifted the goalposts. Wasn't that also what Debbie Castle came unglued about when she lobbied the council and made long rambling speeches to block Chapman's development? Debbie wasn't there that night to protest the very same housing congestion and unsafe entrance plans that she had such a hissy about when Chapman's plans were turned down three times. Isn't that the way it always is. There's never a shrieking Debbie around when you need one.

Councilman Barkledge pointed out, after they had approved two projects for out of town developers but given a hard time and a lot of grumbling about a plat Dietzmann wanted out at Blues Lake, that he thought it was just marvelous that out of town developers were finding so many business opportunities here in Rolla. Then they rolled up the red carpet and went home.

To receive " No Standing News " by e-mail, free of charge, send a message to rwnash@rollanet.org with the word SUBSCRIBE in the Subject line.

To unsubscribe send a message to rwnash@rollanet.org with the word UNSUBSCRIBE in the Subject line.

Editors note: Copies of No Standing News can be obtained free from the Rolla Public Library. Also visit our web site at: <http://www.nostandingnews.com>

I encourage distribution of " No Standing News ." Please feel free to copy and distribute any issue.