

No Standing News

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

Volume II

November 13, 2007

Number 71

How could she tell.....she's just a beautician

It took nearly two months for **Jim Stoffer** to come up with an answer to **Tracey Watson's** questions about the MoPEP contract. Considering what he came up with he should have thought about it a whole lot longer. He said: "The MoPEP Contract...Tracey's Comments...the worst contract she'd ever seen... her exact words...my question is it also the best contract she's ever seen? She's a beautician. Maybe she's seen a bunch, I do not know."

With that halting, patronizing sneer directed at **Tracey Watson** during the October 1st council meeting **Jim Stoffer** showed that he's no gentleman and he proved once again that he doesn't have the character we need in our public officials. Stoffer's gratuitous slur - that someone who was merely a "beautician" wasn't smart enough to judge the evidence of her own eyes - wasn't in response to a personal attack by Watson and it wasn't a slip of the tongue. It was a part of the victory speech Stoffer had prepared after the mayor finally scraped up enough council votes to reappoint him to the RMU board. After delivering the insult to Watson with visible relish, Stoffer did a victory lap by giving the council his Power 101 lecture again in case there might be someone out there in the TV audience that he hadn't already put to sleep with it on three previous occasions.

Well, we're actually very pleased Stoffer is back on the board. RMU is in financial trouble and he doesn't deserve to escape what's coming. When the crash comes we want Stoffer right there at the helm where he belongs, clicking those ball bearings as RMU slips beneath the waves.

Mayor Jenks - also no gentleman - is such a jellyfish of a presiding officer that he didn't call Stoffer to order and demand he apologize or leave the room. This was mainly because Jenks was relishing the insults Stoffer was spewing. Jenks frightens easily which he demonstrated by banning all mention of MoPEP and the contract. But he gives his RMU friends the pulpit without holding them to the same three-minute limit so they can bully citizens who dare question their RMU Highnesses. While the RMU junk yard dogs are busy sneering at their own customers, Jenks just watches. His friends do what he doesn't have the nerve to do.

Stoffer took all the time he wanted - which was far too much - to beat his breast and whine about how abused he was. After more than 20 years of public service his voice quivered at the injustice at being criticized over the MoPEP contract and RMU rate increases - all the result of his so-called "leadership." How dare the common people challenge His Highness! If the council had done the oversight of RMU that they were supposed to have done all these years, being criticized would not come as such a new experience to Stoffer. If his cheap shots at Watson embarrassed the viewing audience, his self-pitying whining and pompous self defense must have made them squirm. They say

the higher a baboon climbs up the pole the more he shows his ugly red ass and that night **Stoffer, Jenks** and **Alfermann**, climbed very high on the pole.

Councilmen Hicks and **Magdits** slightly redeemed the council's reputation by calling Stoffer down for his sarcastic personal attack. Stoffer apologized but not to Watson. Like any sulky bully he apologized to Magdits, but not to Watson. He just couldn't bring himself to look at her when he said it.

However, their nod to good manners was wiped out at the following council meeting on November 5th. Watson addressed the council and in her remarks made this statement. "I had the opportunity to sit and talk to several residents of Rolla over the weekend and the main issue, other than utility rates, was the fact that by far the majority of citizens are afraid to say anything to any of you for fear of being verbally attacked. While I felt it was nice to have the support of these people it is also extremely sad that they feel they can't make their feelings known to you for fear of repercussions." After she was finished **Councilmen J.D. Williams** (W. 5) and **Richard Morris** (W. 5) proved she was right by jumping all over her in the most unprofessional and ill-mannered fashion.

Rolla is doomed until we elect representatives who are not afraid to read "that hard stuff" and who exhibit a standard of conduct above that of junkyard dogs.

Can she tell a good contract from a bad one? The answer is obviously yes she can and so can anyone of *moderate intelligence* who makes the effort to read the MoPEP contract. This raises some important questions. 1. Did the council, the RMU board and two city attorneys all do their duty? Did they read the contract and decide they *did* want us to be burdened by MoPEP's horrible conditions or 2., were they too lazy to make the effort to read it or 3., did they read it but not having even *moderate intelligence* they didn't understand the permanent damage it would do to the town? (**MoPEP contract: NSN web page** : <http://www.rollanet.org/~rwnash/RMU%20Revised%20MoPEP%20Agreement.pdf>)

The reason Watson is getting such a drubbing from **12 lazy councilmen, Mayor Morgan, John Butz** and **two city-paid lawyers and the RMU board** is because they failed to read the contract in 2005. She did and was horrified to see what an instrument of fiscal slavery it was for everyone in Rolla. By asking why she exposed their sloppy practices. The council is not in the habit of reading scary-looking documents that they assume are "full of that legal stuff" which may be hard to understand because that makes them feel small. That's why several of them use that fawning **Jimmy Dale Williams** cop out line, "Why, we don't need to read this, we can just trust our experts," or

Councilman Magdits' favorite excuse for giving RMU the old crony pass, "Why, we can't set rates, we don't have the expertise." There have been so many things that Magdits says the council doesn't have "the expertise" to do that it's a puzzle why they don't all resign and go home. How typical of Rolla's low standards of performance that they think it is acceptable to boast of their laziness.

In the Rolla Daily "News" report of both meetings it was as if these rude displays by our public officials had not happened. Only TV viewers knew the truth. The RDN has a long history of uncritical pandering to City Hall, the RMU board and any group that proclaims they are experts in economic development no matter how much public money they waste. Making the politicians look good to the public comes naturally to them. One sign of their bias is that any citizen who wants any kind of accountability is described as a "Watch Dogs" - or worse. Why do they call Watson a "watch Dog?" Why isn't she just a citizen? If she were a man she'd be described as a Rolla resident or Rolla businessman so why don't they identify her as a Rolla

businesswoman? Alternately they could describe her as one of the thousands of pissed off citizens who want to know why their electric and water bills are nearly 50% higher than comparable rates. It is not a coincidence that the logos of the "news" paper, City Hall and the Chamber are identical.

The truth is that the sneering, snickering and insults are an attempt to cover up the embarrassment Stoffer, Jenks, Alfermann and Watkins and their council cronies feel at having their pants pulled down in public by "Just a Beautician." The "Beautician" understood things about the contract that had gone right over the heads of the RMU "experts." She pointed out things in the contract they didn't even know were there. They deserved their embarrassment. We're still waiting for them to answer the questions Tracy Watson asked months ago and despite all their diversions and insults, they're still not answering.

By the way, expect another rate hike within the next 60 - 90 days.

We're not the only "Watch Dogs"

Case #1 The City of Owensville. Stoffer and Jenks would like the public and the council to think the questions about MoPEP and RMU are just the cranky yelling of a bunch of local troublemakers..."Watch Dogs" the RDN calls us. Rolla is not the only town where citizens are finding out how badly they've been betrayed by their city officials who sold them like slaves to **Kincheloe's** Billion Dollar Gamble. For the last five years, we've been monitoring news stories of MJMEUC/MoPEP towns and their process of horrified discovery as the full magnitude of how they've been ripped off hits them. However much our local elitists would like to paint us as lone dissidents, Rolla citizens who are protesting our high utility rates aren't alone. There are literally thousands of people in neighboring towns in Missouri doing the same thing - trying to get out of MoPEP. They're all rebelling against what Justice Holstein called, "an ill disguised display of bureaucratic avarice."

The first case is Owensville our neighbor to the north. Their utilities are just another city department - not an Imperial House as they are here in Rolla. However, their problems are the

same. Their city officials indulge in the same corrupt practice as Rolla and RMU; they overcharge their utility customers and steal the inflated utility fees to cover up their annual city deficits. Whenever the Owensville council can't balance their budget as the Missouri Constitution requires, they too hike their utility fees to collect another "back door tax" exactly as the City of Rolla has done for 62 years. A group of citizens in Owensville have been struggling with their foot-dragging mayor, city administrator and three of their four council members just as we have. They recently pressured their mayor to appoint an Electric Committee to investigate the MoPEP contract and pricing. When the committee's investigations cut too close to the bone, the Mayor found an excuse to disband the committee. Words were exchanged; the city voted to disband the committee and demanded the committee members apologize to the city administrator. This was the response from one frustrated Owensville businessman who was a member of the disbanded Owensville Electric Committee:

"APOLOGY FOR ADMINISTRATOR"

This letter is not from the disbanded electric committee, I wrote it myself and these are my thoughts. The electric committee decided that there was no apology necessary, and were content to let the matter go away from lack of response, I did not see it that way.

The headline read "aldermen vote to seek apology for administrator" I thought that since the electric committee stated in the open letter that we had information based on the facts as we were given, and the only calculation that was not correct was the percentage of Owensville's share of the MOPEP debt. We used the amount the administrator gave us which was 2%, and it has been amended to 1.42%. That means Owensville's portion is approximately 15.5 million and not 20 million as stated in the open letter, and certainly not 4.2 million as stated by the administrator.

That being said, I would like to attempt to do what the headline asked for, and apologize to the City Council "For the administrator" since she doesn't seem to feel the need to do so herself.

So to the members of the city council, I'm sorry...

I'm sorry that the administrator does not fully understand the contractual obligations that Owensville has been lead into by MJMEUC chairman Duncan Kinchloe. Maybe she should have read the contract first, or at least more thoroughly.

I'm sorry that the administrator didn't understand or concealed the debt that Owensville is liable for as a member of MJMEUC from you the council and the citizens of Owensville until it was "discovered" by the disbanded electric committee.

I'm sorry that she doesn't understand that a debt as described in the open letter is a real obligation whether it is a bonded indebtedness or a contractual indebtedness.

I'm sorry that she didn't explain to you that the debt must be paid, whether or not any of this debt is used to actually build any power plants, or receive power from them if they ever get built, and whether or not any or all of it (the power) is allocated to us or to someone else.

I'm sorry that she didn't inform you that the MOPEP pool committee is obligated by the contract (Article 4.3) to raise our electric rates to be sufficient enough to pay for this debt, and that if the pool committee doesn't, the MJMEUC manager has been given the right to raise our rates "unconditionally" to pay for all costs associated with the debt(s).

I'm sorry that she didn't relay to you sooner than her August 14th memo that she was sure you, and past city councils did not understand that they were getting into "this mess" as she called it, and further explained that our MOPEP representative Jeff Limberg admitted "many times" that he didn't understand the votes he made to obligate us to this debt at the MOPEP meetings.

I'm sorry that she told you on August 14th that she had a hard time believing that any part of the MOPEP contract was even legal, but then on September 10 she told you that the electric committee was attempting to demonize MOPEP and that she thought the past and current city councils did make the best decision to join MOPEP. Also on the August 14th memo, she told you that "SHE" has voted no on all the last MOPEP expenditures, but when asked at the open meeting on September 24, she could not remember exactly who the voting member was, her or Jeff Limberg. Which administrator do you believe?

I'm sorry that she informed you that none of the debt was to be paid until the new power plants come on line, and I'm really sorry that when I showed you MJMEUC's annual audit, proving that we have already been charged \$18 million in accrued interest, and direct costs, you chose not to believe the facts.

I'm sorry that she informed you in her September 10th memo that the city was not deficit spending. When she was asked at the one electric committee meeting that she attended if we were paying the entire electric bill each month, her reply was "not quite"... isn't that a deficit?

I'm sorry that she told you that the "citizens of Owensville were not going to be writing checks to pay for the debt" when she knows – or at least she SHOULD know that MJMEUC has the first lien on our electric revenues, and the absolute right to raise the rate to accommodate full payment of the debt, so yes we will be writing a check to pay the debt! Every single month! I'm really, really, sorry that she doesn't grasp that concept as our real problem!

I could continue apologizing for the Administrator, but I really think a better alternative would be for you, the city council, to let her begin her retirement earlier than she asked for, and terminate her contract immediately. The most important negotiations concerning the future of the citizens of Owensville will take place in the next 6 months, and she has demonstrated without a doubt that she is incapable of doing what's best for the citizens of Owensville.

Most of all, I'm sorry that all of my efforts and the efforts of the former committee members seem to be in vain, and that for all the effort we put forth, and all of the facts that we brought to light concerning the future of Owensville, the only comment we received from this board, was to "stop poking the stick in the hornets nest"! As far as me apologizing "TO" the administrator for being part of the disbanded electric committee, I'll be glad to do that. Just call me when Hell freezes over!

Respectfully submitted, (signed) **John Adams**, Ratepayer, City of Owensville

Case #2 City of Farmington. The City of Farmington didn't mess around when they petitioned for a state audit because of their MoPEP inflated utility rates - they petitioned to *recall their mayor* at the same time. Their new mayor, **Karen Yates**, was elected by irate voters with a clear mandate to get them out of MoPEP. The people of Farmington aren't fooled by tales that someday "every one will have prices as high as MoPEP's." Kincheloe told Mayor Yates if she could find another city to take their place he'd let Farmington out without the five-year waiting period and liability for their share of MoPEP debts. Yates had no qualms about playing the Judas goat for Kincheloe. A few months later three more cities joined MoPEP but Duncan Kincheloe reneged on his promise to let one of them replace Farmington. Duncan told her none was an "acceptable" substitute. The MoPEP contract in fact, doesn't allow substitute

victims and Duncan can't afford to let anyone go. He's already pledged all their electric revenues from the next 40 years to all of his projects. Mayor Yates was recently in **St. James** still desperately looking for a sucker-city to take Farmington's place. She still hasn't caught on to Duncan's game.

The state auditor told Farmington the same thing they told Rolla in 1998, and the same thing they told the City of Hermann in 2004, the practice of using their utility as an ATM machine is illegal. The Farmington state audit: <http://www.auditor.mo.gov/auditreports/pr01.htm>. **Audit #2007-11**

Case #3 City of Hermann. The citizens of Hermann had already petitioned for a state audit in 2004, (**Audit #2004-88**). The city ignored the state auditor just as Rolla ignored the state in 1998.

So in December 2006, Hermann's angry citizens hired the St. Louis firm of **Armstrong Teasdale, LLC**, to file a class action suit against the City of Hermann! Their lawsuit says in part, *"The city's practice of using its utility rates and fees to fund non-utility related city expenses is and has been in violation of the Hancock Amendment, Mo. Const. Art. X Sec. 22."* The class action suit asks for a refund to all citizens of the excessive rates and other damages. All of Missouri's little unregulated small town utilities have been Milking their Electric Cows for decades to balance sloppy deficit budgets. If the Hermann case is successful it will be a precedent that will stop all other small towns – like Rolla - from exploiting their citizens the same way. They will suddenly be forced to live on their own revenues, not on the pork their utility department has slipped them under the table for decades. Read the Hermann brief at: <http://www.rollanet.org/~rwnash/Hermann%20-%20Class%20Action%20Petition%20-S2208518.pdf>

But Ma, the Emperor has no clothes! The reason for all the nasty tactics, the public whining and boring lectures from RMU is that the reclusive **Royal Municipal Utility Board** is getting the kind of public attention they've never had before and they resent it. For the first time they're faced with demands for accountability. They can't explain the mess they've gotten us into without admitting that "Just a Beautician" code for "a mere woman," figured out the game they were playing with Kincheloe behind the council's back. Now, because of their resentment and hostility at being unmasked, they are incapable of taking a critical look at **Duncan Kincheloe's** past business failures and asking, "Why are we buying another used car from this man?" If they took an objective look at the bungled business schemes Kincheloe has already suckered them into they would have to admit they're following a business failure, not a business genius. Kincheloe has no real business experience that we've been able to find. Kincheloe is a small time political apparatchik living off bigger pols. The high point of his career was when he was a gofer for former **Governor Ashcroft** but John didn't take Kincheloe along when he moved to the big time in Washington D.C. Kincheloe is now just a bundler for the party. He serves on **Governor Blunt's** Political Appointments Committee which is a

polite title for the trough that rewards party contributors and their relatives with state jobs and lucrative committee appointments.

Kincheloe's dubious record. Let's look at Kincheloe's record as a business manager since he took over. *First*, there was his power purchasing consortium, MJMEUC/MoPEP that was going to give them all his much touted "economies of scale" in purchasing electricity. There are no "economies of scale" when you're a middleman marking up a product that has already been marked up by other middlemen. (We won't count Kincheloe's smarmy emails to Enron before that crash and bad judgment that caused him to invest and lose over \$461,801 of MJMEUC's money playing with "Kenny-Boy.") *Second*, he talked his MoPEP minions into going into debt to buy diesel generators. He loaned them the money with lease-purchasing contracts through MAMU, another one of his corporations. This worked out much better for him than for them because paying back both his "loan administration fees" and his high-interest loans has been a bitch.

His *third* scheme was to use the diesel generators to lower peak power expenses but that didn't work out either. The flock discovered too late that the power produced with expensive diesel fuel could only be sold to Duncan at Duncan's prices. Duncan paid them with MoPEP 'money' which he ran off on his copy machine *then Kincheloe marked up their expensive diesel power and sold it back to them* but they have to pay *him* in real money. They're still scratching their heads trying to figure that one out. *Fourth* is his current scheme to issue revenue bonds to buy shares in high-risk, coal-fired power plants at terms that would make a gypsy roofer blush. The pass-through cost of this illegal investment scheme has jacked our power prices up from high to outrageous. MoPEP hasn't imploded yet but the damage Kincheloe has done to our people and our communities is real and it's going to get a lot worse because he can't be stopped. Make no mistake about it Kincheloe controls all the shell corporations and he controls all the yeah-saying little "Watkins" as well.

The number of laws Kincheloe, his groupies have broken are almost too numerous to count. Nevertheless, in the next issue we'll attempt to count them. *To be continued...*

END

Hogan Sightings: Friends of the Hogan families, father and son, will be happy to learn that the Hogan's are all doing famously in Florida, the bankruptcy sanctuary state. Friends wishing to drop them their well wishes (or creditors wishing to drop them something else) can reach them at: 1913 N. LAKESHORE DRIVE, SARASOTA, FL 34231. Friends of **Sean Hogan** will be delighted to hear that Sean has landed on his feet and is starting a fresh new career. The announcement by his new employers said he's become "the Controller for **Holliday Group** where he oversees all financial accounting matters as well as budgeting and cost reporting." (a minute while we catch our breath) To the best of our knowledge the rumor that **Buz "The Buzzer" Harvey** has entered the witness protection program is quite without foundation.
