

No Standing News

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

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The MoPEP Secret - You won't believe who really raised RMU's wholesale price!

- City Hall and RMU play 'power' politics - food spoils in 14,000 refrigerators •
- Big Bird School of Economics: administrator's get raises 4.5 times the rate of inflation •

Mayor Joe Morgan's Emergency Plan:

"Uh-h-h, go to a friend's house out in the county where they have electricity."

The 30-blackout blackout. Monday, August 4th in 91° heat, RMU's power failed again when Ameren UE's substation blew up and burned blacking out both Rolla and St. James. Intercounty Electric's customers for miles around could see the tower of black smoke while sitting comfortably in their air-conditioning. This 30-hour blackout they say, was due to UE's equipment failure but equipment does fail – even Intercounty equipment sometimes fails. Intercounty customers, however, rarely lose power when equipment fails because Intercounty *continually invests in upgrading their system so that when one station goes down a bypass system reroutes the supply.* That's the result of planning for every contingency and setting high performance standards. Since the 10-hour RMU blackout in November 1998, we have had many, many shorter power outages – too many to count. But if Intercounty can provide reliable, rarely interrupted service, why can't RMU? Customers own Intercounty Electric, but customers also own RMU. Intercounty is very good at giving

their many thousands of owners reliable service but RMU's service is only marginally better than some third-world countries. What's the difference? The difference is attitude, management and city hall politics. This is not the fault of RMU employees, *its management's lack of long-term planning, their lack of investment to upgrade the city's power delivery system and their failure to provide for emergency backup from Intercounty.* The investment hasn't happened because for decades RMU/City Hall politics has drained off millions from their bloated electric rates that should have been used to modernize the system. They *haven't had to raise rates since 1988 because they have been set artificially high for 15 years to provide an ample pay-off for other political purposes.* The emergency backup from Intercounty didn't happen because they would have to pay Intercounty for the back-up power used. It's cheaper and to let people sit in the dark.

The MoPEP Secret - Who really raised RMU's wholesale price?

On July 30th, just six days before the blackout, the RMU board voted to raise utility rates by 10% starting in September. RMU Board Member **James Stoffer** said the increase will *"prevent them from the need to draw down [their] reserves by an estimated \$1 million in 2004."* He blamed this need on the rising cost of natural gas during the last two years, which caused a rate hike in their wholesale price from their 'new' power supplier, the **Mo Public Energy Pool (MoPEP)**. They had to get a 'new supplier' in 2000 because they picked a fight with AmerenUE that lasted five years and can no longer buy from them. Several years ago when everyone thought the state was going to deregulate energy, a few small municipally owned utilities hastily formed corporations to cash in on what was supposed to be the big deregulation bonanza – but wasn't. Thanks to the California disaster and ENRON scandal Missouri didn't deregulate. The **Missouri Public Utility Alliance (MPUA)** is the umbrella corporation for three others, **Mo Public Utility Alliance (MPUA)**, **Mo Assoc. of Municipal Utilities**

(MAMU) and the **Municipal Gas Commission of Missouri (MGCM)**.* In short, MPUA is like ENRON. MPUA uses their own committee, MoPEP, to buy and sell power contracts for their members. Now how non-competitive-pricing-and-conflict-of-interest is that? MoPEP gets the power from wholesale companies who actually generate power and also have to contract for the lines to deliver it. That's why we are still hooked up to UE. MoPEP sells power to only 25 very small cities in Missouri like Rolla, some of whom also thought they could generate extra power for big deregulation profits with big, ugly, belching, noisy, diesel generators sitting around stinking up their towns.

Here's the MoPEP secret. **RMU Manager Dan Watkins** is Chairman of the MPUA Joint Ops Committee; Watkins is a officer of MJMEUC and MAMU which are both members of MPUA and they all own and control MoPEP, the source of RMU's now more expensive power. If you followed all that are you beginning to get the picture? Who controls MoPEP and MoPEP prices - MPUA does. Who is a

member of MPUA – RMU is. Who votes on the MPUA and MJMEUC and MAMU boards – Dan Watkins does. RMU, in other words, is buying power from their own covert organization, the one that raised the prices. So RMU then slaps a big 10% rate increase on everyone in Rolla with the excuse that ‘somebody’ raised their wholesale price, figuring no one will ever know they really engineered it themselves. When Stoffer said their ‘new supplier’ raised their wholesale price he didn’t mention that the RMU board are members of MPUA and Dan Watkins voted on the wholesale rate hike did he?

MPUA says they “*manage the resources*” of their member cities “*to achieve economies of scale.*” They describe the power supply as a “*diverse supply mix.*” They also have golf tournaments, conferences, their own offices in Jefferson City and pay a staff and Executive Director. MJMEUC “*pools all the interconnections from the 25 poor members*” and can “*start and stop members generating units.*” Is it possible that mismanaging “the resources of their member cities,” mismatching the “diverse supply mix” and “starting and stopping members generating units” has caused RMU’s chronic outages?

Stoffer coyly avoided mentioning that another reason why their reserves have been draining away is their brilliant scheme to manufacture power with diesel generators to make big profits - a \$6 million flop (diesel costs more than kilowatts, Bevis.). The generator scheme was hatched by MPUA; Watkins and the RMU board fell for it like a ton of bricks. *The diesels were purchased from MAMU; Dan Watkins was Vice President of MAMU when he sold the city council on backing the issuance of \$6 million in revenue bonds to make the purchase!* He didn’t explain that part to the city council even though former council member Brian DeFriese tried to question him about it. Watkins said it was “just a professional association.”

Stoffer also didn’t mention the high cost of years of fights and lawsuits with UMR, AmerenUE, Intercounty and the Water District and the multi-millions in cash giveaways to city hall and the RCDC. How can they justify raising rates 10% because *now* they’re out of money, when they’re only out of money because they’ve squandered it and were suckered into gambling millions on a diesel generator Ponzi scheme? Who wants to move to a town where a toxic combination of corrupt political deals, small-minded management and secret alliances and contracts are so entrenched that they can’t cope with predictable quality of life crisis? *(Read all about MPUA and Watkins at: <http://www.mpua.org/About/>)

Watkins plan for improvement: “...go on with life as usual.” Power failures are expensive. Businesses have spoilage and don’t sell goods and services, people can’t work and lose pay; freezers and refrigerators thaw and food has to be thrown out, for many families that food isn’t easy to replace. Defective power equipment must be replaced. The cost of fighting the fire and the environmental pollution that resulted was very expensive for Rolla, UE and all the fire companies that responded. If anyone added up the total economic damage and costs in Rolla and St. James for this

30-hour failure, the total would easily be in the millions – but they won’t do that because they want to keep your attention on their usual excuse, “*It was Ameren UE’s equipment.*” Millions lost and all Watkins can say is, “*It’s time to go on with life as usual.*” No thanks; we don’t want more of his “life as usual.” Watkins version of “life as usual” is for us all to wait passively for the next power failure while RMU raises our rates (pretending some other dude did it) and continue to give away millions.

Between the 1998, 10-hour blackout and this one lasting 30-hours, there have been many, many shorter outages, from periodic flickering which damages sensitive equipment, to failures of several hours; sometimes in parts of town, sometimes the whole town. Were those mini-failures due to: RMU’s aging equipment, UE’s faulty equipment or because MoPEP has no pep and MPUA drops the ball when shifting power between the 25 cities? We all know that “life as usual” means more of the same on-again, off-again power until the next long, really expensive blackout and that is unacceptable. We know Watkins and the RMU board can make excuses but can they do anything to keep this from happening over and over again? Where’s their plan for improvement?

Our Plan for Improvement: Get a new RMU board and manager and shut off the money pipeline to City Hall.

Wednesday, the newspaper admitted the usual “the-other-guy-did-it” excuse won’t work any more and called for a study and a lawsuit. They’re half right but we don’t need more rate money wasted on lawsuits. The city council needs to clean house from the top and either give this utility new management or bid the whole thing out to a private power company that know how to keep the lights on.

State Auditor **Margaret Kelly** in the 1998 petition audit of the City of Rolla said: “*As a result [of the excessive cash giveaways] utility rates and charges may be set higher than required to recover actual costs. Also, city utility customers are subsidizing the promotion of economic or industrial development and general city expenses through the payment of their utility bills.*” She called it “*a hidden tax.*” If we’re going to be charged another 10% electric “tax” we should get to vote on it. Kelly made it very clear that their practice of overcharging rate-payers to give millions to the city and RCDC was illegal and a bad management practice; any surplus, she stated very emphatically at the audit meeting, should be reinvested in providing better service, or if they were collecting extra millions due to their excessive rates they should lower their rates or rebate the excess. **Joe Morgan** had just been elected. He sat in the audience that night and heard her warning. So that raises the obvious question: Why do Morgan and the council keep reappointing the same mediocre board members? This board has a miserable service record, their expensive feuds, lawsuits, and reckless power generation schemes prove they aren’t fit to run this basic service. The answer: Morgan reappoints them because they were part of the 1998, elect-Morgan deal he made with **Ed Owsley, Dain Ward** and the **RCDC** gang. The council goes along with it because they get to ‘skim’ part of the RMU profits for city spending. The RCDC-Morgan election deal was essential,

they had to keep the RMU money faucet flowing into RCDC's private industrial park. Sure RMU has to raise electric rates now – now that they've squandered millions in surplus and reserves for politics. The big question about the 10% rate increase is this: What is it really for? The decades-long priority of subsidizing RCDC's industrial park has lately been superseded by Morgan and Petersen's new development scheme; develop more retailing (and retail taxes) by stealing county and school taxes with TIF. But the Mayor still needs the RMU money because he has a new mouth to feed, the Recreation White Elephant. So Joe keeps reappointing the same fossilized board members and during his tenure has helped suck another \$3 million out of the utilities 'profits' that should have been invested in improving their service.

Follow the rate increase money. The Rec Center/Splash Zone deficit is estimated to be from \$400-\$600,000 this year. Coincidentally, the 10% rate increase will generate an estimated \$568,000 a year from residential bills, they didn't say how much from commercial bills. If the city budget gets a sudden increase in their RMU 'franchise fee' this year or next you'll know your so-called 10% rate increase wasn't another economic development tax in disguise, *it was a recreation tax in disguise.* (Next issue: more about RMU's "Power Politics.")

Suggestion: The Rolla Daily News is about to run a tourism ad promotion called "Discover – The Middle of Everywhere." They plan to hand out 4000 copies to tourists. If the city does nothing about RMU, we suggest they give away a candle with every
copy.

The Big Bird School of Economics

Our "wrong understandings." The highlight of the July 24th vote on the third year teacher's raises was the board's grudging attitude at being cornered into keeping a promise they made to voters two years ago. **Board Member Annie Bass'** threats to cut academic programs and teachers, which she predicted would result in "*class sizes so big they would become unmanageable,*" were the petulant reaction to having their hand forced. Obviously they didn't think they would have to keep their election promise but now that they do have to because another levy vote is looming. Like all spoiled brats, their response was: "You'll be sorry." It's disgusting to hear public officials act with so little grace and so little loyalty to the employees and parents after twice manipulating them for their votes.

The board has conveniently forgotten that this is due entirely their own political stupidity in playing politics with salary promises three years out - the act of fiscal dunderheads or people who will say anything to get money. Now that they have to pay the price of bribing the teacher and parent voting blocks, the mature response would have been to keep their word with at least a pretense of good will and declared their intention to make it work no matter what travel, perks or executive pay they had to sacrifice to make good their campaign promises. After all, it is "for the children" isn't it?

Never one to make her point and shut-up, Bass then insulted everyone's intelligence by administering a public scolding, "*If people think this raise is going to be a perpetual event they've really got the wrong understanding.*" The "people" she was referring to with the "wrong understanding" are school employees and voters – all persons, in her opinion, who lack her superior "right understanding." If Bass had any experience earning and living on a teacher's salary she would know that no one imagines that annual salary increases work on a perpetually accelerating scale. No one can imagine it that is, except our Rolla school administrators.

The 5.4% raises for administrators. This is an outrage on several levels. Voters in 2001 also made it crystal clear that

they didn't want any of the "teachers" money going to those *#^c¥@ &!

overpaid administrators; a message our tassel-loafed board members have ignored for the third time. That their raises were a whopping 5.4% when inflation is barely 1% perfectly answers the other Bass question, "*Will the school board appear to be fiscally irresponsible?*" she asked. No, they don't 'appear' to be fiscally irresponsible they 'appear' to be graduates of the Big Bird School of Economics. Did they think that by using the same percentage as the teacher's raises everyone would be fooled into thinking that represents dollar equity with teacher's raises?

The idea that five of these 18 administrators with their outstanding record of screw-ups this year *deserve* increases of from \$4,000 to \$6,000 is ludicrous. To name only three very costly mistakes: the Reed debacle, selling school land to a Porn King and copping out to the city on 23 years of TIF taxes. Given the grim outlook for next year's state budget and the huge gap between teachers and administrator's salaries, Superintendent Adams could have shown impressive leadership by refusing raises for himself and his 'suits' next year but he didn't. The most cowardly act of all was taking the vote on the inflated admin raises illegally in closed session so they wouldn't have to come up with a lame excuse to justify the unjustifiable. In secret, Jim Burns made the motion; Keith Strassner seconded it, all five members present, **Bass, Strassner, Burns, Blum and Hooper,** voted yes. (Rapier and Wilkerson were absent.) The five come out in open session to vote on the teachers much smaller 5.4% with well-scripted threats and a miserly attitude - the height of hypocrisy. Perhaps they did the dirty deed in secret so the noise of champagne corks popping wouldn't upset the peasants and cause those more of those "wrong understandings" Bass says we are prone to.

Preview of the next TAX campaign. Given their attitude why did they give teachers the third year raises? They conceded to public pressure only because **Superintendent**

Adams wants to bring up the soon-to-expire 69¢ levy, maybe as soon as November '03 or April '04, and they're afraid that defaulting on the teachers and parents now will cost them that tax vote and also the seats of two board members, **Jim Burns** and **Frank Blum**. After they get the next tax vote – then it will be quite safe to default on the teachers. With no other tax issues ahead (we hope) they won't need to bribe those two voting blocks. The dire warnings about "unmanageable class sizes" and other fiscal disasters that Bass says will result from

being forced to keep their word, are nothing but test rhetoric for the next tax campaign to get voters to make the 1987, 18-year 'temporary' 69¢ levy a permanent tax. Due to the board's historic indifference to their budget, the 3-year spending binge that squandered the windfall from the 80¢ levy and the \$8.5 million bond issue that increased their overhead costs, their amateurish budget cutting this year barely nibbled around the edges. Big globs of fat and waste haven't yet been touched.

Co-curricular policy – questions about discipline

Rolla School Board reschedules touchy issues - again. The board's plan to have public discussions on Co-curricular Discipline and Weighted Grade issues has been postponed repeatedly during the last two years. The Co-curricular Policy Forum has been rescheduled for August 21st. Weighted Grades has been put off again until some unspecified time next spring. They have promised and postponed these critical public discussions each time they put a tax issue up because a public discussion about the uglier aspects of the co-curricular discipline actions (i.e. whose children get punished and whose don't) and "un-weighted grades" (the dumbing down

of the curriculum and the grading system) would make their usual "for the children" campaign rhetoric sound very hollow.

This is the disciplinary issue that will not be talked about on August 12th but it should be. Last year, out of **995** high school students, **514** of them received a total of **2,458** disciplinary actions, which included **625** days of suspension from school and **2,838** hours of Saturday detention. Those are the figures just for grades 10 through 12. The so-called "Zero-Tolerance" policy and Character Education were supposed to cure all discipline problems. The numbers say those educational fads aren't working.

Next issue: More about the RMU/City Hall power racket and the cash they've drained out of your utility payments. Also revealing statements (that were never reported locally) from Dan Watkins testimony before the Missouri Public Service Commission during the Southside case.

School Admin Raises: So you can better appreciate their amazing good fortune, we have the Rolla School Administrator's salaries with their new 5.4% administrative raises on the NSN website <http://www.rollanet.org/~rwnash/Admin_Salaries_04.pdf>.

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