



Missouri Section

American Water Works Association

MISSOURI SECTION AMERICAN WATER WORKS ASSOCIATION 2018 JOINT ANNUAL MEETING BUSINESS MEETING LUNCHEON

Monday, March 26, 2018
12:00 – 1:45 p.m.
Parasol 1

Minutes

Chair's Report – Mr. Brummer brought the meeting to order and welcomed everyone to Tan Tar A.

Opening Remarks:

Mr. Brummer thanked all the people who worked to put on this year's conference. Attendance is good; the number is 922, we were at 860 this time last year. This year's Fly-In attendees will be: Bob Parks, Jeff Clarke and John Brummer.

Mr. Brummer thanked all for all their hard work this past year and all the work it takes to put on this yearly conference.

Remarks from Visiting Officer, Alan Forrest AWWA Vice President

Mr. Forrest said that we had a good conference full of great technical sessions. He gave the following report on the State of the Water Industry:

I don't want to take up too much of your time talking about AWWA, but I do want to remind you of who we are. AWWA was established in 1881 and is the largest nonprofit, scientific, and educational association dedicated to providing solutions to manage the world's most important resource: water. With over 50,000 members and 5,000 volunteers, AWWA provides solutions to improve public health, protect the environment, strengthen the economy, and enhance our quality of life.

As most of you probably know, AWWA has produced a State of the Water Industry report every year since 2004. It's a great report and contains some very interesting information about our industry. The report is released each spring – the 2018 report has not been released yet, so I thought I would share some of my takeaways from the 2017 report.

But first, some details about how AWWA develops this report. They start by sending out a survey to a large number of AWWA members and key industry contacts. They then develop the report based on responses they receive on specific questions posed in the survey. The goals of this report are as follows:

- Identify and track significant challenges facing the water industry

- Provide data and analysis to support water professionals as they develop, implement and communicate strategies to address current and future issues
- And, inform decision makers and the public of the challenges faced by the water industry

So, here are a few things I found to be of interest from 2017 report:

- The current health of the industry (or soundness) as rated by all respondents was 4.3 on a scale of 1 to 7. Not bad, but not great either. In 2016 we were at a value of 4.5 and we have been hovering in the 4.5 to 4.9 range since the survey began in 2004. So this year's score was the lowest we have seen – not by much – but I wonder if we are starting to see a trend?
- Looking forward five years, the soundness of the water industry was 4.3 (also on a scale of 1 to 7). In 2016 we were at a 4.4 and in prior years, this score had been in a range of 4.4 to 5.0. Again, not bad, but not great either.
- So what do think the top five most important issues facing the water industry are? Here's what AWWA's survey found:

1. Renewal and replacement of aging water and wastewater infrastructure
2. Financing for capital improvements
3. Long-term water supply availability
4. Public understanding of the value of water systems and services
5. Public understanding of the value of water resources

These same issues were all in the Top 5 in 2016 as well – only in slightly different order. So, I think the most important issues for our industry – based on the survey – can be summed up in TWO WORDS - AGING INFRASTRUCTURE. No surprise there – right? But it's not just about the repair and replacement of aging infrastructure that's important. It's also the financing needed to get these projects built and the public outreach needed to garner support for funding these projects.

So who is going to do all this? Well a quick look around this room will tell you – It's US!

The State of the Industry survey also asked individuals about how prepared their utilities are to meet these challenges. Here are a few interesting things that came out of the survey:

- 30% of utility personnel reported their utilities are currently struggling to cover the full cost of providing services through customer rates and fees. This jumps to 37% when respondents considered the full cost of service in the future. Interestingly, 12% felt their utilities were currently not at all able to cover the full cost of providing service.
- “Justifying Repair & Replacement programs to ratepayers”, was determined to be very important with 39% of respondents rating this a critical issue.
- 49% reported that their utilities' access to capital was as good as or better than at any time in the last five years, down from 56% in 2016 and 53% in 2015. It will be interesting to where this item goes in 2018.
- 40% reported declining total water sales, while 26% reported their total water sales were flat or had changed little in the past 10 years. This means that a large proportion of utilities potentially face issues associated with low or declining water demand, at the same time costs for water services increase.

- When utility personnel were asked how their utilities are responding to cost recovery needs in the face of changing water sales and consumption patterns, the most reported response was shifting more of the cost recovery from consumption-based fees to fixed fees within the rate structure. But for many reasons, this is a difficult thing to do.
- Utility personnel were also asked how 6 groups would perceive a potential rate increase in the upcoming year: Public Officials were thought to be the most positive at 21%, with the next closest group being business leaders at 10%. The most negative responses (71% negative) were expected to come from residential customers.

The report digs in a whole lot deeper on these and other issues, but I just wanted to give you a flavor of what the state of our industry is at this point in time. We have made great strides, but it's clear to me that our utilities are going to have to do a better job of communicating with our customers. We will need champions who are willing to get out and talk with our customers in an open and transparent way.

Again, who is going to do this? Again, look around this room – it's US. If not us, then who?

Approval of the Minutes from Last Year's Business Meeting – A motion was made and seconded by Jeff Clarke and passed to approve the minutes from last year's business meeting (2017).

Secretary/Treasurer's Report – Molly Pesce

Missouri Section AWWA Financial Summary Through 3/25/18

Balance March 21, 2018 (All accounts)

1/1/18 to 3/21/18:
 Net Spending: \$10,271
 Net Revenue \$6,064
 Total Net/Loss: (\$4,207)

2017 Annual Meeting Revenue	\$223,614.55
2016 Annual Meeting Revenue	\$228,715
2015 Annual Meeting Revenue	\$230,287
2014 Annual Meeting Revenue	\$223,329
2013 Annual Meeting Revenue	\$228,699
2012 Annual Meeting Revenue	\$227,890
2011 Annual Meeting Revenue	\$215,050
2010 Annual Meeting Revenue	\$213,420
2009 Annual Meeting Revenue	\$204,590

2008 Annual Meeting Revenue	\$198,760
2007 Annual Meeting Revenue	\$189,887
2006 Annual Meeting Revenue	\$188,403
2017 Net AWWA Conference Profit	\$31,000
2016 Net AWWA Conference	\$37,000
2015 Net AWWA Conference	\$26,000
2014 Conference	\$22,000
2013 Conference	\$31,000
2012 Conference	\$32,000
2011 Conference	\$16,600
2010 Conference	\$18,280
2009 Conference	\$10,500
2008 Conference	\$23,200
2007 Conference	\$21,577
2006 Conference	\$23,752
Conference 2017 Water for People Income	\$24,090
2016 WFP	\$15,751
2015 WFP	\$20,807
2014 WFP	\$11,000
2013 WFP	\$11,340
2012 WFP	\$10,391
2011 WFP	\$10,881
2010 WFP	\$ 6,113
2009 WFP	\$ 6,001
Total 2017 Water for People Breakdown	
Golf Tournament	\$ 6,646
Opening Session Raffle	\$ 1,073
Monday Silent Auction	\$ 2,009
Texas Hold-Em Tournament	\$ 770
Tuesday Silent Auction	\$ 2,122
Basket Raffles	\$ 2,780
Tuesday Banquet Oral Auction	\$ 4,500
Donations	<u>\$ 4,190</u>
	\$24,090
Total 2017 AWWA Scholarship Income	\$
2016 AWWA Scholarship Income	\$5,292
2015 Scholarship	\$4,050
2014 Scholarship	\$ 4,000
2013 Scholarship	\$ 3,253
2012 Scholarship	\$ 3,402
2011 Scholarship	\$ 3,584
2010 Scholarship	\$ 3,056
2009 Scholarship	\$ 2,644

MOTION: A motion was made, seconded and passed to approve the Treasurer's Report.

Budget – Mr. Hess presented the Budget and asked if there were any revisions; there were none. He plans to work on making changes where there is a reconciliation of the budgeted amount against the actual money spent.

MOTION: A motion was made to approve the Budget, vote held and the submitted Budget was approved.

Director's Report – Curt Skouby. Mr. Skouby reported that he had given his report at the morning's Opening Session. Roddy Rogers will move into the Director's spot at upcoming ACE this year. Also congratulations Randy Moore who is now an AWWA Vice President.

CONFERENCE MANAGEMENT:

Registration: Numbers attending the conference so far is 922

Exhibit Report - 133 booths were sold this year and there are 2 booths for WFP.

Technical Program: There were seven concurrent sessions each on Monday morning and afternoon and Tuesday morning and afternoon, and four on Wednesday morning, for a total of 28 concurrent sessions, and a total of 95 technical papers

Young Professionals: Ms. Doyle reported that the Young Professionals remain active and many events will be planned throughout the state this year. 108 people attended the YP event Sunday night. She reminded everyone that you do not need to be a young professional to attend.

New Member Recognition:

Jenny Doyle reported that she had attended the 2018 Membership Summit. 3 people attended, one from Kansas City, one from St. Louis and one from Springfield.

Election of Officers:

**OFFICER NOMINATING COMMITTEE
ANNUAL REPORT**

Nominating Officers Report

The Officer Nominating Committee met via email in December and January and identified a number of candidates suitable to fill three positions. The committee is composed of the three past-chairs of the organization. The committee brings forth the following candidates for consideration by the general membership for the election of officers to be conducted at the upcoming Annual Conference:

2018-2019 SLATE OF OFFICERS:

Chair: Drew Hess (Automatic Nominee)

Chair Elect: Jeff Clark (Nominee)

Vice Chair: Joel Ogle (Nominee)

Secretary Treasure: Molly Pesce (Automatic Nominee)

Assistant Secretary Treasurer: Ari Copeland (Automatic Nominee)

Director: Curt Skouby (Automatic Nominee)
Director-Elect: Roddy Rogers (Automatic Nominee)
Third Year Trustee: Elizabeth Robertson (Incumbent)
Third Year Trustee: Mike Klender (Incumbent)
Second Year Trustee: Jenny Doyle (Incumbent)
Second Year Trustee: Martha Silks (Incumbent)
First Year Trustee: Bob Parks (nominee)
First Year Trustee: Mike Galluzzo (nominee)

Chair: Raed Armouti, Members: Nick Burns, Matt McLaughlin, Mickey Bernard

Curt Skouby's term as Director will continue for the coming year; Roddy Rogers does not take over as Director until the end of ACE in June.

A Motion was made and passed to approve the above Slate of Officers for the Missouri Section.

Installation of Officers: Mr. Alan Forrest conducted the installation of officers.

Passing of Gavel: John Brummer passed the gavel to Drew Hess. Drew presented John with his Chair's pin and thanked him for his years' service to the Missouri Section.

The meeting adjourned at 1:05pm.

Sincerely,

Gailla Rogers, Administrative Manager