

SUBSTANTIAL CHANGES MADE SINCE MARCH 2020***COVID-19 PANDEMIC******INSIDER NEWS*****August 17, 2020*****SUBSTANTIAL CHANGES MADE SINCE MARCH 2020******COVID-19 PANDEMIC***

In the last several months, all businesses have seen substantial change as a result of the COVID-19 pandemic. From moving to a remote work environment to assessing the impact of unexpected circumstances, people and processes have been through the test of change.

One of the most positive and uplifting facts is that utilities have been resilient in that they have adjusted both personally and professionally to remain the status quo of maintaining service to their Community and customers. They have done their part to keep communities healthy, and adapted with relative ease. In uncertain times, unexpected, positive outcomes can arise.

However, these uncertain times also help identify areas that could use some process considerations. Below, we outline specific areas that could use oversight - and steps you can take to help your organization adapt to the current climate.

Identify Inefficiencies and Effectiveness in the Remote Work Environment

The first questions posed about a remote work environment are about processes and procedures. Are there employees who need to come into the office to

complete their tasks? Are these employees coming in on a daily basis?

It's important to spend some time identifying if any processes are difficult or impossible to complete in a remote work environment. If the answer is yes, consider including a review of those specific processes in your goals for 2020.

For example, one of the most difficult processes during this virtual time is the accounts payable function. The process is often paper driven relying on supporting documentation - such as invoices and receiving reports - and manual signoffs or signatures to document review.

Institute an Electronic Accounts Payable Review Process

Making the accounts payable function an electronic process is more efficient because it enables your company to route information more quickly. However, an electronic process does come with its own challenges.

Many accounting systems have electronic approvals available within the system, but there are security, access, and documentation considerations that must be taken into account prior to using these functions. If your accounting system doesn't have electronic approval built-in, this doesn't mean it's out of the question. (Continued, Page 2)

Institute an Electronic Accounts Payable Review Process (Continued)

Many utilities companies use emails or other electronic means as a method of approval; most have found this method is considerably more effective and efficient than a paper-based process.

Another paper-based example is service orders. Many utilities companies print service orders for their crews. However, moving these service orders to an electronic system often results in increased efficiencies between scheduling, field crews, and back office support staff.

As a general rule, any paper-based process is worth assessing to see if it could be replaced by a more efficient and effective electronic option.

Documentation is key to ongoing success and avoiding auditor issues.

Documentation of key internal controls helps ensure the validity of the control process. If a utility is moving to a more virtual experience, or controls have changed due to the pandemic, documentation will be extremely important.

Documentation of controls proves to both management and external sources that key checks and balances are in place and working as intended. If controls have moved to an electronic process, there are additional security and access considerations that must be taken into account. Also, as information is being transmitted across electronic mediums, additional controls over validation of information may be necessary.

Take extra security and access precautions

Accounting systems and processes have historically taken into account security and access. However, additional considerations are needed as processes become more electronic. For example, if email approval of invoices is now accepted, the utilities company must ensure it's coming from the person responsible for the authorization.

In general, each person in the organization has an independent email account that is password protected. However, in many systems, a proxy account can be set up. For example, a manager could allow an assistant or other employee to view their emails or share certain responsibilities within the email account. If that assistant can send an email from the manager's account, this has the potential of circumventing internal controls as it's impossible to ensure the approval came from the person

with the appropriate authorization.

Consider cycle counting for inventory

Many utilities companies shut down their warehouses once a year and pull in large groups of employees throughout the organization to complete annual inventory counts and maintenance over a period of several days. During the COVID-19 pandemic, it's still uncertain when larger groups can gather in an isolated space. As a result, the effectiveness of annual physical inventory counts is top of mind. Many utilities companies are asking whether physical counts should still be required and trying to determine how the counts will look moving forward.

A trend that already started and has proved effective is cycle counting, even though it takes additional work upfront by both accounting and warehouse staff. The first step is to classify inventory items into categories based on risk and determine the frequency of counting each category. For example, (high risk items that are associated with a large dollar amount and critical to keep in supply) should be counted more frequently than low risk items which are less expensive and can be easily replaced; many low risk items only need to be counted annually.

Once this has been determined, a consistent amount of items should be counted each week, bi-weekly, or monthly. Cycle counting generally doesn't require a shutdown of the warehouse, and warehouse staff can spread the counts throughout the year to increase efficiency. Also, the counts are smaller in quantity, so fewer people need to be present to complete the count.

Use video conferencing for proactive face-to-face discussions

It's become increasingly apparent that face-to-face discussions, as opposed to phone calls or emails, provide employees with a sense of connection and balance. Many utilities are considering permanent virtual working environments for some key positions. While these positions have proven the ability to work remotely, there has often been a decrease in connection between employees and management. The ability to ask questions and determine answers in an efficient and effective manner could help increase productivity in the accounting department.

Encourage virtual learning opportunities

Learning is also changing very rapidly. As large groups aren't permitted during COVID-19, virtual delivery of information is necessary to stay on track with current events and continuing professional requirements. Training can be developed in more efficient and effective ways.

People tend to learn more efficiently when information is delivered in shorter segments and then reinforced through case studies and discussions. These case studies and discussion can still occur in virtual settings. If you are required to complete continuing education, be mindful of the different types of learning environments that are available and select both the duration and environment that best suits the learning style for your utility.

IMEA Annual Business Meeting Held October 14, 2020

The IMEA 2020 Annual Business Meeting will be held on Wednesday, October 14, 2020. Registration is available by going to: [www.imea.com / events](http://www.imea.com/events) page and will be held as a virtual Zoom online meeting. The meeting will be free of charge and will be useful and informative to all IMEA member utilities.

During the 2020 Annual Business Meeting, IMEA staff will provide brief updates about the numerous programs, activities, achievements and challenges of the previous year as well as the plans in place for the coming months of 2020 and the beginning of 2021. In addition to learning about what is happening inside of IMEA, staff will also provide a comprehensive review of financials, legislative & regulatory activities as well as new offerings in safety and training.

The annual business meeting is required in the IMEA by-laws for the association to conduct the formal business of the association, including the election of leaders on the IMEA Board of Directors and Board Officers Committee. In a normal year, the IMEA Annual Business Meeting is held as part of the annual conference.

Embrace change.

In many areas, change was already occurring, but the COVID-19 pandemic increased the pace. Paper-based systems were being replaced by more efficient electronic systems, and key processes were being modernized. The pandemic has stressed the importance of our ability to keep workflow intact while our settings and environments have fundamentally shifted.

The key to change, especially given the current environment, is staying flexible with one another while continuing to meet goals and objectives. Having a positive attitude and offering encouragement is essential to achieving ongoing success.

Taking a step back to recognize what changes have occurred and what changes still need to occur in the future will help your utilities company drive efficiency, make systems more secure, and help employees stay engaged and productive. *(Article by Julie Desimone)*

Unfortunately, this year's conference had to be cancelled due to the ongoing COVID-19 pandemic. As such, IMEA is holding a virtual (ABM) this year via Zoom.



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American Public Power Association

Ditto emphasizes importance of managing customer expectations during pandemic

In recent remarks at a Florida Municipal Electric Association (FMEA) virtual conference, Joy Ditto, President and CEO of the American Public Power Association, underscored the importance of managing customer expectations to ensure that public power utilities can continue to operate safely during the COVID-19 pandemic.

It is vital that customers “understand that what we’re doing is for them. That we’re essential workers, but we have protocols in place to maintain our safety” and that public power has a culture of safety, Ditto said on Aug. 3 in comments during FMEA’s “Powering On” virtual conference.

At the same time, there needs to be a recognition that “we do still need to operate our systems and that comes with a cost. We want to maintain affordable electricity, but we also still need to operate our systems.”

That ongoing communication with customers is key and while it is challenging in a virtual environment, there are ways it can be accomplished through social media and other channels, Ditto said.

Amy Zubaly, Executive Director of FMEA, moderated the session, “The Future of Public Power: How Lessons Learned From COVID-19 Can Help Us Better Serve Our Customers.”

Financial impact of pandemic

As for the financial impact of the pandemic on the power sector, Ditto pointed out that rating agencies continue to maintain stable outlooks on public power utilities.

However, depending on the severity of the economic downturn, there could be an impact on the ability of public power utilities to continue to maintain their systems optimally or access capital, she said.

At the same time, public power’s ability to show that it can make decisions locally “and that we are committed to high levels of reliability, but also affordability, is going to situate us well.”

But some public power communities are being hit harder

than others in terms of the economic downturn “and that’s the other piece. That uneven impact is really something that’s going to be challenging, particularly for associations like mine, like FMEA, for joint action agencies to try to help bridge some of that downturn that is more specific to individual communities.”

APPA recently [urged its members](#) to reach out to their senators and members of Congress to express support for the inclusion of language in a COVID package that was being negotiated by the White House and House and Senate leadership last week.

Senate Energy and Natural Resources Committee staff for Chairman Lisa Murkowski, R-Alaska, and Ranking Member Joe Manchin, D-W.Va., developed language with APPA and the National Rural Electric Cooperative Association to create a forgivable loan program for public power and rural electric cooperatives impacted by customer non-payments due to the COVID-19 pandemic.

Mutual aid

With respect to mutual aid, Zubaly “does an incredible job” when it comes to managing mutual aid and works in “strong coordination” with APPA’s mutual aid team, Ditto said.

In a Q&A with APPA earlier this year, Zubaly [detailed how FMEA was taking a number of steps](#) to ensure that planning for this year’s hurricane season was not disrupted by the COVID-19 pandemic.

Ditto also highlighted the fact that public power utilities have maintained high levels of performance this year during mutual aid events while also making sure that their frontline workers have effective protections against COVID during power restoration activities.

In April, Tennessee public power (continued, page 5)



Joy Ditto; President & CEO of American Public Power Association

(Continued)

utility EPB noted that [several steps](#) had been taken to minimize the threat of COVID-19 exposure during power restoration work including providing mutual aid crews with gloves and masks.

And public power utility Jonesboro City Water and Light (CWL) took a number of steps to minimize the threat of exposure to COVID-19 for utility crews during a mutual aid effort to restore power to customers in the wake of a tornado that hit Jonesboro, Arkansas, in March.

CWL took several steps to [minimize the potential exposure to COVID-19](#) for workers helping with restoration efforts, which were detailed in a “lessons learned” document that it prepared.

That focus on safety has continued in more recent mutual aid events.

Florida public power utility JEA this month sent crews to New York to help investor-owned utility Con Edison with power restoration efforts in the wake of Tropical Storm Isaias.

Ricky Erixton, JEA interim general manager for electric systems, noted that this was the first time JEA has participated in mutual aid during a pandemic. “We’re sending our guys with sanitizer, masks, all these types of things that help prevent the spread of COVID,” he said [in a video](#) posted on JEA’s Twitter feed.

Pandemic may lead to influx of workers

Among the longer-term effects that the COVID-19 pandemic may have on public power is that residents of large cities could decide that smaller towns and communities are more appealing, which in turn could lead to a more highly qualified and diverse workforce, Ditto said.

“This is total speculation on my part and it may not come to fruition, but I just think about how larger cities have been hit” hard by COVID-19 and whether that means city dwellers may find it more attractive to move to smaller towns and communities.

If one of the lasting results of the pandemic is for residents of larger cities to move to smaller towns and communities that could be a benefit to public power in terms of attracting a highly qualified workforce, “which has been a challenge for us sometimes, especially in our smaller communities,” Ditto said.

Also, in the context of public power’s enhanced focus on diversity and inclusion, such a shift could lead to greater diversity in smaller communities, she said.

In June, Ditto issued a [statement on justice and equal opportunity](#) in which she said that the electric utility industry must redouble its commitment to diversity at every level. “We’ve seen time and time again that this diversity and inclusion pays dividends, yielding teams that are rich with different backgrounds and ideas,” she said in



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176 W. LOGAN ST. #225

NOBLESVILLE, IN. 46060

765.366.5506 | imeainfo@imea.com