

**DRAFT**  
Water and Light Advisory Board  
August 7, 2013

A meeting of the Water and Light Advisory Board was held Wednesday, August 7, 2013 at 8:00 a.m. in the Water and Light Conference Room, Electric Distribution, Casteel Building, 1518 A Business Loop 70 East. The meeting was attended by:

John Conway, Chair  
Tom O'Connor, Member  
Hank Ottinger, Member  
Dick Parker, Vice Chair  
Jack Clark, Member  
Tad Johnsen, Water and Light Director  
Ryan Williams, Assistant Director of Water and Light  
Christian Johanningmeier, Power Production Superintendent  
Jim Windsor, Manager, Rates and Fiscal Planning  
Carol Schafer, Management Support Specialist  
Tony Cunningham, Electric Distribution Manager  
Cavanaugh Noce, Assistant City Counselor  
Tracy Frevert, Administrative Support Assistant

**APPROVAL OF THE JULY 3, 2013 MEETING MINUTES**

The July 3, 2013 meeting minutes were approved as amended by voice vote on a motion by Jack Clark and a second by Hank Ottinger.

**ADVISORY BOARD MEMBER RESPONSIBILITIES**

John Conway introduced Assistant City Counselor Cavanaugh Noce, who gave an overview of advisory board responsibilities, covering enabling language, Sunshine Law requirements and public purpose doctrine.

**FINANCIAL REPORT**

Water and Electric Utility combined operations reflect an operating loss of \$3,563,485 for the nine months ended June 30, 2013; compared to an operating income of \$5,450,771 for the same period last year. This is a decrease of \$9,014,256.

Net loss from Water and Electric Utility combined operation is \$10,709,489, compared to net income of \$296,674 for the same period last year.

The Water Utility has an operating income of \$2,771,474 for the nine months ended June 30, 2013; compared to an operating income of \$2,480,997 for the same period last year. This is an increase of \$290,477 in operating income.

Net loss for Water Utility is \$59,198, compared to net income of \$1,063,828 for the same period last year.

The Electric Utility has an operating loss of \$6,334,959 for the nine months ended June 30, 2013; compared to an operating income of \$2,696,774 for the same period last year. This is a decrease in operating income of \$9,304,733.

Net loss for Electric Utility is \$10,650,291, compared to net loss of \$767,154 for the same period last year.

Operating revenues of the Electric Utility are up \$3,957,655 compared to the same period last year.

Operating expenses before Payment-In-Lieu-Of-Tax and Depreciation are up \$12,921,465 compared to the same period last year. Fuel and Purchased power costs have increased \$12,796,040.

a) 3<sup>rd</sup> Quarter Finance Reports - Tad Johnsen and Jim Windsor reviewed the Water and Electric Utility Fund Estimated Unaudited Preliminary Draft Balance Sheet for the nine months ended June 30, 2013 and 2012, noting the fourth quarter is most volatile in the revenue/expense category. Mr. Windsor noted that net income will come in below budget projections, partly due to the weather.

b) FY2014 Budget Review – Tad Johnsen and Jim Windsor answered questions regarding the FY2014 budget. John Conway recommended keeping the City Council better informed as to the Water and Light Department's true financial status. Staff will continue to work with Finance to better clarify the department's actual financial status.

i) Water Rates – Tad Johnsen reviewed the proposed FY 2014 water revenue rate increase of 5%, which is the last of four 5% rate increases to cover the debt service on the water bond issued passed in November, 2008. He noted that the proposal increases the focus on encouraging summer water efficiency by lowering the point at which the higher summer water rate will impact customers.

Dick Parker made a motion, seconded by Hank Ottinger, to support the proposed water rate increase for the FY2014 budget. Motion passed.

Hank Ottinger asked how utility customers received information about rate increases, noting that customers should be told that the FY2014 water rate increase encourages efficiency. The City's Public Communications office publicizes the information, typically through mailers.

John Conway asked for future water rate increases that consideration be given to even dollar per CCF increase for each step.

### **NEW BUSINESS**

No new business.

### **OLD BUSINESS**

No old business.

## **DIRECTOR'S REPORT**

a) CIP Progress Report - Ryan Williams reviewed status reports for current year CIP projects, both water and electric, including project appropriations, expenses and balances.

b) Renewable Energy RFP – Tad Johnsen reviewed the responses received from the Request for Proposal for renewable energy. Companies one (1), eight (8) and (9) will be interviewed on Monday, August 19. Tad Johnsen, Jim Windsor, Christian Johanningmeier and Ryan Williams will conduct the interviews and bring their findings to a future advisory board meeting.

Hank Ottinger requested an update at the September advisory board meeting of the Enginuity biomass project.

c) 2<sup>nd</sup> Quarter Renewable Energy Report – Tad Johnsen noted that 7.62% of Columbia's electric portfolio was generated from renewable sources. Unit #3 at the Columbia Landfill will be on-line at the end of August, so an increase is expected for the Columbia Landfill.

## **CHAIRMAN'S REPORT**

a) Council Reports from August 5<sup>th</sup>, 2013 – John Conway reported that the recommended revisions to the renewable energy standard and the recommendation to increase to the Utility Service Division's supplemental budget have been sent to Council. The Advisory Board has been invited to the August 24 Council work session to address the recommendations.

b) MPUA Conference – The MPUA annual conference is October 23-25. All Board members are encouraged to attend.

c) Annual Meeting Schedule and Agenda Update – The updated agenda was distributed.

d) Update to Board Member Contact Information Sheet – Tracy Frevert will update contact information and send to the Board.

Tad Johnsen reviewed the handout provided concerning Columbia's solar incentives and comparisons with investor owned utilities' incentives. Tom O'Connor requested a community solar update at the September meeting.

Jim Windsor noted that Jodie Kovar, Senior Rate Analyst, will be leaving Water and Light to work for the Missouri Public Utility Alliance.

The next regularly scheduled Board meeting will be September 4, 2013, in conference room 4A of the Administration office.

The meeting adjourned at 10:35 a.m.

Respectfully submitted,