

Water and Light Advisory Board  
February 6, 2013

A meeting of the Water and Light Advisory Board was held Wednesday, February 6, 2013 at 8:00 a.m. at the Water Treatment Plant Conference Room, 6851 W. Route K. The meeting was attended by:

John Conway, Chair  
Tom O'Connor, Member  
Hank Ottinger, Member  
Dick Parker, Vice Chair  
Bob Roper, Member  
Tad Johnsen, Water and Light Director  
Ryan Williams, Assistant Director of Water and Light  
Christian Johannningmeier, Power Production Superintendent  
Jim Windsor, Manager, Rates and Fiscal Planning  
Mike Anderson, Manager, Water Production  
David Storvick, Engineering Manager  
Floyd Turner, Manager, Water Distribution  
Tina Worley, Utility Services Manager  
Win Colwill, League of Women Voters  
Monta Welch, Columbia Climate Change Coalition and Peoples' Visioning  
Samantha Sowers, Columbia Climate Change Coalition and Peoples' Visioning  
Thomas Shepard, Lutz, Daily & Brain, LLC  
Tracy Frevert, Administrative Support Assistant

**APPROVAL OF THE JANUARY 2, 2013 MEETING MINUTES**

The January 2, 2013 meeting minutes were approved as amended by voice vote on a motion by Dick Parker and a second by Hank Ottinger.

**FINANCIAL REPORT**

a) 1<sup>st</sup> Quarter Financial Review - Tad Johnsen and Jim Windsor reviewed the Water and Electric Utility Fund Estimated Unaudited Preliminary Draft Balance Sheet for the three months ended December 31, 2012 and 2011. Mr. Johnsen noted that Total Operating Revenues, Water, is 23.6%, Total Operating Revenues, Electric is 21.9%, both very close to the projected amounts. Total Operating Expenses is also close to the projected amounts, with Water at 20.6% and Electric at 23.8%.

Mr. Windsor noted that Operating Revenues, Water, Miscellaneous has increased due to the change in connection fees, while Operating Revenues, Electric, Miscellaneous has decreased compared to last year because the revenue from the Transload is now in a separate fund. Operating Expenses, Electric, Production have increased because last year Prairie State and Nextera were not included in the first quarter. The difference in Non-Operating Revenues (Expenses), Miscellaneous expense, can be attributed to costs associated with the bond refinancing.

Distributed at the Board meeting was a spreadsheet indicating Monthly and Annual Net Income for Water and Electric Utilities Starting in FY09. Mr. Windsor noted that negative figures are not uncommon during the winter months.

Dick Parker asked if projected and actual figures for electric and water consumption could be added to the financial report. Jim Windsor indicated that Staff can provide the information.

### **NEW BUSINESS**

a) Power Plant Condition Assessment Draft – Tad Johnsen introduced Thomas Shepard, P.E., Lutz, Daily & Brain, LLC who presented the Comprehensive Power Plant Condition Assessment report. The main objective of the assessment was to determine what improvements need to be made to extend the useful life of the 16.5 MW and 22 MW plant additions an additional 20 years. Mr. Shepard provided an extensive overview of the assessment:

- work performed – inspection of major components; inspection, non-destructive testing and destructive testing of boilers, deaerators and high energy piping; assessment of steam turbine generators 5 and 7; inspection of Hoffman stoker system, including fuel feeders and overfire air system; inspection of west cooling towers; inspection of balance of plant systems
- plant performance tests – performed on both power plant additions during August, 2012
- findings – replacement of boiler 6 economizer tube bends; boiler 6 mechanical collector collection tubes replacement; boiler 7 attemperator repair and replacement; boiler 6 and 7 chemical cleaning; boiler 6 and 7 ductwork replacement at stack; replacement of baghouse controls and installation of additional monitoring; buried circulating water pipe repair/replacement; miscellaneous electrical maintenance
- funding needs for recommended improvements – estimates for routine maintenance related projects, potential future environmental related projects and capital related projects
- benefits of extending the life of the additions – reliability; flexibility to adapt to other technologies; positive community impact; diversity; economic impact

Bob Roper commended Christian Johanningmeier and both past and present Electric Production employees for their servicing, maintenance and repair of the power plant.

b) APPA DEED Grant – Water and Light (CW&L) Staff and the American Public Power Association developed an addendum to the approved \$25,000 Demonstration of Energy-Efficient Developments grant. Grant funds will cover the costs associated with analysis of the engineered biomass product and other costs of permit application and permitting support for test burns on the product.

Dick Parker made a motion, seconded by Hank Ottinger, to approve the grant agreement to allow for the study and receipt of the \$25,000 grant. Motion passed.

### **OLD BUSINESS**

a) Source Water Protection Plan – Tad Johnsen noted that John Betz, Chair of the Source Water Protection Plan Task Force, requested comments and suggestions from the Board, and approval and recommendation to submit the plan to Council.

Tom O'Connor noted that the plan lists seven potential threats to the ground water in the McBaine bottoms and gives potential protective measures and recommendations for each. Floyd Turner said that the task force will meet on an annual basis to review and update the plan.

Dick Parker questioned the data on the flow of the aquifer water. Floyd Turner will verify the United States Geological Survey report.

Dick Parker made a motion, seconded by Bob Roper, to approve and forward to Council Draft 6: December 2012 Source Water Protection Plan, City of Columbia, Missouri. Motion passed.

### **DIRECTOR'S REPORT**

a) Renewable Energy Report – Tad Johnsen reviewed the 2013 Renewable Energy Report. He noted that 7.94% of Columbia's electric portfolio was generated from renewable sources, including 4.31% from wind energy, 3.11% from landfill gas, 0.51% from waste wood, and 0.02% from solar. This exceeds the requirement of 2%.

Dick Parker believes net metering solar projects should be included in Columbia's renewable energy portfolio. Mr. Parker also requested the figures used in base load costs, which Staff will provide.

Mr. Johnsen noted that the report will go to the Environment and Energy Commission for approval at their February 26, 2012 meeting, and back to the Water and Light Advisory Board for approval at the March 6, 2012 meeting, with a public hearing and request for approval at the March 18, 2012 Council meeting.

b) Demand side Management Report – Tad Johnsen summarized the 2012 Demand Side Management and Demand Response Report. Dick Parker suggested adding how many times a year the Load Management and Load Shedding switches are activated. He distributed and reviewed a handout illustrating energy efficiency over power purchase costs. Tom O'Connor recommended adding graphs illustrating the average monthly residential water use in CCF, and average monthly residential kWh use.

c) PACE & REEL Report – Tad Johnsen reviewed the Property Assessed Clean Energy (PACE) program, which is a county tax collected loan aimed at commercial properties. He noted that the next step towards implementation of the program is meeting with the Mid Missouri Clean Energy Board and Boone county officials to discuss the relationships to be established, criteria for project, how the assessment fees are collected, and the interface between the county and the Clean Energy Development Board. Once all parties are in agreement, the City of Columbia would pass an ordinance enabling Columbia to become a member of the Mid Missouri Clean Energy Board. There are no membership fees or dues.

The second program Mr. Johnsen reviewed is the Rental Energy Efficiency Loan (REEL) program, which allows the energy efficiency loan repayment to be tied to the meter/tenants. Monthly payments established are equal to or lower than the savings seen from the improvements. Loans made for the cost effective measures would be secured by a lien on the property but repaid by the tenants through their monthly utility bill.

Dick Parker made a motion, seconded by Tom O'Connor, to proceed to develop the Property Assessed Clean Energy (PACE) and Rental Energy Efficiency Loan (REEL) programs. Motion passed.

d) CIP Project Update - Ryan Williams reviewed status reports for current year CIP projects, and distributed reports reflecting project appropriations, expenses and balances.

Bob Roper and Tad Johnsen will be meeting with Finance Director John Blattel to discuss the amount of outstanding loans for discussion at a future Board meeting.

**CHAIRMAN'S REPORT**

a) APPA Webinars – John Conway urged Board members to attend two American Public Power Association webinars, both of which will be in Water & Light Conference Room 4A, 1:00 p.m. until 2:30 p.m.:

- Thursday, March 28, 2013 – Duties, Responsibilities and Legal Obligations of Public Power Governing Boards
- Tuesday, April 23, 2013 – Strategic Issues Facing public Power Governing Bodies

b) Water Management Planning Sub-Committee – John Conway led a discussion on the organization and duties of the sub-committee. Tom O'Connor will chair and Hank Ottinger will serve on the sub-committee. Mr. O'Connor recommended that Barbara Buffaloe be asked to serve, and suggested asked Public Works for a representative. Tad Johnsen will appoint Water and Light Staff to the sub-committee.

c) Board of Health Sub-Committee on Fluoride – John Conway noted that he is a member of this sub-committee.

d) Advisory Board Report to Council – John Conway is working on the report and will bring it to the Board in March.

Bob Roper suggested adding Comments of Visitors as an agenda item.

The next regularly scheduled meeting is March 6, 2013.

The meeting adjourned at 11:55 a.m.

Respectfully submitted,