

Water and Light Advisory Board
October 13, 2006

A meeting of the Water and Light Advisory Board was held October 13, 2006 at 7:00 a.m. at the Administration office downtown. Attending the meeting were:

John Conway, Chair
Tom Baumgardner, Vice Chair
Ernie Gaeth, Member
Greg Macias, Member
Dan Dasho, Director
Mike Schmitz, Chief Engineer
Tad Johnsen, Power Production Superintendent
Jim Windsor, Manager of Rates & Fiscal Planning
Dan Stokes, Electric Distribution Manager
Marilyn Thorpe, Administrative Support Supervisor
Robert Roper – Member - Excused

Barbara Allen
Dick Parker

APPROVAL OF THE SEPTEMBER 7, 2006 MEETING MINUTES: The minutes of the September 7, 2006 meeting were approved with a motion by Ernie Gaeth and second by Tom Baumgardner.

John Conway informed the Board that he had attended the MPUA Annual Conference at Lake Ozark and that he felt the meetings were informative and beneficial. John also mentioned that CW&L had received an award for System Achievement. The award was in recognition of the many innovating programs that Water and Light offers its customers.

FINANCIAL REPORT: Water and Electric utility combined operations reflect an operating income of \$2,616,838 for the eleven months ended August 31, 2006; compared to an operating income of \$2,961,837 for the same period last year. This is a decrease of \$344,999.

The Water Utility has an operating income of \$2,267,266 for the eleven months ended August 31, 2006; compared to an operating income of \$2,093,443 for the same period last year. This is an increase of \$173,823 in operating income.

The Electric Utility has an operating income of \$349,572 for the eleven months ended August 31, 206; compared to an operating income of \$868,394 for the same period last year. This is a decrease in operating income of \$518,822.

Jim Windsor said costs associated with Sikeston's spring outage resulted in a bill of over \$2,000,000. This was a true up on our purchased power for the past year.

- A. Electric Connection Fees – Dan Dasho told the Board that Council had requested that staff meet with the stakeholders from the building community regarding connection fees. Dan said staff would continue meeting with them to fully develop the ideas that are being discussed. Dan said the stakeholders feel costs should be distributed to everyone not just the developers. The Board will be kept informed on the progress.
- B. New Appropriation – Jim Windsor said there would need to be an appropriation to cover purchase power costs, additional coal usage and the charge from Sikeston for work at their plant.

ENGINEERING:

- A. 36" Main - Mike Schmitz reported that the first creek crossing had been done with the 36" water main. Over 7,000' of pipe has been laid. He said there had been problems when boring under the creek with water getting into the bore pit. Stabilization measures were necessary which will be at our cost for \$50,000-\$75,000.
- B. ASR and Well 15 – Mike told the Board that Layne Western the well drilling company had drilled the well and that it should be producing by November 1.
- C. Well Field Line – W&L has requested authorization to request bids for a 36" water main from the well field to the Water Treatment Plant. The water main would pass through the Missouri Department of Conservation (MDC) property. During discussions with MDC they requested that W&L check into the possibility of providing raw water to the newly created wetlands that MDC will be constructing. The Board will be kept up to date on the water main developments.

POWER PLANT/POWER SUPPLY: Dan explained that staff was proceeding with obtaining an air permit in the event that it is decided to build on to the power plant. He said it would take up to two years to get the permit and that it needed to be done now instead of waiting. Dan said if it is decided to go with the power plant another bond issue would have to go before the public in 2010 so that the unit could be on line by 2014. The Board emphasized they wanted staff to continue to research all the possibilities for our power supply needs so they and the public can make a good informed decision when the time comes. Dan said that he had been in contact with Black and Veatch. They indicated that it would be cheaper to build our own power plant. He said we could sign with Ameren for long term power but if we built our own plant having our own generation would be in our favor. Dan said Ameren would only negotiate a two year contract for short term supply. The Board asked for updates from Black and Veatch on a monthly basis so they could be current on any changes. Dan said TEA had looked back three years at the cost of power month by month. He said what cost \$20 three years ago now cost \$80.

WATER DISTRIBUTION: Meter ERT Issues – Dan Stokes explained that there had been some problems with the ERT meter reading devices. He said homeowners were running over them with their lawnmowers. He said staff was explaining to customers the importance of being careful around the devices. He said there had been another problem of ‘zero readings’ on some of the ERT’s. Staff has been researching the problem and working on a solution.

ELECTRIC DISTRIBUTION: Dan Stokes told the Board that there had been problems with the Interactive Voice Response (IVR) system. He said the problem started about three months ago. Dan said Century Tel finally figured out what the problem was and was working on resolving it.

UTILITY SERVICE DIVISION REPORT:

- A. Change A Light – Change the World Campaign – Dan Dasho said that the Change A Light – Change the World Campaign was underway. He said flyers had been sent out and that customers could redeem a coupon for six compact fluorescent bulbs for \$.99 each. He said the bulbs were available at Westlake’s and Hy-Vee.
- B. BOC Programming – The Building Operators Certification (BOC) program will start in October. CW&L with Midwest Energy Efficiency Alliance, Ameren and the Department of Natural Resources will provide the BOC Certification Program. The program provides commercial and industrial customers with energy efficiency programs. The program consists of seven topics in which facility managers will learn the most efficient way to manage their building or plant energy usage. At the end of the program, participants who complete the course will be reimbursed one half of the \$1,150 tuition fee.
- C. Wind Agreement with Associated - An agreement with Associated Electric Cooperative Inc. (ACI) and the City of Columbia for Wind Generated Renewable Energy should become official at a November 9, 2006 signing. ACI has worked with John Deere, the wind farm developers, to purchase the output of a new wind farm in northwest Missouri. The wind farm will have 27 2.1 MW generators on the site. The City of Columbia will have the output of 3/27th of the site.
- D. The PURPA Standards and Resolutions – The Federal Energy Policy Act of 2005 placed some requirements non-regulated utilities by amending the Public Utility Regulatory Policies Act of 1978 (PURPA). Five standards were incorporated into PURPA. The five standards to be reviewed by PSC and non-regulated utilities are:
 - Smart Metering
 - Interconnection
 - Net Metering
 - Fuel Diversity
 - Fossil Fuel/Generation Efficiency

To comply with the 2005 EPAct CW&L is required to consider each of these standards, but not required to adopt them if it is determined not to be in the best interest of the utility and its

customers. Smart Metering and Interconnection standards are the first required to be reviewed. W&L staff has prepared resolutions for both these standards to be reviewed by Council. FERC states that after “public notice and hearing” a utility determination will be made.

NEW BUSINESS: Mr. Dasho told the Board that the condemnation case against the Raul Walters property had gone before the panel to review the cost. A judge would make the final determination of costs. The project should be moving forward the first week of November.

OLD BUSINESS: .

Next meeting date: A November meeting is planned. Tom Baumgardener was not sure when he would be available. He said he would call staff and let someone know.

Meeting adjourned at 8:15 a.m.

Respectfully submitted,