

Water and Light Advisory Board  
November 6, 2008

A meeting of the Water and Light Advisory Board was held November 6, 2008 at 7:00 a.m. in the Utility Services Conference Room, 105 E. Ash. Attending the meeting were:

John Conway, Chair  
Ernie Gaeth, Member  
Bob Roper, Member  
Tom Baumgardner, Vice Chair – Absent  
Tom O'Connor, Member – Absent  
J. Kraig Kahler, Water and Light Director  
Jim Windsor, Manager of Rates and Fiscal Planning  
Tina Worley, Utility Service Supervisor  
Tad Johnsen, Power Production Superintendent  
Floyd Turner, Manager of Water Operations  
Dan Stokes, Electric Distribution Manager  
Marilyn Thorpe, Administrative Support Supervisor  
Stephanie Brown, Administrative Support Assistant II

Dick Parker, Power Supply Task Force  
Win Colwill, League of Women Voters

**APPROVAL FOR THE OCTOBER 9, 2008 MEETING MINUTES:** The October 9, 2008 meeting minutes were approved as modified by voice vote on a motion by Ernie Gaeth and second by Bob Roper.

**FINANCIAL REPORT:**

a) Financial Update – The monthly financial statements were not available due to end of the fiscal year closing and auditing.

b) Jim Windsor provided a snapshot of expense and revenue information for the end of FY08. He said water revenues have only increased \$1,864 which was primarily in Miscellaneous Revenue. Electric revenues have increases \$751,171 primarily in Sales for Resale and Transmission Fees.

Mr. Windsor said water expenses have increased \$509,072 or by 3.5% and electric expenses are up \$4,210,137 or 4.7% from the previous estimate.

**POWER PLANT REPORT**

Tad Johnsen said the power plant is still off line for the scheduled fall inspections and repairs. The plant will start up again at the end of November or beginning of December.

Mr. Johnsen said wood combustion only accounted for .3 percent of renewable energy sources at 243 MWh because the permit to burn wood ran out in the middle of October. The Landfill Gas plant had 1000 MWh and accounted for 1.2 percent. Wind accounted for 1.4% of the 2.9% of the city's renewable energy at 1170 MWh.

Proposed Callaway Project – Kraig Kahler said the Mayor sent a personal letter of support to the President and CEO of Ameren Corporation expressing his support of the proposal to build a second nuclear powered unit in Callaway County. Mr. Kahler feels that nuclear power is a safe and clean energy source that will not run out in the near future and said it would be possible for the city to purchase output from the proposed Callaway plant.

## **ENGINEERING**

Mike Schmitz said Council approved the Jacobs Long Range Water Study. He also mentioned that the water bond issue passed and staff will issue a reimbursement resolution for Council consideration to allocate funds for the CIP projects for the first year.

Mr. Schmitz said staff has asked Burns and McDonnell Engineering to provide a proposal to analyze the utility's involvement with Midwest Independent System Operator (MISO), Associated Electric Company, Inc. (AECI), and other energy markets and whether or not to continue operation as a control area or balancing authority. He said staff will execute a Change Order to the Integrated Resource Plan (IRP) contract for \$60,000 for this service and it will be sent to Council for approval. Mr. Schmitz said a Request for Proposal (RFP) for other bids can be issued if the Board so desires. He feels that Burns and McDonnell understands Water and Light's energy supply after preparing the IRP. He said staff will provide the proposal for review at the next Board meeting.

Mr. Schmitz said the RFP for the Water Treatment Plant process study is ready to be issued. It will be presented at the next meeting. He said the study will include Trihalomethanes (THMs) and other foreseeable issues. Mr. Schmitz also mentioned that the Department of Natural Resources (DNR) will allow Water and Light to discharge sludge into the Missouri River and that possibility will be covered in the study as well.

Mr. Kahler said the bond issue passed with 77.4 percent of voter support. He said he gave a presentation to Council Wednesday night regarding the bond issue. A 1.5 percent water rate increase is expected to take place in January and February. Several Capital Improvement Projects will begin in FY09.

Sega Route Study – Mr. Schmitz said John Conway will be the advisory board liaison for the route study process. He said there are eleven possible sites for the substation. Five locations are owned by the University of Missouri, five are owned by three separate land owners, and one is owned by the city. He said Sega is currently reviewing the Missouri condemnation laws and drafting letters. There will be one day of land owner interface.

Mr. Kahler said there will be a Council work session November 24 on the IRP to edit the DSM programs section. Mr. Conway suggested that staff notify the Power Supply Task Force regarding the completion of the final report. Mr. Schmitz said staff will email or mail the final IRP to the task force once Council approves it.

## **WATER DIVISION REPORT**

Floyd Turner said staff is continuing to gather data on THMs. The University of Missouri will provide another report after the first of the year. Mr. Kahler said the utility is currently out of the violation range. He said it will be at least six months until a permit can be issued to use chloramines.

### **ELECTRIC DISTRIBUTION REPORT**

Dan Stokes said there were 42 outages during the month of October and the average for the year is 37. The average time for each outage was 134 minutes with the average for the year at 75 minutes. On average 49 customers were affected per each outage and the yearly average is 124.

He said there was a significant outage on October 23 which accounted for 98% of the customer outage time caused by a fault on a circuit and a burnt riser.

### **UTILITY SERVICES DIVISION REPORT**

Tina Worley said Dow Chemical Co. would like to provide two more solar panels in March. Ms. Worley said the Solar One Program has 140 subscribers and more on the waiting list.

She said staff provided an overview of the Demand Side Management (DSM) programs currently offered by Water and Light. Staff has been invited to speak to Ameren and Kansas City on the DSM programs. Mr. Kahler said staff has invested heavily in the DSM programs. Currently there are eight full-time and six part-time employees specifically for the implementation of the programs.

### **NEW BUSINESS**

No new business.

### **OLD BUSINESS**

Mr. Kahler provided an update on the Bluegrass Wind Farm. He said the turbines have been replaced. The turbine repairs heavily impacted the level of production.

Mr. Kahler said he will be visiting Iatan II on Thursday and the Bluegrass Wind Farm on Friday. He extended an invitation to the Board members.

Next meeting date: December 4, 2008

The meeting adjourned at 8:02 a.m.

Respectfully Submitted,