

Water and Light Advisory Board  
December 11, 2008

A meeting of the Water and Light Advisory Board was held December 11, 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  
Tom O'Connor, Member  
J. Kraig Kahler, Water and Light Director  
Mike Schmitz, Engineering Manager  
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

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

**APPROVAL FOR THE NOVEMBER 11, 2008 MEETING MINUTES:** The November 11, 2008 meeting minutes were approved as presented by voice vote on a motion by Ernie Gaeth and second by Bob Roper.

**FINANCIAL REPORT:**

a) Financial Update – The Board reviewed a preliminary draft balance sheet from Finance and a Monthly Financial Statement Ending October 31, 2008. Jim Windsor also provided a summary spreadsheet going back to 2000. The spreadsheet detailed annual expenses and revenues in each area of the Water and Electric utility. Jim said this would show the Board the expenses involved on an annual basis.

Jim said the revenue statements were down due to the mild summer. He said there was a major increase in water production cost in October because of a purchase order to clean the sludge lagoons.

b) Water Rate Change (amending Chapter 27 of the City Code) - Jim Windsor explained that the amendment would increase the water commodity charge by 2% which would achieve the overall 1.5% revenue increase needed by the water utility. The increase would go into effect on February 1, 2009. A motion was made by Bob Roper with a second from Tom O'Connor to recommend Council approve the water rate change as proposed. The voice vote was unanimous.

c) Water CIP Appropriation - Jim told the Board that Council had approved an ordinance appropriating funds for the FY09 Water CIP. He said an additional \$600,000 had been requested to pay for part of the South Transmission Main that had been identified for

FY11. Jim said the Council passed a reimbursement resolution and that the bonds could be sold within a year. This will allow for the best timing to sell the bonds.

d) Loan to Railroad - Kraig Kahler told the Board that there is a Main street stimulus package being proposed by the Federal Government. He said if it goes through there will be grant money available for various projects. The ones that are ready to go will probably be considered first. He said it was staff's feeling that if the design phase for the US63 railroad bridge design could be expedited there was greater opportunity that it would be approved in the federal economic stimulus package. He said MoDot has put this project on their front burner. The cost to expedite the design would be \$92,200. An Engineering Service Agreement has been signed with Modjeski & Masters to design the US 63 railroad bridge. The electric utility has already agreed to loan the COLT \$425,000 to help resurface the 63 crossing. Staff is requesting that the Board approve a Change Order for \$92,000. Ernie Gaeth requested that there be itemized billings for the additional charges from Modjeski & Masters. The board had questions about the location and grade of the railroad now and for the future. Mr. Kahler told the board that he would have a detailed report for them at the next meeting with those details. After discussion by the board a motion was made by Tom O'Connor and second from Bob Roper to recommend Council approve an ordinance authorizing Change Order No.1 to the US 63 bridge design contract in the amount of \$92,000. The motion passed with a unanimous voice vote.

### **POWER PLANT REPORT**

Tad Johnsen said the power plant came back on line last week. He said the new emission monitoring system was up and running. He said the Environmental Protection Agency (EPA) would be at the plant next week to do an evaluation of the system.

Mr. Johnsen said renewables were below 2% for November. He said the landfill accounted for 1200 megawatt hours and wind 640 megawatt hours. He said the plant would be able to continue burning wood for the next few months, which would help meet the renewables requirement. The permit to burn wood is only temporary. Tad said staff is trying to get a permanent permit but it takes time to acquire.

Kraig Kahler said that staff had sent to council an amendment to the Purchase Power Agreement with Ameresco, Inc. of Jefferson City. The original agreement with Ameresco, Inc. was to purchase electricity from a landfill gas plant located in Jefferson City. He said the landfill fell behind schedule and was not operational when planned. The new amendment extends the start date by three months. Kraig told the board that due to time constraints he was not able to inform them of the request prior to it going to council.

**ENGINEERING** a) Change Order #2 to the IRP - Mike Schmitz said that staff was requesting Change Order #2 to the Proposed Integrated Resource Plan with Burns and McDonnell Engineering Company. The change order would review Water and Light's registration in SERC Reliability Corporation (SERC) and Midwest Independent System Operator (MISO). The additional cost would be \$60,000. Mr. Kahler told the Board that staff had met with SERC representatives this week and were told that we were in non compliance in several areas. They said we could be fined \$26 million. The board questioned what the review would entail. Mr. Schmitz said it would help to answer questions as to whether W&L should continue to operate as its own Balancing Authority and Transmission Operator; if it

would be better to pay someone else to do those services for us; and how we should be registered. Tom O'Connor questioned having an outside consultant advise staff on this issue. He felt staff should be able to answer the questions. Other board members felt that having an outside consultant would be in the best interest of the utility.

Bob Roper made the motion to recommend Council approve the Change Order for \$60,000 to have Burns and McDonnell look at our best options for the future of the utility. Tom Baumgardner made a second to the motion. On a voice vote four members voted in favor of the motion. Tom O'Connor voted against the motion. Motion passed.

b) Chloramines – Mike Schmitz told the Board that staff had met with the Missouri Department of Natural Resources (DNR) to talk to them about switching to chloramines as a secondary disinfectant to help bring us back into compliance with the Environment Protection Agency (EPA). He said staff had met with DNR yesterday to discuss the requirements that need to be met before switching. Staff was told that it could be done as soon as April 1. He said DNR would have to give us a permit to change our process. Mike made reference to the letter that was sent to DNR that had also been forwarded to the Board. The letter included an attachment of staff's understanding of MoDNR requirements to receive approval to change disinfectant.

Tom O'Connor asked if there was some reluctance from staff to add chloramines. Mike said there were several issues regarding the change, they included: cost, implementing the injection; plate counts; permitting application; and ordering equipment. The public would need to be made aware of the change prior to its taking place.

c) RFP for Water Treatment Plant Study – Mike Schmitz said staff was asking for a recommendation from the Board regarding a Request for Proposal for preliminary design of expansion of the McBaine Water Treatment Plant. The proposal would include:

- ✓ Expanding the treatment capacity of the City's McBaine Water Treatment Plant to ensure projected future water demands can be provided without the need for use restrictions.
- ✓ Modifications to the existing McBaine Water Treatment Plant and/or treatment process necessary to ensure compliance with existing and anticipated water quality regulations.

Mike said the Scope of Work includes; different treatment processes that might be needed for the anticipated additional capacity at the plant; modifications to the existing treatment facilities to make sure we stay in compliance with regulations; and modifications that might be necessary based on raw water source changing from ground water to ground water under the direct influence of surface water.

Mike said according to the U.S. Geological Survey (USGS) at this point, that pharmaceuticals were negligible in the McBaine bottoms. Kraig Kahler said that Public Works was in the process of building a new waste water facility in the McBaine bottoms. He said they had been willing to build a pipe line that would take the effluent directly to the river but it was decided not to be necessary due to the USGS study that showed surface water was not affecting the alluvial plane. The study shows there is no effect at the 100' level. Tom O'Connor questioned the interpretation of the study. He said wells 5 and 6 show some effect

of the wastewater. He felt more discussion needed to be done on the wastewater and the effect it had on the well fields. Ernie asked why there were two issues included in the proposal Tom O'Connor felt it would be cleaner to look at them separately. He felt the purposes of the proposal should be more defined. Bob Roper felt the issues seemed to relate to each other. Floyd Turner said both issues would need to be resolved. John Conway said the modification study would affect the expansion of the treatment plant.

Bob Roper made the motion with a second by Ernie Gaeth to recommend that staff send out a Request for Proposals Engineering Services for Preliminary Design of the Expansion of the McBaine Water Treatment Plant. After discussion, on a voice vote, 4 members voted in favor of the motion, Tom O'Connor voted in opposition. Motion carried.

d) United State Geological Study (USGS) - Mike Schmitz said Council had approved a five year contract with USGS to monitor the groundwater at McBaine. USGS will monitor well sites around the Columbia wetland treatment units and in the Eagle Bluffs Conservation Area. They will be monitoring for Wastewater Indicator Compounds, Pharmaceutical and Hormone Compounds. The cost will be split between Public Works and Water and Light.

#### **WATER DIVISION REPORT**

Floyd Turner said he had nothing to report.

#### **ELECTRIC DISTRIBUTION REPORT**

Dan Stokes said there were 21 outages during the month of November. The average time for each outage was 81 minutes.

Kraig Kahler mentioned that staff had formed a Reliability Improvement Team. The team will meet once a month. They will go over all the outages for the month and determine what needs to be done to avoid a similar outage from happening in the future.

#### **UTILITY SERVICES DIVISION REPORT**

Tina Worley said the Home Performance program had 90 homes that had gone through the Energy Assessment. She said eight new homes had been built in Columbia using Energy Star standards. Tina said the Energy Choices program was wrapping up this week. Staff has gone to the three middle schools and presented an energy program with all the seventh graders. She said the Water and Light calendars had been sent out. She said staff was working on the Demand Side Management side of the Integrated Resource Program.

#### **NEW BUSINESS**

Bob Roper said he had received an invitation to the Christmas luncheon at the Heuchan Building.

#### **OLD BUSINESS**

None to report

Next meeting date: January 8, 2009 at 8:30 am

The meeting adjourned at 8:55 a.m.

Respectfully Submitted,