

Water and Light Advisory Board
September 13, 2007

A meeting of the Water and Light Advisory Board was held September 13, 2007 at 7:00 a.m. at the Utility Services Conference Room, 105 E. Ash. Attending the meeting were:

John Conway, Chair
Tom Baumgardner, Vice Chair
Ernie Gaeth, Member, Member
Tom O'Connor, Member
Dan Dasho, Water and Light Director
Dan Stokes, Electric Distribution Manager
Tad Johnsen, Power Production Superintendent
Tina Worley, Utility Services Manager
Mike Schmitz, Engineering Manager
Floyd Turner, Manager of Water Operations
Marilyn Thorpe, Administrative Support Supervisor
Robert Roper – Member - Excused

Dick Parker

APPROVAL OF THE AUGUST 2, 2007 MEETING MINUTES: The August 2, 2007, meeting minutes were approved by voice vote on a motion by Ernie Gaeth and second by Tom Baumgardner.

FINANCIAL REPORT:

- a) Financial Update - The Board received the monthly financial statements ending July 31, 2007

Water and Electric Utility combined operations reflect an operating income of \$8,346,000 for the ten months ended July 31, 2007; compared to an operating income of \$3,406,003 for the same period last year. This is an increase of \$4,939,997.

The Water Utility has an operating income of \$832,477 for the ten months ended July 31, 2007; compared to an operating income of \$1,719,749 for the same period last year. This is a decrease of \$887,272 in operating income.

The Electric Utility has an operating income of \$7,513,523 for the ten months ended July 31, 2007; compared to an operating income of \$1,686,254 for the same period last year. This is an increase in operating income of \$5,827,269.

Operating revenues of the Electric Utility are up \$7,078,807 compared to the same period last year.

Operating expenses before Payment-In-Lieu-Of-Tax and Depreciation are up \$575,203. Fuel and Purchased power costs have increased \$854,202.

- b) The Board noted that the depreciation expense has gone up over the last year. Dan said he and Jim Windsor would report back at the next meeting on how finance determines the depreciation figures.
- c) Dan noted that an overall rate increase of 9% was being proposed for the FY08 electric utility budget and an 8% increase for the water utility. Dan said staff had received the Virchow Krause electric cost of service study. He said Virchow Krause was recommending a fire flow charge. Based on the consultants recommendations the fire flow charge will be based on meter size. In addition connection fees will be increased and based on meter size.

The Board asked that staff provide an executive summary of the Virchow Krause report.

POWER PLANT REPORT:

- a) Wind Energy– Tad Johnsen reported that wind energy had been flowing into Columbia since September 5. He said it averaged 1-2 megawatts a day. Dan Dasho told the Board there was going to be a dedication ceremony at the Bluegrass Ridge Wind Energy Farm, at King City, Missouri, Monday, September 17. Several W&L staff members are going to attend the ceremony.
- b) Summer Peak and August Energy – Tad said the summer peak was August 15, at 265 megawatts. He said there was about a 7% increase over last August from 129,000 to 138,000 megawatt hours. Tad said the load shedding and load management programs worked very well during the extreme hot days of August.

ENGINEERING:

- a) Hillsdale Pump Station – Mike Schmitz said that Emery Sapp and Sons had been awarded the contract for the project.
- b) Well Field 36” Main – Mike reported that the project was 90% complete.
- c) Long Range Water System Study – Dan told the Board that W&L is in the process of planning for the long term future raw water supply and treatment needs of the City for the next 20 years. Professional consulting engineers are needed to conduct a long range study to update water demand projections and identify possible capital improvement needs to meet these future demands. The study will provide
 - Historical Demand Usage Trends
 - Development of Estimated Future Water Demands
 - Development of Capital Improvements Schedule Including Ballot Initiative Projects
 - Report Preparation

Staff discussed the strengths and weakness of each proposal and selected Jacobs Engineering Group for the project. Jacobs has experience in studies of this size and scope, plus they have a strong familiarity with our system and budgeting process. The study should take about 18 weeks to complete.

After discussion the Board on a motion by Ernie Gaeth and second by Tom Baumgardner recommended that City Council accept the proposal of Jacobs Engineering Group to conduct the Long Range Water System Study for \$93,100. The vote was unanimous in favor of the recommendation.

WATER DIVISION:

- a) Main Break on Providence & Burnam – Floyd Turner reported that the break happened on a 50 year old 8” pipe. He said the pipe had split on the bottom so extensive shoring was required before the pipe could be repaired.
- b) Water Storage Maintenance Program – Floyd informed the Board that the water utility wants to establish a full-service maintenance contract for water storage reservoirs and tanks. The maintenance program will inspect, repair, clean, paint and disinfect all reservoirs and tanks. The contract period will be for five years at a cost of \$1,250,000. Utility Service Corporation and Maguire Iron submitted proposals for the project. Staff recommends Utility Service Corporation. After discussion the Board on a motion by Ernie Gaeth seconded by Tom O’Connor recommended that Council authorize the City Manager to enter into a five year contract with Utility Service Corporation for a full-service maintenance contract to cover water storage reservoirs and tanks. The vote was unanimous in favor of the recommendation.

ELECTRIC DIVISION:

Dan Stokes discussed the electric outages in August, 2007. He provided graphs showing the extent of an outage on August 12. He said at 11:30 pm there were 4,867 customers without power but 95% had been restored by 4:00 am the next morning. Dan said over 2,200 customers had called in reporting outages.

UTILITY SERVICES:

- a) Solar Array on New City Hall – Tina Worley informed the Board that Council reviewed the cost benefit of installing a solar hot water system for the new City Hall, which they approved. Council also agreed to install the brackets to accommodate a future PV system during the construction of the roofing of City Hall. They will continue to study the issue and get prices for the installation.
- b) Change A Light Program – Tina said the two Westlake stores and Hy-Vee were participating in the Change-A-Light Change the World Program. The program will start in October. Customers will receive a \$2.00 instant rebate when they purchase compact fluorescent bulbs.
- c) Building Operator Certification Program – Tina said registrations were being received for the Building Operator Certification Program. The continuing education and professional development course will ensure that building operators remain knowledgeable in the face of changing facilities management practices. The program consists of seven topics in which facility managers will learn the most efficient way to manage their building or plant energy usage. Tina said the meetings require the individuals to meet one full day each month.

NEW BUSINESS: Staff informed the Board that Tina Worley had been nominated for the Tom Tinsley - Distinguished Service Award. The winner will be presented the award at the Missouri Public Power Association Meeting in October.

OLD BUSINESS: Dan said that W&L staff and Fire Department officials had met with representatives from the Korean Baptist Church regarding their expansion project. It was decided that the Church officials needed to meet with their Engineer and discuss the information given to them by W&L and the Fire Department. They will come back for discussions with the City after meeting with their engineer.

Council said to stop installing lights along Forum Boulevard until further study could be done on lighting and what street lights are available.

NEXT MEETING: October 4, 2007

Meeting adjourned: 8:45 a.m.

Respectfully submitted,