

Water and Light Advisory Board
September 7, 2010

A meeting of the Water and Light Advisory Board was held Tuesday, September 7, 2010 at 8:00 a.m. at the Utility Services Conference Room, 105 E. Ash St. The meeting was attended by:

John Conway, Chair
Tom Baumgardner, Member
Tom O'Connor, Member
Bob Roper, Member
Dick Parker, Member
Tad Johnsen, Water and Light Director
Dave Storvick, Engineering Manager
Ryan Williams, Assistant Water and Light Director
Jim Windsor, Manager Rates and Fiscal Planning
Christian Johanninger, Acting Power Production Superintendent
Tony Cunningham, Acting Electric Distribution Manager
Tina Worley, Utility Services Manager
Dan Stokes, Energy Services Superintendent
Barbara Buffaloe, Sustainability Manager
Marilyn Thorpe, Administrative Support Supervisor
Tracy Frevert, Administrative Support Assistant

APPROVAL OF THE AUGUST 19, 2010 MEETING MINUTES

The August 19, 2010 meeting minutes were approved as modified by voice vote on a motion by Dick Parker and a second by Tom O'Connor.

SUSTAINABILITY PRESENTATION BY BARBARA BUFFALOE

Tad Johnsen introduced Barbara Buffaloe, Sustainability Manager, City of Columbia. Ms. Buffaloe explained that the City received a Department of Energy Stimulus Block Grant in the later part of FY 2009 with funding for a Sustainability Manager and start up costs for the Office of Sustainability. The Office of Sustainability is responsible for administering the 3-year block grant, planning, directing, coordinating a business plan, integrating short and long term sustainable comprehensive action plans, resource conservation, and related sustainability programs and operations to advance a more sustainable, vital and well planned future for Columbia. The goals of the Block Grant are to reduce greenhouse gas emissions and energy bills.

The grant provides \$150,000 for energy assessment costs, and \$609,000 for recommended retrofits. The Office of Sustainability is working with City personnel to look for other grant opportunities in addition to the Department of Energy Stimulus Block Grant.

HDR, Inc. was awarded the contract to conduct the energy assessments of the City's buildings. To date, 60% of the City's buildings square footage has been audited. HDR, Inc. has completed draft reports for 25% of the audited buildings. Most of the recommended retrofits are simple, such as lighting modifications, occupancy sensors, timers on block engine heaters, and employee behavior modifications. More costly recommendations relate to heating and cooling systems. If all recommended retrofits were made to 25% of buildings already audited, the City would receive an estimated \$56,000 in annual savings.

HDR, Inc. should have all City building audits and recommendation reports complete by October, 2010. RFPs for the retrofits will go out in November and December, with work beginning in January, 2011. The Office of Sustainability will determine priorities and develop reports for each City department with the

suggested retrofits for that department's buildings. Any investment costs and payback would be split by the City department involved and the Office of Sustainability.

Discussion followed Ms. Buffaloe's presentation covering topics including LED street lights, the process for retrofit implementation, and sharing the assessments with the public via the Office of Sustainability's web page.

FINANCIAL REPORT

Tad Johnsen and Jim Windsor reviewed the monthly financial statements ending July 31, 2010.

Water and Electric Utility combined operations reflect an operating income of \$1,647,495 for the ten months ended July 31, 2010; compared to an operating income of \$5,119,976 for the same period last year. This is a decrease of \$3,472,481.

The Water Utility has an operating income of \$1,260,686 for the ten months ended July 31, 2010; compared to an operating loss of \$617,628 for the same period last year. This is an increase of \$1,878,314 in operating income.

The Electric Utility has an operating income of \$386,809 for the ten months ended July 31, 2010; compared to an operating income of \$5,737,604 for the same period last year. This is a decrease in operating income of \$5,350,795.

Operating revenues of the Electric Utility are up \$3,517,612 compared to the same period last year.

Operating expenses before Payment-In-Lieu-Of-Tax and Depreciation are up \$7,956,247. Fuel and Purchased power costs have increased \$6,372,550.

Discussion followed concerning operating expenses and the thin profit margin for the end of July.

NEW BUSINESS

No new business.

OLD BUSINESS

No old business.

DIRECTORS REPORT

a) Renewable Energy Report – Tad Johnsen distributed a spreadsheet on Wind Energy Data which illustrated that load factor is down during the summer months, which boosts expenses. An additional spreadsheet of all renewables also showed a decrease during the summer months. The Calendar YTD Renewable Percentage of System at the end of August is 4.9%. This percentage should increase in the fall. Mr. Johnsen noted that Columbia Landfill MWH's decreased slightly due to some maintenance issues.

The Total Renewable MWH's is 4340. Jim Windsor is working on a report which will provide all factors which determine the overall cost for the total renewable MWH's.

Mr. Johnsen reported that Water and Light has been approached by a company that would like to construct a solar field in Columbia and sell the energy to Water and Light at a very low cost. He will keep the Advisory Board informed as more information becomes available.

David Storvick and Tad Johnsen presented an update of three Water Treatment Plant options from Carollo Engineering:

- 1) current softening with upgraded gravity filters
- 2) granular activated carbon filters
- 3) ozone treatment with biofiltration

Carollo Engineering will provide Water and Light with their final report and recommendation by January 1. Once a decision is made, the project will take approximately three years to design, and three years to build.

Mr. Johnsen stated that SEGA will be meeting with Water and Light staff later this month with a draft Power Plant study report. The report will include the capability of putting bio fuels through the plant, storing, transferring and the combustion process. He also introduced a discussion of the levy district followed by discussion on the organization of the board meeting agenda.

New Business and Old Business agenda items are those items that need Board action. The Director's and Chairman's Reports are for informational purposes. If a Board member needs information from Water and Light staff or would like an item added to the agenda, the correct procedure is to contact the Chairman of the Water and Light Advisory Board.

Mr. Johnsen listed four reports that staff is compiling for the Board:

- 1) an explanation of rates and customer classes
- 2) a year-long calendar of significant events that the Board needs to be aware of and prepared for
- 3) renewable and non-renewable cost analysis reports
- 4) historical percentages

CHAIRMAN'S REPORT

John Conway asked about the status of the Neighborhood Challenge Grant. Mr. Johnsen stated that the Department of Natural Resources has not yet notified Water and Light as to whether or not we are a recipient of the Grant.

Next meeting date: Tuesday, October 12, 2010 at 8 a.m. in the Utility Services Conference Room, 105 E. Ash St., Columbia, MO.

The meeting adjourned at 9:28 a.m.

Respectfully submitted,