

Water and Light Advisory Board
February 1, 2007

A meeting of the Water and Light Advisory Board was held February 1, 2007 at 7:00 a.m. at the Administration office downtown. Attending the meeting were:

John Conway, Chair
Tom Baumgardner, Vice Chair
Greg Macias, Member
Robert Roper – Member, Member
Dan Dasho, Water and Light Director
Mike Schmitz, Engineering Manager
Floyd Turner, Manager of Water Operations
Dan Stokes, Electric Distribution Manager
Tad Johnsen, Power Production Superintendent
Jim Windsor, Manager Rates/Fiscal Planning
Jay Hasheider, Energy Services Supervisor
Marilyn Thorpe, Administrative Support Supervisor
Ernie Gaeth, Member, Excused

Win Colwill, League of Women Voters - visitor
Barbara Allen, League of Women Voters - visitor

APPROVAL OF THE JANUARY 04, 2007 MEETING MINUTES: The minutes of the January 4, 2007 meeting were approved with a motion by Greg Macias and second by John Conway.

FINANCIAL REPORT: Water and Electric Utility combined operations reflect an operating income of \$1,317,149 for the three months ended December 31, 2006; compared to an operating income of \$727,019 for the same period last year. This is an increase of \$590,130.

The Water Utility has an operating income of \$540,888 for the three months ended December 31, 2006; compared to an operating income of \$307,706 for the same period last year. This is an increase of \$590,130.

The Electric Utility has an operating income of \$776,261 for the three months ended December 31, 2006; compared to an operating income of \$419,313 for the same period last year. This is an increase in operating income of \$356,948.

Operating revenues of the Electric Utility are up \$1,225,643 compared to the same period last year.

Operating expenses before Payment-in-Lieu-Of-Tax and Depreciation are up \$702,247. Fuel and Purchased power costs have increased \$227,165.

POWER PLANT REPORT:

- a) Request for Proposal (RFP) for Integrated Resource Plan – Dan Dasho told the Board that staff has been working on the requirements for a Scope of Work for the RFP. A hand-out outlining the requirements was given to the Board. Dan said scenarios need to be run for a 20-30 year plan. The Board said the public's view on the matter needed to be considered. Dan asked the Board to let staff know if there was anything they wanted to add to the Scope of Work. He said staff would present the Board with the specifics in March. The RFP will be discussed at the Council Retreat. Dan said staff wanted to contact the larger firms and give them the opportunity to respond to the RFP. The Board asked how the Scope of Work differed from the last study. Mr. Dasho said there would be more renewables; and demand side alternatives.

Response to Short-term Supply Needs -

- b) Response to Short-term Supply Needs – W&L recently has received responses to RFP for short-term power supply. Detailed information will be provided to the Board at the next meeting.

ENGINEERING:

- a) 36" Water Main – Mike Schmitz said the 36" Water Main was progressing. He said the contractors were preparing for the interconnection of the new main with the existing main. He said they were planning on using an inflatable bladder to block the main and enable the contractors to make the connection. Mike said Water Distribution had used similar technology and that it had worked quite well. He said using the inflatable bladder would make it possible to keep the water main open to some degree, allowing about half the daily consumption currently used.
- b) 161 kV Line – Mike told the Board that the contract crews were back from storm restoration and were working on the 161 kV Line. He said all the poles are up and they are currently pulling conductors across 63. He thought they would be finished by the end of next week.
- c) Well Field Main – Mike said they had received the easements and they had to go first reading will be Monday 2/5. before Council for two readings. He said the Department of Conservation was requesting raw water for their wetlands. A long term contract is being drawn up with the Department. After legal is finished with the contract the Board will be given a copy to review.

WATER DIVISION: Water Bond Issue Spring 2008 – Jim Windsor presented spreadsheets outlining the various water projects that would be funded with a 5 year bond issue. Total projected CIP expenditures for the 5 year period, FY08-FY12, is \$49,308,226. Projects to be covered by a bond proposal total \$40,437,159 (82%), with the remaining \$8,871,068 (18%) coming from enterprise revenue, including funding for the reserve requirement and bond costs would bring the total bond proposal to \$44,500,000.

ELECTRIC DIVISION: Mutual Aid Work for Ice Storm Outages - Dan Stokes reported that W&L dispatched crews to Crane, Sullivan, Waynesville and Springfield to help out with storm relief.

UTILITY SERVICE DIVISION REPORT:

- a) PURPA Hearings Update - Mr. Dasho informed the Board that dates had been set for the public hearings on the PURPA Standards and Resolutions. He said it would be necessary to have enough Board members for a quorum for each meeting. He said an e-mail would be sent to the Board with the dates and times for the meetings.
- b) Diesel Generator Customer Locations – Mr. Dasho said we are in the process of developing proposals for diesel generators at Missouri Book Services (MBS) and State Farm Insurance. He said each industry will have approximately 2MW of generation at their facility. The purpose of the generators is for Water and Light to have peak shaving or emergency use. The generators would provide back up power for MBS and State Farm in the event of a sustained outage.
- c) Review of the 2007 Renewable Energy Report – The 2007 Renewable Energy Report was reviewed by the Board. After discussion a motion was made by Tom Baumgardner with a second from Greg Macias to recommend Council approve the 2007 Renewable Energy Report. Vote was unanimous in favor of motion.

NEW BUSINESS: Dan Dasho told the Board that there was going to be a reception for the new City Council members April 9.

OLD BUSINESS: The Board asked if there had been consideration given to Dick Parker's proposal requesting that the City study the purchase of 9 windmills a year from 2008-2020 and build a 60 MW pumped hydro storage facility. Mr. Parker presented his proposal to the Board at their December 7, 2006 meeting. Mr. Dasho said it would be included in the Electric IRP.

Next meeting date: March 1, 2007

Meeting adjourned at 7:55 a.m.

Respectfully submitted,