

DRAFT
Water and Light Advisory Board
March 20, 2014

A meeting of the Water and Light Advisory Board was held Thursday, March 20, 2014 at 8:00 a.m. in Water and Light Conference Room 4A, 701 E. Broadway. The meeting was attended by:

John Conway, Chair
Tom O'Connor, Member
Hank Ottinger, Member
Dick Parker, Vice Chair
Jack Clark, Member
Tad Johnsen, Water and Light Director
Ryan Williams, Assistant Water and Light Director
Jim Windsor, Utility Financial Manager
Christian Johanningmeier, Power Production Superintendent
Tony Cunningham, Electric Distribution Manager
Carol Schafer, Administrative Supervisor
Floyd Turner, Water Distribution Manager
John Betz, Source Water Protection Plan Task Force
Max Havey, *Columbia Missourian*
Tracy Frevert, Senior Administrative Support Assistant

APPROVAL OF THE MEETING MINUTES

The February 12, 2014 meeting minutes were approved by voice vote on a motion by Dick Parker and a second by Hank Ottinger.

The February 19, 2014 meeting minutes were approved by voice vote on a motion by Jack Clark and a second by Dick Parker.

FINANCIAL REPORT

Water and Electric Utility combined operations reflect an operating income of \$137,332 for the four months ended January 31, 2014; compared to an operating loss of \$1,955,046 for the same period last year. This is an increase of \$2,092,378.

Net loss from Water and Electric Utility combined operation is \$2,135,887, compared to net loss of \$3,775,892 for the same period last year.

The Water Utility has an operating income of \$1,387,037 for the four months ended January 31, 2014; compared to an operating income of \$1,238,773 for the same period last year. This is an increase of \$148,264 of operating income.

Net income for Water Utility is \$526,848, compared to net income of \$736,150 for the same period last year.

The Electric Utility has an operating loss of \$1,249,705 for the four months ended January 31, 2014; compared to an operating loss of \$3,193,819 for the same period last year. This is an increase in operating income of \$1,944,114.

Net loss for Electric Utility is \$2,662,735, compared to net loss of \$4,512,042 for the same period last year.

Operating revenues of the Electric Utility are up \$3,047,893 compared to the same period last year.

Operating expenses before Payment-In-Lieu-Of-Tax and Depreciation are up \$864,734 compared to the same period last year. Fuel and Purchased power costs have increased \$925,111 compared to the same period last year.

NEW BUSINESS

a) Source Water Protection Plan Task Force Annual Report – John Betz, Chairman of the Source Water Protection Plan Task Force, summarized the annual report. Dick Parker made a motion, seconded by Tom O'Connor, to approve the Source Water Protection Plan Task Force annual report. Motion passed.

Dick Parker requested an annual report of monthly chloride data.

b) Annual Demand Side Management Report – Tad Johnsen summarized the Demand Side Management report for fiscal year 2013.

Jack Clark noted the small number of photovoltaic system installations in 2013, and would like the City to be more proactive to increase the number of installations. Discussion followed, with suggestions including increasing rebates, intensified marketing, and adding staff. Staff will bring load program marketing information to the next Board meeting. Tad Johnsen reiterated the need to examine the net metering rate for photovoltaics. Dick Parker would like the Board to participate in any rate structure discussions as well as discussions on infrastructure costs. Mr. Johnsen said the Board could hold a special meeting if needed when there is specific rate information to discuss.

Tom O'Connor recommended adding a demand curve to the Annual Demand Side Management report. Dick Parker made a motion, seconded by Tom O'Connor, to endorse the Demand Side Management report for fiscal year 2013 with the addition of the demand curve. Motion passed.

OLD BUSINESS

a) Response Memo for Mayor's Validation Request – Tad Johnsen reviewed a draft letter to Mayor Bob McDavid, which the Board reviewed and amended. Hank Ottinger made a motion, seconded by Jack Clark, to delete Ameren data from the chart and wording in the response to number one. Motion passed. Dick Parker made a motion, seconded by Jack Clark, to replace the response to number six with the response written by Dick Parker. Motion passed.

Tom O'Connor distributed and summarized a letter he drafted. Dick Parker made a motion, seconded by Jack Clark, to send the amended response letter to the Mayor, with the additional bill comparison chart and modified verbiage. Motion passed.

DIRECTOR'S REPORT

a) Infrastructure Funding – Tad Johnsen summarized how Water and Light handles line extensions or upgrades for water and electric infrastructure, noting while both utilities have high infrastructure cost, the cost split between production and distribution is different along with a different relative commodity value.

Jack Clark asked about the process to revise the Water and Light Service manual, specifying a sentence in Section III-1 Extension of Electric Distribution System. Staff will determine the process and report back to the Board. Tad Johnsen said Staff can review the service manual and cite any relevant ordinances. John Conway requested that Staff generate some case examples such as The Domain, Thornbrook, Copperstone, and Brookside, providing cost and recovery for both water and electric, in addition to growth potential.

b) Non-Standard Meter Request – Tad Johnsen reviewed conceptual ordinance changes allowing a non-standard meter provision for Water and Light customers. Customers choosing this option would keep or be converted to older electromechanical meters, which are costly to manually read and maintain. Dick Parker made a motion, seconded by Hank Ottinger, to move forward with making a revision to the metering policy. Voting yes were John Conway, Hank Ottinger, Dick Parker and Tom O'Connor. Voting nay was Jack Clark.

c) Wind Agreement Update – Tad Johnsen reported that the agreement for the purchase of wind energy went to Council for first read, and was then withdrawn at the request of the company.

Mr. Johnsen asked if the Board would like to make a funding request through the Council budget for the FY 2015 budget, or keep funding through Water and Light. Board consensus was to continue funding through Water and Light. Mr. Johnsen will notify City Clerk Sheela Amin.

CHAIRMAN'S REPORT

a) Advisory Board Report to Council – John Conway asked for the Board's input, and the report was amended.

Dick Parker recommended changing the Demand Side Management Comparative Data line that currently reads, "Percentage of Outstanding Loans at Risk" to "Percentage of Outstanding Loan Value at Risk."

The next regularly scheduled Board meeting will be April 9, 2014. As there are several upcoming Board meetings, Tracy Frevert will resend an earlier memorandum which specifies future Board meeting dates.

VISITOR COMMENTS

No visitor comments.

The meeting adjourned at 11:00 a.m.

Respectfully submitted,

DRAFT