

Water and Light Advisory Board  
May 7, 2014

A meeting of the Water and Light Advisory Board was held Wednesday, May 7, 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  
Christian Johanningmeier, Power Production Superintendent  
Tina Worley, Utility Services Manager  
Rose Wibbenmeyer, Assistant City Counselor  
John Frerking, Engineering Surveys and Services  
Tracy Frevert, Senior Administrative Support Assistant

**APPROVAL OF THE MEETING MINUTES**

The April 9, 2014 meeting minutes were approved as presented, and the April 16, 2014 meeting minutes were approved as amended by voice vote on a motion by Dick Parker and a second by Hank Ottinger.

**FINANCIAL REPORT**

Water and Electric Utility combined operations reflect an operating loss of \$1,110,446 for the six months ended March 31, 2014; compared to an operating loss of \$3,170,153 for the same period last year. This is an increase of \$2,059,707.

Net loss from Water and Electric Utility combined operation is \$4,628,841, compared to net loss of \$6,993,083 for the same period last year.

The Water Utility has an operating income of \$2,005,449 for the six months ended March 31, 2014; compared to an operating income of \$1,788,310 for the same period last year. This is an increase of \$217,139 of operating income.

Net income for Water Utility is \$647,380, compared to net income of \$336,209 for the same period last year.

The Electric Utility has an operating loss of \$3,115,895 for the six months ended March 31, 2014; compared to an operating loss of \$4,958,463 for the same period last year. This is an increase in operating income of \$1,842,568.

Net loss for Electric Utility is \$5,276,221, compared to net loss of \$7,329,292 for the same period last year.

Operating revenues of the Electric Utility are up \$4,936,558 compared to the same period last year.

Operating expenses before Payment-In-Lieu-Of-Tax and Depreciation are up \$2,726,185 compared to the same period last year. Fuel and Purchased power costs have increased \$2,793,615 compared to the same period last year.

Hank Ottinger questioned an increase compared to last year in Water Utility, Accounting and Collection – Uncollectible Accounts and in Administrative and General – Special Service. Tad Johnsen will research and bring explanation to next meeting.

Tad Johnsen noted that if conditions remain the same, the annual net income for both Water and Electric could come in better than projected.

### **NEW BUSINESS**

a) FY15 Capital Improvement Plan – Tad Johnsen asked the Board to review the 5 Year Water and Electric CIP Plans: FY15 – FY19 before a more comprehensive discussion at the June meeting. Dick Parker would like to achieve a more balanced level of expenditures each year through rates and structuring. Jack Clark emphasized the importance of not dropping below the fund balance set by the cash reserve policy.

### **OLD BUSINESS**

a) Window A/C Exchange Report – Tad Johnsen summarized the program. Jack Clark made a motion, seconded by Tom O’Connor, to approve the Window A/C Exchange program and continuing partnership with Columbia Voluntary Action Center to administer the program for the Columbia Water and Light and Boone Electric Cooperative utilities. Motion passed. Dick Parker would like to see an increase in the number of participants. Tina Worley noted that the Data Collection and Customer Outreach Plan can help improve participation.

### **DIRECTOR’S REPORT**

a) 1<sup>st</sup> Quarter Renewable Energy Report – Tad Johnsen reported that production at the Jeff City Landfill has decreased slightly, while production at the Columbia landfill has increased. Production at the Columbia landfill is expected to show a decrease in April and May because two units will be going through a rebuild cycle. Mr. Johnsen noted 8.52% renewable percentage of system for the month, and 7.86% for the calendar year. The ordinance requirement is 5%.

b) Electric System Line Extension Example – Ryan Williams reviewed the physical and financial characteristics of a sample line extension project. Jack Clark asked what percentage of the total cost was to specifically serve the sample project. Mr. Williams believes it to be 20 to 25 percent, but will confirm. Mr. Williams noted that Water and Light is currently updating its modeling software which will make a better assessment of the impact of new developments. At the Board’s request, Staff will prepare samples of water extension projects.

c) 2<sup>nd</sup> Capital Improvement Progress Report – At the February 12, 2014 Board meeting, Dick Parker suggested including a memorandum with each CIP report summarizing any additions or deletions. Ryan Williams noted that this had been done, and reviewed the progress report.

d) Renewable Energy Methodology – Tad Johnsen asked for a date for Mark Beauchamp, Utility Financial Solutions, to speak with the Board about renewable energy methodology. Mr. Johnsen will see if June 11, 8:30 a.m. would work with Mr. Beauchamp’s schedule and let the Board know. Dick Parker’s written comments of 4/27/14 will be forwarded to Mr. Beauchamp, along with any Board correspondence regarding renewable energy methodology.

e) Service Manual – At the March 20, 2014 Board meeting, Jack Clark asked about the process to revise the Water and Light Service manual. Part of the strategic plan would be to clarify a specific ordinance, and any modifications would then be reflected in the service manual.

**CHAIRMAN’S REPORT**

a) Prairie States Council Request – Councilperson Barbara Hoppe requested that the Board review, clarify, comment on, and make recommendations regarding the existing energy portfolio. Staff will give a presentation at the June meeting using the Board’s recommendations.

b) Water & Light Strategic Plan - Topic was tabled until future meeting.

c) Photovoltaic Loan Program – John Conway asked the Board to review the *Renewable Energy Plan for All* provided by Monta Welch, Peoples’ Visioning.

d) Georgetown University Energy Prize – More information will be forthcoming.

e) Board Member Data Request

i) DSM Questions – Staff responses were provided, which Dick Parker will review.

ii) Possible Rate Change – Jim Windsor was unable to attend the meeting, and will provide at a future meeting.

f) Downtown Leadership Council Infrastructure Meeting – John Conway will attend the May 7, 2014 meeting and report to the Board.

**VISITOR COMMENTS**

No visitor comments.

Jack Clark made a motion to adjourn, seconded by Tom O’Connor. Motion passed, and the meeting adjourned at 10:02 a.m.

Respectfully submitted,