

SUMMARY OF ACTIONS  
REGULAR MEETING OF THE BOARD OF PUBLIC UTILITIES  
OF SPRINGFIELD, MISSOURI, HELD THURSDAY, JUNE 19, 2008

Board Members Present:

Mike Chiles  
Krystal Compas  
Thomas Finnie  
Virginia Fry  
Mark McNay  
Mike Peters  
Patrick Platter  
Tom Rankin  
Phil Wannemacher

Special Item

Presented a check in the amount of \$16,100 to The Kitchen from the proceeds of The Kitchen 5K Fun Run/Walk.

1. Opening Remarks

Reminded the Board of the transit shuttle service to Firefall on Saturday, June 28, 2008.

2. Approval of Minutes

Unanimously approved the Minutes of the Regular Board Meeting held May 29, 2008.

3. Public Comment

None.

4. Committee Reports

None.

5. Financial Statements

Unanimously approved the financial document, including the budget disbursements for the year-to-date through May 31, 2008.

6. General Manager's Report

Received various reports.

The meeting adjourned at 4:06 p.m.

MINUTES OF A  
REGULAR MEETING OF THE BOARD OF PUBLIC  
UTILITIES OF SPRINGFIELD, MISSOURI

The Regular Meeting of the Board of Public Utilities of Springfield, Missouri, was held at 301 East Central Street, Springfield, Missouri, on Thursday, June 19, 2008, at 3 p.m.

Present:

Mike Chiles  
Krystal Compas  
Thomas Finnie  
Virginia Fry  
Mark McNay  
Mike Peters  
Patrick Platter  
Tom Rankin  
Phil Wannemacher

Absent:

Lisa Officer

Ex-Officio Board Member Absent:

Evelyn Honea

constituting a majority of the Board, and a quorum.

In addition to the above Board Members, the following persons were present at the meeting:

Joel Alexander  
Jeff Bertholdi  
John Black  
Tiffany Coppage  
Pat Dierking  
Mike Finch  
Brian Fogle  
Amy Goodman  
Carl Haworth  
Sister Sheryl Hernandez  
Robin House  
Janet Hudson  
Amanda James  
Wes Johnson  
Kippie Kutz  
Kyle McClure  
Sarah McCullem  
Scott Miller  
Tracy O'Dell  
Rorie Orgeron  
Ken Reasoner

Randy Schleisman  
Cara Shaefer  
Jim Shuler  
Wade Stinson  
John Twitty  
Mark Viguet

Mr. Phil Wannemacher, Chairman of the Board, presided and called the meeting to order, and Mr. Patrick Platter, Assistant Secretary of the Board, served as Secretary of the meeting.

Mrs. Pat Dierking, Supervisor – Marketing & Communications, reported on The Kitchen 5K Fun Run/Walk. She said this was the 17<sup>th</sup> year for this event. The money raised from the Fun Run/Walk is used to help fund the children’s programs at The Kitchen. Mrs. Dierking presented Mr. Rorie Orgeron, CEO of The Kitchen, Mr. Brian Fogle, President of the Board for The Kitchen, and Sister Sheryl Hernandez of The Kitchen, with a check from the proceeds of the 5K Fun Run/Walk in the amount of \$16,100. Mr. Fogle expressed appreciation for all of City Utilities’ support and assistance.

1. Chairman Wannemacher welcomed everyone to the meeting, and reminded the Board that City Utilities would provide shuttle service to Firefall on Saturday, June 28. He said several buses would be providing a roundtrip shuttle to Firefall and the fee for this service would be the normal fee, and everyone over the age of 4 years will be charged a \$2 fee for attending the event. The buses are scheduled to leave from the Missouri Entertainment & Event Center beginning at 4 p.m. and continuing until 8 p.m.
2. Next, Chairman Wannemacher presented Minutes of the Regular Board Meeting held May 29, 2008. Upon a motion duly made by Mrs. Fry, and seconded by Mr. Finnie, the Board unanimously approved the Minutes.
3. Next, Chairman Wannemacher asked if there were any members of the public who wished to address the Board; there were none.
4. The next order of business to come before the meeting was Committee Reports by Committee Chairmen.  
  
There were no Committee reports or comments from Committee Chairs.
5. Next, Mr. Shuler presented the Financial Statements and supporting documents for the year-to-date through May 31, 2008, for Board consideration.

Upon a motion duly made by Mr. Rankin, and seconded by Dr. Compas, the Board unanimously approved the Financial Statements and supporting documents, including the attached budget disbursements.



6. The next item to come before the Board was the General Manager's report.

Mr. Wade Stinson presented the operations report. Regarding transit, Mr. Stinson reported that City Utilities was participating in the national "Dump the Pump Day" being sponsored by the American Public Transportation Association (APTA) by offering free bus rides to customers. The day is designed to encourage people to get out of their cars and ride public transit.

Mr. Stinson said that ridership in May totaled 135,533 rides compared to 181,709 rides in May of last year, a decline of 46,176 rides. He said that farebox revenues in May increased 29% as compared to last May, increasing from \$59,202.85 to \$76,637.59.

On June 6, 2008, President Bush signed into law H.R. 1195, making a series of technical and substantive changes to the 2005 SAFETEA-LU surface transportation law, which among other provisions, allows transit systems serving areas whose population went from under 200,000 to over 200,000, according to the 2000 US Census, to use a portion of their formula federal funds for operating costs. The Utility had originally estimated a potential loss to City Utilities of \$1 million annually in the federal operating assistance program; however, this Technical Corrections Bill restores City Utilities' federal operating assistance in fiscal years 2008 and 2009.

Regarding natural gas, Mr. Stinson reported that the current twelve-month futures price is \$12.59/Dth versus \$8.21/Dth last year, up approximately 53%. Last month's futures price was \$12.12/Dth. The current cash price is \$10.43/Dth versus \$6.73/Dth last year, up approximately 55%. Last month's cash price was \$9.11/Dth.

Mr. Stinson said that the project to rebuild the Keene Natural Gas Gate Station is underway. Work is scheduled to be completed by the end of September. He said the station improvements are necessary to maximize gas flows out of the new Lake Springfield Natural Gas Peak Shaving Facility.

Mr. Stinson said that telephone surveys involving randomly selected City Utilities' customers are being conducted this week. The surveys are designed to help measure the effectiveness of the natural gas safety messages that are a part of City Utilities' Public Awareness program and are a Federal Pipeline Safety requirement. The May utility bills contained an announcement alerting customers of the possibility of being called.

Regarding water distribution and supply, Mr. Stinson stated that if the lakes are still at 100% storage by the end of the week, it will mark the 14<sup>th</sup> consecutive week the lakes have been at full storage. He said that the longest consecutive period of 100% storage was 15 weeks in 1990.

Mr. Stinson stated that additional filter media is being placed in Filter #7 at the Blackman Water Treatment Plant as part of the filter expansion project to increase treatment capacity. This is the sixth of eight filters to be expanded. The remaining two filters will be expanded in 2011. He said that each expansion gains 3.2 MGD capacity.

Mr. Stinson said that as a result of a cooperative agreement between MoDOT, the City of Springfield and City Utilities, the 48-inch main at Eastgate and Catalpa was installed at a shallower depth than normal due to the presence of rock; allowing the intersection to be reopened in about half the time originally required. This is one of several phases of the 11-mile transmission main between the Blackman Water Treatment Plant and Fellows Lake. Cleanup and restoration of the last phase recently completed has been slowed by rains.

Regarding electric transmission and distribution, Mr. Stinson reported that the electric line area celebrated one year without a lost time injury. This is a significant improvement in the safety record of that area.

Substation crews have commenced work on the switchyard for SW2. The first breaker replacement has been completed by the crews. He said that the site work contractor, Kennedy ESS, is 60% complete with their portion of this project.

Regarding energy management and conservation, Mr. Stinson reported that 447 Seasonal HVAC Tune-Up rebates have been processed since April 1 for central air conditioner annual maintenance. The amount of the rebate is \$30, and ends June 30.

Next, Mr. Scott Miller, Associate General Manager – Electric Supply, gave an electric supply update. Regarding SW2, Mr. Miller stated that from an engineering standpoint, the project is approximately 80% complete. The balance of plant design has been finalized, and the project is transitioning into a slower part of the engineering phase where all of the different aspects are tied together to make sure that all of the systems are linked.

Mr. Miller reported that contract procurements are basically 100% complete, and all of the major equipment is under contract.

Regarding construction completion, Mr. Miller stated that the project is approximately 8% completed. The balance of plant request for proposals will be received in the near future, and it is expected that negotiations for the contract will take approximately two months. He said this is the last major contract to be negotiated.

Regarding the project schedule, Mr. Miller reported that the project is approximately one month behind, and that is related to the weather conditions from November to the present. He stated management believes the project is still on schedule for the unit to come on line at the end of 2010.

Mr. Miller stated there are currently 117 contractors on site. There are also 110 contractors on site for the selective catalytic reduction for NO<sub>x</sub> control. He said that there will probably be approximately 700 – 750 contractors on site by this time next year.

Mr. Miller then showed photographs of the construction progress that is taking place.

Next, Ms. Cara Shaefer, Director – Energy Management & Conservation, updated the Board on programs the Utility offers to help customers with their natural gas usage. Ms. Shaefer stated there is the HomeSense Energy Audit that helps customers identify needed improvements in their homes. The cost for this energy audit is \$100, which can be broken down into four installments on the customer's bill. The customer

will receive a diagnostic testing of their home and a report that outlines exactly what is needed to improve efficiency. The report also includes a value of how much the improvement would cost, and then the annual savings from that improvement.

Other programs offered are the residential insulation program, seasonal furnace tune-up rebate and the programmable thermostat rebate.

Ms. Shaefer stated that education is a key component of any of the energy management and conservation programs. City Utilities has seen a good response from the education to date, especially with natural gas.

In response to a Board Member, Mr. John Twitty, General Manager, spoke to the issue of high natural gas prices. He stated that the Utility is doing everything it can to make sure customers are well informed of the potential for high natural gas prices in the upcoming heating season. He said that now is a great opportunity to take advantage of the rebate and incentive programs offered by the Utility, while the weather is hot, in order to be better prepared for when the weather gets colder and it is necessary to use the natural gas.

Regarding the Southern Star Central rate case, Mr. Twitty reported that FERC has delayed the implementation of the rate increase until November 1. He said that is typically a standard procedure when interventions are filed in a case. Mr. Twitty said that management will be working on a plan to be presented to the Board for its consideration on how to recover the additional costs from this rate increase. He said that these type of rate cases can take a couple of years to go through the entire process.

Mr. Twitty reported that Memphis Light Gas & Water has completed its annual utility bill comparison for selected cities in the United States, and Springfield has the second lowest cost of the 30 cities surveyed for electricity, natural gas, water and wastewater services. He said this is a really good affirmation of the competitive costs for City Utilities' customers.

Chairman Wannemacher then asked if there were any other items to properly come before the Board; there were none. Chairman Wannemacher then asked if any Board Member had any items for the Board to hear; there were none.

There being no further business, the meeting adjourned at 4:06 p.m.

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Patrick Platter, Assistant Secretary  
Board of Public Utilities of Springfield, Mo.

6-19-08