

SUMMARY OF ACTIONS
REGULAR MEETING OF THE BOARD OF PUBLIC UTILITIES
OF SPRINGFIELD, MISSOURI, HELD THURSDAY, APRIL 30, 2009

Board Members Present:

Mike Chiles
Krystal Compas
Lisa Crump
Thomas Finnie
Mark McNay
Lisa Officer
Patrick Platter
Tom Rankin
Phil Wannemacher

1. Opening Remarks

Unanimously adopted a resolution for Drinking Water Week, May 3 - 9, 2009.

The Board was reminded of the Past Board Chairmen's Luncheon on Friday, May 1, and the Kitchen 5k Fun Run/Walk on Saturday, May 9, 2009.

2. Approval of Minutes

Unanimously approved the Minutes of the Regular Board Meeting held March 26, 2009.

3. Public Comment

None.

4. Committee Reports

--GOOD COMMUNITY COMMITTEE

Unanimously adopted a resolution authorizing the General Manager to apply for FTA Grants.

5. Financial Statements

Unanimously approved the financial document, including the budget disbursements for the year-to-date through March 31, 2009.

6. General Manager's Report

Received various reports.

The meeting adjourned at 4:25 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 the Southwest Power Station on Thursday, April 30, 2009, at 3 p.m.

Present:

Mike Chiles
Krystal Compas
Lisa Crump
Thomas Finnie
Mark McNay
Lisa Officer
Patrick Platter
Tom Rankin
Phil Wannemacher

Absent:

Virginia Fry
Mike Peters

Ex-Officio Board Member Absent:

Greg Burris

constituting the entire Board, and a quorum.

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

Joel Alexander
John Black
Carol Cruise
Gary Gibson
Jack Hadsall
Chris Haller
Cheri Hamlin
Robin House
Gayla Jones
Wes Johnson
Jim Kendall
Kyle McClure
Scott Miller
Brenda Putman
Ray Ross
Rick Sarver
Ryan Schneider
Jim Shuler
John Twitty
Mark Viguet

Mr. Mark McNay, Chairman of the Board, presided and called the meeting to order, and Mr. Patrick Platter, Secretary of the Board, served as Secretary of the meeting. Chairman McNay thanked everyone for allowing the meeting to be held at the Southwest Power Station.

1. Chairman McNay presented a proclamation signed by Mayor James O'Neal, and presented the following resolution in recognition of Drinking Water Week:

WHEREAS, the Board of Public Utilities recognizes the indispensability of an adequate and wholesome supply of drinking water for the residents of Springfield; and

WHEREAS, since 1957, City Utilities has made a conscientious effort to supply the residents of Springfield with potable water in sufficient quantity; and

WHEREAS, the Board of Public Utilities is constantly upgrading and improving the water supply of the City of Springfield, and at the same time, planning for the future needs of the City and the area.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF PUBLIC UTILITIES OF THE CITY OF SPRINGFIELD, MISSOURI, that the Board wholeheartedly endorses Drinking Water Week as proclaimed by the Honorable James E. O'Neal, Mayor of the City of Springfield, Missouri, to be celebrated May 3 - 9, 2009; and

RESOLVED FURTHER, that the Board pledges its continuing efforts to supply the citizens with safe and adequate drinking water both presently and in the years to come.

Upon a motion duly made by Mr. Finnie, and seconded by Mr. Rankin, the Board unanimously adopted the foregoing resolution recognizing Drinking Water Week as May 3 - 9, 2009.

Chairman McNay reminded the Board of the Past Board Chairmen's Luncheon on Friday, May 1; and the Kitchen 5k Fun Run/Walk, on Saturday, May 9, 2009.

2. Next, Chairman McNay presented Minutes of the Regular Board Meeting held March 26, 2009. Upon a motion duly made by Dr. Compas, and seconded by Mrs. Officer, the Board unanimously approved the Minutes.
3. Next, Chairman McNay 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.

Chairman McNay asked Mr. Finnie, Chairman of the Good Community Committee, to call his Committee to order to consider one item to come before the Committee.

--GOOD COMMUNITY COMMITTEE

Mr. Finnie asked Mrs. Carol Cruise, Director – Transit, to present the following resolution relating to authorizing the General Manager to apply for FTA Grants:

WHEREAS, the Federal Transit Administration (FTA) acting through the Administrator or the Administrator's designee is authorized to make grants for general public transportation projects; and,

WHEREAS, the grant of financial assistance will impose certain obligations upon the applicant; and,

WHEREAS, City Utilities has or will provide all certifications and assurances to FTA and the Federal government required for any recovery project; and,

WHEREAS, it is the goal of City Utilities, the grant applicant, to provide the best transit system that can be provided with the money available.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF PUBLIC UTILITIES BY AND FOR CITY UTILITIES OF SPRINGFIELD, MISSOURI, as follows:

1. That the General Manager is authorized to execute and file applications with FTA for federal surface transportation grants authorized by 49 U.S.C. Chapter 53 and Title 23 of the United States Code and any other Federal Statutes administered by FTA, all on behalf of City Utilities of Springfield, a local governmental entity. City Utilities is the Designated Recipient as defined by 49 U.S.C. 5307 (A) (2) and has the authority to apply for grants pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5 (ARRA).
2. That the General Manager is authorized to furnish such additional information as the Federal Transit Administration may require in connection with any application or project.
3. That the General Manager is authorized to execute grant agreements on behalf of City Utilities of Springfield with the Federal Transit Administration for transit capital assistance pursuant to ARRA.
4. That the General Manager is authorized to and may further delegate to City Utilities Transit staff holding the following position (Paratransit Supervisor) the authority to: (a) submit and review grant applications, contract applications, quarterly and other reports, and any other required information; (b) electronically submit to FTA the ARRA Section 1501

Certification, as necessary, and any other certification(s) required from grantees electronically on behalf of City Utilities with the Federal government; (c) execute grants electronically; and (d) request payment under grants and contracts with the above agencies. An original copy of any certification(s) will be kept by City Utilities along with its attorney's opinion.

Upon a motion duly made by Mrs. Officer, and seconded by Mr. Wannemacher, the Committee unanimously agreed to recommend Board adoption of the above-resolution related to application for FTA grants.

Mr. Finnie stated the Committee unanimously agreed to recommend, and he so moved, Board adoption of the above-referenced resolution relating to authorizing the General Manager to apply for FTA Grants. Mrs. Officer seconded the motion, and the Board unanimously adopted the resolution.

There were no other Committee reports or comments from Committee Chairs.

5. Next, Mr. Jim Shuler, Associate General Manager – Finance/CFO presented the Financial Statements and supporting documents for the year-to-date through March 31, 2009, for Board consideration.

Mr. Shuler discussed variances from budget for various income statement charts.

Upon a motion duly made by Mrs. Officer, and seconded by Mr. Platter, the Board unanimously approved the Financial Statements and supporting documents, including the attached budget disbursements, as presented.

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

Mr. Gary Gibson, Director – Distribution, presented the operations report. Regarding transit, Mr. Gibson reported that ridership in March totaled 127,240 rides compared to 124,790 rides in March of last year, an increase of 2,450 rides. He said that farebox revenues in March increased 13% as compared to last March, totaling \$77,192.

During Bike, Bus, and Walk Week, scheduled for May 11 – 15, 2009, City Utilities' Transit will partner with Ozark Greenways and offer free bus rides to those bus passengers traveling with bicycles. Transit employees will offer bike rack demonstrations on Park Central Square the evening of Friday, May 1, 2009.

Regarding natural gas, Mr. Gibson reported that the current twelve-month futures price is \$4.51/Dth versus \$11.03/Dth last year, a decrease of approximately 59%. Last month's futures price was \$5.06/Dth. The current cash price is \$2.64/Dth versus \$9.01/Dth last year, a decrease of approximately 71%. Last month's cash price was \$2.60/Dth.

Mr. Gibson said the eastern loop extension project is nearing completion. The 16" transmission line and 6" distribution line have been successfully pressure tested, purged of air, and packed with natural gas. The natural gas service to McCartney Generating Station that was disconnected during the pressure test procedure has now been placed back in operation. The control system is being installed at the new Neergard regulator station, with heater testing and final station details to follow.

Regarding water distribution and supply, Mr. Gibson stated that the current water storage is 93.8%. The historical storage is 88.9%.

Mr. Gibson said the Partnership for Safe Water has recognized the Fulbright and Blackman Water Treatment Plants for their achievement in maintaining the Directors Award for ten years. This award is an honor achieved by only 16 water utilities across the country. He said this demonstrates a commitment to improving water quality beyond the current regulatory requirements.

Mr. Gibson stated that efforts continue to select a site for the southeast elevated water storage tank. City Utilities is preparing a request for proposal for the design and construction of the tank in a defined geographic area with a long-term lease back to the Utility. At least one landowner is interested in such an arrangement, which has the benefit of reducing City Utilities' capital investment.

Mr. Gibson reported that City Utilities participated in a water conference sponsored by the Tri State Water Resource Coalition. State government representatives from Arkansas, Missouri, Kansas, and Oklahoma presented their state water plans.

A report titled "Regional Water Supply Consideration" was prepared by the Wholesale Water Committee. Mr. Gibson said this report will serve as a road map for enabling City Utilities to meet the future water supply needs of the greater Springfield area. This report and the broader issue of regional water supply will be discussed in more detail at the committee meetings in May.

Regarding electric transmission and distribution, Mr. Gibson reported that City Utilities has been awarded a \$7,500 grant through the American Public Power Association (APPA) Demonstration of Energy-Efficient Developments (DEED) program. This grant is for a pilot project on the remote monitoring and control of distribution capacitor banks using the public cellular network for communication. Alarms will automatically be generated by the device should the bank become non-operational. The alarms can be in the form of an e-mail, text message, or page. The vendor will provide remote monitoring and control functionality through a secure website.

Mr. Gibson said the control building for Mentor Substation has been received and set. This precast building was purchased from Modular Connections in Bessemer, Alabama, for \$68,991.

City Utilities is preparing grant applications through the American Recovery and Reinvestment Acts for two Smart Grid projects. Mr. Gibson said the first project is a \$14 million project for an electric smart metering project. The second project is a \$1 million project to upgrade the fiber optic communications system between our substations. The Department of Energy is administering these grants and applications are currently due July 29, 2009. The programs would provide up to 50% of the project costs and funds would need to be spent within two years of the award.

Mr. Gibson stated that the National Arbor Day Foundation, in cooperation with the National Association of State Foresters, has again awarded the distinction of Tree Line USA to City Utilities. This is the 15th consecutive year that the Utility has received this award.

A public hearing was held on April 22, 2009, for comments regarding the Public Utility Regulatory Policy Act Standards included in the Energy Independence and Security Act of 2007.

Regarding energy management and conservation, Mr. Gibson reported that this is the second month in fiscal year 2009 that the total residential audits, commercial audits and rebates were less than the same period last year; however, this is due to the reduction in audits while the residential audit program is being revised. The rebates processed in March 2009 exceeded those for the same period last year.

The Odd/Even Watering Schedule campaign started April 1, 2009, with direct mail pieces being sent to every City Utilities' water customer and the Utility has had several media contacts to explain the program. There has been an overall positive response to the campaign. This will be a voluntary program for two years to allow data collection to measure the program's success.

Next, Mr. Scott Miller, Associate General Manager – Electric Supply, gave an electric supply update. Regarding the Smoky Hills Wind Project, Mr. Miller said 19% of the energy produced from the project has been delivered to Springfield. He stated that on a nonfirm basis, the Utility goes to the market and allocates per hour how much generation is expected to be received from the project. At the end of the hour, if the project delivers more than is nominated, that portion is received and the balance is sold to the market. If the project delivers less than is nominated, City Utilities will receive what it produced and pay the market price for the deficit.

Regarding the James River Power Station, Mr. Miller stated the Board was previously advised of storm damage sustained by the cooling towers. He reviewed photographs of the replacement of new cooling towers.

Regarding SW2, Mr. Miller showed photographs of the current construction progress.

Next, Mr. Kyle McClure, Director – Public Policy/Governmental Relations, gave a legislative update. He stated that the Speaker of the House, Mr. Richard, introduced an economic development bill that was passed by the House and is pending approval by the Senate. He said that an impasse has occurred over the tax credit portion of the legislation and Senator's Lager and Crowell have not reached a resolution on the issue. Speaker Richard holds the state budget bills; unless the Senate passes economic development, legislation pressure will increase to pass the budget by the deadline of May 8, 2009.

Mr. McClure reported that House Bills 18, 19, 20 and 21 were returned to the committees by the Speaker. The House Budget Chairman had filed House Bill 22 which is a bill that would use \$1 billion of the Federal Economic Recovery Funding for a temporary tax cut. Mr. McClure said Congress intended to send the economic recovery funds back to the states to help with their economic budgets, healthcare, and other needs at the state level. If lawmakers do not pass this bill, there is potential to lose other federal funding that would come with the bill. He stated that House Bill 22 was defeated in a vote held the morning of April 30, 2009. At this time, a budget bill has not been passed by the Senate.

Mr. McClure stated that the Construction Work In Progress (CWIP) bill presented by Ameren for the Callaway Plant Unit 2 has been removed.

Mr. McClure stated that City Utilities' carbon sequestration liability bill that was voted out of the Senate Commerce and Energy Committee is still waiting to be passed.

Regarding renewable energy standards, Mr. McClure said that the Waxman-Markey Clean Energy Bill, which also includes climate change, is still waiting for approval from the House. He stated that this bill would require utilities to have 25% of their energy as renewable energy by the year 2025. He said the Senate also is reviewing legislation that would make this requirement 15% in renewable energy. Mr. McClure reported that Congressman Blunt may offer an amendment to the same 15% in renewable energy that is included in the Senate's version, but that would also include additional sources such as nuclear and small hydro electricity.

Next, Mr. John Twitty, General Manager, stated that the Tri State Water Resource Coalition has been in place since approximately 2003. He said they have been reviewing all of the options available for future water supply from a source water standpoint. These options include obtaining water from Table Rock Lake, additional water from Stockton Lake beyond City Utilities' allocation, a new reservoir, and water from Grand Lake. If there needs to be additional lakes built, Mr. Twitty said the Tri States Coalition will look at potential sites, and staff will keep the Board advised.

Mr. Twitty reported that the Utility received bids for healthcare insurance proposals for employees. This is a proposal to change to a Preferred Provider Organization (PPO), as opposed to the current Point of Service plan.

Mr. Twitty stated that the Utility anticipated funds from the state for Transit Operating Funds in the amount of \$400,000. He said there is a chance now that Transit will not be receiving those funds.

Mr. Twitty reported that City Utilities' Business Continuation Committee is monitoring the recent Swine Flu issue and whether the World Health Organization will move to level 6 and declare this a full scale pandemic. He stated that the Utility is well-positioned with good policies in place, and are taking prudent measures to be prepared should this become an issue.

Mr. Twitty reviewed the quarterly scorecard for the second quarter of the fiscal year with Board members.

Mr. Twitty stated that at the request of Board members, a memo is being prepared to send to the Mayor and City Council regarding power generation options for the James River Power Station which were presented April 17, 2009, at the Board Retreat.

Mr. Twitty said that a tour of SW2 will be given at the close of the Board meeting.

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

Chairman McNay stated if the majority of Board Members present favored it, the Board would hold a closed meeting, record, and vote to consider matters within the purview of Sections 610.021 (1) and (2) RSMo. (Supp.). Chairman McNay moved that the meeting go into closed session; Mrs. Officer seconded the motion. Chairman McNay requested a raise of hands of the Board Members present indicating their preference of conducting a closed meeting:

Aye:	Mike Chiles
	Krystal Compas
	Lisa Crump
	Thomas Finnie
	Mark McNay
	Lisa Officer
	Patrick Platter
	Tom Rankin
	Phil Wannemacher

Those opposed to conducting the meeting:

None

Chairman McNay stated the Board would not reconvene following the closed session. The meeting went into closed session at 4:25 p.m.

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

4-30-09