

SUMMARY OF ACTIONS
REGULAR MEETING OF THE BOARD OF PUBLIC UTILITIES
OF SPRINGFIELD, MISSOURI, HELD THURSDAY, NOVEMBER 19, 2009

Board Members Present:

Mike Chiles
Thomas Finnie
Virginia Fry
Mark McNay
Lisa Officer
Patrick Platter
Tom Rankin
Phil Wannemacher

1. Opening Remarks

The Board approved the Nominating Committee's recommended slate of officers for 2010.

2. Approval of Minutes

Unanimously approved the Minutes of the Regular Board Meeting held October 29, 2009.

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 October 31, 2009.

6. General Manager's Report

Received various reports.

7. 2010 Board Meeting Schedule

Unanimously approved the 2010 Board Meeting Schedule.

The meeting adjourned at 4:05 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, November 19, 2009, at 3 p.m. (Notice and Tentative Agenda of Meeting attached.)

Present:

Mike Chiles
Thomas Finnie
Virginia Fry
Mark McNay
Lisa Officer
Patrick Platter
Tom Rankin
Phil Wannemacher

Absent:

Krystal Compas
Lisa Crump
Mike Peters

Ex-Officio Board Member Absent:

Greg Burris

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
John Black
Bryan Feemster
Carl Haworth
Robin House
Gayla Jones
Wes Johnson
Kyle McClure
Scott Miller
Terry Ohmstede
Brenda Putman
Ray Ross
Ryan Schneider
Jim Shuler
Wade Stinson
Dean Thompson
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.

1. Chairman McNay welcomed everyone to the meeting. Chairman McNay recognized Mrs. Fry and Mr. Wannemacher by presenting each with a plaque thanking them for their service to the Board of Public Utilities.

Chairman McNay provided the Nominating Committee Report. He stated that the Committee, consisting of Lisa Crump, Krystal Compas, Thomas Finnie, and himself agreed to recommend the following slate of officers for 2010: Lisa Officer, Chairman; Patrick Platter, Vice Chairman; Tom Rankin, Secretary; and Mike Peters, Assistant Secretary. Chairman McNay asked for a motion for approval of the Committee's recommended slate of officers, and, upon a proper second, that they be elected by acclamation. Chairman McNay stated that upon Board approval, the newly elected officers would assume their responsibilities at 12:01 a.m., November 20, 2009. Chairman McNay moved for approval of the Committee's recommended slate of officers and Mr. Wannemacher seconded the motion. The Board then unanimously approved the recommended slate of officers.

2. Next, Chairman McNay presented Minutes of the Regular Board Meeting held October 29, 2009. Upon a motion duly made by Mr. Finnie, and seconded by Mr. Rankin, 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.

There were no Committee reports or comments from Committee Chairs.

5. Jim Shuler, Associate General Manager – Finance/Chief Financial Officer, presented the Financial Statements (Item 5a) and supporting documents (charts attached) for the year-to-date through October 31, 2009, for Board consideration.

Upon a motion duly made by Mrs. Officer, and seconded by Mr. Finnie, 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. Stinson presented the operations report. Regarding transit, Mr. Stinson stated that ridership in October totaled 121,000 rides compared to 147,000 rides in October of last year, a decrease of 18 percent. He stated that the continued decline in ridership is attributed, for the most part, to the decline in the economy. He said that farebox revenues in October totaled \$75,000, a decrease of 15% as compared to \$88,000 in October 2008.

Mr. Stinson stated that City Utilities offered free bus rides to all veterans and active military passengers on Veteran's Day, November 11, 2009. An estimated total of 110 free bus rides were provided.

Regarding natural gas, Mr. Stinson reported that the current twelve-month futures price is \$5.08/Dth versus \$6.77/Dth last year, down approximately 25%. Last month's futures price was \$5.80/Dth. The current cash price is \$2.32/Dth versus \$3.47/Dth last year, down approximately 33%. Last month's cash price was \$4.72/Dth.

Mr. Stinson stated that recent rains have caused the James River to expose more of City Utilities' second natural gas pipeline at one of the crossings in Christian County. The Utility is focusing efforts on temporary measures to protect the exposed line from damage. The services of GeoEngineering, a local consulting engineering firm, are being used to design the temporary protection. City Utilities' crews will perform the construction work, and natural gas distribution continues to develop plans for the permanent repair.

Mr. Stinson reported that work is almost complete on the upgrade to the natural gas fire training facility and construction of a new leak training facility. This work is possible as the result of a federal grant from the Pipeline and Hazardous Materials Safety Administration (PHMSA) in the amount of \$41,000.

Regarding water distribution and supply, Mr. Stinson stated that lake storage was 94.0%. The historical average for this time of year is 75.6%.

Mr. Stinson said that work on the installation of a 36-inch and 48-inch water main to replace concrete pipe south of the Blackman Water Treatment Plant continues. The water main is required to be 16 feet deep in areas and the removal of rock has slowed progress. This is a part of more than a mile of large diameter pipe being installed to replace older, less reliable, concrete pipe to better serve southeast Springfield. Cleanup along Woodstock east of the Terraces has been successfully completed.

Mr. Stinson stated that repairs to the Fellows Lake Spillway continue. Approximately 800 feet of filters and under drains have been installed, and approximately 30,000 square feet of concrete slab has been removed and replaced.

Regarding electric transmission and distribution, Mr. Stinson reported that construction of the Partnership Industrial Center West Substation continues. The driveway has been poured and drilling for the concrete piers will begin soon. The project is scheduled to be completed by May of 2010.

Regarding energy management and conservation, Mr. Stinson reported that in October a record number of 1,140 rebates and audits were processed. These were primarily the preseason tune-ups, as well as natural gas furnace and efficient toilet rebates.

Mr. Stinson stated that at the Board Retreat to be held on November 20, 2009, discussion will be held regarding the impact of the increased participation on the existing energy management and conservation budget and strategies in the event funds are depleted before the end of the fiscal year.

Next, Mr. Scott Miller, Associate General Manager – Electric Supply, gave an electric supply update. Mr. Miller said that proposed legislation calls for examining coal and oil-fired boilers with regard to Hazardous Air Pollutants (HAPS) in order to establish new standards. He stated that various boilers across the United States have been selected randomly to perform tests; data from the tests will be the basis for the new standards. Boiler units four and five at the James River Power Station have been selected to perform two tests; no associated funding has been received for these tests. Mr. Miller stated that the Board will be updated once the tests are scheduled.

Mr. Miller stated that a test was conducted last week on James River Power Station Unit 4 using aged, non-dried chipped wood. He noted that there were issues feeding the wood in the fuel handling system due to the way it was originally chipped, but once the wood reached Unit 4 the test went well.

Mr. Miller reported that the Utility is attempting to sell renewable credits from the Noble Hill Landfill Renewable Energy Center (NHLREC). He stated that Dr. Dave Fraley, Director-Environmental Affairs, recently registered the NHLREC with the Climate Air Registry in order to allow the Utility to market renewable attributes. As a part of this process, an agreement has been reached to sell 2009 carbon credits and a forward stream of these credits from 2010-2012. Mr. Miller stated that proceeds of approximately \$2.5 million will be applied to the NHLREC account, and he reminded the Board that once the project and all operating expenses are paid, the City of Springfield and City Utilities will evenly divide profits from the project.

Regarding SW2, Mr. Miller stated that Mr. Mark McCarty, Business Manager for the Local 178 pipefitters union, was very complimentary of the SW2 project and thankful for local craft labor for its members.

Mr. Miller reviewed construction of SW2 and stated that a tour would be conducted for Board members at the conclusion of the meeting.

Next, Mr. Twitty, General Manager, reported that the Utility continues to monitor its support of community organizations. He said that as a followup to the State Audit, and the Utility's attempts to reduce expenditures, almost all of these projects have been reduced. Mr. Twitty stated that Ozark Greenways has been supported in the amount of \$20,000 per year; the Utility wishes to reduce this contribution to \$10,000. Mr. Twitty

noted that support for this organization has previously been approved by the Board, and stated that he seeks approval from the Board to reduce the contribution. Mr. Mike Chiles stated that he felt the commitment to Ozark Greenways is essential; he votes against a reduction to this commitment. Upon a motion duly made by Mrs. Officer, and seconded by Mr. Finnie, the Board approved by a majority vote a contribution in the amount of \$10,000 to Ozark Greenways.

Mr. Twitty stated he previously reported that City Utilities' employees supported the annual United Way campaign with private donations totaling \$168,000, and in addition employees have chosen to support the Court Appointed Special Advocate (CASA) organization. Employees conducted fundraising activities over the past several months that raised \$8,275 for CASA.

Mr. Twitty congratulated the new officers of the Board for 2010, and thanked Mr. McNay for his service and support as the Board Chairman for the past year.

7. Next, Chairman McNay presented the 2010 Board Meeting Schedule; all meetings will be held at 3 p.m. in the C. Frank Knox Board Room. Upon a motion duly made by Mrs. Officer, and seconded by Mr. Platter, the Board unanimously approved the following 2010 Board Meeting Schedule:

Thursday, January 7
Thursday, January 28
Monday, February 22
Thursday, March 25
Friday, April 16 (Spring Retreat)
Thursday, April 29
Thursday, May 27
Thursday, June 17
Thursday, July 29
Thursday, August 26
Thursday, September 30
Friday, October 8 (Fall Retreat)
Thursday, October 28
Thursday, December 2
Thursday, January 6, 2011

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 Member had any items for the Board to hear; there were none.

There being no further business, the meeting adjourned at 4:05 p.m.

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

11-19-09