UTILITY COMMITTEE

The Utility Committee Meeting was held on April 22, 2013 at 5:00 p.m. with Chairman Bonar presiding. Members present were Mr. Perza (arrived at 5:02 p.m.), Mrs. Williams, Mr. Blakeman, and Mr. Snaman. Members of Council present were Council President Leary (arrived at 5:01 p.m), Mr. Hare and Mr. Hutchison. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

By unanimous consent, the agenda was approved as presented.

Annual Engineering Consultant's Report on the Operation and Maintenance of the Electric System - Fiscal Year 2012

Mrs. Donna Mitchell, Controller/Treasurer, explained that, in accordance with the City's bond covenants, an annual inspection of the City's electric system by an engineer is required. She reviewed the conclusions of the Annual Engineering Consultant's Report on the Operation and Maintenance of the Electric System - Fiscal Year 2012 prepared by Burns & McDonnell, as follows:

1) The City's power generation facilities are being operated and maintained consistent with generally accepted electric utility practice in the United States.

2) The design, construction, operation, and maintenance of the City's electric transmission and distribution system and the associated facilities are consistent with current generally accepted electric utility standards and over the past few years, the system has been upgraded in order to improve operation and service to customers.

3) The Electric Division capital projects included in the City's Capital Investment Plan and the FY 2013 Operating Budget are necessary and should provide improved reliability and power quality for the Electric System.

4) The balances as of June 30, 2012 for the various reserve funds maintained by the City for the Electric Division appear to be sufficient for their defined purposes.

5) The insurance coverage in full force and effect as maintained by the City related to the various assets of the Electric Division appears to satisfy the requirements of Section 706 of the Resolution.

6) The electric revenues generated by the City's current retail rates are more than sufficient to fulfill the debt service coverage requirement (125 percent of current expenses) defined in Section 502(c) of the Resolution.

Mr. Blakeman moved to recommend acceptance of the report, seconded by Mrs. Williams and unanimously carried.

By unanimous consent, the meeting adjourned at 5:02 p.m.

David L. Bonar
Chairman

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