



ROCHELLE UTILITY ADVISORY BOARD MEETING
Wednesday, August 1, 2012

The Rochelle Utility Advisory Board met on August 1, 2012 in the RMU Technology Center, 910 Technology Parkway. This meeting was originally scheduled for Wednesday, July 25, 2012. The meeting was called to order by Mr. Elliott at 1:00 p.m.

Present at the meeting:

Bob Elliott, UAB Chairman	Joe Orlikowski, RMU
Claude McKibben, UAB	Joanne Peters, RMU
Ray Schwartz, UAB	Barbara Bell, RMU
Maryann Macklin, UAB	Kathy Cooper, RMU
Richard Ohlinger, UAB	Scott Koteski, RMU
Dave Plyman, City Manager	Eric Wagner, RMU
Chet Olson, Mayor	Scott Rozanas, Economic Development
Jeff Leon, WRHL	Lynette Fischer, HR

Absent:

Jim Black, UAB
Chris Frye, Finance Manager

Approval of Minutes:

MOTION:	To approve the UAB meeting minutes dated January 25, February 14, March 28 and May 25, 2012.
MAKER:	Claude McKibben
SECOND:	Ray Schwartz
VOICE VOTE:	Motion Carried

Financial Report: Dave Plyman advised that Chris Frye was at a meeting with the Auditors, but any questions regarding the June 2012 financial statements would be forwarded to her. Mr. Schwartz inquired about the Operating Transfers In (Out) on the Water Fund income statement. Kathy Cooper advised it was the “forgiveness” loan from Water to Wastewater.

Completed Projects:

- a. Kathy advised the water main on 4th Avenue & South Main Street was replaced.
- b. Scott report an agreement to lease 640 square feet within the Technology Center was finalized with Follett at \$23,680 per/month plus a \$26,000 set up fee. The five year agreement will bring in 1.4 million. Mr. Schwartz asked if staff would continue to market the remaining space. Scott advised that Follet will be given “first rights” and that we anticipate they will take the remaining space within the next year. Dave Plyman added that an expansion of the facility would be an option and staff will consider the costs.
- c. Joe reported a new electric service has been completed for Coated Sands. Illinois River Energy lost one of their transformers about two weeks ago and we were able to assist and loan them one of ours. We then had to replace one of our failed transformers at Ryder one week later.

Projects in Progress:

- a. Facility Improvements Ninth Street Generation Facility – Structural Improvements have been completed and Bruns Construction has begun on the roofing repairs.
- b. Electric Installation Twentieth Street – Installation of the conduit for electric and fiber service at the new elementary school is underway.
- c. Documentation of Fiber Network – New software was purchased last year that will assist in locating internet outages.
- d. Electric Service Master Graphics Expansion was completed 7/31/2012
- e. Electric Service Rochelle Landfill – 600 amp service for their office expansion
- f. Electric Service Caron Ridge Expansion – boring for the conduit installation has begun
- g. Facility Improvements Treatment Plant – bid opening 8/3/12 for roof replacement
- h. Lakeview Lift Station Upgrade – permits have been submitted and bid opening in a few weeks
- i. New Water Well on Hayes Road – we have had problems contacting one of the land owners
- j. Caron Road Lift Station – the final engineering is near completion and will be paid for with CDAP grant funds – bids for the project will go out in October
- k. Licensing of Open Range Equipment – no new updates

Planned Projects:

- a. Centrifuge Replacement – the engineering search is underway
- b. Water & Sewer Service – Creekside - developer cost from Well #11 to the west
- c. Water & Sewer Service – New elementary School - sanitary gravity line to Akesson Park lift station
- d. Electric Service Flagg Road Commons – temporary power will be installed in September
- e. 5 KV conversions – bid packet is ready for Phase I – staff is looking at engineering costs to potentially complete the boring for all phases of the conduit city wide to prepare for fiber to the home.
- f. City of Rochelle Corridor Lighting Plan – Significant improvements are planned for the City's Northern & Eastern Gateways over the next few years. Streetlights will be installed on Rt. 38 and Caron Road in connection with the Lighthouse Point Subdivision and the 2nd phase of Rt. 251 widening project from Flagg Rd to south of Rt. 38. A group of City staff and Teska & Associates met to establish goals and objectives to be used in the development of an overall design in order to express Rochelle's identity as historic, quaint, and a family friendly community.
- g. New Router Installation – Juniper MX5 routers are 90% programmed and will be installed soon – providing a 10 GIG backbone around the city along with redundancy feeds in/out of town via connections through the NITT and IMBCA networks. Dave Plyman added that this should eliminate internet outage issues and improve our customer service.

Old Business:

Prairie State/NIMPA – Joe Orlikowski advised that Unit 1 at Prairie State is running. The annual NIMPA meeting will be held in conjunction with the annual Prairie State tour scheduled for October 24 & 25, 2012. Travel arrangements and details are in the works and anyone wishing to go should let Joanne know as soon as possible.

New Business: At the request of UAB, staff was instructed to prepare a sample “unbundled” utility bill. Barbara Bell distributed a sample bill and advised that based on the categories within the last Cost of Service study, a list of unbundled charges was used to create the sample. A comparison between the

current and sample bills indicated an unbundled bill could be more than one page and there would be some costs associated to software programming and revised form development. Mr. Ohlinger supports the unbundled bill because it breaks down all the costs for our customers and suggested that it include costs associated to specific projects like new substations and sub-divisions. Mr. Ohlinger also suggested that we consider offering a discount to encourage on-line payments. Barbara Bell reported there was a cost for RMU to accept on-line payments. Mr. Schwartz asked if the electric supply charges were the same for all rate classes and Ms. Bell advised they were not.

The Board agreed that the unbundled costs would have to be accurate as they don't want Rochelle to lose control of the electric system. Mr. Plyman reminded the Board that we have industrial customers that want to make their own power decisions and if that is allowed, decisions on what we do with our excess energy will be required. The City has locked in thirty years of power from the Prairie State project in addition to a twelve year contract with the landfill gas energy.

Mr. Schwartz shared his concerns in regards to IRE potentially putting in their own generation and while our quality of service is high, pricing and deregulation laws were making our job in the electric market more difficult. The Board agreed that the City has a good distribution system and a plan for the future should be developed. Scott Rozanas added that the industrial customers appeared frustrated with the fluctuating PCA. Dave Plyman reported the PCA has been stabilized and the three month rolling average is in place. The PCA for August is .0083. There was a discussion regarding a zero PCA following the cost of service study. The Board was reminded that no one was comfortable with a 14% increase as recommended in the study. The City Council voted on two 7% increases to stabilize the PCA and recover our costs.

Barbara Bell reported that she is in regular contact with our large customers and has already shared the August PCA with them. Kathy Cooper added that the electric rates at the treatment plant have actually gone down with the new rates. Joe Orlikowski advised that he recently reviewed a residential electric bill from Ameren and their base rate is 12.5 cents and their PCA was an additional 2.5 cents.

MOTION:	To recommend that the RMU staff unbundle the electric portion of the utility bill for all customers.
MAKER:	Richard Ohlinger
SECOND:	Maryann Macklin
VOICE VOTE:	Motion Carried

City Manager Plyman reported that an offer for employment was declined by the candidate we believed could fill the position of Business Analyst. HR is advertising for the position and Mr. Plyman added that he would like to break the cycle of hiring a person in the "retirement" mode and instead look for someone with strong financial skills. Someone with energy procurement skills would definitely be an asset. In addition to the Business Analyst, HR has posted several open positions. We are looking for an Electric Operations Assistant to the Superintendent, Water Reclamation Operator, Production Plant Operator and an Apprentice Lineman. Joe Orlikowski reported that we have been unsuccessful in finding a Journeyman due to manpower shortages in the electric field.

Comments for the Public: Mayor Olson invited everyone to attend a reception and plaque presentation to the John Polancic family on 8/2/12 in the RMU Technology Center beginning at 10:00 a.m.

Comments from the Board: Richard Ohlinger asked if there was a timeline for hiring a Business Analyst because he's never seen a company run without a Chief Executive. Dave Plyman advised that he regularly communicates with RMU staff and is involved with RMU activities. Mr. Schwartz added that

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when the City changed to a Managerial form of government he was asked if the City Manager could run both the City and RMU operations. Mr. Schwartz didn't believe he could and believes that there should be someone between the department Superintendents and City Manager. Claude McKibben suggested that we hire the right person as we don't want somebody short term. After some discussion the Board advised support of hiring the "right" person with the skills and expertise that can be utilized City wide.

Adjournment:

MOTION:	To adjourn at 3:35 p.m.
MAKER:	Richard Ohlinger
SECOND:	Maryann Macklin
VOICE VOTE:	Motion Carried

Minutes Submitted By,
Joanne M. Peters