



ROCHELLE UTILITY ADVISORY BOARD MEETING
Wednesday, May 23, 2012

The Rochelle Utility Advisory Board met on May 23, 2012 in the RMU Technology Center, 910 Technology Parkway. The meeting was called to order by Mr. Elliott at 3:00 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
Dave Plyman, City Manager	Kathy Cooper, RMU
Chet Olson, Mayor	Scott Koteski, RMU
Chris Frye, Finance Manager	Lynette Fischer, HR

Absent:

Maryann Macklin, UAB
Richard Ohlinger, UAB
Jim Black, UAB

Approval of Minutes: No action

Financial Report: Chris Frye provided a summary of the April 2012 Financial Statements. Mr. Schwartz inquired about the operating transfers from RMU to the General Fund. Chris advised the amounts were based on 5% of the revenues from the previous year. Ray added that the PCA was a “pass through” and there was no “margin” therefore it shouldn’t be included. Chris stated that the fund transfers were completed as she was instructed by the previous City Manager. Mr. Schwartz said the PCA shouldn’t be included and requested Chris to verify the guidelines within the bonds and to share the actual wording with the board via e-mail. A corrected Communications income statement was also distributed. Ms. Frye advised that the financials were preliminary as the year end audit had not been completed.

Completed Projects: Joe Orlikowski provided a summary of the completed projects and they were acknowledged by the Board.

Projects in Progress:

- a. Facility Improvements Ninth Street Generation Facility – Roof repairs & Structural Improvements are progressing
- b. Electric Installation Coated Sands – RMU intends to be back on site within the next 2 weeks
- c. Documentation of Fiber Network – over 40 miles of fiber on the RMU system that will be documented in a new mapping system that will assist in locating fiber outages
- d. Fourth Avenue & South Main Water Main Replacement – paving will begin this week
- e. New Water Well on Hayes Road – Meetings have been held with the land owners
At this time, Kathy provided a summary of the Water System Improvements plan for 2012
- f. Caron Road Lift Station – a twenty-one inch main will be extended into the lift station to handle capacity issues as we see more industrial growth on the south side
- g. Licensing of Open Range Equipment – the licensing is presently held up in bankruptcy court – Scott is attempting to obtain use of an open license through an area school district – Mayor Olson suggested that Scott contact Senator Durbin or Congressman Manzullo for assistance

Planned Projects:

- a. Electric Service – Twentieth Street Extension – electric service to the new elementary school
- b. Lakeview Lift Station Upgrades – bids in June and October completion goal
- c. Centrifuge Replacement – twenty years old and not energy efficient
- d. Water & Sewer Service – Creekside - NA
- e. Water & Sewer Service – New elementary School - sanitary gravity line to Akesson Park lift station
- f. New Route Installation – Juniper MX5 will be installed over the summer – will allow a 20 GIG backbone around the city and will allow tie's into the NITT and IMBCA

Old Business:

Prairie State/NIMPA – Joe Orlikowski advised that Unit 1 at Prairie State has begun final testing and Unit 2 is expected to be on line towards the end of the year.

NITT/IMBCA – Scott Koteski reported that a NITT “node” has been added in DeKalb County. The Illinois Rural Health Net gave a half million dollars to the IMBCA that was used to upgrade their equipment allowing service to the Dixon hospital.

Scott reported that Follett has shown an interest in leasing space at the Tech Center. They are moving out of the Arlington Heights space and want to lease all of the remaining rack space. The agreements are in the final stages to lease 640 square feet for \$21,000 per/month by August 1st, 2012 and the remaining space within 3 years for \$50,000 per/month. Our intent is to use this revenue stream and proceed with the fiber to the home project.

City Manager Plyman added that it could lead to the “triple play” of providing internet, TV cable and phone service or we could lease the fiber to a third party; Verizon, AT&T. The City has not been successful in negotiating with Comcast for Chicago networks. City Manager Plyman stated that he’s working with staff get cost proposals and engineering for the fiber project in conjunction with the 5 KV conversions. Joe Orlikowski reported that Sargent & Lundy were updating our system plan and we were going to get moving on Phase I and II of that project. Joe added that every time electric conduit is installed, fiber conduit is also installed.

Mr. Schwartz asked for an update on the marketing plan and stressed the importance of marketing now rather than later. Everyone agreed that marketing was and should be a priority.

New Business: City Manager Plyman advised that IRE has mentioned they were looking into generating 60 MW of onsite power; staff has sought out an attorney familiar with PURPA in order to prepare and protect the rights of our rate payers. The city doesn’t want to be forced to buy power that we don’t need and reminded everyone that we have capacity power reserved for IRE.

City Manager Plyman advised that the City of Batavia purchased more of the Prairie State project than they need and would like to sell it. The tax exempt bonds restrict to whom they can sell the power to. The NIMPA members of Rochelle and Geneva are working together to prepare for litigation if necessary should Batavia choose to breach the NIMPA purchased power contract.

City Manager Plyman is scheduling an interview team for a potential candidate for the Business/Finance position at RMU. Mr. Plyman hopes to fill the position soon.

UAB Meeting
May 23, 2012

Comments for the Public: None

Comments from the Board: Mr. Schwartz asked for a status update on “unbundled” rates. Ms. Bell advised that it would be reviewed in the next cost of service study. Ms. Bell added that it would not be possible with our current software system. Mr. Schwartz advised that we needed to prepare for it and it had to be a priority. Mr. Schwartz added that we have to be able to show the costs to the customer.

Adjournment: The meeting was adjourned at 4:32 p.m.

Minutes Submitted By,
Joanne M. Peters