



ROCHELLE UTILITY ADVISORY BOARD MEETING
Wednesday, January 23, 2013

The Rochelle Utility Advisory Board met on January 23, 2013 in the RMU Technology Center, 910 Technology Parkway. The meeting was called to order by Mr. Elliott at 3:01 p.m.

Present at the meeting:

Bob Elliott, UAB Chairman	Joe Orlikowski, RMU
Richard Ohlinger, UAB	Joanne Peters, RMU
Ray Schwartz, UAB	Barbara Bell, RMU
Jim Black, UAB	Kathy Cooper, RMU
Claude McKibben, UAB	Scott Koteski, RMU
Dave Plyman, City Manager	Jeff Sartorius, RMU
Dan Westin, Business Analyst	Eric Wagner, RMU
Chris Frye, Finance Manager	Jennifer Thompson, RMU
Chet Olson, Mayor	Lynette Fischer, HR

Other:

Logan Quest, Student
Jeff Leon, WRHL
Emily Bruns, News-Leader

Absent:

Maryann Macklin, UAB

Approval of Minutes:

MOTION:	To approve the UAB meeting minutes dated November 28, 2013
MAKER:	Ray Schwartz
SECOND:	Claude McKibben
VOICE VOTE:	Motion Carried

Financial Statements: Chris Frye provided a summary of the November 2012 Financial Statements.

Projects in Progress: Mr. Westin provided an overview of the utilities; the water reclamation plant is at 25% capacity and twenty years old; the water plant is nearing capacity; the technology center is occupied at 100% and the electric energy requirements are changing. The peak demands have gone up 3% over the last few years and infrastructure needs to have capacity to meet peak demand is an issue. The recent bond rating was good and an action plan has been put into place for improvements.

Mr. Westin reported that our consultant has completed the electric rate analysis which led to a customer category analysis. The city has different energy profiles which affect how we manage our energy. The consultant recommended an increase of 2.6%. Mr. Schwartz asked what was driving the peak demand; Mr. Westin advised the market changed in 2007 and we're seeing the effects now as there was an under-investment in capacity. Mr. Westin added that the capacity rates continue to rise and we needed to prepare for future capacity charges. A review of the PCA comparison chart between FY11/12 and FY12/13 indicates the rolling three months has stabilized the PCA. City Manager Plyman added that future meetings will be required to discuss whether to retain a PCA or to increase

our base rate; a zero PCA would mean a higher rate increase. Mr. Westin advised additional work to improve the rate structure was needed before meeting to discuss the electric rate analysis.

Superintendent Orlikowski provided an update on the electric operations. Scott Koteski advised a preliminary report is expected from exp. in about two weeks for the fiber to the premise project and about 12% of the fiber network has been documented.

Superintendent Cooper provided an over-view of the Water/Water Reclamation Rate Methodology. Ms. Cooper explained the “two-tier” usage rate and advised it would be a thorough and complete study. Mr. Ohlinger inquired about insurance for sewer line repairs between the curb and house and if RMU could potentially provide the service. Ms. Cooper advised the area is private property and normally repaired by area plumbers. City Manager Plyman added that we could look at the possibility and that we wouldn’t have to use RMU personnel. Ms. Fischer advised that she could provide data costs that were on file from previous insurance claims.

Superintendent Cooper provided an update on the water and wastewater projects. Mr. Schwartz inquired about the city’s boundary plan and Ms. Cooper advised the 2030 plan was submitted to the IEPA with the loan application for the new water well. Mr. Schwartz suggested that a new updated color map be prepared. City Manager Plyman advised that the map will be shown at the next meeting. Ms. Cooper advised the report on the centrifuge project wasn’t ready, but preliminary reports indicate a four million dollar upgrade was needed for the de-watering system at the treatment plant.

Old Business: Mr. Westin reported that the City of Batavia refused all bids received to purchase their share of the Prairie State entitlement. Mr. Orlikowski provided an update on the plant and advised both units were in operation. City Manager Plyman advised that NIMPA will receive approximately \$336,000 for Reactive Power revenue which will be about \$86,000 for Rochelle.

New Business: Scott Koteski introduced, Jenny Thompson, Marketing Manager for the City. Jenny will work two days per/week marketing the RMU fiber. City Manager Plyman introduced Logan Quest, a senior at RTHS. Logan was “job shadowing” the City Manager. Mr. Schwartz inquired about the line congestion in the state and if NIMPA should be concerned. Superintendent Orlikowski advised that staff is keeping a “close eye” on it and we’re working on ways to reduce demand. Mr. Westin added that capacity contracts are bid three years in advance and the price will go up to \$136 in FY15/16.

Comments for the Public: Mayor Olson advised he recently attended the Northern Illinois Mayor’s Association meeting that was hosted by ComEd. The Mayor added that ComEd is concerned about the power line congestion caused by all of the area wind farms and large companies. ComEd is working to address the congestion issue as well.

Comments from the Board: Mr. Schwartz advised that he was pleased and that RMU was moving in the right direction.

Adjournment: Mr. McKibben motioned and seconded by Mr. Ohlinger to adjourn at 4:15 p.m.

Minutes Submitted By,
Joanne M. Peters