



ROCHELLE UTILITY ADVISORY BOARD
Wednesday, December 11th, 2013

The Rochelle Utility Advisory Board met on December 11th, 2013 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
Dave Plyman City Manager	Kathy Cooper RMU
Richard Ohlinger UAB	Dan Westin RMU
Jim Black UAB	Scott Koteski RMU
Ray Schwartz UAB	Jeff Sartorius RMU
Claude McKibben UAB	Barbara Bell RMU
Chet Olson Mayor	Joanne Peters
	Lynette Fischer

Approval of Minutes:

MOTION: To approve the UAB meeting minutes dated September 18, 2013

MAKER: Mr. Schwartz SECOND: Mr. McKibben

VOICE VOTE: Motion carried

Meeting Dates 2014: The UAB 2014 meeting dates were distributed as well as copies of the slides.

Agenda: Agenda was updated with small modifications due to a board member requiring to leave earlier. Updated agenda was distributed.

Financial Statements: The October 2013 financial statements were distributed with the Agenda. Chris Frye reviewed the information that had been shared with council. Mr. Ohlinger inquired whether the Advanced Communications statements reflected the transition of personnel. Mr. Koteski confirmed that was the case as well as informing UAB that all maintenance agreements have been paid for at this time covering the whole fiscal year.

A request was made for net income reports. Chris Frye agreed to provide those at the next meeting.

Recent Significant Event:

Joe Orlikowski reviewed the weather event November 17th which caused 22 transmission poles on the Steward line to snap in 130 mph winds. With combined effort of Electric Operations personnel, Meade Electric and BHMG the line is now replaced with improved H1 poles which should give the RMU grid a better reliability going forward.

In addition for the conductor replacement a 112 % improvement was installed providing higher capacity for the replaced part of the line. The transmission line repair costs are approximately \$ 1,000,000. Reserve funds will not be impacted as the capital outlay will have to come from planned improvement projects FY13/14.

The topic of insuring the transmission lines (20.5 miles) in RMU grid was discussed. The issue of whether to setoff reserve funds was also mentioned.

Generation Capacity: (was moved up in agenda to allow for board members calendar)

In earlier UAB meetings the status of the generation plant has been discussed as to the challenge of aging equipment. This coupled with increased commercial activity in the part of the grid which requires additional redundancy has created a need to review backup generation capacity. RMU staff has identified a way of adding capacity to this section of the distribution system.

MOTION: To recommend to council the consideration of backup capacity to the specific part of the distribution system

MAKER: Mr. Ohlinger SECOND: Mr. Schwartz

VOICE VOTE: Motioned carried unanimously

Status Report - Projects in Progress

Electric Service: Joe Orlikowski and Jeff Sartorius reported on status of current projects: Nippon Sharyo feeder is almost complete and on time with contractor wrapping up connections to sub-station and Plant facility. The power issue for Water Tower #12 is basically resolved with COMED. The Street Lights on Twentieth Street, Caron Road & North Pointe have been installed.

GIS: An iPad implementation of the electrical Grid's GIS information was shared with the board.

Water/Water Rec: Kathy Cooper reported: Centrifuge Replacement is continuing as planned with contractors on site in coming weeks.

A grant in the sum of \$ 54,054 for Blower replacement has been received. The blower investment will have a payback of less than 8 years given the improved energy efficiency it contributes.

Utility Advisory Board December 11, 2013

Customer Service - Barbara Bell reported on the introduction of a Local Debt Recovery System which will reduce the cost of delinquent accounts management.

Incentives Status was reviewed – A Nicor partnership has been created around a combined HVAC offering including a gas furnace incentive from Nicor.

RMU has received a \$ 4,000 scholarship grant for a GIS student to identify potential improvements in meter route management utilizing RMU's enterprise GIS platform.

Advanced Communications: Scott Koteski reported the new phone system being installed now in City and RMU facilities. The Mitel system creates opportunities to offer new services such as VOIP to school districts as well as to industrial customers.

On the fiber side NITT now has lit service between DNA and the Frontier office. Additional activities include RCH hospital and Illinois Rural Health, Ifiber and Ogle Co connections are complete.

Business Analysis Report:

Electrical Demand & Use Analysis -

Dan Westin reviewed the recently identified high demand days per the coincident peak data from PJM and COMED. Capacity charges will be higher in 2014 due to limited availability of transmission line capacity.

The recent load profiles were reviewed which show a good match between committed purchases and sold power.

Electric Production Review: Dan Westin reviewed the status of the following areas:

EPA Emission Standards: The Supreme Court set Feb. 24 as the date for one hour of oral arguments on the Environmental Protection Agency's authority to regulate greenhouse gas emissions from power plants and other stationary sources.

RMU has asked PSGC to identify contingency plans if new requirements impact their plant (at this time it is not expected to). Many utilities are starting to plan a carbon tax into their business plans (the ones using coal based power)

NIMPA: ECA (cost adjustment factor for non-running market purchases) increases 4.86 % January as presented earlier. This may require an RMU 2-3 % rate adjustment FY14/15. Additional load would dilute power purchase base.

Power Cost can be mitigated by growth of energy use in Rochelle. Growth is more likely to be organic in Flagg district due to Dement tax assessments.

Utility Advisory Board December 11, 2013

PSGC MISO Congestion is being addressed – New transmission lines required.

New Projects in Planning:

Solar Plant Grant: RMU has received a grant for a small solar system at 26 kW from ICECF. The plant will be placed at the treatment plant as it will provide opportunities for educational exposure.

Tech Park Marketing Process – RMU has retained Mark Mac Auley a Data Center expert and this has so far resulted in a valuable connection with BladeRoom USA of Mount Prospect.

The COMED 345 kV line is being pursued with next steps being meetings with COMED executives.

New Business: None

Comments from the Mayor: Mayor Olson expressed his and the city's gratitude to the whole city/utility crew for the excellent handling of the weather event and the power outage on November 17th.

Comments from the Public: None

Comments from the Board: None

Adjournment:

MOTION: To adjourn at 4:20 p.m.

MAKER: Mr. McKibben SECOND: Mr. Ohlinger

VOICE VOTE: Motion carried

Submitted By,
Dan Westin