



ROCHELLE UTILITY ADVISORY BOARD MEETING
Wednesday, July 27, 2011

The Rochelle Utility Advisory Board met on July 27, 2011 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:

Ray Schwartz, UAB	Kathy Cooper, RMU
Bob Elliott, UAB	Joe Orlikowski, RMU
Richard Ohlinger, UAB	Barbara Bell, RMU
Claude McKibben, UAB	Scott Koteski, RMU
Maryann Macklin, UAB	Joanne Peters, RMU
Jim Black, UAB	Dave Plyman, City Manager

Kathy Hollonbeck, Councilwoman	Chet Olson, Mayor
Matt Hansen, Willett Hofmann	Dennis Berg, Councilman
Jeff Leon, WRHL	Lynette Fischer, City of Rochelle

Approval of Minutes:

MOTION:	To approve the UAB meeting minutes dated March 30, 2011
MAKER:	Ray Schwartz
SECOND:	Richard Ohlinger
VOICE VOTE:	Motion Carried

Financial Report: No report, Chris Frye was absent. Richard Ohlinger noted that the Retained Earnings in the Communications fund showed a positive.

Projects in Progress:

- a. Rochelle Energy Center – the project is progressing and installation of the transformers has begun.
- b. Electric Installation Nippon/ProLogis – wire is in place to supply power to the construction trailers.
- c. National Pollutant Discharge Elimination System (NPDES) – monitoring is required for phosphorous and Total N, ammonia limits remain the same, and a new compliance schedule for fluoride
- d. Lakeview Sewer Lining – significant improvements already visible
- e. Front Entrance at 333 Lincoln Highway – automatic entry doors

Old Business:

- a. NITT – Scott Koteski advised a marketing agreement has been signed with Grapevine Ventures. DeKalb County has joined as a full member. Mr. Schwartz suggested that the marketing team approach the Chrysler plant in Belvidere.

- b. NIMPA – Joe Orlikowski has been appointed Director to represent Rochelle on the NIMPA Board and Dave Plyman is the Alternate.
- c. Prairie State – A tour of the plant has been scheduled for September 28th & 29th.

New Business: Scott Koteski advised that Comcast has been actively soliciting fiber internet service to the RMU customers and while Comcast doesn't offer the same service staff recommends that our pricing be competitive. A proposed Fiber Internet Access Rate Schedule was distributed. Mr. Schwartz suggested that our marketing clearly explain that RMU fiber internet provides the same speeds for downloading and uploading data files as not all service companies do.

MOTION: To approve the proposed fiber internet access rates as presented.
MAKER: Claude McKibben
SECOND: Maryann Macklin
VOICE VOTE: Motion Carried

Chairman Elliott inquired about the status of hiring an RMU General Manager. City Manager Plyman reported he was taking the time to evaluate the position to make sure appropriate action is taken to hire the "right" person. He added that he wants input from the UAB and City Council as there are key issues to consider. Mr. Ohlinger voiced his concern that there was no succession plan in place when the City Manager retired. Mr. Schwartz advised that during a discussion with Raj Rao, Director of IMPA it was suggested the City consider using a "head hunter". Mr. Black agreed that any business should have a succession plan in place and that it costs money to get and retain good people. Mr. Schwartz advised the electric business has changed drastically over the past several years. The General Manager must know how to purchase power and he requires a financial analysis working under his direction. Ms. Macklin added that it was a search for a person and not a job posting. The Mayor agreed that we may be looking for more than one person. Mr. Plyman explained it was time to form a "game plan" and he will keep the UAB and City Council informed. Special Board meetings will be scheduled as necessary.

Discussion Items: Kathy Cooper introduced Matt Hansen, Willett Hofmann & Associates and they presented an update on the Water Rate Analysis Report. The last analysis was completed in 2006 and the estimated revenues didn't increase as anticipated. A comparison between water expenses and revenues indicate that a water rate modification is required.

In addition to the fixed charge and basic user rate the modification includes fire protection and system development rates. After some discussion the Board suggested that the fire protection be re-evaluated. It was also recommended that Ms. Cooper hold meetings with the customers that will be impacted by the rate changes the most. While the revenues don't cover the expenses, our customers are important to us and we need to be sure that the customer isn't penalized. The Board asked that the increase be distributed over three years. The Board asked that Ms. Cooper and Mr. Hansen report to the group after meeting with the water customers.

Comments from the Public: None

Comments from the Board: Mr. Schwartz requested that the meeting minutes reflect that the Board has not received the restricted fund analysis. Mr. Schwartz added that Special meetings may be scheduled to discuss the Electric Cost of Service Analysis that Baker Tilly was presently working on.

Adjournment:

MOTION:	To adjourn at 5:07 p.m.
MAKER:	Richard Ohlinger
SECOND:	Ray Schwartz
VOICE VOTE:	Motion Carried

Minutes Submitted By,
Joanne M. Peters