



ROCHELLE UTILITY ADVISORY BOARD MEETING
Wednesday, March 30, 2011

The Rochelle Utility Advisory Board met on March 30, 2011 in the RMU Technology Center, 910 Technology Parkway. The meeting was called to order by Mr. Elliott at 3:00 p.m. Present were Board Members, Ray Schwartz, Bob Elliott, Richard Ohlinger, and Maryann Macklin. Absent was Claude McKibben. RMU staff members in attendance were Ed Carr, Kathy Cooper, Scott Koteski, Joe Orlikowski, Barbara Bell, and Joanne Peters. Others present were Mayor Olson, Interim City Manager McKinley, Councilwoman Hollonbeck, Chris Frye, City Finance Manager, Matt Hansen, Willett Hofmann & Associates and Jeff Leon, WRHL radio.

Mr. Elliott asked everyone for a “Moment of Silence” in honor of our fellow Board Member, John Polancic who passed away last month.

Approval of Minutes: Mr. Ohlinger moved and seconded by Mr. Schwartz. **“I move that the meeting minutes of the Utility Advisory Board dated January 26, 2011 be approved.”**
Motion passed by voice vote without dissent.

Financial Report: Chris Frye, Finance Manager for the City of Rochelle advised that she had been working on the FY11/12 budget and the Board was welcomed to attend the Budget Workshop scheduled for April 12, 2011 at 4:00 p.m. at the RMU Technology Center. Ms. Frye provided a summary of the RMU Financials dated February 2011. Mr. Schwartz inquired about no payment from the water fund to the water reclamation fund for the water tower. Chris advised that it was an error and it has been corrected. Chris reported the assets in the water fund were up 3% and there was a 6% increase in the water fund retained earnings.

Mr. Schwartz questioned the line items and fund transfers to Administrative Services and asked if our auditors approved the fund transfers. Chris advised the auditors were aware of the transfers and fund transfers have been renamed “contractual services” in next year’s budget. The Board is concerned about the possibility of a rate increase in the future and questioned if that would be necessary if RMU funds weren’t transferred to the General Fund. Interim City Manager McKinley advised that Administrative Services are shared costs to RMU for HR and payroll services. Interim City Manager McKinley added the City benefited from owning our own utility as it allows rate flexibility and improved services all around. Mr. Schwartz questioned why the utility accountant didn’t attend the UAB meetings and suggested the position be housed within the utility office, reporting to the RMU General Manager. The Interim City Manager McKinley advised that she and the General Manager have been in discussions regarding the utility accountant and are both aware of the Board’s concerns.

Ms. Frye advised total assets were down in the Water Reclamation fund, but there was a 4% increase in the retained earnings over the last twelve months. The assets in the Electric fund have increased by 2.5% and the income statement indicates an 11% increase in kW sales and a 3% decrease in purchased power. Mr. Schwartz would prefer that the comparisons for the Technology Center be consistent with the other funds rather than a month to month and asked if

the line item for fines and penalties belonged in the fund. Chris Frye advised she would check about the fines and penalty line item. Mr. Schwartz asked if the restricted funds analysis had been completed and Ms. Frye advised it was not ready as she's been working on the budget.

Projects in Progress:

- a. Elster AMR – Joe Orlikowski provided an over-view.
- b. Rochelle Energy Center – Mr. Carr reported the project was on schedule and that it potentially could be a test site for a new Caterpillar exhaust system giving the project a free unit at a savings of 1.5 million.
- c. First Avenue Lift Station Upgrade – Kathy Cooper reported bids taken last July were too high, so the project was just re-bid and came in under Engineering estimates.
- d. Lakeview Sewer Lining – Kathy Cooper advised that we've been awarded \$350,000 CDAP grant funds for the project.
- e. Kelley Drive Water Main Replacement – Kathy Cooper advised there has been over twelve water main breaks in the area; bids will be opened on 3/31/11.
- f. SCADA – Kathy Cooper provided a demonstration of their new system at the treatment plant. To cut costs, Operator Tom Lampley has been doing the majority of the installation work in-house.
- g. Energy Assessments – Barbara Bell provided a summary of the School Safety Program being developed as well as training seminars for our customers. RMU will provide residential energy audits in the coming months.
- h. ZIMBRA – Scott Koteski explained his staff has been testing an open source email program to replace the GroupWise product that we currently use for our internal email. The annual savings will be \$4,200.

Old Business:

- a. NITT – Scott Koteski advised the entire NITT fiber triangle is complete. The NITT Board is working with a company called Grapevine for marketing.
- b. NIMPA – The NIMPA Strategic Planning meeting will be May 11 & 12 in Indiana; Bob Elliott has agreed to represent the UAB. IMPA has been hired by NIMPA to handle the details and services of the Prairie State generation. Ed Carr provided a summary of eleven Resolutions that the APPA is working on.
- c. Prairie State –Mr. Carr advised he has been appointed as the alternate NIMPA representative to the Prairie State Management Committee. The Prairie State project is on schedule.
- d. Incentive Programs – Barbara Bell reported that the 2010 Incentive Program went well; 47 appliance incentives were issued in the amount of \$4,465 and 5 local businesses qualified for lighting incentives for the total of \$34,724.93.

Discussion Items: Mr. Carr introduced Matt Hansen, Willett Hofmann & Associates to provide an update on the Water Comprehensive Plan. Mr. Hansen advised there were three components to the Water Comprehensive Plan; Water Supply & Treatment, Water Storage, and the Distribution System. Mr. Hansen provided a summary of the plan and pointed out the weak areas in the existing system.

Other: Ed Carr advised that he was attending the IMUA conference in May which conflicted with the May meeting date. The Board agreed to change the May meeting date to Monday, May 23, 2011 and it will begin at 2:00 p.m. at the RMU Technology Center. Ms. Macklin advised she could not make the May meeting date. Kathy Cooper advised that the City had come to a Sewer Agreement with Hillcrest. Scott Koteski advised that Rochelle wasn't chosen for the "Google Internet Project", Kansas City has been selected.

Comments from the Public: Mayor Olson asked for recommendations to fill the vacancy on the Board. The Mayor advised that Ken Alberts has been suggested and has indicated his interest. The Board discussed the need for diversity and suggested we check with an industrial business such as IRE or Silgan. Interim City Manager McKinley advised that contact with businesses could be made through the GREDCO office.

Comments from the Board: Richard Ohlinger encouraged staff to proceed on a Water Agreement with Hillcrest.

Adjournment: At 5:00 p.m. Mr. Schwartz moved and seconded by Mr. Ohlinger. **"I move that the Utility Advisory Board adjourn."** Motion passed by voice vote without dissent.

Submitted By,
Joanne Peters