



ROCHELLE UTILITY ADVISORY BOARD MEETING
Wednesday, January 26, 2011

The Rochelle Utility Advisory Board met on January 26, 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 Claude McKibben. Absent were Maryann Macklin and John Polancic. City and RMU staff members in attendance were Ken Alberts, Chris Frye, Ed Carr, Kathy Cooper, Scott Koteski, Joe Orlikowski, Barbara Bell, and Joanne Peters. Matt Hansen, Willett Hofmann & Associates and Jeff Leon, WRHL radio was also present.

Approval of Minutes: Mr. Ohlinger moved and seconded by Mr. McKibben “**I move that the meeting minutes of the Utility Advisory Board dated November 17, 2010 be approved.**” Motion passed by voice vote without dissent.

Financial Report: Chris Frye, Finance Manager for the City of Rochelle provided a summary of the RMU Financials dated December 2010. The Water fund indicates a 4% increase in assets. Mr. Schwartz inquired about the “Note Payable” for 3 million; Ms. Frye advised that funds were transferred from the Water Reclamation fund in 2006 for the high school water tower, well and well house. Mr. Schwartz asked for clarification on operating transfers to the General Fund and Administrative Services. Ms. Frye advised that Administrative Services provides internal “service” to RMU. Mr. Alberts added that the terminology should be modified; it is not a transfer of funds, but actually billing for services provided by Administrative Services that would otherwise have to be outsourced.

Ms. Frye reported assets in the Water Reclamation fund remain the same and there was an increase in cash and investments. Mr. Schwartz inquired about the status of the balance in the IEPA “equipment replacement” fund. Ms. Frye advised that \$200,000 was deposited annually and offered to provide a summary. Mr. Schwartz added that he would prefer to look forward on the replacement schedule to insure adequate funds were available, because the reserve was a requirement of the IEPA grant and it was included in the rate study when the funds were received. Mr. Alberts advised that Water/Water Reclamation was one fund and the accounting was separated for costs. Ms. Frye will prepare an analysis of the restricted funds.

The Electric fund assets are up 2.6% and operating expenses are down. Mr. Schwartz inquired about “line loss”. Joe Orlikowski advised it was about 7%. Mr. Carr added that Sargent & Lundy has been hired to complete a modeling study of our electric system. Ms. Frye reminded the Board that the Technology Center has been separated from the Communications fund and operating revenues were up 3%. Mr. Ohlinger asked if there was an increase in dial-up customers. Scott Koteski advised there was not an increase in dial-up customers; an internal audit of the communications charts indicated corrections were required. Ms. Frye advised that the equipment depreciation used to be annually and it has been changed to monthly. The Board thanked staff for the updated Reliability Report for Communications.

Projects in Progress: Mr. Carr advised that the equipment for Phase 1-A of the 5 KV conversions has been ordered and the project is about 55% completed; Phase 1-A is on target for completion in April 2011. The Rochelle Energy project is on schedule. Sargent & Lundy has completed the interconnection study; there is about 2 miles on Route 38 east of Mulford Road that will have to be upgraded. Joe Orlikowski reported that the RMU electrical system is very reliable; outages are usually caused by two things that we can't control, the weather and animals. Mr. Carr advised that we are taking the initiative against animals and RMU has installed over 60 animal guards in the past year.

Old Business:

- a. NITT – Mr. Carr reported that we are working with T-6 wireless (a Midwest wireless internet provider) on a quote for internet bandwidth; they are looking for 200 additional megabytes. Transport for the data will involve using the NITT network and RMU fiber. This would be a revenue source for both the NITT and RMU. The NITT marketing committee met with Grapevine Data, a local marketing firm that specializes in data connectivity in regards to a marketing proposal.
- b. NIMPA – The NIMPA Strategic Planning meeting will be sometime around the second week in March and will take place over a two day period. Meeting locations under consideration include; Carmel, Indiana, Chicago, and Madison. Bob Elliott has agreed to represent UAB along with Ed Carr and Joe Orlikowski. The purpose of the meeting is to review the overall mission of the agency and to evaluate the administrative services provided by IMPA. The services provided by IMPA are important and the duties may increase once the Prairie State Generating Plant begins operation. Mr. Carr will keep the Board informed.
- c. Prairie State – Mr. Carr advised that as of January 12, 2011 there has been 5 million man hours worked without a loss day incident at the Plant and they've gone 51 days since the first incident on November 9, 2010. There have been no loss day incidents at the mine construction site since they began in August of 2008. As of December 2010 the total project is 62.7% complete. Unit One is forecasted to start November 6, 2011 and Unit Two on June 1, 2012. Ameren has completed all of the transmission work and the Financial Forecast is on schedule with the budget that was approved September 2010. Mr. Carr reported there would be aggressive hiring in 2011; 50 miners will be hired February 1st, an additional 50 two months later and intend to have 300 miners hired by the end of the year.

Discussion Items: Kathy Cooper explained the issues that may occur if newly constructed sewer main is accepted into our system without verifying that it meets the required construction standards. An update to the Municipal Code Section 98-154 to include televising as a supplemental condition for the acceptance of sanitary sewer is required. Kathy also suggested an additional change to the Municipal Code Section 98-155 to modify the chimney seal requirement. Currently, external chimney seals are required, however, due to improved materials we can now allow either internal or external chimney seals in new construction. Mr. Schwartz

moved and seconded by Mr. McKibben. **“I move that the Utility Advisory Board recommend to the City Council to update Municipal Code Section 98-154 to include televising as a supplemental condition for the acceptance of sanitary sewer and Municipal Code Section 98-155 to allow either internal or external chimney seals in new construction.”** Motion passed by voice vote without dissent.

Mr. Carr introduced Matt Hansen, Willett Hofmann & Associates and advised he was going to provide an update on the Water Reclamation Comprehensive Plan. Mr. Hansen advised the original plan was developed in 1993 and amended in 2006 and 2011. Mr. Hansen explained the four FPA boundaries in the Rochelle Service as shown on a map. Mr. Hansen also explained the sanitary sewer and lift station sizing for future growth in the four lift station areas. Mr. Hansen will provide additional information once the plan is completed. Matt advised he was also working on the Water Rate Analysis report.

Other: Mr. Carr advised that RMU was going to provide joint Energy Efficiency programs to our customers with Nicor and New Edison Energy. Mr. Carr asked if the March meeting date could be changed from the 23rd to the 30th. The Board agreed and asked that a notice be sent out.

Comments from the Public: None

Comments from the Board: Mr. McKibben expressed his appreciation; he used the Technology Center’s conference room for a meeting and they were all very impressed with the facility. Mr. Ohlinger added that he has used the center on numerous occasions for meetings as well.

Adjournment: At 5:02 p.m. Mr. Schwartz moved and seconded by Mr. McKibben. **“I move that the Utility Advisory Board adjourn.”** Motion passed by voice vote without dissent.

Submitted By,
Joanne Peters