



ROCHELLE UTILITY ADVISORY BOARD MEETING
Wednesday, January 25, 2012

The Rochelle Utility Advisory Board met on January 25, 2012 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	Chris Frye, Finance Manager
Claude McKibben, UAB	Scott Koteski, RMU
Maryann Macklin, UAB	Joanne Peters, RMU
Jim Black, UAB	Joe Orlikowski, RMU
Dave Plyman, City Manager	Barbara Bell, RMU
Chet Olson, Mayor	Jason Anderson, GREDCO
Dennis Berg, City Council	Scott Rozanas, City Development
Kathy Hollonbeck, City Council	
Ed Rice, City Council	Jeff Leon, WRHL Radio

Absent:

Ray Schwartz, UAB
Richard Ohlinger, UAB
Kathy Cooper, RMU

Approval of Minutes:

MOTION:	To approve the UAB meeting minutes dated November 22, 2011
MAKER:	Mr. McKibben
SECOND:	Ms. Macklin
VOICE VOTE:	Motion Carried

Financial Report: Chris Frye provided a review of the December 2011 Financial Statements. Chris reminded the Board that the increase in the Water Reclamation non-operating revenues over last year were grant funds for the Lakeview sewer lining, First Avenue lift station, and water and sewer extension at Nippon.

Completed Projects: Completed projects were summarized by staff and acknowledged by the Board. Scott Koteski reported that an internet provider in Rochelle under the name of Open Range filed bankruptcy and we were able to purchase their equipment located on our water tower. The equipment mounted on the tower is valued at \$70,000 and our bid of \$1,000 was accepted. We also purchased 1700 used in-home modems valued at \$400 new for .76 each. Scott added that it was a good system that will provide better coverage and improved service. We are now in the process of obtaining the required FCC licensing. A marketing plan will be developed once everything is in place.

Projects in Progress:

- a. Electric Installation Nippon/ProLogis – all three transformers have been installed and tested
- b. Electric Installation Coated Sands – fiber and overhead electric has been installed; 180 feet of underground electric will be installed in the spring. The overhead was at their request.
- c. Highway 38 Pole Line Project – in conjunction with the Rochelle Energy Center, we upgraded the pole line from Mulford Road to Creston.

- d. Electric Installation New Home – service installed on Kings Road
- e. New Water Well on Hayes Road – Exploring Finance Options
- f. Caron Road Lift Station – Engineering has been started
- g. Water main extension along Twombly Road

Dave Plyman reported in Kathy's absence that the above mentioned water projects were developed within the comprehensive plan that indicated fire flow issues on the south side. Staff is researching options to finance these capital improvements.

Jason Anderson stated that there was potentially another water project known as the "grey water project" that Illinois River Energy was discussing with the City.

Old Business:

- a. RMU General Manager – Interviews have been scheduled and an interview panel is in place
- b. Electric Cost of Service Study – Dave Plyman has asked the Public Works committee to review the Baker Tilly report. Dennis Berg, Chairman of the Public Works committee reported that a meeting would be scheduled soon and that the assistance of the Utility Advisory Board was needed.
- c. NIMPA – Dave Plyman reported that the City of Batavia advised the NIMPA Board that their power needs have changed since the Prairie State project began and they purchased more MW than needed. Batavia announced that they intend to shed some of their load. The City of Geneva has hired special legal counsel in order to prepare for Batavia's actions regarding the Prairie State project.

Jason Anderson asked what impact businesses like Nippon and Coated Sands had on RMU's load. Joe Orlikowski advised RMU has to make the provisions to provide the requested power. The problems occur when the company requests more than they actually use. We buy power to cover our needs and sometimes it's a guessing game. Dave Plyman added that we can diversify our power portfolio as our system grows allowing us to offer stable rates and zeroing out the PCA or giving us the ability to average the PCA.

- d. Prairie State - Dave Plyman advised that 95% of the testing had been completed on Unit #1 and it will be ready next month. Unit #2 should follow within two to three months.

Scott Rozanas asked if the Public Works Committee and Utility Advisory Board could find a way to complete the new rate structure sooner. Scott reported that Allstate was unhappy with our utility rates and didn't want their negative comments to affect any new potential prospects within the Technology Park. Dave Plyman said he was aware that Allstate was unhappy, but we couldn't subsidize or guarantee their power costs. Dennis Berg added that the committee would develop a strategy and work on the project as soon as possible. Dennis also advised that the committee may need the assistance of a consultant. Joe Orlikowski asked the Board to remember that Allstate wasn't required to pay for any of the infrastructure and that saved them several thousands of dollars; a financial benefit they would not have received in the ComEd territory.

New Business: The Board was reminded of the Open Meetings Act Training requirements and any questions should be forwarded to City Clerk, McKinney. Bob Elliott and Chris Frye advised they had trouble and were unable to complete the test.

Discussion Items: None

Comments from the Public: Ed Rice commented that things would turn around once a new General Manager was in place.

Comments from the Board: None

Adjournment:

MOTION:	To adjourn at 4:01 p.m.
MAKER:	Ms. Macklin
SECOND:	Mr. McKibben
VOICE VOTE:	Motion Carried

Minutes Submitted By,
Joanne M. Peters