

PUBLIC UTILITIES ADVISORY BOARD

MINUTES OF MARCH 16, 2016

Municipal Center – NEU Conference Room
400 South Eagle Street, Naperville, IL 60540

Call to Order

A. Roll Call

Present: Warren Green, Chair; John Krummen Lewis Dibert, Anders Gilchrist,
John Nania

Absent: Gerry O'Connor

Staff Present: Mark Curran, Jim Holzapfel, Olga Geynisman, Lucy Hynes, Amy Ries,
Bernie Saban

B. Minutes

The minutes of January 21, 2016 were approved

Motion by: Lewis Dibert

Second by: Anders Gilchrist

APPROVED

C. New Business

Board Members-

Gerry O'Connor has resigned as a Board Member of the PUAB.
Board members are term limited to two, 3-year terms, lifetime.
A plaque will be made to present to Gerry at a future date.

Water CIP Validation Study Update-

An asset replacement and rehabilitation study is being developed to
determine the dollar value of Water's assets. The Water system is
predominantly iron pipe and will change the asset value of the water
utility. An RFP will be issued in a few weeks and the proposals will
enable Water to pick a consultant.

Water Cost-of-Service Rate and Fee Study Update-

The Cost of Service Rate Study is out for bid. Once proposals have been
received we'll review them and select a consultant.

One important item the rate study will be addressing is the funding of the
improvements to the Springbrook Water Reclamation Center to remove
nutrients (phosphorous). The improvements are estimated at \$40 million
to \$50 million.

Status of Springbrook Water Reclamation Center Permit Update-

Currently the Springbrook Water Reclamation Center is in the process of renewing its National Pollution Discharge Elimination System Permit (NPDES) or operating permit with the Illinois Environmental Protection Agency. Staff is anticipating the new NPDES permit will have a phosphorous limit as well as new regulations that the Utility will have to meet.

The IEPA recognizes utilities need time to plan, finance and construct improvements to meet the new requirements. So, most new NPDES permits will have provisions or conditions for utilities to meet the new requirements within a set period of time, usually 3 to 5 years.

Naperville has petitioned the IEPA to allow a long term (10 year to 11 year) implementation period with the proviso the City will provide funding for in-stream projects designed to improve water quality and stream conditions.

In-stream projects is important as the IEPA is working toward regulations based on in stream conditions. The better the water quality and stream conditions, the lesser regulation (and associated cost for improvements) at the treatment plants.

The City's petition is supported by a number of other communities in the area, environmental groups (Conservation Foundation) and water quality workgroups.

Financial Report-Water-

Rates are presently around \$30 a month. Water is looking at a 12-15% increase (\$4-5 a month) in order to generate \$20M over 8 years. The stream improvements would be included in this increase.

Water has a balanced budget at this time. No schedule has been set up for Electric to payback Water. Board members request that payment be made quarterly.

Financial Report-Electric-

The rate increase went up 8.3% across the board on February 1st. The adjustment made between classes comes into effect; a residential increase will go up 3.6% in 2017 and again 2.4% in 2018.

Revenue was at \$25.6M for the first two months; which was at 16.8% of the total. Electric's expenses for the first two months was at a positive cash flow of \$5.1M.

The next meeting is scheduled for Thursday, May 19, 2016, and will begin at 5:00pm at the Municipal Center in NEU Conference Room.

The meeting was open to public comment.

D. Adjournment

Public Utilities Advisory Board motioned to adjourn – 6:58pm

Motion by: Lewis Dibert

Second by: John Nania

APPROVED