

PUBLIC UTILITIES ADVISORY BOARD

MINUTES OF MAY 19, 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 (arrived 5:20 p.m.)

Absent: Anders Gilchrist

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

B. Minutes

The minutes of March 16, 2016 were approved

Motion by: John Nania

Second by: Lewis Dibert

APPROVED

C. New Business

Recognition of Former Board Member-

~~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~~
Gerry O'Connor was presented with a
plaque for his service on the board from May 31, 2012 – March 1, 2016.

Water CIP Validation Study Update-

It was decided not to do an independent validation at this time. Finance will look at all city departments, and study a holistic approach to sustain replacement value city-wide.

Current CIP spending is approximately \$8.5 million based on the depreciation rate in 2010. Last year depreciation was \$10-\$10.5 million due to growth period 40-50 years ago. Mortality schedule for assets needs to be adjusted to take the growth period of the City into account.

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

Proposals were reviewed and it was decided to interview four firms via telephone. Interesting items noted by the firms were nationwide trends of decreasing consumption and shifting costs to fixed customer changes. Discussed possible reasons for this decrease in consumption.

Status of Springbrook Water Reclamation Center Permit Update-

Meeting scheduled with IEPA; also need to meet with NGO's regarding a water quality based limit and extending special condition language. Discussed making improvements to the river in exchange for a longer

implementation period. Staff expected a P-limit of 1.0 mg/L interim, 3-5 year implementation period. Staff expects to receive the draft permit in next couple of months. Improvements to meet the 1.0 mg/L limit are currently estimated at \$50 million. Stream improvements in exchange for a 10-11 year implementation period are currently estimated at \$4 million. The LDRWC would collect dues to fund the work and partner with Will County Forest Preserve to remove low flow dam to improve downstream condition.

USEPA Inspection Results

Issued summons in March 2015 in response to a resident complaint. The alleged claim was improper action and maintenance of sewer system after April 2013 flood. Provided all maintenance and operation information for last five years. USEPA conducted an on-site inspection of the system on December 14, 2015. Report from USEPA noted six items to continue including one new item, hydraulic model of sanitary sewer system. No problems or areas of concern were mentioned in the report. Investigation has been closed.

DuPage Water Commission Rate Decrease

On May 1, 2016 the DuPage Water Commission is going to decrease rates by 1%, which translates into a \$0.40 reduction in the average monthly residential utility bill. Recommended to Council to delay implementation of the new wholesale rate pending completion of the City's rate study. This will result in approximately \$200,000 in additional revenue.

Electric Purchased Power Adjustment

Discussed several Purchased Power Adjustment options; a 6 month rolling average was chosen. It appears that the first 6 months will be credits. Staff expects a 0.00351 cents/KWH credit in May. The PPA is working as expected.

ComEd Purchased Electricity Charges for June 2016-May 2017

Low natural gas rates have driven electric rates down. ComEd rates for residential customers will be 15% lower, but only for electric supply portion of bill. After the ComEd supply cost reduction in June 2016, Naperville residential rates will be 4% higher than ComEd for a typical customer. In January 2017, Naperville rates will be 5% higher than ComEd after adjustments are made to both Naperville and ComEd delivery rates. In-depth discussion was held on IMEA resources and costs.

Financial Reports-Electric

\$40 million revenue, \$30 million expenses. Repayment of water loan was discussed. Board wanted quarterly payments rather than biannual payments, Jim approves of biannual. Jim and Mark agree to talk to Rachel and report back.

Financial Report-Water

Declining water usage (-5% usage for first quarter) resulted in revenue down about 3%. Expect an increase in revenue during summer months.

Remaining Meeting Dates 2016

July 21, 2016- Discuss budget process and timing. Water budget and rate study- items to be discussed will be brought forward.

September 15, 2016

November 21, 2016

Public Comment

Roy Mann (2309 Nottingham Dr. Naperville): Questioning why January 21st minutes are not available online. Also questioning why draft minutes were not posted for March meeting.

Smart meter ambassador training. Status on pilot program. Designing portal in house will be ready by end of the year. Working on security prior to release.

Street light out next to his house. Reported on April 9th, called, short on parts, need LED lights. Lucy will follow up.

Informational Items

No questions on additional items.

Miscellaneous-

Street light replacement status-86% of lights replaced.

Discussed PAS event and plans to open to public. Discussed finding different venue.

D. Adjournment

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

Motion by: John Nania

Second by: Lewis Dibert

APPROVED