



MANAGER'S MEMORANDUM

Prepared for: **Naperville City Council**

By: City Manager's office

8/28/2025

A. MANAGER'S MEMORANDUM

Source:

1. Brian Groth,
Director – Electric Utility

Subject:

IMEA August 2025 Executive
Board and Full Board Meeting
Summary

Action:

FYI

2. Michael Prousa,
Transportation Manager

Bicycle and Pedestrian Plan
Update

FYI

CITY OF NAPERVILLE MEMORANDUM

DATE: August 28, 2025

TO: Doug Krieger, City Manager

FROM: Brian Groth, Director – Electric Utility

SUBJECT: IMEA August 2025 Executive Board and Full Board Meeting Summary

Purpose:

The purpose of this memo is to provide an update on the Illinois Municipal Electric Agency Executive and Full Board Meetings that were held on August 20th and 21st, respectively.

Discussion:

IMEA Contract Extension:

The Board of Directors approved a contract extension for the City of Cairo. The agency now has 29 contract extensions out of the 32 existing members and per the resolution passed by the Board of Directors at its June meeting the open season for contract extensions is now closed. Naperville, St. Charles, and Fairfield did not execute contract extensions.

Mayor Wehrli, City Manager Krieger, and Electric Utility Director Groth attended the in-person IMEA Board of Directors meeting in Springfield. The mayor provided an update to the IMEA Board of Directors on the City of Naperville's efforts to date during the public comment portion of the meeting. Brian Groth asked the board to allow agency staff to continue working with Naperville on mutually agreeable contract terms which would be brought back to the board for approval in the future. The board took no action and City staff will continue working with Agency staff on the items approved at the August 19th Naperville City Council meeting.

IMEA Treasurer's Report:

Agency staff updated the board on the status of the decommissioning fund for Prairie State and Trimble County plants. The board previously authorized the agency to begin collecting these funds on May 1, 2025 and as of July 31st the fund has a cash balance of \$362,248. The goal of this fund is to ensure all decommissioning costs for both plants are collected by April 31, 2035.

The agency completed its bond refinancing as previously authorized by the board. The net present value of the savings to the agency is \$23M and an overall savings of \$33.6M over the next 10 years; this equates to a savings of approximately 1% on the IMEA rate to its member communities. The bond closing will be completed on September 9th, 2025, and this process did not extend the agency bonds beyond 2035.

IMEA Annual Audit:

A representative of Baker Tilly, IMEA's auditor, was present at the meeting to answer any questions on their FY2025 audit of the agency, which resulted in an unmodified opinion; the highest mark that Baker Tilly provides for their audits indicating there were no material weaknesses or significant deficiencies in controls. Two slides are attached regarding the agency's declining debt (to be paid off by 2035) as well as Financial Trends and Highlights of the agency. The agency's administrative and general expenses finished the fiscal year at 3%. The full IMEA audit can be found at: <https://imea.org/IMEA%20Financial%20and%20Annual%20Reports.html>

IMEA President and CEO Report:

After 14 years with IMEA, Kevin Gaden, the current President and CEO will be retiring in March of 2026. The IMEA board of directors moved forward with hiring Mycoff Fry Partners to lead the search for the next CEO. A representative from Mycoff Fry was present to walk through process timelines and expectations with the IMEA board.

IMEA Operations Report:

Staff discussed the PJM capacity auction results which yielded a clearing price of 329.17/MW-day for delivery year 2026/2027, this represents an increase of approximately 22% over the 2025/2026 auction's clearing prices of 269.92/MW-day. On June 23rd and 24th of this year PJM had their fourth and third highest all-time peak loads, respectively. IMEA continues to run its member community generation to reduce its peaks and this summer has called its generators to run 10 times on 8 dates covering 5 peaks for the ComEd zone and 4 peaks for PJM as a whole.

IMEA directly owns 9MW of generation in Flora, IL. The agency voted to approve contracts to upgrade the protection and control of these units. This was cost was budgeted and will ensure that the units continue to run reliably.

An update was provided on Trimble County and Prairie State operations. Trimble County units had short outages in July with Unit 1 experiencing a 5-day outage due to a tube leak and Unit 2 experiencing a 2-day outage for the same reason. Staff at the plant are preparing for Unit 2's planned outage in the fall. Prairie State Unit 1 experienced 4 separate outages between June and July for various issues while Unit 2 has been in full service since the last update to the board in late June. Prairie State's year-to-date Equivalent Availability Factor (EAF) is 90.17% and Trimble County's year-to-date EAF is 83.63%, respectively. EAF is generally defined as the portion of the year in which the generating units were available without outage or derating.

IMEA Solar Project and Resource Planning Updates:

IMEA staff updated the board on its 150MW portion of the Bee Hollow solar project which is still on track to be completed in late 2026 or early 2027. Progress still is being made with IMEA's vendor, SolAmerica on projects which could bring an additional 13MW of solar to the agency partially funded through grants from the USDA. Agency staff are

working with the City of Chatham, a member community, on a potential 2.25MW solar project that would be owned by IMEA.

As IMEA begins planning for the future, the agency will begin seeking consultants in 2026 to begin completing an Integrated Resource Plan. The plan was outlined in more detail to the board and will be based on discussions that the agency and Naperville had with Illinois legislators this past spring.

The Village of Winnetka asked the IMEA board for a variance to increase the amount of solar that the Village can directly own. This is similar to the variance that the City of Naperville obtained in 2022 to increase its City owned solar amount. The board unanimously approved the variance, and Winnetka will be going out to bid for an additional 265kW of solar capacity in the coming months.

Closed Session:

The IMEA Board went into closed session to discuss personnel matters pursuant to Section 2(c)(1) of the Open Meetings Act, 5 ILCS 120/2(c)(1).

Recommendation:

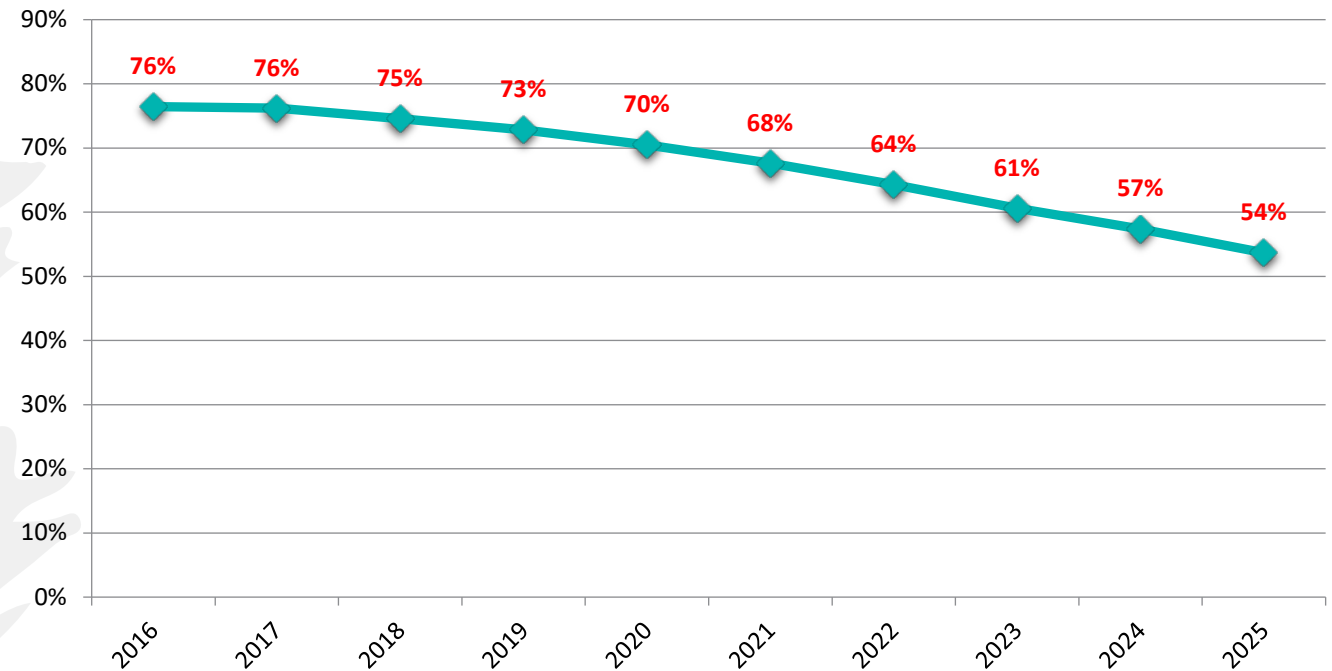
Please include this response to the City Council request in the Manager's Memorandum.

Financial trends and highlights – leverage ratios

Long-term debt to total assets – how much of our assets are currently owned by bondholders?

IMEA

Illinois Municipal Electric Agency
Long-Term Debt to Total Assets



Financial trends and highlights-

Operating expenses as a percentage of revenues

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Expenses:										
Purchased power	18.1%	17.6%	12.7%	19.5%	25.1%	25.1%	24.3%	28.3%	28.9%	29.2%
Transmission	18.8%	15.2%	17.4%	14.5%	12.9%	11.8%	9.3%	9.5%	10.3%	6.9%
Fuel	13.0%	14.1%	14.8%	13.7%	11.3%	13.1%	14.0%	13.3%	12.4%	13.1%
Other operating and maintenance	12.7%	12.9%	12.9%	10.8%	12.5%	11.4%	11.2%	11.5%	11.3%	11.4%
Member payments	2.9%	3.1%	3.2%	3.1%	3.3%	3.1%	3.2%	3.2%	3.2%	3.1%
Administrative and general	3.0%	3.0%	2.8%	2.7%	2.5%	2.6%	2.6%	2.5%	2.3%	2.3%
Depreciation	11.1%	11.5%	11.3%	11.2%	10.6%	10.6%	10.9%	11.1%	10.9%	10.8%
Other utility operations	0.7%	0.6%	0.6%	0.5%	0.4%	0.5%	0.8%	0.5%	0.6%	0.6%
Total Operating Expenses	80.2%	78.0%	75.7%	76.1%	78.7%	78.2%	76.1%	79.9%	79.8%	77.4%
Operating Income	19.8%	22.0%	24.3%	23.9%	21.3%	21.8%	23.9%	20.1%	20.2%	22.6%
Non-Operating Expenses	-5.7%	-7.1%	-9.7%	-11.5%	-11.8%	-12.0%	-12.3%	-13.0%	-13.7%	-14.4%
Net Income	14.0%	14.9%	14.6%	12.4%	9.5%	9.8%	11.5%	7.1%	6.5%	8.2%

CITY OF NAPERVILLE MEMORANDUM

DATE: August 28, 2025

TO: Doug Krieger, City Manager
Jennifer Loudon, Director of TED Business Group

FROM: Michael Prousa, Transportation Manager

SUBJECT: Bicycle and Pedestrian Plan Update

PURPOSE:

The purpose of this memorandum is to give an update on the progress of the Bicycle and Pedestrian Plan update to the Mayor and City Council.

INFORMATION:

On June 18, 2024, the City Council approved the Naperville 2027: Investing in Our Community Priorities Plan which outlined the five priority areas for the City to focus on over the next three to five years. Under the mobility priority, staff was asked to complete an update to the Bicycle and Pedestrian Plan by December 31, 2026.

Staff have hired A. Epstein and Sons International, INC. (Epstein) to assist in completing the Bicycle and Pedestrian Plan update. During the next few months, Epstein will begin public outreach and existing condition data collection. Once completed, Epstein will work with City staff to develop a vision for Naperville's future bicycle and pedestrian network and deliver an actionable Bicycle and Pedestrian Plan. This plan will identify network gaps and locations for future projects, including existing facility enhancements and new corridors. This plan will provide the City with policy recommendations, a design toolkit, and future project recommendations. Project recommendations will include preliminary designs, anticipated costs, funding sources and a prioritization timeline.

The plan update will be reviewed by the Transportation Advisory Board in advance of being presented to the City Council for consideration.

RECOMMENDATION:

Please share this information with the Mayor and City Council through the August 28, 2025 Manager's Memorandum.