

City of Rock Falls

603 W. 10th Street
Rock Falls, IL 61071-2854

Mayor
William B. Wescott
815-380-5333

City Administrator
Robbin D. Blackert
815-564-1366



City Clerk
Eric Arduini
815-622-1104

City Treasurer
Kay Abner
815-622-1100

City Council Agenda Rock Falls Council Chambers July 19, 2016 6:30 p.m.

Call to Order @ 6:30 p.m.
Pledge of Allegiance
Roll Call

Audience Requests:

Community Affairs:
Bethany Bland, President /CEO, Rock Falls Chamber of Commerce.

Consent Agenda:

1. Approve the Minutes of the July 5th, 2016 Regular Council Meeting
2. Approval of bills as presented.

Ordinance First Reading:

Ordinance Second Reading / Adoption

1. Approval of **Ordinance 2016-2269** amending Chapter 18 Article VI, Section 18-163 to add subsections (9) and (10) Handicap Parking on west 2nd Street.
2. Approval of **Ordinance 2016-2272** amending Section 18-120 – Stop Intersections Designated to add subsection (107) for East 14th Street at Mary Avenue.
3. Approval of **Ordinance 2016-2273** amending Section 32-89 Fire Service - for the addition of 2" service lines.

City Administrator Robbin D. Blackert:

1. Request approval of proposal for Water and Wastewater Rate Study by Utility Financial Solutions, LLC 185 Sun Meadow Court, Holland, MI 49424 in the amount of \$19,100.00.

Information/Correspondence:

Eric Arduini, City Clerk
James Reese, City Attorney
Brian Frickenstein, City Engineer

Department Heads:

Water Reclamation- Ed Cox
Electric- Dick Simon
Police Chief- Chief Tammy Nelson
Fire Chief- Chief Gary Cook
Building Inspector- Mark Searing
Water - Ted Padilla

1. Approval for Layne 721 W. Illinois Avenue Aurora, IL 60506 to furnish and install (1) Byron Jackson Type M Submersible Pump Assembly in the amount of \$98,721.00

Tourism - Janell Loos

Ward Reports:

Ward 1	Ward 2	Ward 3	Ward 4
Ald. Reitzel	Ald. Kuhlemier	Ald. Schuneman	Ald. Folsom
Ald. Logan	Ald. Snow	Ald. Kleckler	Ald. Watts

Mayor's Report:

Executive Session:

Any action taken from Executive Session:

Adjournment:

Next City Council Meeting 8-2-2016

Posted 7-15-2016

Michelle Conklin / Deputy City Clerk

The City of Rock Falls is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with Disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in the meeting, or who have questions regarding the accessibility of the meeting or the facilities, are requested to contact Mark Searing, ADA Coordinator, at 1-815-622-1108; promptly to allow the City of Rock Falls to make reasonable accommodations within 48 hours of the scheduled meeting.

REGULAR MEETING MINUTES OF THE MAYOR AND

ALDERMEN OF THE CITY OF ROCK FALLS

July 5th, 2016

The regular meeting of the Mayor and City Council of Rock Falls, Illinois was called to order at 6:30 p.m. July 5th, 2016 in the Council Chambers of Rock Falls by Mayor William B. Wescott.

City Clerk Eric Arduini called the roll following the pledge of allegiance. A quorum was present including Mayor William B. Wescott, Aldermen Reitzel, Logan, Snow, Kuhlemier, Schuneman, Kleckler, and Folsom. Alderman Ebenezer was absent. In addition City Attorney Jim Reese, and City Administrator Robbin Blackert were present.

Public Hearing

A Public Hearing began at 6:30 for written or oral comments from citizens regarding the proposed **Appropriation Ordinance 2016-2267** for the Fiscal Year commencing May 1, 2016 and Ending April 30, 2017. City Clerk Arduini stated that he had received no written comments concerning the appropriation ordinance. No one in the audience spoke up concerning the ordinance.

The Public Hearing ended at 6:31pm.

Audience Requests:

John Watts from the Rock Falls Optimist Club approached the Council concerning the annual Touch -a- Truck event. This is the fourth year in a row that it will be held at the RB&W District riverfront patio. The theme of Touch -a- Truck is "look, touch, and learn". He asked as part of the application that the fees be waived for this free community youth based event including the electric and water fees. The group will be giving away 500 free toys, and asks for City support with vehicles. A motion to approve the Touch -a- Truck event waiving the fees was made by Alderman Kuhlemier, and second by Alderman Folsom.

Alderman Snow thanked the Optimist Club for hosting this event.

Mr. Watts informed the Mayor that there are 40 companies signed up this year, and many companies bring multiple vehicles.

Viva Voce Vote, motion carried

Consent Agenda:

The Consent agenda was read aloud by Clerk Arduini. Alderman Reitzel asked that item number four be considered separately.

1. Approve the Minutes of the June 21st, 2016 regular Council Meeting.
2. Approval of bills as presented.
3. Recommendation from the Council to send the "Casey's Rock Falls" subdivision plat to the Planning and Zoning Commission for approval.

A motion was made to approve the consent agenda by omnibus designation by Alderman Snow and second by Alderman Schuneman.

Vote 7 aye, motion carried

A motion was made by Alderman Schuneman, and second by Alderman Folsom for the Approval of **Resolution 2016-744** adding diagonal parking to the east side of 4th Avenue.
Vote 6 aye, motion carried (Alderman Reitzel recused himself from this vote)

Ordinance First Reading:

A motion was made by Alderman Snow, and second by Alderman Schuneman for the approval of **Ordinance 2016-2269** amending Chapter 18 Article VI, Section 18-163 to add subsections (9) and (10) Handicap Parking on west 2nd Street.
Viva Voce Vote, motion carried (Alderman Reitzel recused himself from this vote)

A motion was made by Alderman Schuneman, and second by Alderman Kuhlemier for the approval of **Ordinance 2016-2272** amending Section 18-120 – Stop Intersections Designated to add subsection (107) for East 14th Street at Mary Avenue.
Viva Voce Vote, motion carried

A motion was made by Alderman Logan, and second by Alderman Snow for the approval of **Ordinance 2016-2273** amending Section 32-89 Fire Service - for the addition of 2" service lines.
Alderman Kleckler inquired if the date was correct in the ordinance.
Viva Voce Vote, motion carried

Ordinance Second Reading / Adoption:

A motion was made by Alderman Kuhlemier, and second by Alderman Logan for the adoption of **Ordinance 2016-2267** Appropriation Ordinance for the year beginning May 1st, 2016 and ending April 30th, 2017.
Vote 7 aye, motion carried

A motion was made by Alderman Snow, and second by Alderman Schuneman for the adoption of **Ordinance 2016-2270** disposal of surplus property- two 2016 PSI MSA Air packs with four air tanks.
Vote 7 aye, motion carried

A motion was made by Alderman Schuneman , and second by Alderman Logan for the adoption of **Ordinance 2016-2271** amending the zoning map of the City of Rock Falls to reflect MU-1 Zoning for Lots 2, 3, 4, and 5 of Rock Falls-Glen's Garden Subdivision. The date of the hearing will be changed to 2016.
Vote 7 aye, motion carried

A motion was made by Alderman Kuhlemier, and second by Alderman Reitzel for the adoption of **Ordinance 2016-2274** annexing approximately 26.59 acres of property being zoned A-1 into the City of Rock Falls. The date of the hearing will be changed to 2016.
Vote 7 aye, motion carried

A motion was made by Alderman Kuhlemier, and second by Alderman Snow for the adoption of **Ordinance 2016-2275** annexing approximately 30 acres of property being zoned B-2 into the City of Rock Falls. The date of the hearing will be changed to 2016.

Vote 7 aye, motion carried

A motion was made by Alderman Kuhlemier, and second by Alderman Schuneman for the adoption of **Ordinance 2016-2276** authorizing the issuance of general obligation alternate bonds of the City of Rock Falls, Whiteside County, Illinois, in an aggregate principal amount not to exceed \$5,000,000 for the paying the costs of projects within the Downtown Tax Increment Financing District of the City, including, but not limited to, developing public green space and a hiking and biking trail, improving the riverbank, and constructing an outdoor entertainment venue, public restrooms, a water feature and a skateboard park.

Vote 5 aye, 1 nay (Kleckler) motion carried (Alderman Reitzel recused himself from this vote)

City Administrator Robbin D. Blackert:

City Administrator Robbin Blackert gave kudos to Tourism Director Janell Loos who has been with the City for less than a year and has gone in and done the job fearlessly. In speaking with Ken Freeman who runs the Bass Pro Shops catfish tournaments all over the country, this one was well managed for its first year.

Administrator Blackert mentioned that the bid tabulations were in the packet for the RB&W Greenspace phase 1 for the trail and areas around the hotel.

Alderman Kuhlemier mentioned that this is for the citizens of Rock Falls.

A motion to approve the low bid for RB&W District Recreational Trail - Phase I to Martin & Company Excavating 2456 E. Pleasant Grove Rd. Oregon, IL in the amount of \$491,380.80 was made by Alderman Schuneman and second by Alderman Folsom.

Vote 5 aye, 1 nay (Kleckler) motion carried (Alderman Reitzel recused himself from this vote)

Department Heads:

Tourism – Janell Loos

Director Loos informed the Council that the Bass Pro Shops event went amazingly well. Director Loos also learned a lot about the Summer Splash and Rock Falls River Chase events. Nine year olds are participating in the boat races, and next year they may have even more kid's classes. Dir Loos reported that the fireworks were amazing.

Director Loos reminded the Council that the Pink Heals tour will be coming to town and setting up for the Pink Party on the Patio on July 30th from 6-9pm. There will also be a cruizin' pink cruise that is free for anyone who would like to enter.

July 22nd there will be a formation fly-in at the Whiteside County Airport with 30 planes flying in formation on their way to the EAA AirVenture in Oshkosh WI.

The Whiteside County Fair and Barn Tour will be on Saturday August 9th.

Mayor Wescott stated that everyone did an outstanding job downtown for the destination weekend.

Utility Office – Diane Hatfield

Utility Office Supervisor Diane Hatfield requested that a section called "write off procedure" be added to the Procedures Manual Governing Utility Service. Superintendent Hatfield stated that the policy would require that write-offs be done at least twice a year, while the office is planning on doing them quarterly. A motion to approve the addition to the Procedures Manual Governing Utility Service was made by Alderman Reitzel, and second by Alderman Schuneman.

Vote 7 aye, motion carried

Ward Reports:

Ward 2

Alderman Glen Kuhlemier informed the Council that the Blackhawk Hills Regional Council has moved into their new building on First Avenue at the former RFCDC building.

Alderman Snow thanked the Chamber of Commerce for Summer Splash, and thanked Janell Loos for her hard work with the events.

Ward 1

Alderman Reitzel said that he has received a number of great comments from the Summer Splash and fireworks.

Mayor's Report:

Mayor Wescott announced that the Committee of the Whole meeting will be held on July 18th, 2016 at 6:00pm

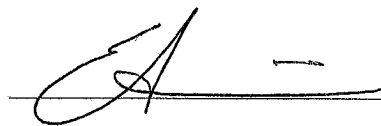
Mayor Wescott stated that it was a great weekend for the City and for the area. Mayor Wescott was able to talk to the boat racers in the pits, and with a new championship division being added, there may be even more boats here next year. The Chamber' Summer Splash went great, and there was something for everyone. For the Bass Pro Shop's Big Cat Quest being in it's first year, things could not have went better.

The Mayor talked to many people over the weekend, and some do not see the efforts as being a good thing. When cities like Rock Falls display a can do attitude, not all people are going to be on that same page. Abraham Lincoln brought people who disagreed into his cabinet to have discussions about the issues from all sides. The City is motivated to change, and change can be painful. Healthy things grow, and growing things change. The City is on a precipice, and when negative events occurred in our City, past leaders proved that the City was not ready to go away. Rock Falls has went through the recession, and state issues without layoffs, or loss of City services. The City can now strive to bring jobs, sales tax, real estate, and a better quality of life. Because of the vision of leaders 13- 14 years ago, the community will be a better place to live. If anyone has questions about the path that the City is going, these meetings are open for you.

With nothing else for the good of the Council a motion was made by Alderman Folsom and second by Alderman Reitzel to adjourn the meeting at 7:06pm.

Viva Voce Vote, motion carried

Meeting is adjourned at 7:06pm



Eric Arduini, City Clerk

CITY OF ROCK FALLS

Rock Falls, Illinois July 19, 2016

To the Mayor and City Council of the City of Rock Falls, Your Committee on Finance would respectfully report that they have examined the following bills presented against the City, and have found the same correct and would recommend the payment of the various amounts to the several claimants as follows:

Tourism		\$2,624.67
General Fund		\$210,795.21
Tax Increment Financing		\$850.60
Industrial Development		\$0.00
Electric	Electric O & M	\$652,563.03
Broadband Fund		\$1,248.82
GIS/IT Fund		\$1,420.00
Sewer	Sewer Revenue/O & M	\$301,613.22
Water	Water Revenue/O & M	\$16,432.72
Garbage		\$32,157.65
Customer Service Center		\$9,580.36
D.U.I. Fund		\$0.00
Drug Fund		\$13.41
Tobacco Grant		\$0.00
Motor Fuel Tax		\$45,035.06
Customer Utility Deposits		\$853.50
		<u>\$1,275,188.25</u>

Alderman Kuhlemier
Alderman Logan
Alderman Kleckler

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CITY OF ROCK FALLS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 07/15/2016

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
GENERAL FUND			
01	ADMINISTRATION		
4331	CIRCUIT CLERK OF LEE COUNTY	1,395.00	150.00
4333	CIRCUIT CLERK OF OGLE COUNTY		195.00
5087	ERIC ARDUINI	628.38	85.60
	ADMINISTRATION		430.60
04	BUILDING		
837	SHELL	12,549.08	78.04
	BUILDING		78.04
06	POLICE		
194	GRUMMERT'S HARDWARE - R.F.	1,545.72	3.59
350	GISI BROS. INC.	493.15	329.87
4212	WHITESIDE COUNTY		150.00
4508	LEXISNEXIS RISK SOLUTIONS	60.00	30.00
4729	TAMMY NELSON	333.04	144.34
533	ELECTRONICS, INC.	1,963.06	318.00
651	NICOR	4,382.48	23.36
67	B & D SUPPLY CO.	827.15	137.79
683	P. F. PETTIBONE & CO.	17.00	17.00
752	ROCK FALLS AREA DOG CONTROL	955.20	511.60
837	SHELL	12,549.08	2,675.44
	POLICE		4,340.99
10	STREET		
1224	AIRGAS USA LLC	4,119.61	21.80
194	GRUMMERT'S HARDWARE - R.F.	1,545.72	8.98
2606	MIKE'S REPAIR SERVICE	509.82	17.45
4827	KELLEY WILLIAMSON COMPANY	883.40	128.38
55	ARAMARK UNIFORM SERVICES, INC.	5,473.12	126.48
651	NICOR	4,382.48	93.83
837	SHELL	12,549.08	830.06
852	S.J. SMITH WELDING SUPPLY	282.99	59.40
	STREET		1,286.38

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INVOICES DUE ON/BEFORE 07/15/2016

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
12	PUBLIC PROPERTY		
651	NICOR	4,382.48	80.48
	PUBLIC PROPERTY		80.48
13	FIRE		
194	GRUMMERT'S HARDWARE - R.F.	1,545.72	27.69
2451	MENARDS	1,847.36	25.34
4207	O'REILLY AUTOMOTIVE INC	866.24	21.96
4385	ILLINOIS FIRE STORE	1,668.67	617.87
4428	MABAS DIVISION 30		250.00
482	JOHNSON OIL CO		52.32
5158	BRIAN MCPHILLIPS		53.36
651	NICOR	4,382.48	70.09
837	SHELL	12,549.08	769.24
	FIRE		1,887.87
BUILDING CODE DEMOLITION FUND			
12	BUILDING CODE DEMOLITION FUND		
4027	WHITESIDE COUNTY RECORDER	1,225.50	155.00
	BUILDING CODE DEMOLITION FUND		155.00
TAX INCREMENT FINANCING FUND			
16	TAX INCREMENT FINANCING		
4026	ILLINOIS EPA		250.00
	TAX INCREMENT FINANCING		250.00
TIF - DOWNTOWN REDEVELOPMENT			
19	DOWNTOWN REDEVELOPMENT		
1052	SAUK VALLEY MEDIA	6,589.17	600.60
	DOWNTOWN REDEVELOPMENT		600.60

INVOICES DUE ON/BEFORE 07/15/2016

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

ELECTRIC FUND			
20	OPERATION & MAINTENANCE		
1289	CITY OF ROCK FALLS UTILITIES	57,675.93	4,515.69
194	GRUMMERT'S HARDWARE - R.F.	1,545.72	27.87
2212	ALLIANCE MATERIALS, INC.	6,152.64	60.08
2244	SCHREINER'S EXPRESS LUBE	70.91	34.05
283	ANIXTER INC	6,427.30	2,769.20
34	ALTORFER INC.	18,377.03	37.56
4207	O'REILLY AUTOMOTIVE INC	866.24	12.50
4215	POWER LINE SUPPLY	4,349.14	367.50
437	ILLINOIS MUNICIPAL ELECTRIC	620,170.24	541,736.24
4794	MIKE WILKINS TREE & LANDSCAPIN	21,600.00	2,400.00
4795	WESTWOOD MACHINE & TOOL CO	646.00	646.00
5022	AIMS MECHANICAL, LLC	243,924.00	10,614.00
5117	NETWORKFLEET, INC	1,724.45	322.15
533	ELECTRONICS, INC.	1,963.06	139.00
55	ARAMARK UNIFORM SERVICES, INC.	5,473.12	300.94
651	NICOR	4,382.48	126.38
795	SBM BUSINESS EQUIPMENT CENTER	1,535.60	97.00
837	SHELL	12,549.08	1,423.15
T0002838	SUPREME CLEANERS		597.90
T0003559			68.29
T0003560			86.99
	OPERATION & MAINTENANCE		566,382.49
BROADBAND FUND			
21	BROADBAND FUND		
5018	USIC LOCATING SERVICES LLC	1,426.77	1,248.82
	BROADBAND FUND		1,248.82
SEWER FUND			
30	SEWER		
1023	WILLETT, HOFMANN & ASSOCIATES	11,810.26	7,744.26
5105	STANLEY CONSULTANTS, INC.	4,841.54	7,926.83
T0003566	HOERR CONSTRUCTION INC		93,217.34
	SEWER		108,888.43
38	OPERATION & MAINTENANCE		

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INVOICES DUE ON/BEFORE 07/15/2016

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

SEWER FUND			
38	OPERATION & MAINTENANCE		
1279	WILCO RENTAL	2,916.77	54.52
1289	CITY OF ROCK FALLS UTILITIES	57,675.93	19,499.05
1449	QUALITY READY MIX	7,463.75	166.25
194	GRUMMERT'S HARDWARE - R.F.	1,545.72	31.49
2063	TRUGREEN PROCESSING CENTER		375.00
2451	MENARDS	1,847.36	43.86
34	ALTORFER INC.	18,377.03	1,381.00
4045	SCADAWARE, INC.		2,939.80
4119	USA BLUE BOOK	3,199.16	2,589.52
4207	O'REILLY AUTOMOTIVE INC	866.24	11.98
4446	MORING DISPOSAL, INC.	66,855.16	300.00
4764	SCOTT BREED		24.99
4984	AQUAFIX INC		936.28
5117	NETWORKFLEET, INC	1,724.45	113.70
5131	METROPOLITAN INDUSTRIES, INC.	700.00	350.00
5151	LEE JENSEN SALES CO, INC.	29,705.59	1,206.70
533	ELECTRONICS, INC.	1,963.06	69.00
651	NICOR	4,382.48	184.43
837	SHELL	12,549.08	446.08
	OPERATION & MAINTENANCE		30,723.65
WATER FUND			
40	WATER		
5151	LEE JENSEN SALES CO, INC.	29,705.59	674.20
	WATER		674.20
48	OPERATION & MAINTENANCE		
1081	CMS APPLIANCE		300.00
1289	CITY OF ROCK FALLS UTILITIES	57,675.93	5,398.14
194	GRUMMERT'S HARDWARE - R.F.	1,545.72	89.02
34	ALTORFER INC.	18,377.03	1,318.00
4141	JEFF BEHRENS EXCAVATING	19,795.00	1,350.00
4207	O'REILLY AUTOMOTIVE INC	866.24	106.86
4361	FERGUSON WATERWORKS #2516	36,997.61	268.29
5151	LEE JENSEN SALES CO, INC.	29,705.59	545.00
55	ARAMARK UNIFORM SERVICES, INC.	5,473.12	104.38
651	NICOR	4,382.48	138.46
67	B & D SUPPLY CO.	827.15	45.87

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INVOICES DUE ON/BEFORE 07/15/2016

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

WATER FUND			
48	OPERATION & MAINTENANCE		
837	SHELL	12,549.08	546.12
	OPERATION & MAINTENANCE		10,210.14
GARBAGE FUND			
50	GARBAGE		
4446	MORING DISPOSAL, INC.	66,855.16	32,157.65
	GARBAGE		32,157.65
CUSTOMER SERVICE CENTER			
51	CUSTOMER SERVICE CENTER		
5063	SEDONA STAFFING	6,032.62	645.20
	CUSTOMER SERVICE CENTER		645.20
MOTOR FUEL TAX FUND			
65	MOTOR FUEL TAX		
2212	ALLIANCE MATERIALS, INC.	6,152.64	472.78
2555	CARGILL INC.	20,445.74	44,562.28
	MOTOR FUEL TAX		45,035.06
CUSTOMER UTILITY DEPOSITS			
75	CUSTOMER UTILITY DEPOSITS		
1289	CITY OF ROCK FALLS UTILITIES	57,675.93	150.00
T0003557			163.82
T0003558			29.05
T0003561			133.73
T0003562			122.65
T0003563			39.71
T0003564			31.47
T0003565			7.08
	CUSTOMER UTILITY DEPOSITS		677.51
	TOTAL ALL DEPARTMENTS		805,753.11

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INVOICES DUE ON/BEFORE 07/08/2016

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

TOURISM			
05	TOURISM		
1052	SAUK VALLEY MEDIA	3,783.48	330.00
176	PETTY CASH	248.00	15.00
200	COM ED	307.92	36.56
2796	U.S. CELLULAR	584.36	82.48
771	PINNEY PRINTING CO	2,894.00	223.00
795	SBM BUSINESS EQUIPMENT CENTER	1,350.97	78.13
T0003556	TEXAS ADVERTISING		1,859.50
	TOURISM		2,624.67
GENERAL FUND			
01	ADMINISTRATION		
1052	SAUK VALLEY MEDIA	3,783.48	232.05
4340	CIRCUIT CLERK CARROLL COUNTY		200.00
4571	CHARLES SCHWAB & CO, INC.	1,343.18	1,343.18
4904	CIRCUIT CLERK OF PEORIA COUNTY		825.00
4937	QUAD CITY BANK & TRUST	1,343.18	1,343.18
	ADMINISTRATION		3,943.41
04	BUILDING		
795	SBM BUSINESS EQUIPMENT CENTER	1,350.97	34.50
	BUILDING		34.50
05	CITY CLERK'S OFFICE		
795	SBM BUSINESS EQUIPMENT CENTER	1,350.97	72.00
	CITY CLERK'S OFFICE		72.00
06	POLICE		
1052	SAUK VALLEY MEDIA	3,783.48	717.00
1396	TJ CONEVERA'S INC	700.00	2,350.00
1448	COMMUNICATION REVOLVING FUND	279.12	279.12
1519	NOTARY PUBLIC ASSOC. OF IL		108.00
350	GISI BROS. INC.	441.21	51.94

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GENERAL FUND			
06	POLICE		
423	AT&T	3,654.90	415.90
4498	DAVID PILGRIM	109.56	80.63
4579	CROWN EXTERMINATORS, INC		50.00
4692	PANTHER UNIFORMS, INC.	582.67	229.25
4806	TASER INTERNATIONAL		1,038.04
4937	QUAD CITY BANK & TRUST	1,343.18	180,650.74
5096	TREASURER, STATE OF ILLINOIS	15.00	15.00
5097	ILLINOIS STATE POLICE	90.00	90.00
5098	ILLINOIS OFFICE OF THE	90.00	90.00
55	ARAMARK UNIFORM SERVICES, INC.	4,602.68	58.66
T0002640	IMPRINTABLE MEMORIES	730.15	94.00
	POLICE		186,318.28
10	STREET		
3010	CUSTOM MONOGRAM		790.25
4773	QUALITY CHEMICAL CO MIDWEST	8,036.32	806.48
5117	NETWORKFLEET, INC	1,440.20	151.60
55	ARAMARK UNIFORM SERVICES, INC.	4,602.68	124.60
	STREET		1,872.93
12	PUBLIC PROPERTY		
533	ELECTRONICS, INC.	1,924.06	39.00
	PUBLIC PROPERTY		39.00
13	FIRE		
1052	SAUK VALLEY MEDIA	3,783.48	1,136.64
1622	C.O.P.S. TESTING SERVICE, INC.		2,160.00
3173	MES - ILLINOIS	1,144.60	3,611.90
423	AT&T	3,654.90	323.25
4559	CHUCK'S COMPRESSORS INC		966.50
4866	LOESCHER	146.25	577.50
T0003242	INCE'S TOWING INC		400.00
	FIRE		9,175.79

INVOICES DUE ON/BEFORE 07/08/2016

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
BUILDING CODE DEMOLITION FUND			
12	BUILDING CODE DEMOLITION FUND		
5009	WILLIAMS LAWN CARE &	4,025.00	1,079.94
	BUILDING CODE DEMOLITION FUND		1,079.94
ELECTRIC FUND			
20	OPERATION & MAINTENANCE		
1052	SAUK VALLEY MEDIA	3,783.48	390.00
1255	VERMEER SALES & SERVICE OF	1,348.87	763.26
1279	WILCO RENTAL	2,338.93	587.84
176	PETTY CASH	248.00	66.01
1853	MOORE TIRES INC.	300.82	44.50
194	GRUMMERT'S HARDWARE - R.F.	1,493.15	30.08
219	CRESCENT ELECTRIC	735.25	44.13
2402	BROTHERS FLOORING		217.98
2451	MENARDS	1,811.39	35.97
4148	BHMG ENGINEERS	1,250.00	1,250.00
4207	O'REILLY AUTOMOTIVE INC	777.33	31.46
4215	POWER LINE SUPPLY	4,102.59	246.55
4794	MIKE WILKINS TREE & LANDSCAPIN	19,200.00	2,400.00
4938	MICHLIG ENERGY LTD		18,646.86
5020	GRAYBAR	1,068.88	85.20
5022	AIMS MECHANICAL, LLC	216,800.00	27,124.00
5083	HIGH VOLTAGE EQUIP DIAG INC		10,271.00
5144	INMAN ELECTRIC MOTORS	11,372.92	23,317.28
55	ARAMARK UNIFORM SERVICES, INC.	4,602.68	478.42
T0003554	[REDACTED]		150.00
	OPERATION & MAINTENANCE		86,180.54
GIS/IT FUND			
22	GIS/IT FUND		
4995	CLOUDPOINT GEOGRAPHICS INC	5,981.67	1,420.00
	GIS/IT FUND		1,420.00
SEWER FUND			
38	OPERATION & MAINTENANCE		
1279	WILCO RENTAL	2,338.93	-10.00

DATE: 07/08/2016
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CITY OF ROCK FALLS
DEPARTMENT SUMMARY REPORT

PAGE: 4

INVOICES DUE ON/BEFORE 07/08/2016

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

SEWER FUND			
38	OPERATION & MAINTENANCE		
176	PETTY CASH	248.00	10.40
4027	WHITESIDE COUNTY RECORDER	1,194.50	15.50
	OPERATION & MAINTENANCE		15.90
WATER FUND			
40	WATER		
5151	LEE JENSEN SALES CO, INC.	28,689.79	250.35
	WATER		250.35
48	OPERATION & MAINTENANCE		
1740	VIKING CHEMICAL CO	2,302.11	1,067.50
194	GRUMMERT'S HARDWARE - R.F.	1,493.15	22.49
2718	TOM ROWZEE	543.75	680.00
2796	U.S. CELLULAR	584.36	257.25
2851	FASTENAL COMPANY	293.35	22.22
4027	WHITESIDE COUNTY RECORDER	1,194.50	15.50
4207	O'REILLY AUTOMOTIVE INC	777.33	57.45
4361	FERGUSON WATERWORKS #2516	36,958.11	39.50
4995	CLOUDPOINT GEOGRAPHICS INC	5,981.67	1,433.75
5060	SAUK VALLEY PEST CONTROL INC	45.00	540.00
5117	NETWORKFLEET, INC	1,440.20	132.65
5143	HAWKINS, INC	7,261.35	55.51
5151	LEE JENSEN SALES CO, INC.	28,689.79	765.45
55	ARAMARK UNIFORM SERVICES, INC.	4,602.68	208.76
	OPERATION & MAINTENANCE		5,298.03
CUSTOMER SERVICE CENTER			
51	CUSTOMER SERVICE CENTER		
4081	CIVIC SYSTEMS, LLC	2,400.00	8,419.00
5063	SEDONA STAFFING	5,516.46	516.16
	CUSTOMER SERVICE CENTER		8,935.16
DRUG FUND			

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TIME: 09:07:08
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CITY OF ROCK FALLS
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 07/08/2016

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

DRUG FUND			
56	DRUG ABUSE		
4838	MORRISON VETERINARY CLINIC		13.41
	DRUG ABUSE		13.41
CUSTOMER UTILITY DEPOSITS			
75	CUSTOMER UTILITY DEPOSITS		
1289	CITY OF ROCK FALLS UTILITIES	57,600.44	75.49
T0003194	XXXXXXXXXX		100.50
	CUSTOMER UTILITY DEPOSITS		175.99
	TOTAL ALL DEPARTMENTS		307,449.90

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CITY OF ROCK FALLS
DEPARTMENT SUMMARY REPORT

INVOICES DUE ON/BEFORE 07/02/2016

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
SEWER FUND 30	SEWER		
5122	LEANDER CONSTRUCTION, INC.	43,234.38	161,985.24
	SEWER		161,985.24
	TOTAL ALL DEPARTMENTS		161,985.24

ORDINANCE NO. 2016-2269

**ORDINANCE AMENDING THE ROCK FALLS MUNICIPAL CODE
TO MAKE CERTAIN CHANGES IN PARKING WITHIN THE CITY**

BE IT ORDAINED by the City Council of the City of Rock Falls, Illinois, as follows:

SECTION 1: Chapter 18, Article VI, Section 18-163 is hereby amended by the addition of new subsections (9) and (10), to read as follows:

“(9) Upon the south side of West 2nd Street from the intersection with Fourth Avenue to a point 95 feet east of the center of the intersection of Fourth Avenue and West 2nd Street.

(10) Upon the south side of West 2nd Street from the intersection with 2nd Avenue to a point 99 feet west of the center of the intersection of West 2nd Street and 2nd Avenue.”

SECTION 2: Chapter 18, Article VI, Section 18-152 is hereby amended by the addition of a new subsection (a)(77) to read as follows:

“(77) On both sides of Sixth Avenue between West 10th Street and West 12th Street.”

SECTION 3: Chapter 18, Article VI, Section 18-152(a)(39) is hereby repealed in its entirety.

SECTION 4: In all other respects, Chapter 18, Article VI shall remain in full force and effect.

SECTION 5: The provisions and sections of this Ordinance shall be deemed to be separable, and the invalidity of any portion of this Ordinance shall not affect the validity of the remainder.

SECTION 6: All ordinances and parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

SECTION 7: The City Clerk is hereby directed to publish this Ordinance in pamphlet form.

SECTION 8: This Ordinance shall be in full force and effect from and after its passage and approval, and publication as required by law.

Passed by the Mayor and the City Council of the City of Rock Falls on the _____ day of _____, 2016.

MAYOR

ATTEST:

City Clerk

Aldermen voting Aye

Aldermen voting Nay

ORDINANCE NO. 2016-2272

BE IT ORDAINED, by the City Council of the City of Rock Falls, Illinois, as follows:

Section 1. The Municipal Code of the City of Rock Falls is amended by addition of the following as Subsection (107) to Section 18-120--Stop Intersections Designated:

“Section 18-120 (107). Vehicles traveling in a westerly direction on East 14th Street at the intersection of Mary Avenue.”

Section 2. All prior ordinances in conflict herewith are hereby repealed.

Section 3. If any section, paragraph, sentence, clause or other portion of this ordinance is held or deemed to be unenforceable or invalid, then such holding or finding of unenforceability or invalidity shall not affect the validity of the remaining provisions of this ordinance.

Section 4. This ordinance shall be effective upon its adoption, passage and publication in pamphlet form.

Passed this ____ day of _____, 2016.

ATTEST:

Mayor William B. Wescott

City Clerk

Alderman Voting Aye

Alderman Voting Nay

ORDINANCE NO. 2016-2273

BE IT ORDAINED, by the City Council of the City of Rock Falls that the Municipal Code of the City of Rock Falls be and the same is hereby amended as follows:

Section 1. Section 32-89 of the Municipal Code is hereby amended to read as follows:

“Section 32-89 Fire service.

(a) Every commercial or industrial customer of the municipal water service possessing a connection to the municipal water utility for fire suppression equipment installed within the premises of the commercial or industrial customer shall pay, in addition to the fees, rates and charges applicable for any water usage measured through a meter, a charge per month in accord with the following table:

<i>Meter Size</i>	<i>Monthly Rate</i>
2 inches	\$8.05
4 inches	\$10.05
6 inches	\$12.05
8 inches	\$14.55

(b) The rates specified in this section shall be applicable to and charged for all meter readings taken or for bills rendered after August 1, 2006.”

Section 2. All prior ordinances in conflict herewith are hereby repealed.

Section 3. If any section, paragraph, sentence, clause or other portion of this ordinance is held or deemed to be unconstitutional or invalid, then such holding or finding of unconstitutionality or invalidity shall not affect the validity of the remaining provisions of this ordinance.

Section 4. This ordinance shall be effective upon its adoption, passage and publication in pamphlet form.

Passed this ____ day of _____, 2016.

Mayor William B. Wescott

ATTEST:

City Clerk



City of Rock Falls, IL

PROPOSAL FOR

**FINANCIAL PROJECTION, COST OF SERVICE & RATE DESIGN
FOR WATER AND WASTEWATER UTILITIES**

July 11, 2016



Utility Financial Solutions, LLC
185 Sun Meadow Court
Holland, MI USA 49424
(616) 393-9722
Email: mbeauchamp@ufsweb.com

Submitted Respectfully by:
Mark Beauchamp, CPA, CMA, MBA
President, Utility Financial Solutions



July 11, 2016

City of Rock Falls City Clerk's Office
603 West 10th Street
Rock Falls, IL 61071

Dear Mr. Cox and Mr. Padilla:

Utility Financial Solutions, LLC (UFS) is pleased to submit a proposal to provide a Cost of Service Study for the City of Rock Falls Water and Wastewater Departments. Over the past 14 years, UFS has set the standard in independent financial analysis, cost of service and rate designs for Water and Wastewater utilities around the world, including Illinois. UFS is an international consulting firm with a staff experienced in all aspects of Water and Wastewater cost of service, financial planning and development of water and wastewater rates. Our process includes a presentation of the study results where we will help educate City Council to help them make an informed decision that best meets the objectives of their community.

UFS has extensive quality control procedures including a three level review of the study prior to presentation to the utility. This provides the utility with the assurance the study is accurate and defensible to the governing body and to rate payers. Our reputation has allowed us to be the recommended rate consulting firm for numerous joint action agencies around the country and the American Public Power Association (APPA). We are also the preferred vendor for cost of service and financial analysis through APPA's Hometown Connections.

Our experienced staff allows us to complete Water and Wastewater cost of service studies in a timely fashion and at a reasonable cost.

We appreciate the opportunity to submit this proposal and look forward to discussing it with you. If you have questions or need additional information, please me at me at 616-403-5450. If you would like to proceed, please sign the Project Fees / Engagement document on page 11 and return it to dkasbohm@ufsweb.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Beauchamp", is written over a horizontal line.

Mark Beauchamp, CPA, MBA, CMA
President, Utility Financial Solutions, LLC
185 Sun Meadow Ct
Holland, MI 49424

mbeauchamp@ufsweb.com
(616) 393-9722 Office
(616) 403-5450 Cellular
(888) 566-4430 Fax

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Understanding of Project Requirements

The City of Rock Falls Water and Wastewater Department is city-owned, not-for-profit Water and Wastewater Departments, serving more than 4,000 customers. Rock Falls is located between the Iowa/Illinois Quad Cities to our southwest and Rockford on our northeast, Rock Falls is located at the intersection of Illinois Routes 30 and 40 and is adjacent to Interstate 88 with two interchanges. The City of Rock Falls Water and Wastewater Department combined receive nearly \$4.5 million in operating revenues.

Summary of Services

1. Five Year Financial Projection that includes the following for the **Water and Wastewater Utilities**:
 - Determination of Revenue Requirements for each year
 - Development and identification of financial targets related to the following:
 - Debt Coverage Ratio
 - Minimum Cash Reserves
 - Operating Income
 - Identification of long-term rate track to maintain financial stability of utility and minimize the potential rate impacts on customers
2. Development of Cost of Service Study that identifies the following for **Water and Wastewater Utilities**:
 - Comparison of cost to provide service to each class with projected revenues
 - Monthly customer charges for each customer class/meter size
 - Water production and Wastewater treatment charges
 - Seasonality of costs
3. Rate Design (One year included for **Water and Wastewater Utilities**)
 - Development of rates to move classes closer to cost of service
 - Development of rates to move components of rates closer to cost of service
 - Identification of Impacts of rate changes by classes considering the following:
 - Percentage impacts at various usage levels
 - Dollar impacts at various usage levels
 - Percentage impacts for demand rate classes based on load factors
 - Identification of overall rate impacts on customers

4. Presentation to Staff and Council

- Review results and assumptions
- Development of appropriate financial targets
- Obtain input and feedback on rate track and rate designs including:
 - Overall rate change for each year
 - Customer charges
 - Review of seasonality of rates

5. Reports for **Water and Wastewater** Utilities

- Executive summary report discussing the following:
 - Financial projection results and rate adjustment to achieve financial targets
 - Cost of service results for each rate class
 - Cost based rate structures
 - Assumptions used in development of study
 - Recommendations on rate track, movement toward cost of service, financial targets, others as identified
- Second report on one-year rate design after input from staff and Council
 - Proposed rate design for each rate class
 - Rate impacts on each customer class
 - Rate impacts at various levels of usage for each rate class

Proposed Work Plan and Project Approach

Our approach to this project was developed to meet the objectives of the City of Rock Falls Water and Wastewater Departments and is based on the scope of services and UFS prior experience in completing cost of service studies around the nation including Illinois. Listed below are more detailed descriptions of the services provided, our process and sample outputs from our studies. Our proposed work plan is designed to meet the requirements and methodologies established in the industry.

Preliminary Tasks

Listed below are tasks to develop the financial projection and cost of service portion of the study.

1. Review of Relevant Reports

Review of certain reports is necessary to ensure the models are established to fit the specific requirements of the City of Rock Falls Water and Wastewater Department. Listed below are examples of reports to obtain and review.

- Yearly financial, operating and maintenance reports including fixed assets reports
- Outstanding bond issues and specific bond covenants
- Rate schedules and any special contracts

2. Collect and Verify Data

Meeting with utility management is critical to ensuring the final reports will meet the objectives of the City of Rock Falls Water and Wastewater Departments and the information request prepared by Utility Financial Solutions is understood. The specific objectives of the meeting will be to:

- Identify and clarify the scope of services and specific expectations of management
- Review billing system capabilities for providing the information necessary for the cost of service analysis. ***We will complete one revenue proof to reconcile revenues received compared with calculated revenues from billing system.***
- Review chart of accounts and determine strengths and weaknesses and its consistency with utility accounting practices
- Discuss with management the strengths and weaknesses of determining utility revenue requirements using a utility basis vs. cash basis
- Discuss water supply and recent or anticipated changes in rates or operations
- Additions or losses of major customers

3. Preparation of Data Request

After completion of the preliminary tasks UFS will prepare an information request that will include the necessary information to complete the study. Listed below are specific reports that will be requested:

- Customer billing and usage statistics by month for latest fiscal year
- Monthly production statistics or (Water & Wastewater) supply purchases
- Water & Wastewater supply rates for upcoming years
- Trial balances for latest two years
- Audited financial statements for the latest three years
- Debt service schedules
- Current work-in-process
- Future capital improvement plan
- System load data

Development of Five Year Financial Projection and Financial Targets *(For all utilities)*

Development of Sales Projection

Through review of historical sales and discussion with utility staff we will develop a projection of the following:

1. Future water sales
2. Number of customers
3. Billing demands
4. Miscellaneous revenues

Development of Utility Revenue Requirements

Revenue requirements are developed through review of historical expenses and discussions with the utility on changes in costs and the utilities budget. Completion of this tasks is summarized below:

- **Operating Expense Projection**

Operating expenses often include expenses related to operation, maintenance and administration of the utility and the distribution system. Operating expense projections are often based on historical expenses adjusted for changes in costs and includes adjustments for changes that management anticipates will occur in the future.

- **Debt Service**

The amortization schedules for outstanding debt service will be incorporated into the financial projection. The corresponding principal and interest expense are appropriately classified into the income statement and cash flow sections of the long term financial projection. Any potential future bonding requirements will be identified and incorporated into the projection with the debt coverage ratios compared with the bond ordinance requirements adjusted for certain safety factors to adjust for changes in weather.

- **Capital Improvement Plan**

A critical part of the financial projection is the capital improvement plan received from the utility. Often the capital improvement plan UFS receives is reviewed with utility staff for reasonableness and capabilities of the utility to complete the projects as stated. The financial projection models can easily incorporate sensitivity analysis for changes in capital but it is preferred that the report includes a reasonable approximation of the annual expense. The financial model will incorporate the capital plan and identify the sources of funding either from existing cash reserves, the annual rate funded capital or through the issuance of bonds.

UFS financial models and the subsequent cost of service studies are unique in their ability to easily change from cash basis revenue requirements to accrual basis (Utility Basis) revenue requirements. The financial models include both cash basis targets such as cash reserves and debt coverage; and accrual basis targets such as rate of return. Listed below are discussion of the development of the three main financial targets for utilities. UFS studies also include a review of secondary financial matrices such as debt/equity ratios, age of system, days cash on hand and working capital requirements as part of the overall assessment of the financial health of the utility.

- **Rate of Return**

Rate of return is often associated with investor-owned utilities. Public utility systems need to have a rate of return to breakeven and ensure customers are appropriately paying for their use of the infrastructure. The breakeven rate of return recovers two types of costs:

- Interest expense on outstanding debt
- Inflationary increases in an assets eventual replacement -

An appropriately developed rate of return identifies the annual funding requirements for capital replacement of existing facilities and prevents current customers from being overcharged or undercharged at any point in time. This helps prevent large rate increases often resulting when only the cash basis targets are reviewed. The rate of return typically results in a more financially stable utility requiring only modest rate adjustments once the rate of return target is achieved. Development of the rate of return target will include a review of interest expense on debt and the age of existing infrastructure to identify the breakeven rate of return requirements.

- **Minimum Cash Reserves**

A critical question for utilities is the amount of cash reserves required to be held in reserve to help ensure funds exist to pay bills in a timely manner, to fund catastrophic events, and future capital improvements. Each utility has various needs for cash and is dependent on the risks associated with the operations of a utility. As part of our studies we assist utilities with identifying the minimum level of cash a utility should maintain in reserves and include a review of the following:

- Historical investment in assets and age of infrastructure
- Exposure to catastrophic event
- Working capital requirements
- Debt service payments
- Risks related to changes in water supply costs
- Stability of rate structures and its ability to recover fixed costs

Review of the minimum cash reserves will be included as part of the study and will be discussed in the executive summary report and presentation to utility staff and Council.

- **Debt Coverage Ratio**

Utilities are often required to issue revenue bonds that include requirements related to debt coverage. It is critical for utilities to meet or exceed these bonding requirements to help ensure the utility maintains appropriate bond ratings to keep future interest rates low. As part of our studies we review the existing bond ordinances and identify the debt coverage requirements. These are included in the study with an appropriate safety factor to help ensure coverage requirements are met during periods of low sales due to weather or dramatic changes in expenses such as water supply costs.

Dashboard and Summary Financial Projections

The financial projection and financial targets are included in a dashboard summary and a rate track is developed to meet the financial targets. Development of the rate track attempts to minimize the impact of rate adjustments on customers while keeping the utility financially stable. A sample output from one of our studies is included below:

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Projected Cash Balances	Capital Improvements	Bond Issues	Debt Coverage Ratio
FY2015	3.5%	\$ 149,519,397	\$ 143,807,934	\$ 5,711,462	\$ 46,265,038	\$26,035,000	\$12,000,000	1.94
FY2016	1.5%	155,912,851	148,093,497	7,819,354	43,833,529	11,075,000	-	1.90
FY2017	1.5%	159,907,970	150,213,655	9,694,315	47,204,731	7,335,000	-	2.08
FY2018	0.0%	164,729,829	154,827,000	9,902,830	50,647,797	7,067,000	-	2.07
FY2019	0.0%	167,004,050	157,457,241	9,546,809	53,772,143	7,067,000	-	2.03
Recommended Target in FY15				\$ 9,209,655				1.40
Recommended Target in FY19				\$ 9,648,534				1.40
Recommended MINIMUM Target in FY15					\$ 46,004,821			
Recommended MINIMUM Target in FY19					\$ 49,087,209			

For the utility summarized in the table above, a rate track was developed to exceed debt coverage ratio targets, move toward target operating income (Rate of Return) and meet the minimum cash reserve needs of the utility. The study identified the need for a \$12 million dollar bond issuance in 2015 to fund capital improvements.

The rate track is reviewed with utility staff and Council prior to inclusion on the executive summary report.

Development of Cost of Service Study

The development of the cost of service study incorporates the revenue requirement identified as part of the financial projection. This section describes the additional procedures used in development of the cost of service study and sample outputs from previous studies.

Prepare Cost of Service Analysis

Customer classes are typically established based on differences in usage patterns. How customers use water dictates the cost of providing many of the utility services.

The cost of service portion of the model will determine the following:

- Rate adjustment necessary to meet rate of return requirements of the utility
- Cost to serve each class compared with projected revenues
- Rate adjustment necessary for class to meet cost of service requirements
- Monthly customer charge by class
- Volume charge for each customer class

A summary of the cost of service analysis is developed similar to the table below:

Customer Class	Cost of Service	Projected Revenues	% Change
Residential	\$ 47,326,833	\$ 43,615,239	9%
Residential Dual Fuel	21,403	10,081	112%
Residential High Efficiency HVAC	176,818	128,097	38%
Small General Service	17,795,064	16,519,937	8%
SGS - High Efficiency HVAC	59,308	50,427	18%
City Street Lighting	1,639,666	1,194,127	37%
Traffic Signals	127,158	105,392	21%
Security Lighting	198,138	209,386	-5%
Civil Defense Sirens	8,357	8,834	-5%
Medium General Service	30,370,455	30,157,753	1%
MGS - High Efficiency HVAC	194,666	171,438	14%
MGS - Time-of-Use	1,879,529	1,904,024	-1%
Large General Service	10,445,537	10,669,838	-2%
Large Industrial Service	22,575,880	20,755,543	9%
Interruptible Service	5,467,792	4,683,595	17%
Cogen and Small Power Prod	12,203	10,183	20%
Interdepartmental	929,722	946,527	-2%
Total	\$ 139,228,527	\$ 131,140,420	6.2%

The cost of service column from the table above identifies the cost to provide service to each class of customers and is compared with the projected revenues from each class. The percent change is the rate adjustment necessary for each class to achieve cost of service. We typically do not recommend rates move fully to cost of service, but as part of the discussions with staff and Council we develop a plan to move classes toward cost of service to minimize rate impacts on any specific customer class.



Breakdown of cost of service rate structure by type of expense for each class of customers

UFS cost of service studies identify cost in a summary and a detail cost breakdown for each class of customers. For example, the summary of costs identifies the class cost breakdown by customer charge and volume rate. An example is listed below in blue text:

Water and Wastewater

Cost of service results are one factor in design of rates for customers. Other factors must be considered such as impact on customers, social and environmental issues and philosophy of the Rock Falls City Council. We will work with management and staff in the design of water rates based on cost of service results, current rates, and impact on customer classes at various usage levels. We will make recommendations on rates for each class; identify potential new rate classifications, and weaknesses in current rate designs.

Description	Proposed Monthly Rate (\$)	# of Customers	Base Rate Revenues (\$)	Proposed Volume Rate (\$)	Volume 100 cf	Volume (- \$)	Proposed Revenue (\$)
5/8" Meter	\$ 8.37	1,842	\$ 185,010	\$ 2.72	73,567	\$ 200,101	\$ 385,112
3/4" Meter	11.15	74	9,901	2.72	5,970	16,237	26,138
1" Meter	17.80	250	53,400	2.72	36,819	100,147	153,547
1 1/4" Meter	30.00	1	360	2.72	767	2,086	2,446
1 1/2" Meter	37.00	61	27,084	2.72	27,602	75,077	102,161
2" Meter	69.50	64	53,376	2.72	141,568	385,065	438,441
3" Meter	170.00	9	18,360	2.72	78,302	212,983	231,343
4" Meter	275.00	10	33,000	2.72	140,089	381,041	414,041
6" Meter	761.22	-	-	2.72	-	-	-
Totals		2,311	\$ 380,492		504,682	\$ 1,372,736	\$ 1,753,228

Current Revenues \$ 1,710,407

Total Revenue Adjustment 2.50%

Executive Report and Deliverables

Format of Reports

UFS reports are typically separated into two reports listed below:

- **Executive Summary Report** – An overview that identifies the objectives, process and results of the rate study in a clear and concise format, the report includes graphs, charts, tables and recommendations.
- **Rate Design Recommendation Report**– The rate design report is a separate module. To ensure efficiency and timeliness of the study the executive summary is provided to management for input into the rate design process. The rate design report includes the following:
 - Comparison of the current and proposed rates
 - Expected revenues generated from proposed rates
 - Impact on customer classes at various usage levels or load factors within each rate class

Presentation of Cost of Service and Rate Design Study

A critical aspect of the study is the clear and concise presentation to the governing body of the utility. UFS professionals are skilled at explaining and working with advisory and governing bodies to ensure decisions are based on information they can understand and apply to their community. The following meetings are anticipated:

- Initial meeting – Conference Call to clarify scope of services, expectations of management and preliminary information request
- Fieldwork – Conference Call to verify data
- Review draft reports with management (Conference call and/or WebEx - On-site optional)
- City Council Presentation – Cost for one on-site presentation is included in this proposal

Deliverables

- 1) Long-term financial projection & rate track
- 2) Cost of Service Analysis
- 3) Minimum cash reserve determination
- 4) Debt Service Ratio
- 5) Target operating income (rate of return)
- 6) One-year rate design & revenue proof
- 7) One on-site City Council presentation



Fee Proposal

Prices, terms, and conditions are good for a period of 90 days from proposal date of 7/11/2016. Payment will be made through submission of invoice which itemizes the work performed. "Total not to exceed amount" does not include out of pocket travel expenses.

Total project fees for Water Scope of Services	\$9,300
Total project fees for Wastewater Scope of Services	9,800
Total Water & Wastewater Scope of Services	\$19,100

Anticipated Meetings:

- Initial meeting – Conference Call to clarify scope of services, expectations of management and preliminary information request
- Fieldwork – Conference Call to verify data
- Draft Report with management - Conference call
- City Council Presentation – Cost for one on-site presentation is included in this proposal in combination with electric COS presentation

Deliverables for each Utility:

- 1) Long-term financial projection & rate track
- 2) Cost of Service Analysis
- 3) Minimum cash reserve determination
- 4) Debt Service Ratio
- 5) Target operating income (rate of return)
- 6) One-year rate design & revenue proof
- 7) One on-site City Council presentation (combined with Electric presentation)

Out of Scope Services – on-site and travel expenses

Additional on-site visits if deemed necessary and agreed upon, will be billed at actual out of pocket expenses – plus travel time discounted at 50% of regular rates. In addition, out of scope service work hours are billed at the hourly rates listed on this page.

Hourly Rates (travel is discounted at 50%)

Mark Beauchamp	\$ 290.00
Dawn Lund	\$ 230.00
Mike Johnson	\$ 210.00
Dan Kasbohm	\$ 210.00
Joan Bakenhus	\$ 130.00
Support Staff	\$ 100.00 – 130.00

We look forward to exceeding your expectations.

Sincerely,

Mark Beauchamp, CPA, MBA, CMA
President, Utility Financial Solutions

Accepted By: _____

Date: _____

Firm Qualifications

Qualifications Introduction

UFS has a long standing relationship and over 15 years of history in assisting municipalities with cost of service and financial analysis for Water and Wastewater utilities and are recognized experts in the utility field. Our group and the project team assigned to this engagement is composed of highly qualified, experienced, and knowledgeable professionals who remain current on all issues facing utilities. UFS' reputation has resulted in an industry leading status shown by our frequent request to instruct classes and speak at conferences around the nation, the number of rate studies we have completed.

UFS provides consulting services to assist publicly-owned utilities in meeting their strategic and financial objectives. Services are designed to ensure complete client satisfaction and a commitment that:

- Services will be completed in the agreed upon timeframe
- Services are delivered within budget for services requested
- Services provided will meet or exceed client expectations
- Services will be unbiased and independent recommendations provided to the utility

The Project Manager for the City of Rock Falls Water and Wastewater Department will be Mark Beauchamp, CPA, CMA, MBA and staff as listed in this proposal. The resume of each individual is included in the resume section below. This section includes:

1. A summary of our experience and qualifications
2. Water and Wastewater Projects completed in past 36 months
3. Name of Contact Person for UFS
4. Proposed Team Members and Locations
5. Resumes of UFS personnel

Our experience and commitment to publicly-owned utilities ensures that we understand the issues they face and can assist in providing a variety of services including:

- Water and Wastewater cost of service and rate design
- Review of indirect cost allocations
- Fee and ancillary service charges
- Cost reduction strategies and benchmarking analysis for utilities
- Financial analysis and feasibility studies for offering telecommunication services
- Evaluating and developing policies and procedures
- Utility valuation services
- Financial analysis

Summary of Qualifications and Experience

Industry Leading Status

Utility Financial Solutions, LLC (UFS) are recognized experts in the utility field assisting electric utilities with cost of service and financial analysis. UFS is an industry leader and frequently requested to teach classes and present at Water and Wastewater utility conferences around the nation.

Training for Utility Management and Governing Bodies

UFS teaches a series of cost of service, rate design and financial training courses for utility management and governing bodies through American Public Power (APPA) education institutes, on-site training, and webinars. We are instructors for their training courses to assist with their certification program.

Training for Utility Staff

UFS personnel are the instructors on cost of service and financial planning courses offered through the American Public Power Association (APPA) and the National Association of Regulatory Utility Commissioners (NARUC).

These courses include the following:

- Basic Cost of Service
- Intermediate Cost of Service
- Advanced Cost of Service
- Financial Planning
- Utility Financial Check-up
- Cost of Service and Rate Design for Distributed Generation
- Development of Line Extension Policies
- Rate Structures to promote Energy Conservation
- Rate Structures to create Revenue Stability
- Advanced issues in Rate Design
- Advanced issues in Cost Allocations

Conference Presentations

UFS staff are frequently requested to present special topics at regional conferences around the nation including the APPA's National Conference, Educational Institutes, E&O Workshop and the Business and Financial Workshop. A sample of recent presentations are listed below:

- Development of Avoided Cost and Rate Designs for Distributed Generation
- Appropriate levels of Contributions to City (Payment in lieu of Tax)
- Information provided by Cost of Service Studies
- Cash Reserve Policies for Water and Wastewater Utilities
- Development of Utility Extension Policies
- Development of Key Financial Targets
- Cost of Service Challenges and Solutions

UFS' industry leading status has allowed us to present courses on distributed generation to the US Department of Energy and provide them with proper pricing methods to recover costs and promote renewable generation.

Quality Control

Proper quality control and management includes help ensure the accomplished work is in alignment with the project scope, is completed timely, within budget and the results are accurate and defensible. UFS implements a number of quality controls to achieve these desired goals, including a three level review of the financial projection, cost of service studies and that rate designs achieve the desired revenue requirements. The quality controls developed by UFS are specific to utility rate studies and are based on our prior experience working with Water and Wastewater utilities in the USA, Guam, the Caribbean and Canada. All portions of our studies include the following at a minimum:

1. Development of a detailed work plan based on scope of services and discussion with management
2. Establish work plan with projected milestones and timelines
3. Proof and Balance historical usage, expenses, and revenues with audited financial statements
4. Compare UFS financial projections with utility budgets
5. Review by Project Manager of projections and cost of service study
6. Review by UFS President or Vice-President of study results
7. Presentation of results by UFS with Utility Staff prior to finalizing study

Timeliness of Studies

Part of the quality control includes the timely completion of the rate studies. UFS experience in completing studies provides us the ability to complete the studies as requested and discussed in the initial kick-off meeting. It is anticipated the study will be completed for implementation during the upcoming fiscal year.

Experience:

UFS extensive experience includes completion of rate studies in 43 states, including Illinois and Guam, the Caribbean and Canada. We have worked with small utilities as well as some of the largest public power systems around the Country. A small sample includes: Nashville TN, Rochester MN, Danville VA, Naperville IL, Cedar Falls Iowa, Palo Alto CA, and Imperial Irrigation District.

UFS works with the utilities governing bodies to obtain rate approvals and develops rates to assist utilities in meeting the community's objectives.

Financial Strength

UFS commenced business in 2001 and has the highest financial rating by Dunn and Bradstreet.

Independence

UFS maintains its independence throughout its engagements to help ensure unbiased recommendations to the governing bodies. We do not provide services that could impair our independence such as engineering, accounting, or auditing services. UFS only provides financial services related to Financial Planning, Cost of Service and Rate Designs for Utilities.

Diversity of UFS Staff

The proper development of rate study requires knowledge in accounting, finance, economics and engineering. Utility staff has diverse backgrounds that include degrees in accounting (CPA), engineering, finance, economics and information technology.



Name and title of primary contact person

Mark Beauchamp, MBA, CPA, CMA
President, Utility Financial Solutions, LLC
E-mail - mbeauchamp@ufsweb.com
Cell - (616) 403-5450

Date firm established - UFS was established in September, 2001

Proposed service team including titles and responsibilities

Mark Beauchamp, President
Dan Kasbohm – Manager
Robert Blank – Financial Analyst

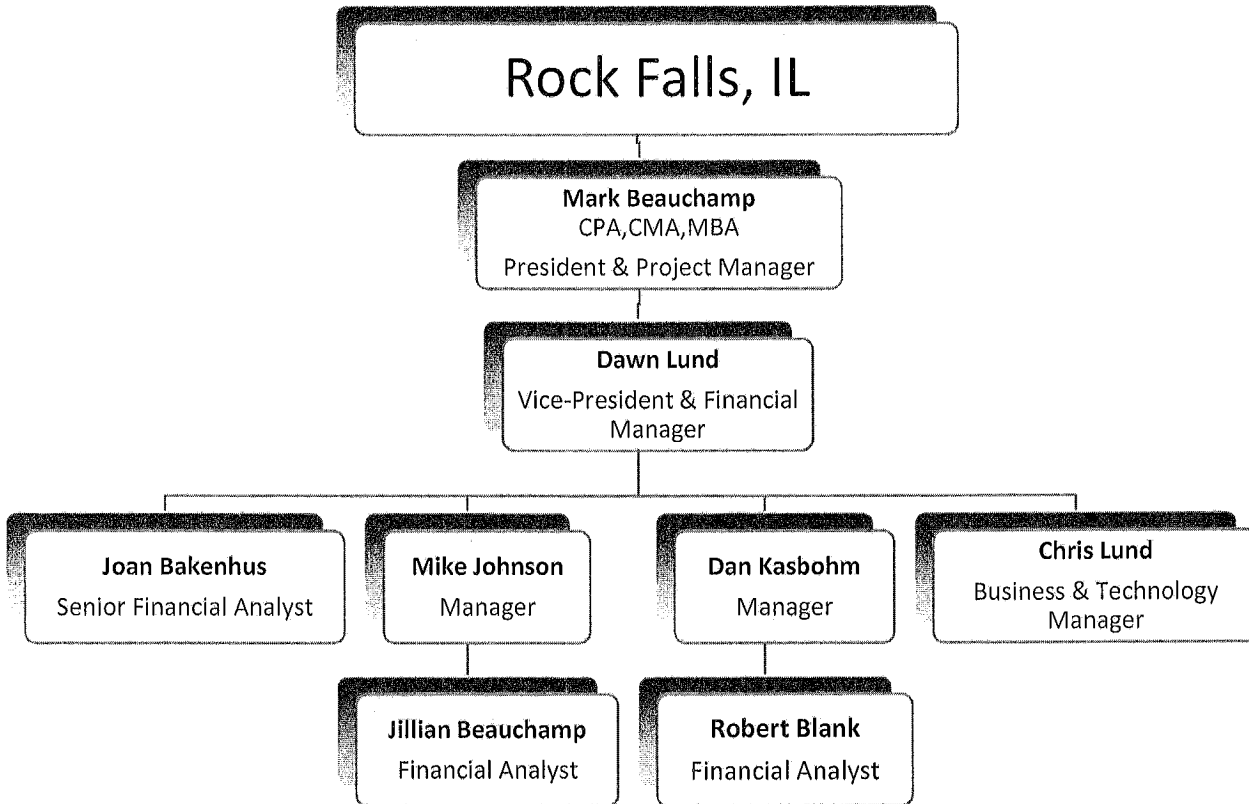
Full Time Staff and Office Locations	
Main Office and Contact, Authorized to negotiate and bind contract:	Authorized to negotiate and bind contract:
Title: President Mark Beauchamp 185 Sun Meadow Ct Holland MI 49424 UFS – 14 Years Industry Experience – 33 years Phone 616-393-9722 Fax 888-501-0998 Cell 616-403-5450 mbeauchamp@ufsweb.com www.ufsweb.com	Title: Vice President Dawn Lund 604 S Lake St Leland MI 49654 UFS – 12 Years Industry Experience – 20 years Phone 231-256-0092 Fax 888-566-4430 Cell 231-218-9664 dlund@ufsweb.com www.ufsweb.com
Title: Senior Analyst Dan Kasbohm 14986 Sandstone Road Grand Haven MI 49417 UFS – 10 years Industry Experience – 10 years Phone 616-846-6464 Fax 888-499-6609 Cell 616-402-7045 dkasbohm@ufsweb.com www.ufsweb.com	Title: Senior Analyst Mike Johnson 4901 Hermsmeier Road Madison WI 53714 UFS – 3 Years Industry Experience - 20 years Phone 608-230-5849 Fax 888-809-9640 Cell 608-609-6279 mjohnson@ufsweb.com www.ufsweb.com

Project Team Qualifications

Proposed team members

UFS has put together a project team with the knowledge and experience to successfully meet your requirements and to deliver the report by the agreed upon time-frame. The team has over 100 years of combined experience performing similar studies for utilities. This provides the City of Rock Falls Water and Wastewater Department with the experience to creatively solve financial and operational issues and help ensure financial stability in future years. The project team assigned has three team members located in Michigan plus support services out of Wisconsin and Nebraska. This team has completed cost of service, financial plans and rate design studies in 43 States, Guam and the Caribbean.

The personnel assigned to this engagement are listed below:



Staff Availability

Utility Financial Solutions has adequate staff available to complete the tasks in the timeline discussed.

Resumes

The next section consists of resumes of the team members assigned to this engagement.



Mark Beauchamp, CPA, CMA, MBA

President, Utility Financial Solutions, LLC

Email: mbeauchamp@ufsweb.com

Cellular: 616.403.5450

Location: Holland, MI

Education

- AAS Water Purification Technology
- ABA Business Administration
- BBA Major – Accounting
- MBA Master’s Degree in Business

Course Instructor

American Public Power Association (APPA)

- Advanced Cost of Service Course (Cash Basis & Utility Basis of Ratemaking)
- Intermediate Cost of Service (Cash Basis & Utility Basis of Ratemaking)
- Basic Cost of Service (Cash Basis and Utility Basis of Ratemaking)
- Financial Planning for Municipal Utilities
- Financial Planning for Board & Councils
- Financial Planning and Rate Setting for Managers (Part of Managers Certificate Program)

American Municipal Power (AMP)

- Financial Planning and Rate Designs for Electric Utilities

Expert Witness Service

- Detroit Edison vs. Ameritech – Provided expert witness services for Detroit Edison on development of Pole Attachment Rates for Ameritech
- Nebraska State Unicameral – Served as an expert witness before the state of Nebraska Unicameral on Proper rate setting and credits to provide customer installed renewable generation
- Dayton Power & Light – Provided expert witness services on pole attachment rates. Case was resolved prior to Court appearance
- Coldwater Board of Public Works – Provide expert witness services on rate challenge by large industrial customer. Case was dropped after deposition was provided
- Smethport PA – Provided deposition and responses to Pennsylvania Public Service Commission on Rate Filing for Smethport

License and Qualifications

- Class “A” license in wastewater treatment from the State of Michigan
- (CPA) Certified Public Accountant – Wisconsin
- (CMA) Certified Management Accountant – Institute Certified Management Accountants

Course Instructor

Michigan State University

- Advanced Issues in Cost Allocation (Utility Basis of Rate Making)
- Retail Costing and Pricing of Electricity
- Wholesale Costing and Pricing of Electricity

Southwest American Water Works Association

Michigan Rural Water Association

- Cost of Service & Rate Making for Water Utilities

Michigan Finance Government Officers Association

- Cost of Service & Rate Making for Water & Wastewater Utilities

Industry Involvement

- Member of the American Public Power Association
- Member of the American Water Works Association
- Member of the Institute of Management Accountants
- Speaker at national conferences on Financial Planning for Municipal Utilities, Pricing for Water Utilities, Pricing Fiber Optic backbone systems, Unbundling Electric Rates, and Ways to Attract and Retain Customers
- Author of articles appearing in national magazines and newsletters regarding pricing fiber optics, unbundling electric rates, and designing water rates

Dawn Lund

Vice-President, Utility Financial Solutions, LLC



Dawn has 20 years' experience pricing and marketing utility services for electric, water and wastewater. Dawn has worked with UFS for over 10 years and previously worked with a large utility and held positions as Cost and Rate Specialist and Marketing and Communications Specialist. Dawn works with utilities across the country teaching financial concepts and is also the instructor for Financial Planning courses for the American Public Power Association. She is also a regularly requested speaker for various regional and national organizations. Dawn has the following experience:

Email: dlund@ufsweb.com

Cellular: 231.218.9664

Location: Traverse City, MI

Cost of Service (COS)

- Completed electric water and wastewater cost of service and rate design studies for utilities across the country, Guam and the Caribbean
- Determining appropriate allocations of overhead costs between utility services

Long-term financial analysis

- Development of long-term sales and expense projections for electric, water, and wastewater utilities
- Development of long-term financial plan and rate track for electric, water, and wastewater

Presentation/Training

- Presentations to City Councils and Boards for approval of utility rates and proposed rate tracks
- Instructor for APPA's Financial Planning courses
- Monthly presentations to various organizations on topics such as: financial planning, Key financial targets, cash policies and how to explain rate increases to the end user, cost of services challenges/solutions, and Introduction to allocation studies

Rate Design

- Development of electric rate designs to meet financial and social objectives of utility
- Development of special rates for electric utilities including Net Metering, Economic Development and Time of Use

Other Utility Tools

- Development of power (fuel) cost adjustments for electric utilities
- Development of connection charges for water and wastewater utilities
- Review and recommend changes to ordinances related to utility operations
- Development of fees for utility services
- Business plan development for telecommunications and pricing of fiber services to customers
- Determining high strength surcharge rates for wastewater treatment plants consistent with EPA requirements
- Development of marketing plans for utilities
- Experienced in pricing electric line extension fees and system development charges

Mike Johnson

Manager, Utility Financial Solutions, LLC



Mike joined Utility Financial Solutions in 2011 and has over 20 years' experience assisting utilities. He has a Higher National Diploma in Mechatronics (Combined Electrical/Mechanical Engineering). Mike is experienced in cost of service, rate making, financial/operational modeling, automation, electric utility operations, and power supply.

E-mail: mjohnson@ufsweb.com*Cellular:* 608.230.5849*Location:* Madison, WI**Cost of Service**

- Development of cost of service studies for electric, communication, gas, water and Wastewater utilities
- Forecasts utility revenue requirements
- Cost allocation model development

Rate Design

- Provides cost of services class allocations and rate making
- Designs time of use rates
- Identify effects for different usage patterns within the same class
- Development of rates for alternative fuels and vehicles
- Evaluate marginal costs and development of line extension policies and economic development rates

Expert Witness Services

- Prepared and testified on filings to Public Utility Commission

Long Term Financial Analysis

- Develops utility financial analysis models
- Identifies growth and load forecasting
- Models rate and revenue effect for customer change within utilities (loss of customers/additional load)
- Develops target metrics for utilities including cash policies, operating income, debt coverage

Other Utility Tools

- Computes cost functionalization and allocation systems for designing and managing complex changes
- Evaluates data and system integration issues associated with new software implementations
- Provides market analysis, bidding and settlement processes analysis
- Identification and valuation of fixed assets
- Assessment of utility value for sales/purchase
- Development of risk mitigation tools, power/fuel cost adjustment mechanisms

Dan Kasbohm

Manager, Utility Financial Solutions, LLC



Dan joined Utility Financial Solutions in 2007 and has experience in conducting cost of service and financial analysis for electric, water, wastewater and cable utilities around the nation. He has a Bachelor of Science degree in Engineering and was employed in the automotive industry for 16 years. Dan is a co-instructor for the Basic and Intermediate Cost of Service courses for the American Public Power Association and has the following experience:

E-mail: dkasbohm@mail.ufsweb.com
Cellular: 616.402.7045
Location: Grand Haven, MI

Cost of Service (COS)

- Identification of fixed/variable costs related to:
 - Customer availability to be served
 - Commodity based costs
 - Demand based costs
- Identification of class to class subsidization
- Utility cost breakdown by function
- Detailed cost unbundling

Long-term financial analysis & identification of:

- Utility revenue requirements (utility and cash based methods)
- Debt Coverage conformance
- Minimum cash requirements
- Optimal operating income targets
- Optional rate adjustments in projected years

Presentation/Training

- Presenting study results to management and governing body of utility
- Provide utility training on use of projection & COS models
- Co-Instructor for the American Public Power Association Academy
 - Basic & Intermediate Cost of Service

Rate Design

- Current Utility rate structure updates
 - Utility revenue impact
 - Customer bill impacts at various usage levels
 - Identify revenue stability of rates
 - Rate survey analysis
- Development of new rates including:
 - Time of Use (seasonal, daily, hourly)
 - Power Cost Adjustment (PCA)
 - Coincidental-Peak Rates
 - Economic Development rates
 - Street lighting rates

Other Utility Tools

- Power Cost Adjustment mechanisms based on utility cash position, objectives and dispatch profile
- Street Light Cost of Service by light and pole types
- Load Profile Analysis to identify utility and customer usage patterns
- Power supply forecasting
- Implementation of a justified minimum cash policy
- Calculation of fees for standard utility work
- Development of line extension policies

Joan Bakenhus

Senior Financial Analyst, Utility Financial Solutions, LLC



Joan has 16 years' experience working with municipal utilities and has a degree in Business Administration. Joan has worked as a Rate Analyst for one of the largest public power systems in the nation (Lincoln Electric System) and for Utility Financial Solutions since 2006. Joan is experienced in development of long-term financial plans, rate design models and cost of service studies for electric, Water utilities. Joan's experience includes:

E-mail: jbakenhus@ufsweb.com

Cellular: 402.483.2542

Location: Nebraska

Cost of Service (COS)

- Working with Utilities to identify information requirements to complete cost of service and financial plans
- Set up and develop utility revenue requirements, cost of service program and utility revenue proof
- Balancing and set up of models for development of cost of service for water, wastewater and electric utilities to determine commodity and customer charges
- Responsible for analysis, preparation and updating cost of service models for a number of electric, Water utilities

Rate Design

- Balancing and set up of models for development rate design for water, wastewater and electric utilities to determine commodity and customer charges
- Development of rate design models for electric, Water utilities
- Development of rate surveys

Other Utility Tools

- Balancing of sales with revenue to help ensure proper billing statistics are used in cost of service models

Long Term Financial Analysis

- Development of long-term financial forecasts for water, wastewater, and electric utilities to determine the amount and timing of rate adjustments

Chris Lund

Business & Technology Manager, Utility Financial Solutions, LLC



Chris has a bachelor's degree in Business Administration with concentration in Computer Science and Speech Communications. He has been a technology and management consultant for over 20 years. Chris is an employee of UFS and has also sub-consulted on a variety of technology projects for UFS since 2003. A few of the highlights are below:

E-mail: clund@ufsweb.com

Cellular: 231.342.9798

Location: Traverse City, MI

Financial Consulting

- Completed cost of service and rate design studies for electric, water, wastewater, telecommunications and refuse utilities
- Designed, wrote and implemented long term financial projection model including revenue requirements and rate track
- Determined avoided cost for solar (photovoltaic - PV) and wind for renewable energy rates
- Lead consultant for electric vehicle (EV) rates and service study
- Conducted multiple fiber optic cost of service and rate design studies
- Presentations to City Councils and Boards for approval of utility rates and proposed rate tracks

Data Analytics

- Data mining and analysis specialist for electric load data research
- Specialist with data mining, data conversion and custom reporting
- Experienced with various ODBC (database connectivity)
- Implemented job costing solution for manufacturing companies
- Designed, written, implemented, supported multiple, custom bar coding and data collection systems for wholesale distribution and manufacturing organizations
- Data collection systems pushed data to payroll for time and attendance, automated inventory tracking and job costing

Technology Experience

- Experienced in Microsoft Excel automation – including payroll data, job costing and automated billing (office automation)
- Experienced in Microsoft Access custom database, programming and reporting – including electronic data interchange (EDI) mapping using Microsoft VBA
- Lead consultant for multiple mission critical, corporate wide enterprise resource planning (ERP) technology solutions
- Implemented, trained and supported multiple telecommunications projects
- Implemented and supported some of the first voice over internet protocol (VOIP) telecommuting systems
- Guide management with technology related strategy and business integration
- Modification and complete custom program solutions on midrange and PC
- Wrote automated bill of material (BOM) purchasing forecasting system
- Specify, install and maintain mission critical PC network infrastructure, servers, workstation and related software
- Experienced in network security and virtual private network (VPN) technology
- Implemented and supported web storefronts integrated with corporate backend database solution for inventory management, order processing, billing and account status

**Jillian Beauchamp, MEC.**

Financial Analyst, Utility Financial Solutions, LLC

E-mail: jbeauchamp@ufsweb.com*Cellular:* 616.283.8502*Location:* Holland, MI

Jill has been with UFS since 2013. She has a Bachelor's degree in Mathematics and a Master's degree in Applied Economics from Johns Hopkins University. Jill has populated and analyzed cost of service models, developed long-term financial projections, and designed rates for utilities. Jill specializes in econometric modeling and statistical analysis to project sales and usage. She has worked with a variety of econometric software packages and is competent in handling seasonality, trend, heteroscedasticity, and other economic inefficiencies that arise in data analysis. Jill is skilled in the following:

- Forecasting Utility revenue requirements
- Projecting revenues and expenses, asset depreciation, and net book value
- Designing rates based on Cost of Service results
- Analyzing rate payer impacts and sensitivities
- Working with Utility Staff to identify study goals and understand organization
- Keeping up to date on the current economic impacts of renewable energy, the relationship to the Clean Power Plan legislation, and potential effects on the Electric Industry

**Robert Blank**

Financial Analyst, Utility Financial Solutions, LLC

E-mail: bblank@ufsweb.com*Cellular:* 616.403.9926*Location:* Holland, MI

Robert has been working for Utility Financial Solutions since May of 2014 and has a Bachelor's of Business Administration with a major in Finance from Davenport University. Over his time at UFS he has conducted Utility rate surveys as well as developed rate designs. Robert has experience with long term financial projections and cost of service studies for Electric, Water, Wastewater, and Gas utilities. Robert's experiences include:

- Developing rate design models for electric utilities
- Conducting Rate Surveys
- Responsible for analysis of financial statements and preparation of cost of service models
- Working with utilities to identify the information needed to conduct an accurate cost of service study
- Calculating Minimum Cash Reserve levels, Target Operating Income, and Debt Coverage Ratios

References

UFS compiled a reference list of projects that have all been completed within the last five years:

Rochester Public Utilities, Minnesota

Contact: **Bryan Blom, Manager Finance & Accounting**

Phone/Email: 507.280.1616 / BBlom@RPU.ORG

Scope of Services UFS completed a cost of service and rate design study in 2011 and updated in 2014. Project included completion of the following tasks:

- Developed time of use rate structures for residential, commercial and Industrial rate classes
- Seasonal customer rates
- Review and assistance with Street Lighting rates
- Development of car charging station rates
- Development of time of use rate structures
- Long-term financial plan and rate track
- Review and recommendations for power cost adjustment
- Identification of minimum cash reserves
- Rate design for all rate classes
- Identification of financial goals and targets
- Review of Power Factor Penalty
- Review of Ratchet Clause
- Presentation to Board of Directors
- Project completed in 5 months

Brainerd Public Utilities, Minnesota

Contact: Todd Wicklund; Finance Director

Phone/Email: (218) 825-3220 / twicklund@bpu.org

Scope of Work: The project involved an electric, water & sanitary sewer cost of service study, long-term financial plan and rate design.

Naperville Electric Department, Naperville, Illinois

Contact: **Mark Curran, Electric Director**

Phone/Email: 630-305-5934 / curranm@naperville.il.us

Scope of Work: UFS completed a long-term financial projection, cost of service and rate design study in 2015 and are currently in the completing specialized rate designs including time of use. Project included completion of the following tasks:

- Development of time of use rate structures
- Long-term financial plan and rate track
- Review and recommendations for power cost adjustment
- Identification of minimum cash reserves
- Rate design for all rate classes
- Identification of financial goals and targets
- Presentation to Board of Directors and City Council
- Project completed in 6 months

Project Schedule**Nashville Electric Department, Tennessee**

- Client Contact: Sylvia Smith, Budget & Rates Manager
- Phone/Email: 615-747-3761 / Snsmith@NESPOWER.COM
- Scope of Work: The project involved an electric cost of service study, long-term financial plan, rate design, time of use rate design, and training on model.
 - Develop a long-term financial plan to assist in identifying the amount and timing of future rate adjustments. The financial projection included development of financial targets:
 - Cost of providing electric service to each class of customer.
 - Unbundle rates to determine:
 - Charges to each customer class for power supply broken down by demand, energy and season.
 - Charges to each customer class based on the voltage served for each customer and included secondary, primary, sub-transmission and transmission voltage levels.
 - Monthly customer charges to each customer class
 - Review utility rate classes and recommend additional rate classes or alternative rate forms for existing customer classes.
 - Development of Time of Use Rates
 - Design electric rates
 - Training on all cost of service, financial projection and rate design models
 - Electric Line Extension Policy

The City of Danville Department, Virginia

Client Contact: Jenny Holley

Phone/Email: hollejb@ci.danville.va.us

Scope of Work: UFS completed electric, water, wastewater, telecommunications and gas studies from 2014 – 2015 Completion of five year financial plan, setting minimum cash reserves, target operating income and review of debt coverage ratios for each utility. Present findings to Board of Directors. The studies included completion of the following for each utility:

- long-term financial projection & rate track
- Cost of service study for the electric, water and wastewater departments
- Rate Designs to meet projected revenue requirements
- Development of minimum cash reserve policy
- Development of wholesale water rates
- Presentation to the Board of Directors

Project Schedule

Our experience with municipal Water and Wastewater cost of service and rate design studies, allows us to conduct a cost effective and efficient study. The following table is a tentative project schedule for completion of the Water and Wastewater cost of service and rate design. This schedule will be finalized during the initial project kick-off meeting with management.

<i>Task</i>	<i>Expected Completion – Twelve Weeks</i>
Initial Meeting – Preparation of Information Request	Week One
Completion of Information Request by Client	Week Two
Planning/Set-up Models	Week Three – Five
Review and Development of Revenue Requirements	Week Six – Seven
Fieldwork	Week Eight
Cost of Service Analysis Component/Functional Costs	Week Nine
Cost based Rate Design and alternatives	Week Ten
Report, Recommendations & Presentation of Draft	Week Eleven
Final Report	Week Twelve

THE COMPLETION OF THE PROJECT ON THE PROPOSED SCHEDULE IS DEPENDENT ON THE COOPERATION OF VARIOUS DEPARTMENTS WITHIN THE CITY OF ROCK FALLS WATER AND WASTEWATER DEPARTMENT TO PREPARE THE INFORMATION REQUEST IN A TIMELY MANNER.



December 11, 2015

City of Rock Falls
Attn: Mr. Ted Padilla, Water Superintendent
603 West 10th Street
Rock Falls, IL 61071

Re: New Well No. 7 Submersible Pump Assembly/Installation

Dear Mr. Padilla:

Per your request, please find this proposal for procurement and installation of Byron Jackson submersible pumping equipment into the new proposed Well No. 7 that is currently scheduled to bid on December 16, 2015.

As Layne understands the recent Addendum #3, the City will procure the pumping assembly and installation outside of the well construction contract that will utilize funding from the IEAP loan program. This proposal is designed to present the items covered for this task.

Layne will furnish and install one 20 HP 3-Phase, 60 cycle, 1800 RPM, 460V, Byron Jackson Type M double-mechanical seal, oil-filled submersible motor, a Byron Jackson submersible pump capable of 1,000 gpm at 55 feet of total dynamic head (TDH), 80 feet of 8-inch domestic thread and couple column pipe with NSF 61 epoxy coating (inside/out), an 8-inch surge control valve and #6AWG power cable. Additionally, Layne will provide a 3-hour startup pump test to verify the operation of the pumping equipment. It is assumed that the City will collect bacteriological samples after startup of the equipment as this has not been included in the pricing.

Layne will furnish and install the above pumping assembly for a Lump Sum price of **\$98,721.00**

Lead time on this motor/bowl assembly is currently 32 weeks from receipt of purchase order to manufacturer, but we are currently confirming this lead time. Layne will place the motor/bowl order upon confirmation of the design points by the City's Engineer. It is ideal to confirm the yield of the new well through test pumping prior to placing the final order for the above assembly. If test pumping results require a different design of pump or motor based upon well performance, Layne reserves the right to modify the pricing above.

WATER RESOURCES

Layne values our longstanding relationship with the City of Rock Falls and is looking forward to again being of service to you on this project. If you have any questions, comments, or concerns regarding the proposal above please do not hesitate to contact me. I can always be reached either in the office at 630.897.6941 or on my mobile at 630.809.2707.

Sincerely yours,

Brian M. Snelten

Brian M. Snelten, P.G.
Project Manager
Layne Christensen Company

