



## City of Rock Falls Utilities Committee Meeting Minutes

Date: 02-21-2018

Time Meeting Started: 8:15am

Time Meeting Ended: 10:10am

Members		Also Attended	
Alderman Schuneman – Chairman	p	Ted Padilla	p
Alderman Kuhlemier		Ed Cox	p
Alderman Logan	p	Dick Simon	p
Mayor Wescott	p	Wayne Shafer	p
Shane Brown	p	Diane Hatfield	p
Tom Myers	p	Eric Arduini	p
Kim Groharing	p	Adm. Blackert	p

Topic	Discussion	Plan of Action
A.Roll Call	Meeting was called to order at 8:15am.	Meeting begins at 8:15am
B.Review of Minutes from January 29, 2018 meeting	A motion was made to approve the minutes by Alderman Logan, and second by Shane Brown.	Motion Carried
C.Public Comment	None	No action
D.Policy Creation/Review	No report	No Action
<b>MANAGEMENT/STRATEGY/CAPITAL PROJECTS</b>		
1.Utility Office a.Superintendent update	Superintendent Diane Hatfield presented a report of Utility Office projects.	No action
b.Credit/Debit Card Fee Review & Discussion	The Customer Service Office charges \$2.50 currently for the use of a credit/debit cards at the office. This fee was \$3600.00 short last year from covering the actual fees. A motion was made by Tom Myers, and second by George Logan to present an increase in the charge to the Finance Committee by \$.50 to \$3.00. This would take effect on May 1 <sup>st</sup> , 2018.	Motion Carried
2.Water Department a.Superintendent update	Water Superintendent Ted Padilla reported that they have been averaging one main break per week. His department has been helping the Street Department with snow removal. Some work will be done to replace equipment that was installed in 1991 at the plant. The Committee discussed depreciating the meters when they are purchased. Older meters that failed had a screen that plugged, and they were around 15 years old.	No action
3.Wastewater Department a.Superintendent update	Wastewater Superintendent Ed Cox reported that his plant has been keeping up with the storm water during the snow melt and rains. The plant has been taking in a little over 3Mil. gallons per day.	No action
4.Electric Department a.Avenue A Substation Review	Electrical Director Dick Simon is discussing options with BHMG and the IMEA concerning diesel, natural gas, the replacement of the Avenue A generators, and dedicated units for IMEA.	No action
b.Easements 1.Schmitt Property	Mr. Simon has received the information for the easements from Willett Hofmann & Assoc.	No action
2.Avenue A Substation	The County GIS mapping is wrong, and it needs to be cleaned up. Ave A and the substation are not owned by IFH Group.	No action

c. Review and discuss Ordinance Governing Interconnect & Net Metering Services and forms for Interconnection & Net Metering process.	Electrical Director Simon informed the committee that the City has some interconnect and net metering rules in place, and they need to be updated. The updated agreement will help the City have good control so that the renewable systems are hooked up correctly. Offsetting of bills will now be rolled over for 12 months instead of 3 months. The IMEA agreements only allow for 2% of the City's peak to come from renewables. A letter will be mailed to the current owners of renewable units for inspections, and to have bidirectional meters installed. IMEA would have to approve any renewable applications that put Rock Falls over 2%. Alderman Schuneman noted that if the Hydro plant is considered, the City is nearly at 2%. The monthly distribution system utilization fee has not been set. A motion was made by Kim Groharing, and second by Tom Myers to send the ordinance to the Ordinance committee for approval.	Motion carried
	Mr. Simon informed the committee that the Hydro is down currently due to the high water.	No action
5. Fiber/Broadband Department a. Superintendent Report & Updates	FiberNet Director Wayne Shafer reported the following; -Fire suppression has been completed. -The shelter will be placed soon. -The ARIN justification is moving forward for IPV4 Addresses. -He has been meeting with the schools. -Walker core equipment is arriving in the second week in March. -Pirtano will begin the buildout along Industrial Park Road, the Rt. 30, and finally Rt. 40. Construction will begin in March. -The contract with Magellan has been closed out -Currently looking for outside plant personnel.	No action
b. Review financial plan for fiber & monthly rate discussion for business and residential fiber customers.	City Administrator presented the FiberNet financial plan to the Committee. Data for setting rates was taken from conservative assumptions for uptake. Residential offerings are \$75.00 per month for 250Mbs asynchronous and \$125.00 per month for 1GB. Business rates are to be 250 Mbps - \$150.00 per month, 500 Mbps - \$275.00 per month, and 1 Gigabit - \$375.00 per month. The plan is based off of 45% uptake, and buildout of 17 fiberhoods. Adm. Blackert warned that the City currently does not have the borrowing capacity currently for the entire \$12 Mil. buildout. If there is a need for any interfund loans they would be paid back at the same interest rate as the bonds. Installation revenue was based on \$100 deposit as the installation fee. There was much discussion about the pricing tiers. 250MB may be enough today, but as IOT devices come along 1GB will be more of a necessity. There will be no data caps. Alderman Logan noted that using the EBITDA formula, the service will go positive in the 4 <sup>th</sup> year. This usually happens around year 6. A motion to approve the monthly rates for various fiber packages for residential and business customers was made by Tom Myers, and second by Bill Wescott. Mayor Wescott added that Rock Falls FiberNet is to be set on its own and grow as subscribers begin the up taking portion of the plan. He will be speaking that the Chamber of Commerce dinner and present the pricing.	Motion carried
c. Review marketing materials	Administrator Blackert is working on promotional material for the services.	No action
6. Review Budgets	The budgets were reviewed by the committee. A motion to approve the drafts, and move them to the Finance committee for approval was made by Tom Myers, and second by Mayor Wescott.	Motion Carried
F. Next Meeting Date & Time	The next meeting will be held on March 26 <sup>th</sup> at the Electric Department.	No action
Adjournment	With nothing else for the good of the committee, the meeting was adjourned at 10:10am	Meeting ends at 10:10am

Chairman 