

1. Discussion

Documents: [DISCUSSION - PROFESSIONAL SERVICES RELATED TO THE SALE AND DISTRIBUTION OF ELECTRICITY.PDF](#)

2. Minutes

Documents: [PUBLIC UTILITIES JANUARY 17 2013 MINUTES.PDF](#)

CITY OF BATAVIA

DATE: March 7, 2013
TO: Public Utilities Committee
FROM: Gary Holm
SUBJECT: Professional Services Related to the Sale and Distribution of Electricity

Throughout the past few years we have explored various options to lower our purchase power costs. While we have gained valuable insight and taken several tangible steps towards our goals, the fact remains that we still face challenges.

Staff has spoken with some of our local State Officials and feels that now is an appropriate time to engage legal consultation and potentially pursue legislative remedies that could result in long-term benefits for our citizen rate payers.

MINUTES
January 17, 2013
Public Utilities Committee
City of Batavia

PLEASE NOTE: These minutes are not a word-for-word transcription of the statements made at the meeting, nor intended to be a comprehensive review of all discussions. Minutes are intended to make an official record of the actions taken by the Committee/City Council, and to include some description of discussion points as understood by the minute-taker. Any references to discussion and/or statements are only to provide greater clarity to the public and they may not reference all, some, or any of an individual speaker's comments.

Chairman Frydendall called the meeting to order at 7:40 p.m.

1. Roll Call

Members Present: Aldermen Brown, Clark, Frydendall, Jungels, and Volk
Members Absent: Aldermen O'Brien and Wolff
Also Present: Alderman Thelin Atac, Brian Bettin, Manager of Electric Operations; John Dillon, Water Superintendent; Gary Holm, Public Works Director; Bob Rogde, Electric Superintendent; Mayor Schielke, and Connie Rizo, Recording Secretary

2. Approval of Minutes for October 30 and December 17, 2012

Motion: To approve the 10/30/12 and 12/17/12 Public Utilities Committee meeting minutes.
Maker: Volk
Second: Jungels
Voice vote: 5 Ayes, 0 Nays, Motion Carried.

3. Discussion: Cross Connection Control Contract Proposal (John Dillon 1/9/13)

John Dillon stated that this item was on the agenda for discussion and commented that the City has had code 8-2-17 cross connection control since 1990. Dillon stated that the City is mandated to have this by the IEPA since all public water utilities are mandated in the State of Illinois. Dillon stated that Batavia has done a pretty good job with it over the years and the reasons may not be known by the citizenry for cross connections and back flow preventers, but basically the devices are put on the water service lines where they enter buildings and/or on fixtures within buildings to help prevent water from siphoning back or flowing back into the City's water system.

Dillon stated that regular site surveys have been performed at high risk industries. Dillon indicated the ordinance also pertains to residential properties, especially those that have lawn irrigation systems. Dillon stated those that have lawn irrigation systems are in the inventory database because they are also required to have backflow

prevention devices on their service lines. Dillon mentioned the City is also required to maintain the database of all these devices, which currently is over 2,000 in the inventory throughout the City. Dillon explained that what is required is they need to be tested once a year by a licensed certified plumber who has the cross connection training.

Dillon relayed that recently the City Council was made aware that a community-wide survey was sent to all customers (9,000), including some water-only, some sewer-only, and some combination. Dillon explained the City has been processing the survey forms into the water utility over the last month and a half and to date over 3,000 have been entered into the database.

Dillon commented that over the last several years, as this has developed into quite an industry in the State of Illinois, there have been private contractors who develop these same programs that the City of Batavia has. These private contractors also offer to municipalities, for a fee, to perform the administrative tasks that the City of Batavia has been doing in house. Dillon explained that the way these private contractors get paid is that the plumbers who go out and test the devices at the City's customers' houses input the data directly into a software program that the private contractors develop and as they enter the data they have to pay at approximately \$9.99 per test. Dillon mentioned the cost can be absorbed or passed onto the customer, so it is a user-fee based program. Dillon indicated several cities have gone to this private contractor user-fee based program. Dillon stated the fees can be tailored to the community. Dillon stated there is a base fee that is required to be paid by the customers that enter into this type program. Dillon stated the City's pay very little to sign on with the private contractors and the programs are very comprehensive.

Dillon indicated that staff time in the water utility is being stressed with the water meter program. Dillon stated if the City were to go with this private contractor program it would need to provide them with the City's current customer database. Dillon stated the City could pay the fee or the customer could pay the fee or it could be divided between the two. Dillon stated the plumbers get about \$45 to \$145 to test these devices annually. Dillon stated there are five companies in the Chicagoland area who are in the cross connection administration business. Dillon pointed out the ultimate goal is to get through the town and discover the cross connections in order to eliminate them before they become a problem for the utility. Dillon stated he was not prepared to bring a proposal to the Committee this evening, but wanted to get feedback from the Committee to see if it was in favor of continuing this in-house or using contractors and have a user-fee based program.

Chairman Frydendall expressed his concern about a potential outside contractor going out of business after a few years of usage and the City wanting the data that may not be compatible with City equipment and the cost to get the data back. Chairman Frydendall asked Dillon to find out if the City could have the program and be cost effective by hiring a part-time person to work for the utility that would process the information submitted

electronically by the plumbers. Chairman Frydendall opined then the City could control the information forever using a part-time person in house.

Ald. Volk stated he thought it was good idea to contract out the service. Ald. Volk expressed he would hesitate to take on a part-time person, but still requested Dillon to research the cost/benefit of both approaches. Ald. Volk stated the City has to have control over the rates. Ald. Volk also spoke about the concern of the plumbers to identify themselves to the City's customers and also being reputable. Ald. Volk stated there should be close work with Howard Chason and Todd Davis to make certain any database that is established is one that anyone could read.

Dillon commented he would return to the Committee with further information on these suggested approaches.

4. Approval: Waive formal bidding requirement for water meter purchase

John Dillon stated this agenda item also relates to Resolution 13-07-R. Dillon stated there is only one vendor the City is working with, thus the request to waive formal bidding. Dillon indicated staff has spent considerable time in meetings on this topic over the past several years. Dillon explained Batavia has been a Badger Meter community since the mid-1970s and that the company is one of the top meter companies in the world from the U.S.A. Dillon shared the City has always been happy with the Badger Meter products and that they are reliable and offer good service.

Dillon advised that in order to have a sufficient amount before going to the customers to install the new meter the City would be buying large quantities of electronic meters and lead time was also a factor. Dillon stated the utility has previously talked to the City Council about the Itron radio reads. Dillon mentioned that Itron is the industry leader in electronic reading devices. Dillon explained that the utility bid out the reading system only, which is half of the cost of the meter. Dillon advised Midwest Meter who is the Badger Meter supplier was the lowest on the Itron product as well.

Dillon stated the utility does not want to mix and match products because the water meters are important to the utility and the utility wants to avoid programming, reading, and billings issues. Dillon shared the program would take four or five years to cover the entire City. Dillon stated the purchase of the meters would come from the water and sewer fund.

Chairman Frydendall inquired if there was an efficiency in reading the water meter and whether it would be compatible to the electric meter when it is converted over. Bob Rogde stated the electric meters would follow the water meters lead. Rogde stated the electric utility is still able to bid the house meters and commercial meters because there are vendors left. Dillon stated the same equipment in the vehicle would read both meters. Rogde stated the electric meter program is less complicated than the water

meter program. Rogde stated he would let the water utility set the pace for the meter program route by route.

Motion: To recommend to City Council to waive formal bidding requirement for water meter purchase.
Maker: Volk
Second: Clark
Voice Vote: 5 Ayes, 0 Nay, Motion Carried.

5. Resolution 13-07-R Authorizing the purchase of water meters (John Dillon 1/11/13)

Motion: To recommend to City Council approval of Resolution 13-07-R authorizing the purchase of Badger water meters and Itron reading devices from Midwest Metering, Inc. of Edinburg, Illinois, for an amount not to exceed \$150,000.00.
Maker: Volk
Second: Clark
Voice Vote: 5 Ayes, 0 Nay, Motion Carried.

CONSENT AGENDA

6. Ordinance 13-05 Amending 8-2-16, water conservation ordinance (John Dillon 1/11/13)

John Dillon stated that the water conservation ordinance was developed by the **Northwest Water Planning Alliance**. Dillon explained there is about 80 communities and five counties in northeastern Illinois outside of Chicago. Dillon mentioned it was an off-shoot of the Chicago Metropolitan Agency for Planning water 2050 plan, which included the 11 counties in northeastern Illinois. Dillon indicated this was spearheaded from Mayor Weisner from Aurora along with other suburban Mayor's and the County Board Chairman. Dillon stated Mayor Weisner chairs the Executive Committee. Dillon shared that the Technical Advisory Committee is chaired by Peter Wallers from Energy Enterprises, Sugar Grove, Illinois.

Dillon relayed that one of the goals of the NWPA is to develop a uniform water conservation ordinance to have the 80 communities and five counties adopt. Dillon explained that the ordinance is almost identical to what Batavia was already doing.

Gary Holm stated there was a comment about homes within the border of the city that were not on city water, but were drawing from the same aquifer. Dillon explained that there are some customers that have old private wells that are not tapped into the same aquifers that the City of Batavia uses for its public water supply. Dillon stated the deep aquifer and shallow aquifer are not ones that these wells in old Batavia draw water from.

Dillon pointed out that people who are going to use private wells out of the same aquifer would have to follow the same restrictions if they are within the corporate limits of Batavia, which Dillon commented would not be an issue for anyone.

Ald. Volk stated he did not have any real problem with it all. Ald. Volk pointed out it was not clear what the appeal and adjudication process was if one is fined. Dillon stated an O series ticket is issued, which would send the customer to adjudication. Ald. Volk asked Dillon to double check this with Kevin Drendel, City Attorney. Dillon replied he would check with Kevin Drendel.

Motion: To recommend to City Council approval of Ordinance 13-05 amending 8-2-16, water conservation ordinance.
Maker: Volk
Second: Jungels
Voice Vote: 5 Ayes, 0 Nay, Motion Carried.

CONSENT AGENDA

7. Ordinance 13-04 Amending 8-2-8-2, Water Meters (John Dillon 1/11/13)

John Dillon stated all the water meters in Batavia would be changed and there are individuals who do not respond to City's request to have work done for whatever reason inside their homes. Dillon reviewed the code to find that it does not specifically state what the repercussions are for not allowing City work to be done at a residence. Dillon commented it does take a lot of staff time and effort to attempt to make appointments with customers. Dillon pointed out these customers are taking the water and the utility does reserve the right to meter and charge the water, so indirectly the utility has the right to uphold the ordinance and enter customers' homes if necessary.

Dillon suggested after repeated attempts then a final notice should indicate if the customer does not contact the utility within a specified period of time for needed work the City reserves the right to charge more for the water and sewer. Dillon asked for feedback from the Committee on this issue.

Ald. Volk stated it would not be practical to end up with 6-12 hand read meters scattered throughout the community because it would defeat the whole purpose of the new electronic reading. Ald. Volk was in favor of charging the customer rather than shutting their water off.

Ald. Brown was in favor of charging the uncooperative customer as well because the utility needs to gain access to the equipment located in the house.

Chairman Frydendall indicated if an utility employee needed to especially come out and read the old meter on a permanent basis because the customer did not want to have

the meter changed to the newer electronic read meters they should be charged an additional fee as well. Dillon stated that is another issue not addressed in this ordinance. Dillon stated that issue would be dealt with as part of another ordinance revision. Dillon commented all these scenarios would need to be dealt with.

Chairman Frydendall spoke in favor of having installers being able to put meters in place after hours to accommodate customers who work during the day and would only be home in the evenings. Dillon mentioned that on the letter to the customers it is indicated that they can sign up for installation during the evening from 5-7 p.m. or Saturday mornings.

Motion: To recommend to City Council approval of Ordinance 13-04 amending 8-2-8-2, water meters.
Maker: Volk
Second: Jungels
Voice Vote: 5 Ayes, 0 Nay, Motion Carried.

CONSENT AGENDA

8. Resolution 13-09-R Awarding 2013 electric tree trimming contract to Asplundh for an amount not to exceed \$150,000 (Brian Bettin 1/10/13)

Brian Bettin stated that this year's bid is for electrical line clearance for the east side of Batavia including the fiber optic cables along with provisions for the 138 kV transmission line depending on the trimming needed on that. Bettin indicated the intention is to conduct line clearance on one half of the City's overhead structures every other year. Bettin explained that staff believes that the bi-yearly trimming will keep the lines, clear safe, and less visual impact to the customers. Bettin added that it would increase the system reliability.

Bettin stated the bid packets were distributed to six companies. Bettin conveyed the City received one completed bid packet. Bettin shared that the City is conducting the tree trimming contract under the premise of maintenance work to trim trees from existing power lines and removing trees on a case by case basis.

Bettin commented that compared to last year on cost showed that Asplundh was the lowest and the only bidder for this year and they also completed the 2012 tree trimming contract with satisfactory results. Bettin stated the City has allocated \$150,000 for the 2013 budget for the tree trimming. Bettin shared that the foreman wage went slightly up for this year's contract.

Chairman Frydendall pointed out the memo indicated west side and not east side. Bettin stated the work will be done on the east side. Gary Holm stated the resolution wording just says tree trimming.

Motion: To recommend to City Council approval of Resolution 13-09-R awarding the 2013 electric tree trimming contract to Asplundh in the amount not to exceed \$150,000.00.
Maker: Volk
Second: Jungels
Voice Vote: 5 Ayes, 0 Nay, Motion Carried.

CONSENT AGENDA

9. Resolution 13-08-R Authorizing Execution of Master Services Agreement with Electric Engineering Consultants, PC. (Mustafa Kahvedzic 1/11/13)

Bob Rogde stated the MSA was very similar to others done in the past. Rogde indicated the utility is looking at having a contract for some tasks at a later time with Electric Engineering Consultants. Rogde stated for electric now there are two existing MSAs. Rogde advised there might be a few more MSAs forthcoming.

Chairman Frydendall asked if Rogde had worked with EEC before. Rogde replied it was his belief the engineers have worked with EEC.

Chairman Frydendall inquired about Mickey, Wilson, Weiler, Renzi & Andersson, P.C. mentioned in page 6 of the resolution. Holm advised they are the attorneys for that company.

Motion: To recommend to City Council approval of Resolution 13-08-R authorizing execution of Master Services Agreement with Electric Engineering Consultants, PC.
Maker: Volk
Second: Jungels
Voice Vote: 5 Ayes, 0 Nay, Motion Carried.

CONSENT AGENDA

10. Resolution 13-11-R Declaring surplus property electric utility (Bob Rogde 1/14/13)

Motion: To recommend to City Council approval of Resolution 13-11-R declaring surplus property electric utility
Maker: Volk
Second: Clark
Voice Vote: 5 Ayes, 0 Nay, Motion Carried.

CONSENT AGENDA

**11. Resolution 13-13-R Authorizing purchase of warehouse pickup for Electric
(Brian Bettin 1/14/13)**

Motion: To recommend to City Council approval of Resolution 13-13-R authorizing purchase of warehouse pickup truck for Electric.

Maker: Volk

Second: Jungels

Voice Vote: 5 Ayes, 0 Nay, Motion Carried.

CONSENT AGENDA

12. Closed Session: Sale of Electric Power (No Memo)

Motion: To adjourn to Closed Session for the purposes of discussion of sale of electric power.

Maker: Brown

Second: Jungels

Voice Vote: 4 Ayes, 1 Nay, Motion Carried.

The meeting was adjourned to Closed Session at 8:38 p.m. and when Regular Session resumed at 8:44 p.m. all the same Committee members were present.

13. Other

None.

14. Matters From the Public

None.

15. Adjournment

A motion was made by Ald. Volk and seconded by Ald. Clark to adjourn the meeting at 8:45 p.m. All were in favor and the motion was carried.

Minutes prepared by
Connie Rizo