

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT SERVICES COMMITTEE MEETING
CHAIRPERSON RYAN BONGARD
MONDAY, APRIL 22, 2024**

1. CALL TO ORDER AT 7:00 p.m.

2. ROLL CALL

Present: Weber, Silkaitis, Bongard, Muenz, Lencioni, Gehm, Pietryla, Wirball, Bessner

Absent: Foulkes

3. ADMINISTRATIVE

4. OMNIBUS VOTE

Items with an asterisk (*) are considered to be routine matters and will be enacted by one motion. There will be no separate discussion on these items unless a council member/citizen so requests, in which event the item will be removed from the consent agenda and considered in normal sequence on the agenda.

Motion by Ald. Bessner, second by Ald. Wirball to approve Omnibus items.

Roll Call Vote: Ayes: Aldr. Weber; Aldr. Silkaitis; Aldr. Muenz; Aldr. Lencioni; Aldr. Gehm; Aldr. Pietryla; Aldr. Wirball; Aldr. Bessner **Nays:** None. Chairperson Bongard did not vote as chair. **Motion Carried.**

5. PUBLIC WORKS DEPARTMENT

A. Illinois Municipal Electric Agency (IMEA) Power Sales Contract.

Presentation by Peter Suhr.

Aldr. Weber stated the current solar is a half-mega watt and asked what the new solar that is being added will be? Mr. Suhr stated there are 10, five-megawatts in each community, and he is not sure what the distribution is being three communities, but 10 more of what currently have in St. Charles is going on line next year.

Aldr. Bessner asked if we have different timelines than other cities? Mr. Suhr stated no, the ten communities who signed on were ready to move forward with their contract today, St. Charles is not.

Aldr. Bessner asked if renewable resources have anything to do with the 10 to 20 year contract pricing? Mr. Suhr stated yes, each one of those renewable deals will have its own contract and they will come on line at different times as well.

Aldr. Wirball asked when Council will be able to look at the contract? Mr. Suhr stated in June. Aldr. Wirball mentioned about the sustainability plan not being in the contract because of new technologies; if we are going to be net-zero by 2050, why can't we put a percentage in the contract without the specifics so it allows the flexibility? Is that a possibility to do that, or do you have to inquire? Mr. Suhr stated that at this time, any change to the contract would be difficult, especially because 10 communities have signed the contract, but that doesn't mean he can't ask. Aldr. Wirball stated with CEJA, we have to comply anyway, so why not put it in the contract? Mr. Suhr stated it works both ways, it's just a goal, so it doesn't mean anything contractually – what if we wanted to go higher than what was in the contract? Would that be going against the contract then? That's what makes it difficult.

Aldr. Wirball stated he went to the IMEA website and was reading about the new contract and read about a member directed resources; what does that mean? Mr. Suhr stated this is a new concept; the contract that we have proposed from 2035 to 2055 is almost identical to the contract we've had for 20 years. But one new thing is Member Directed Resources. At its core, that allows for any one of the municipalities to go faster than IMEA wants to go in regards to renewable energy - 10% of our total resources, we can decide for ourselves. IMEA would negotiate all the contracts and prepare all the legal documents for that. The only requirement is we pay it forward in full. Aldr. Wirball asked how that would take place? Would Council vote on it? Mr. Suhr stated if you felt like us a community wanted to move faster, I would need a few months to prepare and would come back to you with a plan to move forward.

Aldr. Wirball asked about Value Added Services already built in; how does that apply to St. Charles? Is there a connection to our solar farm? Mr. Hopkins stated we don't produce solar; the solar in St. Charles is owned by a private company and is connected through our electric, back to IMEA's grid.

Aldr. Wirball asked who will pay for things that are going to be done in Southern Illinois or Kentucky? Would you come back to Council or would IMEA present it to Council? Mr. Suhr stated he would relate that to our water plant expansion that he needs to do six years from now; do we know how Finance Director Hannah is going to pay for that now? No, we don't. But the way City Council functions at budget time is the same way as the IMEA Board of Directors; we make decisions on projects and vote on it. Aldr. Wirball asked

about projects that are an enormous undertaking – will that come back to Council? Mr. Suhr stated that right now, as the Board Member for IMEA, I would be in front of you before having a vote at IMEA. That comes back to the local control; we as a Public Works Department, as the Board Member for IMEA, I can be in front of you every six months to give you an update.

Mr. Suhr read the definition of carbon capture is the process of capturing carbon dioxide formed during power generation and industrial processes and storing it so it is not emitted into the atmosphere. This is IMEA's position on that – IMEA supports technology innovations which are necessary to shape the energy system of the future for decarbonization. That's all it was, supporting University of Illinois, who received a grant to do that work; it didn't cost IMEA a cent to do that work. That study was completed in 2022 and coupled with Federal Regulations. A 3rd party developer could pursue a future carbon capture project. However, IMEA does not desire to pursue that on our own. It would be Prairie State Coal contracting with a 3rd party to do carbon capture at their goal plant. IMEA, as a 15% owner in that company would keep an eye on that, and if there would be any costs that come back to us, that would be a decision we would talk about.

Aldr. Pietryla asked if there are there plans to get to 100% carbon capture before Trumbull and Prairie State retire? Mr. Suhr stated if there are things they can continue to do to improve their plant, I assume they would. Aldr. Pietryla asked about expansion of Energy Efficiency Programs and how great of a possibility that would be for rebates, etc.? Mr. Suhr stated it is very possible and a lot of programs are already in place for rebates. Aldr. Pietryla asked about the Member Directed Resource; recently the state passed a law for "micro nukes", is that something IMEA has discussed? Mr. Suhr stated that is a perfect example of technology that is not ready today, but may be ready in the future and would be difficult to put in writing. However, IMEA will look at anything is affordable, reliable and sustainable. That will certainly be one we are watching if those come on board.

Aldr. Gehm asked if the municipality can ask residents to throttle back their use during high demand? Mr. Suhr stated yes, that's exactly it, but it's more difficult on the residential side. Right now, we have it on the commercial side and we have talked with large industrial customers who have interest in doing it. That's communication where IMEA, who monitors the system 365 days a year calls the plant manager of a business in St. Charles and ask them to reduce power and if they are able to do it, they can and there is a benefit for that business. On the residential side, it would be difficult to have a call center, but that's where smart meters come in to play. IMEA is close to receiving a federal and state grant to pay for those infrastructure project.

Aldr. Gehm asked how many mega watts do we purchase on an annual basis; Paul Hopkins stated 130 mega watts annually. Aldr. Gehm stated down the road, how do we manage the renewables? Mr. Suhr stated he is glad that we have IMEA in our corner in this regard to figure those contracts out. Aldr. Gehm thanked Mr. Suhr for all his hard work.

Aldr. Lencioni thanked Mr. Suhr for a great presentation and said he appreciated all the information. He realizes there is more to come, so he's not going to jump ahead.

Aldr. Muenz stated she doesn't understand what utility scale solar and meter solar projects are and asked Mr. Suhr to help understand? Mr. Suhr stated Utility scale solar is not a residential solar, it's a larger scale solar plant or facility and meant for utility sized applications and a meter solar project would be residential. Aldr. Muenz doesn't understand how IMEA is adding those if they are done by private residents? Mr. Suhr stated those are not going to be done by private residents; they are imbedded in our member communities on City of St. Charles property and they are owned by a third party contractor or supplier and IMEA contracts that for a 20 or 30 year period of time. The 5 mega-watts behind the meter solar projects are going to be very similar to the solar operation that we have here in St. Charles.

Aldr. Muenz asked about experiences from businesses or developers when they are trying to manage their way through building a new property? Is the experience the same as if they were outside IMEA? Mr. Suhr stated that is why he wanted to talk about the St. Charles Electric Utility which is the infrastructure in St. Charles that we manage. When a builder is creating infrastructure for a building, that is all the responsibility of the Utility. What we are talking about here is actually where the power comes from, so it's nothing that customer is concerned with. Aldr. Muenz asked if they would have the same experience in St. Charles as they would in another municipality without IMEA? Mr. Suhr stated it is a different experience; they have a face and a name with those they are working with. In the ComEd world, that doesn't happen; it's not one and one and helpful like it is with the City of St. Charles.

Aldr. Muenz asked about home solar installation and a couple residents mentioned that they don't receive any benefit from the utility back from solar where they would if they were on a different grid than IMEA. Mr. Hopkins stated the City has had credit for solar since 2015. Historically, until the CEJA Act passed, the City always figured we would credit back what the previous years' average cost of electricity; that's how we credited back. Then the CEJA Act changed that, and they have a very prescriptive rule that you have to make the calculations on. The first year that CEJA went into effect was 2022 for us and our previous year average cost was about 8.2 cents and the CEJA was \$.6

cents. We scripted our law that anyone who had a solar installation before CEJA took effect for us, would either get 10 years-worth of the way we calculated, or the CEJA amount – whichever is higher on an annual basis. Last year, 2023, the amount was 8.3 cents, it was slightly more than what our annual previous was, so everyone got the CEJA rate. This year, the CEJA rate is 4.16 cents for St. Charles, so the people who were in before the CEJA Act will get our years average was which is 7.932. That's how we set our code to be fair to the people who were already in, but otherwise we have to follow the CEJA Act and next year it will be different.

Mr. Suhr added that is a local decision; that has nothing to do with IMEA. They are the professionals to do the calculations and provide us research, but at the end of the day, St. Charles can make that decision for St. Charles.

Aldr. Muenz stated Mr. Suhr mentioned a \$750,000 grant and asked if that was for all 32 members or per municipality? Mr. Suhr stated it is for all 32 municipalities, so we can tap into that and quite frankly, if those dollars were spent, IMEA would consider increasing that.

Aldr. Muenz asked with the Member Directed Resources, if we wanted to include that in our renewal, that we wanted to accelerate our usage of renewable energy, is that something we can decide to do during our renewal process? Mr. Suhr stated that is already in the new contract; in all fairness, IMEA won't activate it until next year when all contracts are signed, but very soon that will be available to us. Aldr. Muenz asked if that will work that Council as a body, direct Mr. Suhr to pursue those additional renewables up to that 10%? Mr. Suhr said yes, that is correct.

Aldr. Silkaitis thanked Mr. Suhr for the presentation, it was very informative. He stated that most of his questions have been asked already, but he does think this is going to mostly affect manufacturing companies. But we also have an opportunity to discuss what other options we have and he is very interested in that. Aldr. Silkaitis asked if we opted out of the contract; would we get reimbursed? Mr. Suhr stated we are in our existing contract until it expires in 2035 and when that one expires, if we take no action, then we wouldn't opt in to the new contract and so I think the question you have is if that happened, in 2035 and we are no longer an IMEA member, would there be a reimbursement back to us for anything? I think the answer to that is no.

Aldr. Silkaitis stated he understands there are dates set in Springfield, but he isn't sure the Lobby isn't going to push that out farther.

Aldr. Bongard stated IMEA wants to get a jump start on this, but is there a tangible benefit for the 32 Members to do this early? Mr. Suhr said yes and no;

there are a couple things that will happen after 2035 if we continue to be a member. The bond on the Prairie State Facility will be paid off; there have been figures out there saying our rates will drop 25% but I don't take too much stock in that, but there will be some percentage of reduction in all 32 communities municipal rates because of that huge debt service that comes off; between 5 – 25% is safe to say. Mr. Suhr stated there are also going to be contracts we currently have with Prairie State and coal plants that go beyond 2035. Those are locked in and are long term contracts; Mr. Suhr stated he doesn't and I don't think we are going to find more affordable and reliable rates that go beyond 2035 by just being a member today. We are also going to be making smart decisions in the next 10 years that will be afforded those communities after 2035 those benefits of the smart decisions in the next 10 years. I know that didn't answer your question specifically, but again, I think the path forward financially with IMEA is as secure, if not more than any other option that I know of.

Aldr. Bongard asked if there is any way to encourage a body like this to provide an incentive for entering this agreement early. Mr. Suhr stated it is the long term contract; that has been the key to IMEA's success over the years and that is long term contracts that are affordable. That is the heart of it; replacing our generation sources with contracts that are coming up in the next 10 years and also preparing for that reduction in goal to more renewable energy with long term contracts. If IMEA didn't know they were going to have members after 2035, the best they can do is shop contracts at less than 10 years. That's it; that's the incentive.

Aldr. Wirball asked where Naperville is with their consulting project? Mr. Suhr stated they are running slower than anticipated. This month they are just getting a consultant on board and it will probably be a good three months before they have data they will publish. Aldr. Wirball asked if we can look at their study when they are done and Mr. Suhr stated yes, absolutely and from what he understands of their study, it will apply to us as well because we are very similar to Naperville even though they are 3 times the size of us.

B. Recommendation to Approve a Resolution Authorizing a 42-Month Service Agreement with OpenGov, Inc. for Public Works Work Order/Asset Management Software.

Presented by Chris Adesso.

Aldr. Silkaitis asked if Council will be approving more in three months? Mr. Adesso stated the initial PO to the vendor will be for \$144,523.33 which includes \$74,000 in annual fees and the one time fee which is the professional

services fee which is for them to help us with implementation. The annual subscription is approximately \$200,000 per year.

Aldr. Lencioni asked what this is doing for us and how this is helping us be more efficient. Mr. Adesso stated that Public Works' field questions from folks all the time like how many watermain breaks we had or leaf pick up calls, or trash collection calls. In order to answer those questions, we have to review all Call Log requests, review all staff emails and also the City's Rock Solid interface on the website. This will allow us to eliminate all the manual processes and automate those and track all of that work assigned, the costs associated with the work assigned and it will also track all the calls for service requests regardless of what it is. Aldr. Lencioni asked if this is replacing systems, decreasing manhours or is this purely augmentation and better aiming of services? Mr. Adesso stated all of the above. Aldr. Lencioni asked if we have cost savings in a business case? Mr. Adesso stated he does not have that, but it is expected to have an increase in productivity and a decrease in staff time and also a decrease in the time it takes to formulate our crews and plan our work which is a complete manual process. This process will automate that.

Aldr. Lencioni stated he likes that we are investing money and it will allow us to do more and he is also looking for spots where we are looking to make cuts, but he is happy that it's going to make us more effective.

Aldr. Bongard asked if there a predictive or forecasting component to this tool? Mr. Adesso stated yes, as data is compiled over time, this software will allow us to provide more detailed budget, more detailed information on how long it will take us to do tasks, all the cost data, all the time data is included in that and will anticipate what the labor and material costs will be in the future.

Aldr. Wirball stated he is fine with doing this, but asked for an update after the start of the new year, just to see how well the software is working out and the data collection. Mr. Adesso stated that yes, absolutely we will do that.

Aldr. Weber stated he is definitely in support of this and it's great and he is excited that Mr. Adesso is excited about it.

Aldr. Pietryla stated he is on board as well and asked when the implementation will be done? Mr. Adesso stated it is a large implementation for all five Public Works Divisions which has been broken into two phases, and currently we have broken out the Electric component to a future third phase. Mr. Adesso stated Public Works is planning on a two fiscal year implementation start with Public Services, Inventory, Streets and Engineering, then Phase two is Wastewater, Water and the Lab.

Aldr. Gehm asked about the May 1 payment and the December payment; both are in this fiscal year, has it been budgeted? Mr. Adesso stated yes, it is.

Aldr. Lencioni stated he would like a commitment that Public Works will use this to deliver a cost savings in the future; if you do that, it's an A+ for him. Mr. Adesso stated he will do his best to meet that commitment.

Aldr. Muenz asked if this will replace City Sourced? Mr. Adesso stated it will not replace City Sourced, but it will absorb the information from City Sourced so we don't have to manually process it. Aldr. Muenz asked if there will be an interface that works with it? Mr. Adesso stated that is not something worked on by Public Works, but he does know that OpenGov provides an outfacing CIS that is not part of this agreement but there are options to use this in other capacities.

Motion by Ald. Pietryla, second by Ald. Lencioni to approve Item 5.B.

Roll Call Vote: Ayes: Aldr. Weber; Aldr. Silkaitis; Aldr. Muenz; Aldr. Lencioni; Aldr. Gehm; Aldr. Pietryla; Aldr. Wirball; Aldr. Bessner **Nays:** None. Chairperson Bongard did not vote as chair. **Motion Carried.**

C. Recommendation to Approve a Resolution Awarding the Bid for the Indiana Street Storm and Sanitary Sewer Line Project.

Presented by Tim Wilson.

Motion by Ald. Lencioni, second by Ald. Wirball to approve Omnibus item 5.C.

Roll Call Vote: Ayes: Aldr. Weber; Aldr. Silkaitis; Aldr. Muenz; Aldr. Lencioni; Aldr. Gehm; Aldr. Pietryla; Aldr. Wirball; Aldr. Bessner **Nays:** None. Chairperson Bongard did not vote as chair. **Motion Carried.**

***D. Recommendation to Approve a Resolution Authorizing an Intergovernmental Agreement with the Illinois Department of Transportation for Cost Sharing on the Riverside Culvert Replacement Project.**

Motion by Ald. Bessner, second by Ald. Wirball to approve Omnibus Item *5.D.

Roll Call Vote: Ayes: Aldr. Weber; Aldr. Silkaitis; Aldr. Muenz; Aldr. Lencioni; Aldr. Gehm; Aldr. Pietryla; Aldr. Wirball; Aldr. Bessner **Nays:** None. Chairperson Bongard did not vote as chair. **Motion Carried.**

***E. Recommendation to approve Resolutions Authorizing Easements for the Riverside Culvert Project.**

Motion by Ald. Bessner, second by Ald. Wirball to approve Omnibus Item *5.E.

Roll Call Vote: Ayes: Aldr. Weber; Aldr. Silkaitis; Aldr. Muenz; Aldr. Lencioni; Aldr. Gehm; Aldr. Pietryla; Aldr. Wirball; Aldr. Bessner **Nays:** None. Chairperson Bongard did not vote as chair. **Motion Carried.**

6. PUBLIC COMMENT

Mr. Cochran, Jeff Mader, John Glenn, Frank Bartos and Hewlett Pruger spoke regarding the IMEA Contract.

7. ADDITIONAL ITEMS FROM MAYOR, COUNCIL, STAFF OR CITIZENS

Aldr. Bessner thanked Public Works very much for all the hard work on the First Street Plaza; it's open now, landscape is blooming and it looks beautiful.

8. EXECUTIVE SESSION

None.

9. MOTION TO ADJOURN GOVERNMENT SERVICES COMMITTEE MEETING

Motion by Ald. Lencioni, second by Ald. Gehm to adjourn the Government Services Committee meeting at 8:57 pm.

Roll Call Vote: Ayes: Aldr. Weber; Aldr. Silkaitis; Aldr. Muenz; Aldr. Lencioni; Aldr. Gehm; Aldr. Pietryla; Aldr. Wirball; Aldr. Bessner **Nays:** None. Chairperson Bongard did not vote as chair. **Motion Carried.**

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