

VILLAGE PRESIDENT

Ray Danford

VILLAGE CLERK

Jerry Menard

VILLAGE TRUSTEES

Corby Valentine

Steve Smith

Tony Miller

Rita Baker

Seth Speiser

Charlie Mattern

VILLAGE OF FREEBURG**FREEBURG MUNICIPAL CENTER**

14 SOUTHGATE CENTER, FREEBURG, IL 62243

PHONE: (618) 539-5545 • FAX: (618) 539-5590

Web Site: www.freeburg.com

VILLAGE ADMINISTRATOR

Dennis Herzing

VILLAGE TREASURER

Bryan A. Vogel

PUBLIC WORKS DIRECTOR

Ronald Dintelmann

POLICE CHIEF

Melvin E. Woodruff, Jr.

VILLAGE ATTORNEY

Stephen R. Wigginton

August 10, 2009

NOTICE**MEETING OF THE ELECTRIC COMMITTEE
(Valentine/Smith/Miller)**

An Electric Committee Meeting of the Village of Freeburg will be held at the Municipal Center, Executive Board Room, **Wednesday, August 12, 2009, at 5:30 p.m.**

ELECTRIC COMMITTEE MEETING AGENDA**I. Items To Be Discussed****A. Old Business**

1. Approval of July 8, 2009 minutes
2. Switchover of Ameren to Freeburg power
3. Village of Freeburg utility needs analysis
4. Replacement of old power plant doors
5. Arc flash study
6. Loss Control Inspection
7. Dusk to Dawn lighting
8. Franchise Fee (Ameren)

B. New Business

1. Removing line from Sunset Ridge
2. Resident request to move transformer box
Reciprocal Internal Combustion Engines

C. General Concerns**D. Public Participation****E. Adjourn**

At said Electric Committee Meeting, the Village Trustees may vote on whether or not to hold an Executive Session to discuss the selection of a person to fill a public office [5 ILCS, 120/2 - (c) (3)], litigation [5 ILCS, 120/2 - (c)(11)] personnel [5 ILCS, 120/2 - (c) (1) a.]; or real estate transactions [5 ILCS, 120/2 - (c)(5)].

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ELECTRIC COMMITTEE MEETING
Wednesday, August 12, 2009 at 5:30 p.m.

VILLAGE ADMINISTRATOR
Dennis Herzing

VILLAGE TREASURER
Bryan A. Vogel

PUBLIC WORKS DIRECTOR
Ronald Dintelmann

POLICE CHIEF
Melvin E. Woodruff, Jr.

VILLAGE ATTORNEY
Stephen R. Wigginton

The meeting of the Electric Committee was called to order at 5:30 p.m. on Wednesday, August 12, 2009 by Chairman Corby Valentine. Committee members present were Chairman Corby Valentine, Trustee Steve Smith, Trustee Tony Miller, Village Administrator Dennis Herzing, Public Works Director Ron Dintelmann, Assistant Public Works Director John Tolan and Office Manager Julie Polson.

A. OLD BUSINESS:

1. Approval of August 12, 2009 minutes: Trustee Tony Miller motioned to approve the minutes of August 12, 2009 and Trustee Steve Smith seconded the motion. All voting aye, the motion carried.
2. Switchover of Ameren to Freeburg power:

EXECUTIVE SESSION 5:31 P.M.

Trustee Tony Miller motioned to go into Executive Session at 5:31 p.m. to discuss litigation, (5 ILCS 120/2-(c)(11) and Trustee Steve Smith seconded the motion. All voting aye, the motion carried.

Trustee Tony Miller motioned to end Executive Session at 5:50 p.m. and return to regular session and Trustee Steve Smith seconded the motion. All voting aye, the motion carried.

EXECUTIVE SESSION ENDED 5:50 P.M.

3. Village Utility Needs Analysis: Ron said there is nothing new right now.
4. Replacement of old power plant doors: Ron will continue to work on this item.
5. Arc flash study: Ron said there is nothing new on this.
6. Loss Control Inspection: Ron said we are waiting to do the infrared testing when it's hot and the load is high--most likely August.
7. Dusk to Dawn Lighting: Ron included Mascoutah and Waterloo's guidelines on dusk to dawn lighting. Julie will get that copied and put in the trustee's mailbox for discussion at next month's committee meeting.
8. Franchise Fee (Ameren): On hold for now.

B. NEW BUSINESS:

1. Removing line from Sunset Ridge: Ron received another request from a resident in Sunset Ridge to have the power line/pole removed from his back yard. He previously requested the line/pole be moved a couple of years ago. The line is abandoned and the pole is on a valid easement. Ron said it would be fairly easy to take the cable down. The committee agreed to have the Village take the cable down and offer the pole to the resident at a nominal fee. The resident would sign a contract and agree the pole is his responsibility to take down with no liability assumed by the Village. Dennis will send the resident a letter advising him of the committee's decision.

2. Resident request to move transformer box: The Village received a request from Marge Nahass to move the transformer box on her property. Ron thinks it will cost between \$500 - \$1,000. The committee agreed to do so if she paid for it to be done. Dennis will send her a letter.

Corby was surprised to see an electrical rate increase listed in the Tribune and said we have not discussed this. He asked Doc Mueller of IMEA to put something together for us to use in educating the Village of Freeburg residents on the new regulations regarding the emission standards for hazardous air pollutants for internal combustion engines.

C. GENERAL CONCERNS: Steve asked to change next month's meeting and it has been rescheduled to September 10, 2009 at 5:30 p.m.

D. PUBLIC PARTICIPATION: None.

E. ADJOURN: *Trustee Tony Miller motioned to adjourn at 6:11 p.m. and Trustee Steve Smith seconded the motion. All voting aye, motion carried.*



Julie Polson
Office Manager

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Ray Danford

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ELECTRIC COMMITTEE MEETING
Wednesday, July 8, 2009 at 5:30 p.m.

VILLAGE ADMINISTRATOR
Dennis Herzing

VILLAGE TREASURER
Bryan A. Vogel

PUBLIC WORKS DIRECTOR
Ronald Dintelmann

POLICE CHIEF
Melvin E. Woodruff, Jr.

VILLAGE ATTORNEY
Stephen R. Wigginton

The meeting of the Electric Committee was called to order at 5:30 p.m. on Wednesday, July 8, 2009 by Chairman Corby Valentine. Committee members present were Chairman Corby Valentine, Trustee Steve Smith, Trustee Tony Miller, Mayor Ray Danford, Village Administrator Dennis Herzing, Public Works Director Ron Dintelmann, Assistant Public Works and Director John Tolan. Guest present: Janet Baechle.

A. OLD BUSINESS:

1. Approval of July 8, 2009 minutes: *Trustee Steve Smith motioned to approve the minutes of July 8, 2009 and Trustee Tony Miller seconded the motion.* All voting aye, the motion carried.
2. Switchover of Ameren to Freeburg power: Dennis spoke to Helms on Rock Hill who said he is willing to switch over to Freeburg power. He also sent a letter to Haucks and will be speaking with them soon. Ameren wants to sell us the entire line and we would need everyone to agree to it. Ron said Metropolis has switched over and Corby said it is important to know how they settled it. Dennis and Ron will sit down and come up with a number that is the most we want to pay Ameren. Ron will find out how much the other communities paid Ameren.
3. Village Utility Needs Analysis: Ron said there is nothing new right now.
4. Replacement of old power plant doors: Ron will continue to work on this item.
5. Arc flash study: Ron hasn't done anything on this.
6. Loss Control Inspection: Ron sent the report on the switchgear repair and the analysis to Chubb. We are waiting to do the infrared testing when it's hot and the load is high--most likely August.
7. Dusk to Dawn Lighting: This was included in the packet to consider whether we wanted to change the ordinance or not. Ron said we have not followed it the way it is written. If you look at paragraph 2 where it states, "the Electric Department shall make a net monthly charge, in addition to the charge set forth of 1-1/4% of the additional cost to the Electrical Department of furnishing and installing such additional facilities," Ron said in the 25 years he has been with the Village, they have never followed this procedure. He said they do follow number 4 where the customer chooses a steel, concrete or decorative pole and the customer shall bear the total cost that is above a normal wood pole. Ron said the average energy cost for a dusk-to-dawn light is about \$4.00 per month. Corby thinks the intent of paragraph 2 is to address the situation where someone would want a dusk-to-dawn light put in and service to that light was not available to hook onto. Dennis said you would figure the cost of the project to provide the dusk-to-dawn service and then charge 1-1/4% of that project per month to that resident in addition to the monthly charge rate of either \$6, \$12 or \$30. Ron will try to clean up paragraph 2 to read more clearly. He will also clean up (1)(a) to correctly reflect the wattages available.

8. IMEA Power Cost and Energy Efficiency Forum: A copy of the presentation was included in the packet. Corby said the presentation was more of a state of the health of the organization. Corby said IMEA is going to push conservation, putting in more efficient lighting, etc. Ron said they approved \$750,000 in matching funds with the federal government stimulus money to put towards energy conservation, i.e. anywhere from light bulbs, more efficient lighting in the plant, figuring out ways to reduce our cost of energy. Ron said Freeburg would have its chance to get a part of that money and it is based on Freeburg's load. Ron said IMEA is also big on green energy.

B. NEW BUSINESS:

1. National Emission Standards for Hazardous Air Pollutants for Reciprocal Internal Combustion Engines: Dennis said he and Ron went to Springfield last week and heard LaDonna Driver's presentation. A copy of IMEA's comments about this that were sent to EPA are included in the packet. If it is enacted exactly as it stands now, it will probably cost us around \$500,000. Corby commented we have engines that hardly run at all. Dennis said we would have to put catalytic converters on them so they won't pollute the air if we fire them up. Ron said IMEA's approach for the cities in the non-attainment area (Waterloo, Freeburg, Mascoutah, Naperville, Winnetka) is rather than make us spend \$500,000 on catalytic converters and don't run, monitor us and limit our permit to only run 25 hours unless it's an emergency. Ron said there would also be an approximate \$25,000 - \$30,000 yearly maintenance cost with respect to the catalytic converters. Ron said if this passes in February, 2010, we have three years to comply with the new regulations. He also said we will probably retire the units which aren't dedicated to IMEA which are 1, 2, 3, 4 and 7. We are permitted to run them with IEPA right now. We would have to put a catalytic converter on them or retire them.

Tony brought up the 5% that we put into our general fund every year from the electric department. That was put into place to subsidize the general fund and asked if we charge Ameren the utility fee since they are in the Village limits. Ron said they were probably never notified of the tax. Tony asked why Ameren wouldn't have been notified at the time the ordinance was passed. Corby doesn't want to put a burden on the nursing home if Ameren passes the 5% onto them. Dennis said it makes sense to start researching the issue and may want to hold off on notifying Ameren about this because of the ongoing negotiations with regard to the annexed properties.

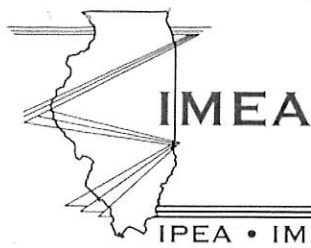
C. GENERAL CONCERNS: None.

D. PUBLIC PARTICIPATION: Janet asked how many generators are at the new power plant and Ron advised there are three. There are eight at the old power plant and we use four of them. The four not being used can be used in an emergency.

E. ADJOURN: *Trustee Tony Miller motioned to adjourn at 6:16 p.m. and Trustee Steve Smith seconded the motion. All voting aye, motion carried.*



Transcribed from tape by
Julie Polson
Office Manager



3400 CONIFER DRIVE, SPRINGFIELD, IL 62711
217-789-4632 / FAX 217-789-4642

September 9, 2009

Re: The Impact of Potential Climate Change Legislation

Dear Senators Durbin and Burris,

As municipalities that own and operate their own electric distribution systems, we have been active in the debate over climate change legislation as it took place in the United States House of Representatives. With the passage of H.R. 2454, known as the American Clean Energy and Security Act or ACES, and the beginning of consideration of similar legislation in the Senate, we want to express our ongoing deep concerns about the potential impact of such legislation.

We are doing a great deal to be good stewards of the environment. Illinois' municipal systems are both individually and collectively pursuing renewable generation and energy efficiency as a means to offset conventional forms of electric generation. Beyond that, the coal-fired plants that serve our loads are among the newest and cleanest in terms of existing regulated pollutants in the United States. And the new plants that will serve us in the future (such as the Prairie State Energy Campus in Washington County) will be cleaner still.

But as always, our primary concern is to keep the cost of power and energy to our customers affordable and its supply reliable. It is undeniable that this bill will increase our customers' costs. As you know, everyone in the Midwest is, in some way, the recipient of power generated by fossil fuels. Actual numbers are difficult to estimate, since they depend upon knowing the cost of allowances and how those allowances will be distributed. But the most optimistic estimates would have the initial year's costs for our systems increase between 10% and 15% with greater increases in subsequent years.

To minimize the impact of any new legislation there are a number of issues that will need to be addressed as the Senate takes up this debate. Among them are these:

- **New Entrant language is required:** In the original bill, power plants that are currently under construction (such as the Prairie State Energy Campus) but that would come on line near the bill's effective date of January 1, 2012 would not have their emissions figured into the base line for free allowances. That means fewer free allowances would be available to lower the costs of emissions for those plants. Working with like-minded groups, we were able to have language included in the House bill that solves this problem. However, that language will need to be included on the Senate side. This is absolutely vital to us.
- **The timetables established are too aggressive:** The effective date of the initial reduction mandates (January 1, 2012) is simply too soon. No provision is given for testing the program before making it applicable to the economy. We are asking that the timelines for the program be extended to allow sufficient time to develop the regulatory matrix and the market mechanism and then the program should be gradually phased in to protect the economy from unexpected consequences of market design flaws.

- **Allowances Should Be Allocated Rather than Auctioned:** H.R. 2454 allocates rather than auctions emissions allowances to the electric utility sector and the Senate should adopt this position and reject an auction process. An auction unfairly disadvantages small, not-for-profit entities like public power electric utilities, and favors large, for-profit national and multi-national corporations. Under an auction, those entities that can afford to pay more are rewarded with allowances, and those that cannot match the auction price are left with either inadequate access to electricity or high prices. Moreover, an auction would expose our consumers to the risks of unpredictable cost increases and heightened regional economic inequalities.
- **No entity should receive allowances in excess of their actual exposure:** As currently drafted, the bill will allocate allowances based upon both fuel mix and sales. But this means that entities with little carbon exposure (such as those served by large federal hydropower projects) will receive allowances that may be in excess of that which they will be required to have. This is a windfall for them, and a transfer of wealth from areas such as the Midwest.
- **A “Safety Valve” or other Equally Stringent Cost-Containment Mechanism Is Urgently Needed:** Any federal cap-and-trade regime should achieve the goals established by Congress with the least possible adverse economic impact on consumers of energy and the U.S. economy. Thus, such a program must include a safety valve (which sets a maximum allowance price) or other equally stringent cost control mechanism that mitigates price volatility and protects consumers. However, H.R. 2454 does not provide such a mechanism in its current form.
- **The program does not address economic harm or international competitiveness:** There is no consideration of economic harm or international competitiveness required in the recommendations. The program should be regularly reviewed and such review should not only assess US and global commitments to lowering greenhouse gas emissions but also address the economic impact of the program on costs to consumers and jobs and on the competitive impact on our economy relative to our international competitors.

We have had productive discussions with your staffs and we look forward to continuing our talks as the debate on this most important proposal continues. In the interim, we ask that you carefully consider our concerns and do everything you can to mitigate the worst aspects of this legislation on your constituents.

Sincerely,



Ronald D. Earl, President & CEO

and the undersigned IMUA member communities

*PARTNERS IN DELIVERING
EXCELLENCE IN UTILITY SERVICES.*

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ILLINOIS PUBLIC ENERGY AGENCY
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