

VILLAGE PRESIDENT
Ray Danford

VILLAGE CLERK
Jerry Menard

VILLAGE TRUSTEES
Rita Baker
Charlie Mattern
Kevin Groth
Corby Valentine
Steve Smith
Tony Miller

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

March 9, 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, March 11, 2009, at 5:30 p.m.**

ELECTRIC COMMITTEE MEETING AGENDA

I. Items To Be Discussed

A. Old Business

1. Approval of February 12, 2009 minutes
2. Switchover of Ameren to Freeburg power
3. Village of Freeburg utility needs analysis - Carlyle
4. Replacement of old power plant doors

B. New Business

1. IMEA - Federal Climate Change Legislation
2. Riverton Approval Ordinance

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, March 11, 2009 at 5:30 p.m.

The meeting of the Electric Committee was called to order at 5:30 p.m. on Wednesday, March 11, 2009 by Chairman Corby Valentine. Committee members present were Chairman Corby Valentine, Trustee Steve Smith, Trustee Tony Miller, Mayor Ray Danford, Village Clerk Jerry Menard, Administrator Dennis Herzing, Public Works Director Ron Dintelmann and Office Manager Julie Polson. Guest present: Janet Baechle.

A. OLD BUSINESS:

1. Approval of February 12, 2009 minutes: *Trustee Steve Smith motioned to approve the minutes of February 12, 2009 as corrected and Trustee Tony Miller seconded the motion. All voting aye, the motion carried.*
2. Switchover of Ameren to Freeburg power: Ron said he will be meeting with Ameren this Friday. After they have reviewed the sites and see what we want to keep, they will come back to us with a price. Ron told the committee Chris Joseph will be hooked up Monday or Tuesday to our power because he is putting in a new service on his home.
3. Village Utility Needs Analysis: A meeting of the interested groups in this will be held on March 25, 2009. A decision will be made at that meeting on the best way to handle this issue. Ron also said IMEA is conducting a school on June 4th which will address the electric industry and how things are going.
4. Replacement of old power plant doors: Ron will continue to work on this item.

B. NEW BUSINESS:

1. IMEA - Federal Climate Change Legislation: Ron said this is the new administration's proposed climate change bill that would impact the Village by increasing our energy cost by 75 - 100%. Ron said the carbon tax was a big top in Washington, D.C. APPA's feeling is this is another way for President Obama to generate money for the stimulus package and also feels the technology is not there. Ron said 70% of the carbon emitted in the world is by plants and animals. Ron said we will need to seriously look at our rates in a year or two. Corby asked what HB722 is. Ron said a lot of cities are aggregating their citizens together and going out and buying block energy for them. Ron said the proposed ordinance in the packet tonight will prevent utility customers from going out and buying blocks of energy on their own and not from the Village of Freeburg. Ron said we operate under a different set of rules because we are

a municipality and are governed by ourselves. Ron said it is not a big issue for Freeburg as we do not have many large utility customers.

Trustee Tony Miller motioned to recommend to the full Board An Ordinance to Protect the Village of Freeburg against the Potential Adverse Economic Impact of Ferc Order 719 and Trustee Steve Smith seconded the motion. All voting aye, the motion carried.

2. Riverton Approval Ordinance: Ron explained Riverton used to be a non-purchasing member of IMEA and would now like to join IMEA once again as a socialized agency. The ordinance and supplement were attached for the committee's review. Ron said they will pay a premium for their power.

Trustee Steve Smith motioned to recommend to the full Board the Ordinance to Approve the Admission of the Village of Riverton, Sangamon County, Illinois, as a Member of the Illinois Municipal Electric Agency and Trustee Tony Miller seconded the motion. All voting aye, the motion carried.

Ron also provided copies of IMEA's letters regarding the stimulus package funding of energy efficient programs and also the stimulus package funding of broadband projects. Ron said the energy-efficiency money can only be used for that and not for system expansion. He said the big topic talked about in Washington, D.C., is wind generation. The government's plan is to build a giant transmission system out in the Dakotas and bring it to the east coast. Ron said it is about 1.5 million dollars a mile to build this system. The broadband project only applies to rural areas. Steve asked what happens if someone wants to put up a wind tower in town and Dennis said we only have an ordinance in place that would address it if it is more than 35 feet in height. Ron said he has a sample ordinance that addresses if someone wants to generate energy and we need to work on that.

Ron said we have not done our arc flash study which is a new regulation that says if you are working inside an electrical panel, you have to figure out the explosion potential, and the panel has to be labeled how far away you have to be and what type of protective clothing is required. Dean Park of BHM&G will get us a price. He thinks it will be around \$30,000 to conduct this study. This will include both power plants, all the switchgear, city hall, both sewer plants, water pump station at Save and the water tower, the eight lift stations. The study needs to be done now and the cost of this study will need to be included in the budget. Ron said there is some money in the engineering portion of the electric budget.

Ron reviewed the annual inspection from Chubb Insurance. Their recommendations include: lube oil analysis (will be done); web deflection on the crankshaft (we always argue this one); meggar testing (we did that about 5 years ago and said BHM&G did it last time); and infrared testing of the switchgear (Ron thinks he can get one from IMEA). Ron said he will do the others and wait on the web deflection and see what Chubb says. The web deflection test would cost about \$10,000. Ron said the units are exercised monthly and he will talk to John Osseck at Chubb to see if they will exempt the Catepillars.

C. **GENERAL CONCERNS:** Steve asked if anyone had heard from Chad Rhutasel. He thought Chad was going to be here tonight. Dennis advised that he came to the Legal & Ordinance Committee meeting on March 4, 2009. Dennis said the committee will talk about this

but have not made any decisions. Tony expressed his concern with the situation at the last board meeting where Chad Rhutasel voiced his opinion on landlords being responsible for unpaid renter utility bills. He said we can't have that happen again and should send it off to committee. Ray said you need to remember he was offered an opportunity to go to a committee meeting. Tony thought discussion about finances should be done in committee. Ray said Chad brought it up at the meeting. He feels if Chad wants to choose that forum, he has the right to choose that. Dennis said when things are said to him that are not correct, he said they need to be responded to. Corby said Chad picked the fight and made it look like the utility department didn't know what they were doing and felt Dennis had to say what he had to say. Ray said the only control he has is the number of questions the trustees keep asking. They could say no comment to end the conversation. Ray said his policy is he will keep the conversation open as long as the trustees keep asking questions.

D. PUBLIC PARTICIPATION: None.

E. ADJOURN: *Trustee Tony Miller motioned to adjourn at 6:32 p.m. and Trustee Steve Smith seconded the motion. All voting aye, motion carried.*



Julie Polson
Office Manager

VILLAGE PRESIDENT
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EXHIBIT M
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PUBLIC WORKS DIRECTOR
Ronald Dintelmann

POLICE CHIEF
Melvin E. Woodruff, Jr.

VILLAGE ATTORNEY
Stephen R. Wigginton

ELECTRIC COMMITTEE MEETING Thursday, February 12, 2009 at 5:30 p.m.

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

A. OLD BUSINESS:

1. Approval of January 14, 2009 minutes: Trustee Tony Miller motioned to approve the minutes of January 14, 2009 and Trustee Steve Smith seconded the motion. All voting aye, the motion carried.
2. Switchover of Ameren to Freeburg power: Ron said we have a plan ready. We've been to each site and figured out what we want/don't want. Ameren is not ready to meet but Ron said we should be able to shortly. Tony asked how the depreciation value will be determined and Ron said that is up to Ameren. Ron said most of the equipment has a 30 - 50 year life, and you take the depreciated value and take half of that. Ron said it would be cheaper for Ameren to sell it to us than it would be for them to salvage it.
3. Village Utility Needs Analysis: Dennis received a call from the Carlyle City Administrator who talked to Dean Park about this. There are several municipalities in our situation and the committee agreed there is strength in numbers if we want to go ahead with this project. Dennis said we still have to decide if this is a good more for Freeburg. Ron will talk to IMUA when he is there next week to see if a local/regional meeting can be set up to discuss this issue.
4. Replacement of old power plant doors: the quote from Hackett Security was included in the packet. The cost to fit the administration building and both power plants was \$14,131.89. The system quoted is card in, button out. Everything would be controlled from here and tied through to the plants by fiber optic. The committee would like the quote to be itemized and also asked Ron to get some more quotes to look at.
5. Deerfield electric service entrances: Dennis advised the letter was sent to Dave Self and he thought Dave was going to attend tonight's meeting. Ron has informed the linemen.

B. NEW BUSINESS:

EXECUTIVE SESSION

5:57 P.M.

Trustee Steve Smith motioned to enter Executive Session citing real estate, 5 ILCS 120/2-(c)(5) and Trustee Tony Miller seconded the motion. All voting aye, the motion carried.

EXECUTIVE SESSION ENDED

6:10 P.M.

Trustee Steve Smith motioned to reconvene the regular session of the Electric Committee Meeting at 6:11 p.m. and Trustee Tony Miller seconded the motion. All voting aye, the motion carried.

Ron said he and Dennis have been working on the budget and asked the committee if they had anything they would like to see put in the budget. Items going into the budget include: decorative lighting to around Dollar General with further lighting north of town; bucket truck; swipe card access; arc flash clothing; power feed to Meise subdivision; new chipper.

Ron stated we have in the current budget a truck and would like to purchase one through state bid at a cost of \$21,250. It was presented to the Streets committee and they are recommending the purchase at the next board meeting.

C. GENERAL CONCERNS: None.

D. PUBLIC PARTICIPATION: Janet complimented the public works employees for the good job they did on clearing the snow.

ADJOURN: *Trustee Steve Smith motioned to adjourn at 6:20 p.m. and Trustee Tony Miller seconded the motion. All voting aye, motion carried.*



Julie Polson
Office Manager



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

Date: 3/3/2009

To: State Association members

From: Ronald D. Earl, CEO

Government Information Update: 2009 - 7

RE: Federal Climate Change Legislation and Additional General Assembly Issues

We are just back from our visits to Capitol Hill and want to give you a brief update on our talks related to climate change legislation. We are also in the period at the Illinois General Assembly when bills are pouring in almost faster than they can be analyzed. We will provide a list of bills at the end of this memo that we are reviewing at this time. They are in addition to the bills we have listed in previous memos.

As to climate change, the President has made it clear in his address to the joint session of Congress that he wants to move on the issue. He has included in his budget released last week revenues he would like to see come from a carbon cap and trade program; a program that needs Congressional approval to take effect.

According to press reports, the proposed cap and trade program would begin in 2012 and initially recover approximately \$20 for each ton of greenhouse gas emitted. This assumes that all the allowances will be auctioned and that the initial auction price will be about \$20 a ton.

As a rule of thumb, every \$10 a ton equates to an additional penny in cost. So \$20 a ton would equal an increase of 2 cents per kWh.

This is obviously a significant increase in cost and it was one of the points we emphasized in our meetings with our elected representatives and their staffs on Capitol Hill. (We met with officials in the offices of Senator Durbin and Senator Burris as well as Representatives Halvorson, Costello, Foster, Biggert, Johnson, Manzullo, Hare, Schock and Shimkus.)

I would characterize the response we received as good, although the debate on this issue is only beginning and most of the officials are keeping their options open. Still, laying out the potential cost impact of a climate change bill did focus their attention and lay the groundwork for additional efforts in the near future.

We are in the process of following up our meetings and will be providing you with additional information that you will be able to use in raising these issues with your own elected representatives.

In summary, a climate change bill has the potential to significantly impact not just the municipals systems, but every customer in the state since we are all so dependent upon coal as a fuel. We have made a good start in informing our lawmakers about the effect of this program on their constituents and we will have more on this for you in the near future.

(More)

As to the Illinois General Assembly, here are some additional bills we are watching. We will have more for you as we determine what bills are likely to move ahead. Please call if you find a bill of particular interest or concern.

HB 3668 – Global Warming Response Act – Rep. Nekritz, Des Plaines - No substance to the bill at this time. It is only a shell for later use on this issue.

HB 722 – Utilities, Aggregation, Residents – Rep. Fortner, West Chicago – This would allow a non-electric system municipality to aggregate their citizens on an opt-out basis if they hold and pass a referendum in advance. The link is here:

<http://www.ilga.gov/legislation/billstatus.asp?DocNum=0722&GAID=10&GA=96&DocTypeID=HB&LegID=41435&SessionID=76>

HB 3719 – Crane Operators Licensing Act – Rep. Watson, Jacksonville – Another shell bill. This would mirror the Electrician's Licensing Act and require crane operators to be licensed.

SB 137 – Electricians Licensing Act – As noted above, this is a bill that we have watched come and go for many years. It provides for the regulation and licensing of electricians and electrical contractors. This bill contains exemptions we have previously negotiated on behalf of municipal electric systems. There may be additional changes to the exemption language. The link to the bill is here:

<http://www.ilga.gov/legislation/BillStatus.asp?DocNum=137&GAID=10&DocTypeID=SB&LegID=40558&SessionID=76&GA=96>

HB 2664 – Excessive Idling Fines – Rep. Nekritz, Des Plaines – Increases the fines for excessive idling of certain trucks. This only applies to non-attainment areas. The link is here:

<http://www.ilga.gov/legislation/billstatus.asp?DocNum=2664&GAID=10&GA=96&DocTypeID=HB&LegID=45400&SessionID=76>

HB 3843 – Wireless (Pole) Attachments - Rep. Hamos, Evanston – Requires the entity that owns the utility poles to allow an ISP to attach its equipment in the event a municipality creates a wireless network by ordinance. The link is here:

<http://www.ilga.gov/legislation/billstatus.asp?DocNum=3834&GAID=10&GA=96&DocTypeID=HB&LegID=46645&SessionID=76>

HB 3854 – Illinois Energy to Jobs Act - Rep. Reitz, Sparta – This is a huge bill drafted, in part, at the request of Peabody Coal. It attempts to structure Illinois' approach to the use of coal and other energy sources in the future in a manner favorable to the industry. The link is here:

<http://www.ilga.gov/legislation/billstatus.asp?DocNum=3854&GAID=10&GA=96&DocTypeID=HB&LegID=46670&SessionID=76>

SB 1357 – JULIE bill, Rep. Risinger, Peoria – This is the annual clean up of the JULIE legislation. The link is here:

<http://www.ilga.gov/legislation/billstatus.asp?DocNum=1357&GAID=10&GA=96&DocTypeID=SB&LegID=42572&SessionID=76>

There are many more bills to come – we will provide additional information as the process moves ahead.

*PARTNERS IN DELIVERING
EXCELLENCE IN UTILITY SERVICES.*

ILLINOIS MUNICIPAL ELECTRIC AGENCY
ILLINOIS PUBLIC ENERGY AGENCY
ILLINOIS MUNICIPAL UTILITIES ASSOCIATION
WWW.IMEA.ORG

**SUPPLEMENT NUMBER 15
TO THE AGENCY AGREEMENT OF THE
THE ILLINOIS MUNICIPAL ELECTRIC AGENCY**

This document is a Supplement to the Agency Agreement, dated as of May 16, 1984, between and among the municipalities of the State of Illinois listed therein and as Supplemented thereafter from time to time (hereinafter referred to as "Agency Agreement"), which Agency Agreement created the Illinois Municipal Electric Agency (hereinafter referred to as the "IMEA").

This Supplement shall serve as a republication and readoption of all of the terms and conditions of the Agency Agreement as the Agency Agreement applies to IMEA members on the date that this Supplement is executed by the Village of Riverton, Sangamon County, Illinois (hereinafter referred to as "Riverton").

This Supplement is the Agreement between and among the member municipalities of the IMEA and Riverton which sets the conditions and approves the admission of Riverton as a new member of the IMEA.

This Supplement conditions approval of admission of the Village of Riverton, Sangamon County, Illinois upon the following:

1. Riverton agrees to adopt by ordinance the Agency Agreement as supplemented; and
2. Riverton agrees to adopt this Supplement by ordinance and execute this Supplement; and
3. Riverton agrees to comply with the conditions for admission as established by the IMEA Board of Directors.

This Supplement amends the Agency Agreement as supplemented in the following manner:

On the face page of the Agency Agreement: add "Village of Riverton, Sangamon County, Illinois" immediately after the last municipality named in the list of "qualified Illinois cities, villages and incorporated towns becoming a party to this Agency Agreement pursuant to its terms after the date hereof" and prior to the date notation of May 16, 1984.

On page 1 of the Agency Agreement: add "Village of Riverton, Sangamon County, Illinois ("Riverton")" immediately after the last municipality named in the list of "Illinois cities, villages and incorporated towns becoming parties to this Agency Agreement in accordance with its terms after the date hereof".

On page 2 of the Agency Agreement immediately before the word "WITNESSETH": add the following text and list of municipalities that have withdrawn from membership in the IMEA, but remove the reference to Riverton from said list:

"and it being further noted that the following Illinois municipalities, which were previously signatories to this Agency Agreement and Members of the Agency, have taken all necessary action to withdraw from membership in and are no longer Members of the Agency:

City of Batavia, Kane County
City of Geneseo, Henry County
City of Geneva, Kane County
City of McLeansboro, Hamilton County
City of Rochelle, Ogle County
City of Springfield, Sangamon County
Village of Albany, Whiteside County
Village of Allendale, Wabash County
Village of Riverton, Sangamon County

On page 6 of the Agency Agreement: add the following information immediately after the last municipality named in Section 2.5:

<u>Municipality</u>	<u>Initial Director</u>	<u>Business Address</u>
Riverton	Richard Pottier	1200 E. Riverton Rd. Riverton, Illinois 62561

This Supplement becomes effective as to all member municipalities of the IMEA and Riverton upon approval by the Governing Bodies of a majority of the members of the IMEA which are members on the date of execution of this Supplement by Riverton.

IN WITNESS WHEREOF, the undersigned have executed this Supplement as of the ____ day of _____, 20 ____, in counterpart copies, each of which shall constitute an original copy but all of which together shall constitute one and the same instrument.

CITY OF _____,
_____ COUNTY, ILLINOIS

By: _____
Mayor

ATTEST:

City Clerk

(MUNICIPAL SEAL)

ORDINANCE NO. _____

**AN ORDINANCE TO APPROVE THE ADMISSION OF
THE VILLAGE OF RIVERTON, SANGAMON COUNTY,
ILLINOIS AS A MEMBER OF THE ILLINOIS
MUNICIPAL ELECTRIC AGENCY**

WHEREAS, the City of _____, Illinois, is a member of Illinois Municipal Electric Agency ("IMEA"); and

WHEREAS, the Village of Riverton, Sangamon County, Illinois, (hereinafter referred to as "Riverton") desires to become a member of IMEA; and

WHEREAS, on February 16, 2009, Riverton passed an Ordinance to join as a member of IMEA, which adopted and approved the terms and conditions of the Agency Agreement of the Illinois Municipal Electric Agency, dated May 16, 1984, as amended; and

WHEREAS, Riverton has executed a Supplement No. 15 to the Agency Agreement substantially similar to the Supplement Number 15 that is attached hereto and incorporated herein and has agreed to comply with the conditions for membership in IMEA as established by IMEA's Board of Directors; and

WHEREAS, following approval of Riverton's membership by the appropriate number of existing IMEA Members and the satisfaction of any other conditions for membership in IMEA as established by IMEA's Board of Directors, the Board of Directors of IMEA shall by Ordinance approved the Supplement to its Agency Agreement which will cause Riverton to become a member of the Agency.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF _____, _____ COUNTY, ILLINOIS, as follows:

Section 1: The findings and determinations set forth in the preamble to this Ordinance are hereby made findings and determinations of the City Council of the City of _____ and incorporated into the text of this Ordinance by this reference.

Section 2: The Village of Riverton, Sangamon County, Illinois, is hereby approved as a member of the Illinois Municipal Electric Agency.

Section 3: The Mayor of the City of _____ is hereby authorized and directed to execute and the City Clerk shall attest, pursuant to this Ordinance, the Supplement to the Agency Agreement, substantially in the same form attached hereto, for the admission of Riverton as a members of the Illinois Municipal Electric Agency. Said officer by executing the Supplement to the Agency Agreement shall approve the terms and conditions of the Agency Agreement and the Supplement to the Agency Agreement.

Section 4: This Ordinance shall be in full force and effect from and after its passage.

PASSED, APPROVED AND ADOPTED by the City Council of the City of _____,
_____ County, Illinois, as required by law and approved by the Mayor this _____ day of
_____, 2009.

Mayor

ATTEST:

City Clerk

(MUNICIPAL SEAL)

**SUPPLEMENT NUMBER 15
TO THE AGENCY AGREEMENT OF THE
THE ILLINOIS MUNICIPAL ELECTRIC AGENCY**

This document is a Supplement to the Agency Agreement, dated as of May 16, 1984, between and among the municipalities of the State of Illinois listed therein and as Supplemented thereafter from time to time (hereinafter referred to as "Agency Agreement"), which Agency Agreement created the Illinois Municipal Electric Agency (hereinafter referred to as the "IMEA").

This Supplement shall serve as a republication and readoption of all of the terms and conditions of the Agency Agreement as the Agency Agreement applies to IMEA members on the date that this Supplement is executed by the Village of Riverton, Sangamon County, Illinois (hereinafter referred to as "Riverton").

This Supplement is the Agreement between and among the member municipalities of the IMEA and Riverton which sets the conditions and approves the admission of Riverton as a new member of the IMEA.

This Supplement conditions approval of admission of the Village of Riverton, Sangamon County, Illinois upon the following:

1. Riverton agrees to adopt by ordinance the Agency Agreement as supplemented; and
2. Riverton agrees to adopt this Supplement by ordinance and execute this Supplement; and
3. Riverton agrees to comply with the conditions for admission as established by the IMEA Board of Directors.

This Supplement amends the Agency Agreement as supplemented in the following manner:

On the face page of the Agency Agreement: add "Village of Riverton, Sangamon County, Illinois" immediately after the last municipality named in the list of "qualified Illinois cities, villages and incorporated towns becoming a party to this Agency Agreement pursuant to its terms after the date hereof" and prior to the date notation of May 16, 1984.

On page 1 of the Agency Agreement: add "Village of Riverton, Sangamon County, Illinois ("Riverton")" immediately after the last municipality named in the list of "Illinois cities, villages and incorporated towns becoming parties to this Agency Agreement in accordance with its terms after the date hereof".

On page 2 of the Agency Agreement immediately before the word "WITNESSETH": add the following text and list of municipalities that have withdrawn from membership in the IMEA, but remove the reference to Riverton from said list:

"and it being further noted that the following Illinois municipalities, which were previously signatories to this Agency Agreement and Members of the Agency, have taken all necessary action to withdraw from membership in and are no longer Members of the Agency:

City of Batavia, Kane County
 City of Geneseo, Henry County
 City of Geneva, Kane County
 City of McLeansboro, Hamilton County
 City of Rochelle, Ogle County
 City of Springfield, Sangamon County
 Village of Albany, Whiteside County
 Village of Allendale, Wabash County
 Village of Riverton, Sangamon County

On page 6 of the Agency Agreement: add the following information immediately after the last municipality named in Section 2.5:

<u>Municipality</u>	<u>Initial Director</u>	<u>Business Address</u>
Riverton	Richard Pottier	1200 E. Riverton Rd. Riverton, Illinois 62561

This Supplement becomes effective as to all member municipalities of the IMEA and Riverton upon approval by the Governing Bodies of a majority of the members of the IMEA which are members on the date of execution of this Supplement by Riverton.

IN WITNESS WHEREOF, the undersigned have executed this Supplement as of the ____ day of _____, 20 ____, in counterpart copies, each of which shall constitute an original copy but all of which together shall constitute one and the same instrument.

VILLAGE OF _____,
 _____ COUNTY, ILLINOIS

By: _____
 President

ATTEST:

 Village Clerk

(MUNICIPAL SEAL)

ORDINANCE NO. _____

**AN ORDINANCE TO APPROVE THE ADMISSION OF
THE VILLAGE OF RIVERTON, SANGAMON COUNTY,
ILLINOIS AS A MEMBER OF THE ILLINOIS
MUNICIPAL ELECTRIC AGENCY**

WHEREAS, the Village of _____, Illinois, is a member of Illinois Municipal Electric Agency ("IMEA"); and

WHEREAS, the Village of Riverton, Sangamon County, Illinois, (hereinafter referred to as "Riverton") desires to become a member of IMEA; and

WHEREAS, on February 16, 2009, Riverton passed an Ordinance to join as a member of IMEA, which adopted and approved the terms and conditions of the Agency Agreement of the Illinois Municipal Electric Agency, dated May 16, 1984, as amended; and

WHEREAS, Riverton has executed a Supplement No. 15 to the Agency Agreement substantially similar to the Supplement Number 15 that is attached hereto and incorporated herein and has agreed to comply with the conditions for membership in IMEA as established by IMEA's Board of Directors; and

WHEREAS, following approval of Riverton's membership by the appropriate number of existing IMEA Members and the satisfaction of any other conditions for membership in IMEA as established by IMEA's Board of Directors, the Board of Directors of IMEA shall by Ordinance approved the Supplement to its Agency Agreement which will cause Riverton to become a member of the Agency.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF _____, _____ COUNTY, ILLINOIS, as follows:

Section 1: The findings and determinations set forth in the preamble to this Ordinance are hereby made findings and determinations of the Board of Trustees of the Village of _____ and incorporated into the text of this Ordinance by this reference.

Section 2: The Village of Riverton, Sangamon County, Illinois, is hereby approved as a member of the Illinois Municipal Electric Agency.

Section 3: The President of the Village of _____ is hereby authorized and directed to execute and the Village Clerk shall attest, pursuant to this Ordinance, the Supplement to the Agency Agreement, substantially in the same form attached hereto, for the admission of Riverton as a members of the Illinois Municipal Electric Agency. Said officer by executing the Supplement to the Agency Agreement shall approve the terms and conditions of the Agency Agreement and the Supplement to the Agency Agreement.

Section 4: This Ordinance shall be in full force and effect from and after its passage.

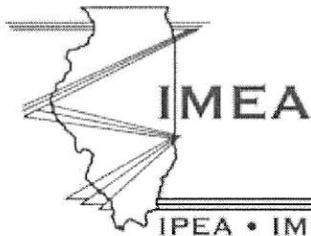
PASSED, APPROVED AND ADOPTED by the Board of Trustees of the Village of _____, _____ County, Illinois, as required by law and approved by the President this ____ day of _____, 2009.

President

ATTEST:

Village Clerk

(MUNICIPAL SEAL)



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

Memorandum

To: Electric Agency Members
From: Ronald D. Earl, CEO *Rear*
Date: 2/6/09
Re: **Special Notice** – Request for Passage of Ordinance to temporarily block third party Demand Response Aggregators

Those of you who were at our meeting last week heard detail about a developing Demand Response Program mandated by a new Federal Energy Regulatory Commission (FERC) rule that is in the process of being implemented within the regional transmission organizations (RTOs), first within PJM and sometime thereafter within MISO. The new programs would allow a third party aggregator to enter into contracts with your customers that have the ability to shed load (through use of their own generation or through shutting down processes) and to sell that into the RTO markets as demand reduction capacity. The third party aggregator would, conceivably, split the revenue generated by selling this demand reduction with the customer.

PJM and MISO are currently working on tariffs to implement these programs. They are not in place as of yet, but the process could be complete within about 6 weeks.

The primary issue for IMEA and its members is that we do not yet know the rules under which this program will operate. If the RTOs continue to require IMEA to buy capacity for all load, even that which has been sold into the RTOs under the program, **this could increase members' costs.**

The only way for us to have sufficient time to determine the members' exposure is to use a provision in the FERC rule that allows each member to pass an ordinance to block the implementation of this program.

We want to emphasize that this issue can be revisited (and the ordinance rescinded) when we have had the time to review the actual rules and determine their collective impact.

Attached please find an ordinance that accomplishes this task. We ask that you bring this to your council and **pass it on an expedited basis this month.** This will give us the time to examine all the implications contained in his program.

Troy Fodor, our Vice President and General Counsel, will be happy to explain this issue further. Please feel free to call him with questions.

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ILLINOIS MUNICIPAL UTILITIES ASSOCIATION
WWW.IMEA.ORG

ORDINANCE _____

ORDINANCE OF THE VILLAGE OF _____, ILLINOIS
TO PROTECT AGAINST THE POTENTIAL ADVERSE ECONOMIC
IMPACT OF FERC ORDER 719 BY PRECLUDING CUSTOMERS OF THE
VILLAGE'S ELECTRIC UTILITY FROM BIDDING DEMAND RESOURCES
INTO THE MISO MARKETS

WHEREAS, the Village of _____ (the "Municipality") owns and operates its own municipal electric utility for the distribution and sale of electricity to its citizens and businesses; and

WHEREAS, under Illinois law, the Municipality is not subject to rate regulation or any other regulation by the Illinois Commerce Commission or any other agency of the State of Illinois, but rather the Municipality is the relevant retail regulatory authority that has jurisdiction over and establishes rates and policies with respect to electric customers within its service area; and

WHEREAS, also under Illinois law, the Municipality has the exclusive right to provide electric service to its customers located both inside and outside the corporate limits; and

WHEREAS, the Municipality is a Member of the Illinois Municipal Electric Agency ("IMEA") and has an existing Power Sales Contract pursuant to which the Municipality has contracted to purchase all of the power and energy requirements for its electric system; and

WHEREAS, the Municipality is the provider of last resort for its customers, and as such the Municipality and IMEA must plan for the capacity, energy and other electric service needs of all of the Municipality's customers, including the requirement to purchase sufficient capacity to cover its entire peak load for all customer usage; and

WHEREAS, the Federal Energy Regulatory Commission ("FERC") has issued its Final Rule regarding the centralized electric power markets operated by Regional Transmission Organizations ("RTOs"), Order No. 719, 125 FERC ¶ 61,071, 73 Fed. Reg. 64,099 (October 28, 2008); and

WHEREAS, pursuant to Order No. 719, 18 C.F.R. § 35.28(g)(1)(i)(A) provides: "Every Commission-approved independent system operator or regional transmission organization that operates organized markets based on competitive bidding for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency response ancillary services (or its functional equivalent in the Commission-approved independent system operator's or regional transmission organization's tariff) must accept bids from demand response resources in these markets for that product on a basis comparable to any other resources, if the demand response resource meets the necessary technical requirements under the tariff, and submits a bid under the Commission-approved independent system operator's or regional transmission organization's bidding rules at or below the market-clearing

price, unless not permitted by the laws or regulations of the relevant electric retail regulatory authority”; and

WHEREAS, pursuant to Order No. 719, 18 C.F.R. § 35.28(g)(1)(iii) provides: “Each Commission-approved independent system operator and regional transmission organization must permit a qualified aggregator of retail customers to bid demand response on behalf of retail customers directly into the Commission-approved independent system operator’s or regional transmission organization’s organized markets, unless the laws and regulations of the relevant electric retail regulatory authority expressly do not permit a retail customer to participate”; and

WHEREAS, the Municipality is located in the geographic area served by the RTO, Midwest Independent Transmission System Operator, Inc., and the RTO has not yet made its compliance filing in accordance with FERC Order 719 to finalize its rules regarding demand response resources associated with retail customers; and

WHEREAS, since FERC Order 719 specifically recognizes that the Municipality as the relevant electric retail regulatory may have laws or regulations precluding its customers from participating in the RTO markets with demand response resources, and since the Municipality must make its initial decision on such laws or regulations before the RTO has finalized its rules on this matter, it is appropriate for the Municipality to act to temporarily preclude its end-use customers from such participation so that the Municipality can evaluate the RTO’s rules when they are issued and analyze whether participation in the markets by its customers will have any adverse economic impact on the Municipality and its other customers who are unable to participate in the RTO markets; and

WHEREAS, the Board of Trustees of the Village of _____, having considered the foregoing, has determined that it is in the best interests of the Municipality to preclude the customers of its electric utility from bidding or selling demand response resources into the MISO markets or otherwise participating in the MISO markets with any such demand response resources whether directly or through a third-party aggregator.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF _____, _____ COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. The findings and determinations set forth in the preamble to this Ordinance are hereby made findings and determinations of the Board of Trustees of the Village of _____ and incorporated into the text of this Ordinance by this reference.

Section 2. The customers of the Village of _____ municipal electric utility are hereby restricted and precluded from bidding or selling demand response into any organized electric or ancillary services markets operated or administered by MISO (or any successor independent system operator or regional transmission organization) or otherwise participating in such markets with any demand response resources whether directly or through a third-party aggregator.

Section 3. The Village Council will revisit this Ordinance once the MISO rules for implementing the FERC Order and Regulations have been put in place to determine if the protection afforded by this Ordinance is still required or whether customers of the Municipality's electric utility system will be permitted to participate in the MISO markets with any demand response resources, either directly, through a third-party aggregator or only through the Municipality or its designee.

Section 4. This Ordinance shall be in full force and effect from and after its passage.

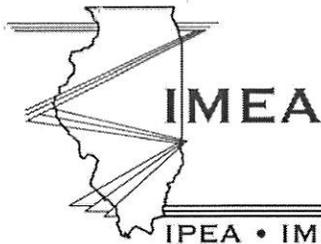
PASSED, APPROVED AND ADOPTED by the Board of Trustees of the Village of _____, _____ County, Illinois, as required by law and approved by the President this _____ day of _____, 2009.

President

ATTEST:

Village Clerk

(MUNICIPAL SEAL)



IPEA • IMUA



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

Date: 3/10/2009

To: IMUA Utility Members

From: Ronald D. Earl, CEO

RE: Stimulus Package Funding of Energy Efficiency Programs

As you may be aware, the new Federal Stimulus Program contains billions of dollars of funding to support “new and expanded” energy efficiency programs. The stimulus support monies will be grouped into the following general areas:

State Energy Programs	\$3.1 billion
Energy Efficiency and Conservation Block Grants	\$3.2 billion
Weatherization Assistance Program	\$5 billion
Energy Star Rebate Program	\$300 million
Smart Grid	\$4.5 billion
Energy Research, Development Demonstration & Deployment Programs	\$2.5 billion
Green Jobs	\$500 million
HUD Housing Assistance	\$5.75 billion
Clean Cities and Plug-in Electric Vehicles	\$700 million
Schools	No Funding
Federal Buildings	\$8.96 billion

Funding program rules will be released shortly and will certainly carry guidelines that these funds will be available to “supplement” and “not supplant” existing funding levels for programs that are already in place. That is, if you have an energy-efficiency program that has \$50,000 of current funding, this level must be maintained by current financing, and Stimulus funds can only be used to fund increments above the \$50,000 level.

Information from the American Public Power Association (APPA) shows that the majority of the Stimulus funds (for energy efficiency programs) will flow through State and local governments, with the State governments playing a key role in program development and fund distribution. APPA has also released guidance that once Department of Energy releases its rules (in the next few weeks), the State and local governments will have to move quickly since the funds will apparently need to be spent or obligated in a short (possibly one year or less).

APPA therefore recommends that all interested parties contact their State and legislative officials as soon as possible to let them know that your organization is interested in either participating in a State-developed program or that your organization would like Stimulus funding for a locally developed and administered energy efficiency program that will require Stimulus funds. For Illinois, the organization that it appears will be administering the Stimulus plans and funds is the Bureau of Energy and Recycling (which is part of the Department of Economic Opportunity).

The Illinois Municipal Electric Agency will be contacting the Bureau of Energy and Recycling programs regarding the Stimulus programs and the programs it is developing. If your organization has an interest in developing its own energy efficiency programs we would recommend that you quickly make contact with your legislative staff and the people at the Bureau of Energy and Recycling. The contact person that we have been given is:

**Lonnie Dosenbach
e-mail: Lonnie.dosenbach@illinois.gov
Phone: 217-785-3416**

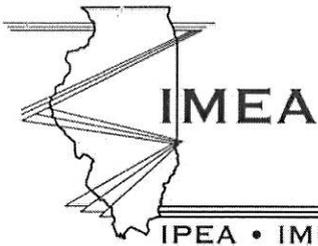
Lonnie stated that due to the large number of utilities in Illinois, she would rather be e-mailed than contacted by telephone.

On a related note, staff has recently participated in an APPA webinar regarding the stimulus program. We have attached the slides from the program. APPA will be sending out a transcript from the presentation. This transcript will be forwarded to all board members. We will also forward any additional information that we receive in regards to Stimulus funding of energy efficiency programs.

If you have any questions or comments regarding the above information, please do not hesitate to contact Doc Mueller or Mike Genin at 217-789-4632.

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

Date: 3/11/2009

To: IMUA Utility Members

From: Ronald D. Earl, CEO

RE: Stimulus Package Funding of Broadband Projects

As a compliment to the memorandum on energy efficiency funds in the new Federal stimulus program (also known as the American Recovery and Reinvestment Act) we took part in a conference call Tuesday that generally outlined the money available for broadband related projects and how to get in line for those funds. Some of you may have participated, but for those who did not we provide this overview.

According to the Governor's office, there are two main funds available; one under the Department of Agriculture and one under the Department of Commerce. The amounts are \$2.5 billion and \$4.7 billion respectively.

The rules, as they exist now, are very broad and the Commerce funds clearly apply to municipal governments. Some of the agriculture funds may also be available to municipalities. Again, according to the Governor's office, the federal government will fund up to 80% of approved projects and that could go higher if you receive a waiver. Any project funded in this way must be complete within 2 years after funding and all the money will be out by October 2010.

We know that some of you may have broadband projects, including infrastructure needs that might qualify for funding. As a start, the Governor's office is asking those who think they may have a project that could receive these funds to log onto the state website set up specifically for stimulus funds. It is: <http://recovery.illinois.gov/>. There is a tab on the left for submitting a project and they ask that you input your proposal. The Governor's office will not submit the project on your behalf, but it and the Department of Commerce and Economic Opportunity will work with you when the actual means of submission are better know.

In addition here is another site (the state broadband deployment site) that has additional information on the funds: <http://illinoisbroadbanddeployment.pbwiki.com/Broadband-Technology-in-the-Federal-Stimulus-Package>

We will provide more information as we have it, but for those of you with specific and identified needs or projects in mind, we urge you to start now. If you have any questions or comments regarding the above information, please do not hesitate to contact Doc Mueller or Mike Genin at 217-789-4632.

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CHUBB GROUP OF INSURANCE COMPANIES

8000 Maryland Avenue, Suite 1500 • St. Louis, Missouri 63105-3913
Phone: 314-889-4400 • Facsimile: 314-889-4455

February 6, 2009

Village of Freeburg
c/o Power Plant
14 Southgate Center
Freeburg, IL 62243

RECEIVED

FEB 17 2009

Attn: Mr. Ron Dittlemann

Re: Insured: Village of Freeburg
Company: Federal Insurance Company
Policy: ATD MONO / 78314649

Dear Ron:

Thank you for the consideration I received during my recent visit to your facility. The purpose of the visit was to conduct a loss control evaluation of the mechanical, electrical and pressure vessel equipment and systems. During this visit the following areas were reviewed and discussed:

- Infrared study
- Web deflection study
- Oil analysis
- Meggar motors

New Recommendations:

Your attention is directed to the attached "Recommendation Document" that identifies four recommendations pertaining to the issues discussed above. They are made in the interest of property loss prevention and warrant your careful consideration.

We would appreciate a reply, detailing either your completed actions or compliance intentions, to the recommendations within the requested response time.

Previous Recommendation Status:

There are no outstanding recommendations.

Next Visit:

Our next scheduled visit to your facility is February 2010, to conduct a mechanical and electrical inspection of all equipment.

Summary:

I want to thank you again for the assistance you provided me, and for your continued efforts in loss prevention and property conservation.

Our evaluations, reports and recommendations are made solely to assist the insurer in underwriting and loss control. No warranties or representations of any kind are made to you or any other party. Evaluation for any hazard or condition does not mean that it is covered under any policy. Any reports or certificates we provide in connection with any state-required pressure vessel inspection do not mean that all hazards or conditions were under control at the time of the inspection. Neither we nor the insurer shall be liable to you or any other person for the use of any information provided or statements made by any of our employees or agents during the performance of an evaluation.

Chubb & Son is a division of Federal Insurance Company

Client: Village of Freeburg, Freeburg Light and Power
DBA: Power Plant
Coverage/Policy #: ATD Mono 78314649
Report Date: February 6, 2009

Please advise this office in writing by **March 20, 2009** as to the status of compliance with the recommendations.

If you have any questions regarding the information contained in this report, please contact me by phone at (314) 889-4449 or by e-mail at josseck@chubb.com.

Sincerely,



John A. Osseck
Senior Machinery Breakdown Risk Engineer
Loss Control Services

cc: Sharon Krueger/R. W. Troxell & Company
SKrueger@rwtroxell.com

Tyler G. Bausom/Chubb Western Underwriting Center
Property, Machinery & Marine Dept.

Our evaluations, reports and recommendations are made solely to assist the insurer in underwriting and loss control. No warranties or representations of any kind are made to you or any other party. Evaluation for any hazard or condition does not mean that it is covered under any policy. Any reports or certificates we provide in connection with any state-required pressure vessel inspection do not mean that all hazards or conditions were under control at the time of the inspection. Neither we nor the insurer shall be liable to you or any other person for the use of any information provided or statements made by any of our employees or agents during the performance of an evaluation.

Chubb & Son is a division of Federal Insurance Company

RECOMMENDATIONS

Village of Freeburg, Freeburg Light and Power

Power Plant
412 W. High St.
Freeburg, IL 62243

Attention: Ron Dittlemann

Policy Number: ATD Mono 78314649

Date of Report: February 6, 2009

Rec. No.: 2009-02-1 **Category:** Mandatory **Response Time:** 30-Days
Equipment: All Internal Combustion Engines

It is recommended that you run a lube oil analysis on all engines. Please submit your results to our office.

Rec. No.: 2009-02-2 **Category:** Mandatory **Response Time:** 45-Days
Equipment: All internal Combustion Engines

You need to conduct a web deflection test on the main crankshaft of all engines. This will assure the crankshafts are in proper working order.

Rec. No.: 2009-02-3 **Category:** Mandatory **Response Time:** 45-Days
Equipment: All Generators

You will also need to run a meggar test for all generators. This will assure you have proper insulation on your coils and they are in satisfactory working order.



Our evaluations, reports and recommendations are made solely to assist the insurer in underwriting and loss control. No warranties or representations of any kind are made to you or any other party. Evaluation for any hazard or condition does not mean that it is covered under any policy. Any reports or certificates we provide in connection with any state-required pressure vessel inspection do not mean that all hazards or conditions were under control at the time of the inspection. Neither we nor the insurer shall be liable to you or any other person for the use of any information provided or statements made by any of our employees or agents during the performance of an evaluation.

Chubb & Son is a division of Federal Insurance Company

Rec. No.: 2009-02-4 **Category:** Mandatory **Response Time:** 60-Days

Equipment: Main switch gear infrared testing

Failures in electrical systems do not normally occur in a sudden manner. In most instances, they develop over a long period of time through a gradual deterioration process. During this process, heat is emitted from the system at a point where the defect or problem is present. Early identification of this condition through detection of the telltale heat emitted will allow corrective action to be implemented prior to failure.

Schedule and conduct a comprehensive infrared inspection of your electrical system. Additionally, periodic infrared testing should be incorporated into your facility's maintenance program at an interval not to exceed one year.

Reference: Electrical Equipment Maintenance, NFPA 70b, Chapter 18
 National Electrical Testing Association, Maintenance Test Specifications



Our evaluations, reports and recommendations are made solely to assist the insurer in underwriting and loss control. No warranties or representations of any kind are made to you or any other party. Evaluation for any hazard or condition does not mean that it is covered under any policy. Any reports or certificates we provide in connection with any state-required pressure vessel inspection do not mean that all hazards or conditions were under control at the time of the inspection. Neither we nor the insurer shall be liable to you or any other person for the use of any information provided or statements made by any of our employees or agents during the performance of an evaluation.

Chubb & Son is a division of Federal Insurance Company