

**ILLINOIS MUNICIPAL ELECTRIC AGENCY
BOARD OF DIRECTOR'S MEETING**

FRIDAY, OCTOBER 23, 2009

A regularly scheduled meeting of the Board of Directors of the Illinois Municipal Electric Agency was held at the IMEA headquarters building, 3400 Conifer Drive, Springfield, Illinois, at 1:00 p.m. on October 23, 2009.

Chairman Del McCord called the meeting to order. Following the Pledge of Allegiance, McCord asked all Board Members to register their attendance. A quorum was present.

Allan Poole moved to approve the minutes of August 27, 2009, seconded by Scott, with all being in favor.

Bob Childers presented the Treasurer's Reports for July and August. Childers stated IMEA's total assets and liabilities are over \$1.2 billion. A correction was noted on page 6 of the July booklet on the average cost/kWh.

Discussion was then held on sending the board packet out electronically. Dale Detmer moved, seconded by Taylor, to send out the packet electronically. All were in favor by voice vote.

President & CEO's report: CEO Ron Earl stated the Rick Hardesty recently suffered a heart attack, but is doing well. Earl then welcomed Mayor McDaniel of Metropolis and Mayor Pradel of Naperville.

OLD BUSINESS

Operations: Alice Schum reported a recent meeting was held with MISO to discuss Long Term Transmission Rights (LTTR), local transmission planning for facilities under 100kV and load forecasting errors due to demand response/smart grid technology. The Agency is using AEM cost based contract during the TC outage. The Agency also recently submitted its FRR plan to PJM to remove St. Charles from the plan 2 years early. Discussions have been held with Integrys regarding the renewable project. Discussions were also held with MISO regarding the asset registration for the CWLP contract and Red Bud's load. October LMP averages were: MISO DA \$25.07/RT \$25.36 – PJM DA \$27.58/RT \$27.03.

Compliance: In the absence of Bob Thomas, Troy Fodor reported NERC launched a new process this month for communication with the electric industry on potential reliability vulnerabilities and threats to the bulk power system. Fodor further reported that Florida Power & Light was penalized \$25 million for violation of compliance standards which caused the 'Florida Blackout'. Last month a meeting was held with Naperville officials to review self certification due to Naperville being a transmission owner. Bob Thomas has prepared the initial drafts of the reliability standards audit worksheets which will be discussed with the JRO members in the upcoming weeks. Fodor stated a consultant will conduct a third party/self-audit prior to RFC and SERC audit to make sure IMEA is in compliance.

Transmission/generation: Kevin Wagner reported the following:

- Waterloo – IMEA has a meeting with Ameren next week to discuss the location of property that Ameren is considering acquiring for the proposed 34.5 kV switching stations at Waterloo and in the Fountain area south of Columbia. This is the first step in completing about \$18M worth of transmission improvements planned for the Waterloo area over the next several years to help firm up service through 2024. Ameren recently completed reconductoring and correcting clearance problems on the 138 kV line supporting the substations.
- Flora – The city is in the process of working today with Ameren to test protective relaying and energize its new west side Substation. The Substation will pick up load as the city progresses with its distribution system conversion plans. Recently, IMEA has worked with Ameren to install a 69 kV metering point that will serve this part of the city.

Trimble County 2 (TC2): Kevin Wagner then reported the Project, to date, is approaching 80% completion. The first of the boiler hydrostatic testing is currently underway. Hydro testing of the economizer and super heat sections should begin next week. The gas path is expected to be completed in early December about the time that the first fire in the boiler using oil is scheduled. The first coal burn is scheduled for mid February. By the end of February,

IMEA can expect to see the first of the pre-commercial energy produced. Bechtel is still working toward a June 14th commercial operation date, however there is a sense from the LG&E staff that startup testing will likely continue at least until July.

The last of the large duct work is now in place. The tower crane has been removed. The pre-heaters are complete. Piping is progressing between the boiler and the steam turbine. The final piping to the high pressure turbine section should be complete within the next two weeks. The boiler feed pumps are now being modified in Baton Rouge to meet Bechtel's performance specs. The new digital control system for the plant officially went into service and will be used by TC1 when it starts up following its fall maintenance outage. Outside the power block, the 345 kV river crossing tower is complete and both circuits are in place. The work on the coal reclaim tunnel is finished and earthwork is progressing on raising the ash pond another 40 feet.

Prairie State (PS): Wagner reported The Project construction is approximately 30% complete. Engineering activities are more than 80% complete and are starting to shift from the civil/mechanical areas to electrical. The Unit 2 boiler structure has been turned over from S&A to Bechtel for boiler installation. The Unit 1 generator stator has been successfully delivered to the site and placed on the turbine operating deck. The last 4 sections of the Unit 2 stack are being installed. In the material handling areas, the coal reclaim tunnel concrete work is moving forward as well as structural work for the limestone ball mills. Foundation work is underway for the raw water pond pump house as well as the placing of rip rap around the perimeter of the pond. Ameren has purged and filled the new 12" natural gas pipeline and is completing the regulating station. Fiberglass framework for the Unit 2 cooling tower is nearing completion. The last of the roof trusses for the Unit 2 turbine building are being placed as is the steel structure for the common area between the units that houses the control room. Unit 1 boiler installation and tube welding remains an area of considerable concern as this is a critical path for the project.

Aside from improving the productivity of the Unit 1 boiler installation, other key issues include modifications to the raw water pond and pump house to address the sand layer that was recently identified. Additional clay lining will likely be needed to minimize risk of leakage. Additional pilings were used around the pump house foundation. Earth work continues on the Jordan Grove CCW facility. PSGC staff is reviewing recent engineering studies prepared by CEC to enhance waste storage capacity at Jordan Grove. Work progresses on the mine bottom development, the material handling facilities on the surface and the mine office complex. The mine construction is more than 30% complete.

Earl noted teleconferences have been held with Raj Rao and Marc Gerken to discuss the organizational structure, consultant hiring issues and transmission upgrades.

Future capacity: Wagner reported soil borings and vibration analysis at the Lisbon site were completed earlier this month. We are awaiting a final report from Terracon, the consultant, but nothing of concern was identified during the field work. Crop damage was kept to under \$1000. AECOM was also able to complete its field work associated with the "desk top" groundwater review during this same period. A down hole camera was operated using an existing homestead well that provided access down to about 100'. Following receipt of these geotech reports as well as some additional preliminary design work by RW Beck, staff will resume work with local officials on annexation and zoning requirements for the property.

Renewable projects: Doc Mueller reported the contract with Integrys for the landfill gas project is being finalized and is awaiting final review by IMEA. This contract would begin January 1, 2010 for approximately 6 MW. A meeting is scheduled with Nextera (Florida Power & Light) on November 2nd to continue discussions on their wind project near DeKalb, which IMEA is looking at 70 MW. Discussions also continue with Customized Energy Solutions (CES) to put into place the Renewable Energy Credit (REC) program.

Energy Efficiency: Mueller stated the first batch of CFL Member coupons are completed. The Apogee home energy audit is on the IMEA website. Apogee is finishing up the audits for those Members that paid for personalized home energy audits. IMEA is beginning to receive applications for the financial incentives. The Governmental Agreement is being finalized.

HAPS study: Kevin Wagner reported R.W. Beck will be performing the emission stack tests beginning with the generating members in the non-attainment area. Winnetka has been completed. The first phase of the study will be completed within 3 months of completion of the tests.

NEW BUSINESS

Ordinance #09-10-671 - Approving Revised Rate Schedules B, B-2, B-4 and B-6: Jerry Scott made a motion to approve this Ordinance, seconded by Taylor. The weighted roll call vote showed unanimous approval.

Resolution #09-10-672 - Approving the Use of a Rate Schedule B-4 to Provide Extended Service to the City of Oglesby: Paul Jakubczak moved to approve this resolution, seconded by Coble. The weighted roll call vote showed all in favor with the exception of Oglesby, voting to abstain.

Report on APPA Board of Directors Meeting: Earl reported that among the topics discussed were climate change, demand side management, cyber security, smart grid technology, generation and transmission infrastructure and the need for more transmission.

Report on APPA Legal Seminar: Troy Fodor reported on topics discussed which included Cap & Trade legislation, green power (wind) contracts, sequestration, stimulus funds, renewable portfolio standards, NERC compliance and smart grid.

Report on APPA CEO Climate Change Task Force Meeting: Doc Mueller reported that the Task Force discussed the bill just introduced on the Senate side (Kerry-Boxer) which is similar to, though more restrictive than, the Waxman-Markey bill in the House. Hearings are expected to be held in the next couple of weeks on the new Senate bill. Mueller noted from his discussions with staff on Capitol Hill during his Washington trip that the further this issue is pushed into the Spring, less likely on any action of a bill due to the pending election. Mueller further stated Senator Cantwell has introduced a new piece of legislation that moves away from a cap and trade concept to a flat carbon fee based upon the carbon content of fuel. This bill may gain some traction if the cap and trade approach becomes bogged down in the legislation process. Overall, the Task Force meeting provided the overall sense that immediate action on climate change legislation is unlikely.

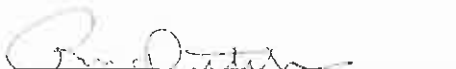
Other: Brian Keys thanked Bob Childers for changing the timeline for the rate schedule. Paul Jakubczak noted the block of rooms for the Legislative Rally opens up the first week of November.

Rate Stabilization: George Smith made a motion to give the President & CEO the authority to use the Rate Stabilization Fund to offset any increase to the January 2010 billing, seconded by Taylor. The voice vote showed all in favor.

Earl gave an overview of the Annual Banquet and meetings on Saturday.

Paul Jakubczak moved for adjournment, seconded by Detmer. All were in favor.

Respectfully submitted:


Ron Dintelmann, Secretary/Treasurer

/trk

**IMEA BOARD OF DIRECTOR'S MEETING
FRIDAY, OCTOBER 23, 2009**

MEMBERS PRESENT

Altamont	Larry Taylor
Breese	Dale Detmer
Carlyle	John Hodapp
Carmi	Bob Rothermel
Chatham	Del McCord
Flora	Robert Coble
Greenup	Nancy Sowers
Highland	Mark Latham
Marshall	George Smith
Metropolis	Rick Abell
Naperville	Allan Poole
Oglesby	Jerry Scott
Peru	Jim Pothoff
Rantoul	Greg Hazel
Riverton	Rich Pottier
Rock Falls	Paul Jakubczak
Roodhouse	Jim Holder
St. Charles	Glynn Amburgey
Sullivan	Doug Carnes
Waterloo	Tim Birk
Winnetka	Brian Keys

MEMBERS ABSENT

Bethany	Mike Collins
Bushnell	Mike McCleery
Cairo	Karl Klein
Casey	Shelby Biggs
Fairfield	Mickey Borah
Farmer City	Rick Hardesty
Freeburg	Ron Dintelmann
Ladd	Pat Barry
Mascoutah	
Princeton	Jason Bird
Red Bud	Louie Diewald

OTHERS PRESENT

Marshall	Cory Sheehy
Metropolis	Billy McDaniel
Naperville	Mark Curran
Naperville	A. George Pradel
RECC	David Stuva
IMEA	Ron Earl
IMEA	Troy Fodor
IMEA	Tammy Kesterson
IMEA	Bob Childers
IMEA	Kevin Wagner
IMEA	Doc Mueller
IMEA	Mike Genin
IMEA	Darren Hulskotter
IMEA	Alice Schum