



**Board Meeting
August 24, 2023**

The Northern Illinois Municipal Power Agency (NIMPA) held a meeting on Thursday, August 24, 2023 at the Batavia Government Center, 100 N Island Ave, Batavia Illinois.

1. Call to Order and Roll Call:

President Holm called the meeting to order at 10:06 a.m.

Present at the meeting:

Gary Holm, City of Batavia
Aaron Holton, City of Geneva

Steve Allen, City of Batavia

Present via teleconference:

Jeff Fiegenschuh, City of Rochelle
Noah Hansen, Avant Energy
Joe Fulliero, Avant Energy
Dominick Lanzito, Van Buren Consulting
Rich Babica, City of Geneva

Richard Heinemann, General Counsel
David Niles, Avant Energy
Rahat Bari, City of Batavia
Danielle Bettner, City of Rochelle

2. Approval of Regular Session Meeting Minutes from June 22, 2023

MOTION: To approve the minutes from June 22, 2023
MAKER: Aaron Holton
SECOND: Gary Holm
VOICE VOTE: All in favor, Motion Carried

3. Van Buren Consulting Group, LLC Update

Dominick Lanzito reviewed the presentation his firm has prepared on behalf of NIMPA for meetings with local legislators. The presentation provides information related to governance of municipal utilities and joint action agencies. The purpose of the presentation is to provide information to legislators to inform them as to how local municipal electric utilities and joint action agencies are administered by the local municipal governments. Goal is to establish meetings with legislators during September and October, prior to the veto session. Attorney Heinemann indicated he would have a couple of comments to suggest that he would transmit by separate email to Attorney Lanzito. Discussion ensued. Mr. Lanzito left the meeting after his presentation.

4. Financial Report

Mr. Niles reviewed the financials from both May and June, 2023. NIMPA's rate to members for May was \$9.76/MWh lower than budget which was primarily caused by lower than budgeted purchase power costs and higher interest income. NIMPA's rate to members for June was \$10.28/MWh lower than budget, for similar reasons. As of the end of May, NIMPA's ECA balance was \$10.5M. The ECA balance increased to \$11.9M as of the end of June. NIMPA's capital adder fund had a balance of approximately \$11M at the end of June.

MOTION: To approve the monthly financials for May, 2023
MAKER: Jeff Fiegenschuh
SECOND: Aaron Holton
ROLL CALL: AYES: 3 (Holm, Holton Fiegenschuh)
NAYS: 0

The motion passed
MOTION: To approve the monthly financials for June, 2023
MAKER: Aaron Holton
SECOND: Jeff Fiegenschuh
ROLL CALL: AYES: 3 (Holm, Holton Fiegenschuh)
NAYS: 0
The motion passed

Mr. Holm suggested that item 4.C on the agenda be discussed prior to item 4.B.

Mr. Niles provided a summary of his analysis of finances related to asset retirement obligations and future closure costs. Mr. Holm had provided Mr. Niles with a cost estimate, based on 2024 dollars, of what plant and mine closure costs might be in the year 2045. Mr. Niles used an annual inflation rate of 3% for costs and a 1% interest rate on invested funds. Mr. Niles reported that NIMPA already has \$2.4M set aside for its asset retirement obligations. Mr. Niles reported that approximately \$825K/year is needed to meet NIMPA's projected financial obligations for plant and mine closure in the year 2045. That value equates to a rate adder of approximately \$0.785 cents per MWh that NIMPA would need to fund for the next 20+ years. Mr. Holm explained that the costs were in the context of plant/mine closure and cleanup to greenfield conditions, which would not be required under current law. Mr. Holm explained that assuming greenfield conditions is the most conservative approach because it would result in the highest future costs.

Mr. Holm suggested that some funds from the current ECA balance could be transferred to create a new NIMPA reserve fund for future closure costs. Mr. Bari indicated that Prairie State is contemplating creation of a separate fund with the primary purpose being for insurance purposes. Mr. Bari explained that fund could also be used for future closure costs if no insurance expenditures are incurred over the next 20+ years.

Mr. Holton expressed support for starting an asset retirement reserve fund so that NIMPA is prepared for the future plant closure. Mr. Niles reiterated that his assumption of 1% growth is conservative and contributions to the reserve fund can be re-evaluated by the Board at any time. Mr. Holm indicated that the topic should be placed on a future agenda, after Prairie State's board has acted on any potential insurance fund.

Mr. Niles confirmed that funds from the ECA balance could be transferred to an asset retirement reserve fund if the Board elects to do so. Mr. Holm indicated that the topic will be placed on an upcoming meeting agenda.

Mr. Niles summarized the three proposals received by NIMPA for auditing services. Mr. Niles indicated that one of the firms did not have public power experience, while the other two firms had extensive experience in public power.

MOTION: To accept Forvis' three-year proposal to provide auditing services
MAKER: Gary Holm
SECOND: Jeff Fiegenschuh
ROLL CALL: AYES: 3 (Holm, Holton Fiegenschuh)
NAYS: 0
The motion passed

5. Management/Operations Report

Mr. Hanson provided reports for the months of May and June. Mr. Hanson reported that the total ISO revenue for May was \$527K and was partially due to higher RPM auction revenues. Mr. Hanson reported that the total ISO revenue for June was \$150K.

6. General Counsel Update

Mr. Heinemann provided an update related to NIMPA's BABs case and the status of the petition for certiorari before the Supreme Court. The BABs case received two very supportive amicus briefs in support of the petition from the APPA and from a coalition of national municipal finance associations. Mr. Heinemann stressed that the odds are still small that the Supreme Court will actually take up and consider the BABs case.

7. Discussion: Part-Time Administrative Assistance for Agency

Mr. Holm reviewed the scope of a potential assistant that could be present at NIMPA Board meetings and assist with recording duties and preparation of meeting minutes. Mr. Fiegenschuh suggested that the person could also be responsible for preparing monthly board packets. Mr. Holton suggested that NIMPA also consider hiring additional full-time professional staff for agency administrative matters. Mr. Holm indicated that he can provide the Board with a draft job description for the administrative assistant position. Mr. Holm indicated that he would add the topic of a potential General Manager to a future agenda.

8. Executive Session (Discussion of executive session minutes; Semi-annual review of executive session minutes; Discussion of contracts relating to the purchase sale or delivery of electricity from the Prairie State project; Litigation related to the Prairie State Generating Company)

MOTION: To move into Executive Session at 11:40 a.m.
MAKER: Jeff Fiegenschuh
SECOND: Aaron Holton
ROLL CALL: AYES: 3 (Holm, Holton, Fiegenschuh)
NAYS: 0
The motion passed

Regular Session returned at 1:01 p.m.

9. Action Items from Executive Session

MOTION: To release and make public executive session meeting minutes from August 25, 2022
MAKER: Aaron Holton
SECOND: Gary Holm
ROLL CALL: AYES: 2 (Holm, Holton)
NAYS: 0
The motion passed

10. Old Business:

None

11. New Business:

Mr. Holm reported that he had contacted Prairie State for potential campus tour dates during the fall months.

12. Comments:

Comments from the public related to Prairie State's comments on the proposed EPA replacement legislation for the Clean Power Plan. Additional comments related to Prairie State's investigation of a potential carbon capture project. Mr. Holm reported that he has personally been involved in meetings related to carbon capture that have been very detailed in nature. Mr. Holm reiterated that due diligence is ongoing and no final decisions have been made related to carbon capture.

13. Motion To Adjourn:

MOTION: To adjourn the meeting at 1:18 p.m.
MAKER: Aaron Holton
SECOND: Gary Holm
VOICE VOTE: All in favor, Motion Carried