

Q/A for September 24, 2024 Budget Meeting I

| Budget page | Title | Requestor Responder |
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| Q. | If last year's theme was "Building Blocks", what is this year's theme? | <i>Longenbaugh</i> |
| A. | The 2025 theme, "Ready for Change," draws attention to the post-pandemic financial shift we're experiencing, including revenue growth rates, state actions, and debt position based on the work of years past. | <i>Munch</i> |

| Page 5 | 2024 CIP Progress | |
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| Q. | 1. What are you seeing as being the primary driver of high material costs? Energy prices and inflation have been trending down. e.g. 2. Are we still seeing supply chain disruptions? 3. Are we competing for resources with Federal Infrastructure Projects? 4. Is it simple supply & demand? | <i>Longenbaugh</i> |
| A. | With inflation easing, we hope to see lower (or at least stable) costs for construction materials like concrete, steel and asphalt. Machinery and equipment is the one place we have not seen much improvement. This includes utility system components like cable, transformers, and pumps, as well as heavy vehicles. Supply chains continue to be a problem in these areas. In Electric, some purchase orders for transformers are now several years old and it remains unclear when (or if) that situation will be resolved. The inflow of federal infrastructure and COVID relief funding has likely contributed to these supply and demand issues. In some sectors of the construction industry, there are simply more projects than there are qualified contractors. | <i>Munch</i> |

| Page 10 | Overhead to Underground | |
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| Q. | 1. What percentage of our lines are already grounded? (I thought it was over 90%.) 2. Do you have a map of the planned undergrounding? [This is excellent news, BTW!] | <i>Longenbaugh</i> |
| A. | 1. The Electric Utility is currently 94% underground. 2. The Electric Utility's 10 year undergrounding plan is attached. | <i>Groth</i> |

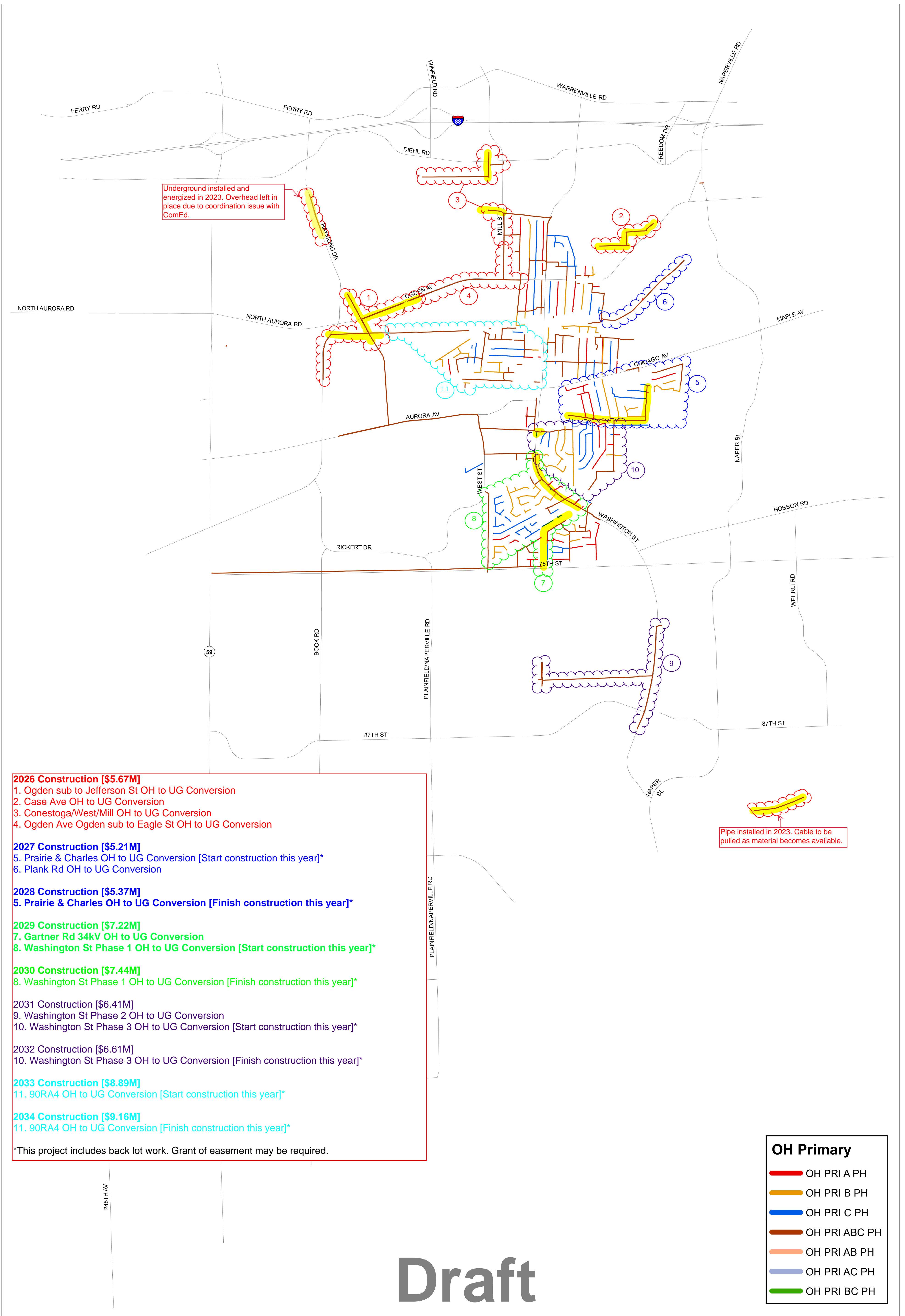
| Page 11 | Electric Utility | |
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| Q. | 1. What additional upgrades to the Tollway Substation? 2. I see that we bought 2 transformers in May 2023 (\$9M; one for installation & one for backup). Were these delivered and was the one installed? 3. Have we had to use the backup? I also see we approved a reliability upgrade in December 2023 to insulators at the Tollway Substation (\$900K). 4. How does that relate to the CIP work in the 2025 budget? | <i>Longenbaugh</i> |
| A. | 1. In the past we have had ice accumulate on the outdoor 34.5kV bus that is directly adjacent to the Tollway. The ice accumulation caused flashovers which damaged equipment in the station and resulted in significant outages to the I-88 corridor as well as downtown Naperville. In order to prevent this from occurring in the future, we are procuring and installing indoor switchgear, as we have done at several other substations. We will also be reconfiguring the 138kV system at the substation to be more resilient. 2. The transformers have not been delivered yet; they are currently expected in 2027 and 2028, respectively. 3. In 2023 the Electric Utility hired Sargent & Lundy to help with the engineering design of a control house which will allow the 34.5 switchgear to be moved indoors as well as reconfiguration of the 138kV system. The work by Sargent & Lundy is on-going. 4. In 2025 the Utility expects to bid and award the control house which will include the indoor 34.5kV switchgear, make required payments on the two transformers that were ordered in 2023 and begin civil construction work for the Tollway Substation Upgrade project. | <i>Groth</i> |

| Page 17 | Water Distribution Improvements | |
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| Q. | What work was being done in Saybrook (11th Avenue) this summer? There was a lot of work being done. | <i>Longenbaugh</i> |
| A. | The water main replacement on 11 th Avenue (2023) was the first in a series of projects in Saybrook that will replace all water mains in the subdivision. Pipe will be upsized from 6" to at least 8" and will replace poor performing pipe and enhance fire protection. It should be noted that the poorest rated segment of pipe in the distribution system was replaced as part of 11th Avenue project. Water Utilities continues to work with the TED Business Group to coordinate projects to minimize disruption to residents and perform underground work prior to road resurfacing. | <i>Blenniss</i> |

| Page 21 | Rate Study | |
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| Q. | Does the Public Utilities Advisory Board (PUAB) also weigh in on issuing debt or is that only something discussed by the Financial Advisory Board (FAB)? | <i>Longenbaugh</i> |
| A. | No, the PUAB has not been involved in discussions about debt. Traditionally, only FAB has been consulted. | <i>Munch</i> |

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| Page 31 | Vehicle Replacements | |
| Q. | For what tasks does Public Works need 5 new vehicles? | <i>Longenbaugh</i> |
| A. | <p>Capital vehicle requests were made while DPW continued to evaluate all options. Initially, DPW requested the five vehicles listed below. However, after further review, DPW recommends removing the requests for the mini and hydro excavators. See below for further explanation on all vehicles:</p> <p>Hydro excavator (removed from the 2025 budget) – DPW field tested a unit late last week and found that it did not meet our operational needs. As a result, DPW will re-evaluate methods for rear yard/side yard excavations in the future.</p> <p>Mini excavator (removed from the 2025 budget) – this unit is intended for rear yard/side yard excavation work for our storm sewer maintenance group. DPW will continue to share equipment with the Electric Department until service delivery is impacted.</p> <p>Full-size van – This vehicle will be used by the Public Buildings Operations Division. PBO moved from one to two supervisors to better serve the 54 city buildings. These supervisors require a vehicle with weather-tight, secure storage for their tools and equipment. Currently, they are using vehicles that are not in use due to vacancies within that group. Once they are fully staffed, those vehicles will not be available to them.</p> <p>Utility truck – This unit was proposed to be a dedicated unit for the new concrete restoration crew. Currently, they are using a surplus unit that is planned for auction, the supervisor’s pick-up truck, and sharing one-ton trucks for heavy hauling. If the full-size van mentioned above is approved, PBO will be able to share a pick-up truck with the concrete resto crew during peak seasons. If the full-size van is approved, we can defer the Utility truck request until 2026.</p> <p>Mini Skidsteer – this is a shared unit between the Streets and Storm Sewer Maintenance Divisions to move materials at locations with narrow alleys, sidewalks, downtown, and other areas with space constraints. This unit will help with the growing demand for rear yard/side yard excavations.</p> | <i>Dublinski</i> |



Draft

Primary Overhead Distribution