

**LEBANON UTILITY SERVICE BOARD**  
**Lebanon, Indiana**

September 17, 2008

Utility Conference Center

4:00 P.M.

	Board:	Staff:
Present:	Allen Milburn, Chairman	Steve Large
	Gary Ladd, Vice Chairman	Michael Martin
	Tom Temple, Secretary	Randy Parsons
	Dan Lamar, Member	Linda Ridgway
	Jim Urban, Member	Kerry Vincent
		Bob Waples

Guests: Attorney Ray Kirtley

1. Chairman Milburn called the regular meeting of the Lebanon Utility Service Board to order at 4:00 P.M. with full complement of board members present. Confirmation of appropriate notification was acknowledged.
2. Chairman Milburn requested comments on the September 3rd, 2008 minutes. Hearing no comments Member Lamar made a motion to approve; Vice Chairman Ladd seconded the motion. Motion carried.
5. General Manager Mike Martin requested Item #5 on the agenda be moved forward to accommodate Vice Chairman Ladd's need to leave the board meeting early to attend another meeting at 4:30. Therefore, General Manager Martin introduced Kerry Vincent of ISC to explain the cost analysis completed on the AMR build-out implementation.

Kerry Vincent summarized his analysis report showing comparisons of Lebanon Utilities providing AMR (now called AMI) build-out vs. a contractor like Johnson Controls performing the services. Using 60% of the current staff workload to change out meters would equal 28 weeks per year or take approximately 3 years to complete the entire system. Total savings in Lebanon Utilities being able to do the project itself versus an outside contractor is roughly \$1,800,000.00. Economically Lebanon Utilities should see the system paying for itself in 6.5 to 7 years. Utilizing an outside source (Johnson Controls), the project could be completed in 12 – 18 months, with extra costs and not having the flexibility to control the level and timing of expenditures which becomes important as unexpected resource demands are placed on the company.

General Manager Martin stated we have confidence with and experience in the technology to handle the build-out program ourselves, the pilot program has worked successfully. Additional financing should not be necessary although cash flow analysis with the 2009 budget will be necessary before stating this definitively.

Member Jim Urban asked about how many meters would be installed at each residence. Kerry Vincent explained that only one electric meter would be necessary and that the reason for the other meters at Member Urban's residence was due to pilot program we were conducting with demand-side management.

Chairman Milburn asked for additional questions, hearing none, he closed the discussion until next board meeting when action will be taken.

Vice Chairman Gary Ladd was excused.

3. General Manager Martin asked Kerry Vincent to report on the bids received and recommendation for the North Substation Labor Contract. The low bid was offered by Power Construction, LLC. Mr. Vincent shared this as an example of the advantages of being a part of IMPA in that this company was doing other projects in Indiana for IMPA and could transition easily to this project and thus the cost was far less than normal.

Kerry Vincent reported four bid packets were original issued. The high bid of \$185,711.00 was received from Beau Mitchell Corporation and the low bid received from Power Construction at \$94,340.00. Mr. Vincent assured the board that the bids were all inclusive. Power Construction is involved in other projects in the immediate vicinity, has a lower overhead and can start immediately with a finish date of late November 2008. Member Jim Urban made a motion to accept Power Construction's bid of \$94,340.00. Motion seconded by Secretary Tom Temple. Motion carried.

4. Kerry Vincent presented a change order request from Myers Controlled Power, LLC in the amount of \$2,428.00 for additional voltmeter and improved specifications to the relays. Acceptance of the Change Order adds a 7% increase to the total project. Member Dan Lamar made a motion to accept this Change Order from Myers Controlled Power. Motion seconded by Member Jim Urban. Motion carried.

6. Bob Waples asked for board approval of a secondary plat from Menards. Chairman Milburn stated that Water and Sanitary Availability Fees are normally paid in full before bringing this type of request to the board. General Manager Martin and Bob Waples explained this is not a normal situation in that unlike residential developers commercial customers do not normally subdivide their property and do not have secondary plats for Board approval; Menards asked for the re-plat in order to add a small mall area to the front of the construction site. Menards will not be able to pull a building permit without paying their Availability Fees. Member Jim Urban made a motion to approve the plat as presented with Chairman Allen Milburn receiving authorization to sign the re-plat. Secretary Tom Temple seconded the motion. Motion carried.

7. IT and Telecommunications Manager Randy Parsons requested the report presented at the last Board meeting by Sandra Morgan Finance Manager showing a summary of internet customer activity be accepted as a monthly report. The members agreed this would be acceptable with a verbal update at board meetings held throughout the rest of the month.

Mr. Parsons introduced to the members a map showing placement of equipment in a grid pattern to provide internet access around the city to implement 802.11.

He reported that the first mailing to the county advertising the wireless service is to be in the mail by the end of next week.

8. General Manager Martin and Member Dan Lamar reported to the board some of the knowledge the Broadband Committee has gained from its visits to other communities. They explained that based on their investigations, fiber-to-the-home optic is the technology of choice when providing data, voice, and video to residences and businesses. Member Lamar stated that we need to look to a partnership with a company with depth of expertise and financial capability as well as hard assets. Mr. Martin agreed and stated that to undertake a project such as this

would be next to financially prohibitive for the company to do so on its own. Mr. Martin and Member Lamar indicated that they believe that in the future a combination of wireless and fiber optic could be marketed and meet the spectrum of needs of the community including surrounding areas adjacent to the city. The Committee also believes that marketing needs to be ready for the next step. The Committee in its investigation has arrived at a preferred company with which to negotiate. The committee suggested that the possibility be studied of adding a marketing staff person who would be prepared to perform at start up. This person could also do key accounts, demand-side management, and energy efficiency work. This will be examined further to see if any recommendation to that effect is warranted.

Member Tom Temple commended the committee for their efforts. Chairman Milburn suggested the committee move forward. Attorney Ray Kirtley saw no need to entertain a motion and thus the committee is to move forward with negotiations with the preferred company by consent of the board. Member Lamar requested timeline directives. The committee was given 90 days to bring forward ideas as to what a business partner structure might entail.

9. Secretary Tom Temple made a motion to pay the claims dated September 17, 2008 in the amount of \$1,455,149.98. Member Lamar seconded the motion. Motion carried.

10. Chairman Milburn requested a five-minute recess before entering into Executive Session to discuss personnel matters. During the Executive Session only personnel matters were discussed and no action was taken.

11. Chairman Milburn reconvened into public session. A motion was made by Member Lamar stating that the Board supports the written decisions prepared by General Manager Mike Martin in response to the issues of wage differential and pension credit raised by Roberta Gidman. Further, a letter should be prepared and sent to Roberta Gidman over the signature of Chairman Milburn stating that the Board supports the written decisions made by General Manager Mike Martin as articulated in his letters sent to Roberta Gidman of August 28, 2007 and September 28, 2007 in response to the issues of wage differential and pension credit, which she raised and addressed to Mike Martin. Secretary Temple seconded the motion. Motion approved 4 to 0.

12. Hearing no further business before the Board a motion was made to adjourn the meeting by Member Urban; Secretary Temple seconded the motion and the motion carried. Meeting was adjourned at 6:25 PM.

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008

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CHAIRMAN OF THE BOARD

ATTEST:

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CLERK OF THE BOARD