

LEBANON UTILITY SERVICE BOARD
Lebanon, Indiana

August 3, 2011

Utility Conference Center

4:00 P.M.

Present:

Board:

Allen Milburn, Chairman
Dan Lamar, Vice Chairman
Tom Temple, Secretary
Mike Thrine, Member
Jim Urban, Member

Staff:

Michael Martin
Mike Adams
Bob Waples
Laurie Gross
Linda Ridgway

Guests:

Scott Miller – Umbaugh & Associates
Kerry Vincent – ISC, Inc.
Legal Counsel – Larry Giddings

1. Chairman Allen Milburn called the regular meeting of the Lebanon Utility Service Board to order at 4:00 P.M. A full complement of members was in attendance. Confirmation of appropriate notification was acknowledged.

2. Chairman Milburn requested comments or changes to the minutes of the July 20th, 2011 meeting. Hearing no comments or corrections Member Jim Urban made a motion to approve the minutes as written. Secretary Tom Temple seconded. Motion carried.

3. General Manager Mike Martin stated to the board and audience that after diligent observation of the financial performance of the electric department over the last few years he and his staff have come to the conclusion that we need to commence with an electric rate study. It has been since 1995 that we have had any adjustments to our electric rates. General Manager Martin then introduced Mr. Scott Miller of Umbaugh and Associates who explained that Lebanon Utilities' Electric Company has its rates, charges, and bond issuances regulated by the Indiana Utility Regulatory Service. He discussed how that affects the procedures for obtaining rate adjustments. Mr. Umbaugh presented three proposals for the Cost of Service Study as listed here:

Alpha Engineering, Inc.	\$22,500
Utility Financial Solutions, LLC	\$19,600
Spectrum Engineering Corporation	\$25,000 NTE

Mr. Miller stated that any of the three would perform a fine job for the utilities. He said that Utility Financial Services (UFS) was lowest bidder. Both Mr. Miller and General Manager Martin discussed their association and experiences with UFS President Mark Beauchamp, CPA, CMA, MBA.

Mr. Miller further presented Umbaugh's request to provide their services regarding the Rate Study as \$74,000 - \$100,000 which would include the cost of service contract with UFS and a total cost of \$130,000 if their services were needed regarding Bond procurement.

A motion was made by Vice Chairman Dan Lamar to accept Umbaugh's proposal without the Bond Issue at a Not to Exceed amount of \$100,000. Secretary Temple seconded. Motion carried.

A motion was then made by Member Thrine to include Utility Financial Solutions, LLC as the subcontractor to Umbaugh at a Not to Exceed amount of \$19,600. General Manager Martin will act as signatory. Vice Chairman Lamar seconded. Motion carried.

4. General Manager Martin and Electric Engineering Manager Mike Adams gave testimony to the Board regarding the value of services Kerry Vincent and ISC has provided to Lebanon Utilities over the last 8-9 years and asked for Board approval to renew the ISC Engineering & Project Management Services Agreement for a not to exceed amount of \$70,000. Secretary Tom Temple made a motion to approve the ISC Engineering Contract for 70,000 with General Manager Martin as signatory. Vice Chairman Lamar seconded. Motion carried.

5. Customer Services Manager Laurie Gross asked for Board approval of an additional \$1,849.73 to the previously approved Northstar contract to pay for additional travel expense incurred by Northstar during the training period. Member Urban made a motion to pay the additional expense of \$1849.73. Secretary Temple seconded. Motion carried.

6. Water Wastewater Manager Bob Waples requested approval to hire Peerless-Midwest, Inc. to provide hydrogeological consulting services relating to the completion of Phase II Wellhead Protection Plan. The estimated cost associated with updating Phase I and submitting the required Phase II documentation to IDEM is \$21,850.00. Member Thrine made a motion to hire Peerless-Midwest to complete the Well Head Protection Project at \$21,850.00. Member Urban seconded. Motion carried.

8. Chairman Milburn asked for any other business that should be brought before the Board.

9. Hearing of no further business to be brought before the Board a motion was made to adjourn the meeting by Vice Chairman Lamar. Member Thrine seconded. Motion carried.

The meeting was adjourned at 4:50 pm.

The next Utility Board Meeting will be Wednesday, August 17, 2011 at 4:00 pm.

APPROVED THIS 21st DAY OF September, 2011

CHAIRMAN OF THE BOARD

ATTEST:

CLERK OF THE BOARD