

LEBANON UTILITY SERVICE BOARD
Lebanon, Indiana

December 9, 2015

Utility Conference Center

4:00

P.M. Present:

Board:	Staff:	Legal Counsel: Jeff Jacob
Dan Lamar, Chairman	Bob Waples	
Allen Woods, Vice Chairman	Jay McCoskey	
Jim Urban, Secretary	Matt Hutton	
Gary Ladd, Member	Mike Whitman	
Neil Taylor, Member	Pete Shepherd	

1. Chairman Dan Lamar called the December 9, 2015 meeting of the Lebanon Utility Service Board to order at 4:00 P.M. with all members present; Confirmation of appropriate notification was acknowledged.

Chairman Lamar mentioned that the Board held a working session at 3:00 P.M. this same date he also mentioned that an executive session with the City Council would be held at 5:00 P.M. this same date. Confirmation of appropriate notification was acknowledged. No action was taken or decisions made in this session

2. Pledge of Allegiance to the American Flag was observed.

3. Chairman Lamar requested comments or changes to the November 18, 2015 minutes. Member Gary Ladd made a motion to approve the minutes. Member Neil Taylor seconded the motion. Motion carried.

4. General Manager Jay McCoskey presented to the Board a request to reallocate of the two IT contracts between the City and the Utilities. The recommendation was 45% city and 55% utility. Secretary Jim Urban made the motion to approve the reallocation; Member Neil Taylor seconded; motion carried. Member Neil Taylor also recommended revisiting the allocation once Sondj was on board for a few months.

5. General Manager Jay McCoskey directed the Board to the letters contained in the Board Packet from Mayor Huck Lewis. These letters request portions of city salaries be paid by the Utilities including the Security Officer. Total of the city salaries is \$87,080.00. Chairman Dan Lamar recommended to the Board that they revisit these salaries before next year. Member Gary Ladd made the motion to approve the requested salaries including a portion of the security officer in the amount of \$87,080 for 2016; Secretary Jim Urban seconded; motion carried.

6. Water and Wastewater Superintendent Bob Waples presented the contract from Wessler Engineering to provide wet weather inspections, night flow isolations and smoke testing. The areas will be Prairie Heights, Witt Road, Monument Drive and in the downtown area. Total cost is \$19,000. Water and Wastewater Superintendent Bob Waples requested Board approval and authorization for General Manager to sign. Vice Chairman Allen Woods made the motion to approve the contract not to exceed \$19,000 and authorize the General Manager to sign the contract; Member Neil Taylor seconded; motion carried.

7. General Manager Jay McCoskey recommended that the Board table the 2016 Fuel Contract until more information can be obtained. Member Gary Ladd made the motion to table the 2016 Fuel Contract; Member Neil Taylor seconded; motion carried.

8. Special Projects Manager Mike Whitman present to the Board items that he is requesting be declared surplus property and granting Special Projects Manager Mike Whitman the authority to sell the property in accordance with IC 5-22-22. Member Neil Taylor made the motion to declare the items presented as surplus property; Member Gary Ladd seconded; motion carried. Member Neil Taylor made the motion to authorize Special Projects Manager Mike Whitman to sell surplus property all in accordance with IC 5-22-22; Secretary Jim Urban seconded; motion carried.

10. and 11. Due to time constraints it was recommended that these two items Update on Lafayette Avenue project and Report on Inventory Closeout with Anixter both being information items be tabled.

12. Chairman Dan Lamar requested a motion to accept the resignation of General Manager Jay McCoskey effective, December 11, 2015 at 5:00 P.M. Vice Chairman Allen Woods made the motion to accept the resignation; Secretary Jim Urban seconded; motion carried. The Board thanked Jay McCoskey and wished him the best in his new endeavor.

13. Chairman Dan Lamar requested a motion to approve Mike Whitman as Acting General Manager effective December 11, 2015 at 5:00 P.M. Member Gary Ladd made the motion to approve Mike Whitman as Acting General Manager; Member Neil Taylor seconded; motion carried.

14. Attorney Jeff Jacob requested a motion from the Board to approve the 2016 agreement for legal services with Jacob Hammerle and Johnson. Member Neil Taylor made the motion to approve the agreement; Member Gary Ladd seconded; motion carried.

15. Attorney Jeff Jacob requested a motion vacate the Board meeting scheduled for December 23rd and reschedule the meeting for an earlier date in December. Member Neil Taylor made the motion to vacate the meeting on December 23rd; Vice Chairman Allen Woods seconded the motion; motion carried.

The Board discussed the following dates for the meeting, Thursday, December 17th or Monday December 21st. Member Gary Ladd made the motion to reschedule the meeting for Monday, December 21st at 4:00 P.M. with a working session that day to begin at 2:30. Vice Chairman Jim Urban seconded the motion; motion carried.

16. Vice Chairman Allen Woods made the motion to pay the claims. Secretary Jim Urban seconded. Motion was approved.

17. General Manager Jay McCoskey brought the Board up to date on the following;

The waste water rate increase that will be effective the first of the year went out last Friday. I received mine this past Monday.

The Indiana Municipal Power Agency from which we buy our power will be passing along to us and our customers a 1.47% increase which reflects increases in the cost of fuel, system improvements, and environmental compliance. The initial impact on rates will be minimal for the residential customer using an average of 1,000 kWh per month will see a .1% or about \$.16 per month. Commercial customers will see an average of 1.23%. A commercial customer using 8,000 kWh per month will see an increase of about \$10.00 per month. The lower than the 1.47% increase just reflected reflects a reduction in rates for

the quarterly tracker change effective the first of the year. We will be promoting this through social media, news releases, the city newsletter, etc.

As indicated this is my last meeting as GM. I can't thank the Board and staff enough for their efforts and support the last couple of years for which I am very proud of our accomplishments. The guidance and counsel of Jeff Jacob has been invaluable to us. Hopefully our customers and community appreciate having utilities owned by them, ran by a Board of their peers and having employees that are as involved in the community as they are. We are not an 800 number or just a website for you to do business with us. We are right here with an office where you can come in to take care of all your business needs. That kind of personal service in this world gets less and less every day. On top of all that our rates are competitive or even cheaper than the large impersonal corporations. I wish you all and this wonderful community all the best!

My parting overview of the utilities:

- The electric system and department is in better shape than probably in decades. Follow the system model recommendations the next few years and you will have a model electric system
- Water is fine for the foreseeable future but as the county wide water availability study indicates we need to be looking at additional sources of supply in the next 20-25 years. Work has already started looking at options but a solution must be addressed sooner than later.
- Waste Water is infiltration, infiltration, infiltration and infiltration of clear water in to the waste water system. This infiltration created by sump pumps improperly connected in to the waste water system, our pipes needing relined etc must be addressed aggressively NOW before IDEM walks in and does some kind of consent decree like they did Noblesville a few years back requiring them to spend \$65M to address their system issues or face no new waste water connections and thus eventually Lebanon dies from stagnation. This issue has to be the priority of the Board and Management for the next several years.

19. Hearing of no further business to be brought before the Board a motion was made to adjourn the meeting by Secretary Jim Urban; Member Neil Taylor seconded; Motion carried.

The meeting was adjourned at 5:00 pm.

The next Utility Board meeting will be December 21st at 4:00pm.

APPROVED THIS 21st DAY OF December, 2015

CHAIRMAN OF THE BOARD

ATTEST:

CLERK OF THE BOARD