

LEBANON UTILITY SERVICE BOARD

Lebanon, Indiana

August 5, 2015

Utility Conference Center

4:00 P.M.

Present:

Board:

Dan Lamar, Chairman

Allen Woods, Vice Chairman

Jim Urban, Secretary

Neil Taylor, Member

Gary Ladd, Member

Staff:

Jay McCoskey

Bob Waples

Pete Shepherd

Mike Whitman

Guests:

Paul Kite, Kite Harris Properties

Wade Rugenstein, Strongbox

Legal Counsel: Jeff Jacob

1. Chairman Dan Lamar called the August 5th, 2015 meeting of the Lebanon Utility Service Board to order at 4:00 P.M. A full Quorum was in attendance. Confirmation of appropriate notification was acknowledged.

A working session was held at 2:00 P.M. this same date. Appropriate notification was made. 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 July 22 and 31, 2015 minutes. Hearing of no comments or changes the minutes were approved by a motion from Vice Chairman Allen Woods, and seconded by Member Neil Taylor. Motion carried.

4. General Manager Jay McCoskey, Project Manager Mike Whitman, and Construction Managers Paul Kite, and Wade Rugenstein of Kite Harris Properties informed the Board of the results of the bids received for the construction of the Electric Operations Building at 1300 W. Main Street. Manager McCoskey shared with the public the numerous times the utilities intention to build a new electric operations building has been publicly discussed. Construction Manager Rugenstein stated out of 10 bidders, Fredericks, Inc. was the lowest when the alternates listed below were considered;

2 - Solar powered exterior lighting

3 - Diesel fueled standby generator

4 - Solar collectors on entry roof

5 - Stockpile Excess Spoils

Legal Counsel Jeff Jacob read in its entirety the Lebanon Utility Service Board Electrical Operations Bid Acceptance Form and Findings. Member Gary Ladd made the motion to accept the lowest responsible and responsive bidder as Fredericks, Inc. with a base bid of \$2,713,580; in doing so, to the extent necessary and as permitted in the bid instructions, Lebanon Utility Service Board waives any non-material bid formalities associated with awarding this bid. Lebanon Utility Service Board accepts Base Bid Alternatives 2, 3, 4, and 5. Lebanon Utility Service Board rejects Base Alternative Bid 1, Deduct Tubular Daylighting Devices. The not to exceed bid amount is \$2,672,580. The Construction Contract is to be executed, by General Manager Jay McCoskey on behalf of the Lebanon Utility Service Board. Secretary Jim Urban seconded the motion. Motion carried.

5. Linda Ridgway asked the Board to amend Board minutes to clarify our lease with Konica and maintenance with Braden Business Solutions. Member Taylor made a motion to amend the August 20, 2014 minutes item #4 to reflect a 63 month lease with Konica vs. Braden Business Solutions for \$904.00 annually. Vice Chairman Woods seconded the motion. Motion carried.

Member Urban made a motion to amend the December 17, 2014 minutes item #8 to adjust the proposed estimated annual costs of maintenance thru Braden Business Solutions to \$15,600. Member Taylor seconded the motion. Motion carried.

6. Project Manager Mike Whitman asked the Board to declare a 2006 Buick Rendezvous, with 118,690 miles, and a 1999 Ford truck, with 128,649 miles as surplus property. Vice Chairman Woods made a motion to declare the 2006 Buick Rendezvous, and the 1999 Ford Truck as surplus property and to allow Project Manager Mike Whitman to sell these vehicles in accordance to Indiana Code #5-22-22. Seconded by Gary Ladd. Motion carried.

7. General Manager Jay McCoskey asked the Board to consider a vehicle fleet maintenance management program for our light weight vehicles thru Gene Lewis Ford. Proposals were requested from Bill Estes, Jagers Chevrolet, and Gene Lewis Ford. Bill Estes did not return a proposal. Although Jagers has several aspects of their proposal that were lower than Gene Lewis, Manager McCoskey recommended accepting Gene Lewis Ford's proposal based on the fact they have a Ford Fleet Vehicle Software Program that will track all vehicle repair and maintenance. This information can be used to assist us in determining whether a vehicle needs replaced, and whether it is being properly maintained. Secretary Urban made a motion to accept the proposal from Gene Lewis Ford to provide a Vehicle Fleet Maintenance Program for our light weight vehicles. Member Taylor seconded the motion. Motion carried.

8. Water Wastewater Manager Bob Waples asked the Board to approve the Chemical Bid for August 2015 thru August 2016 that we share with Brownsburg, Gatson, Orestes, Sheridan, and Whitestown. Only one chemical company returned a bid this year, Brenntag Mid-South. Member Ladd made a motion to accept the chemical bid from Brenntag Mid-South shared with 5 other communities for chemicals to treat the water and wastewater for August 2015 to August 2016 with General Manager Jay McCoskey signing the Chemical Supply Agreement for Lebanon. Member Taylor seconded the motion. Motion carried.

9. Supervisor of Metering Matt Hutton presented information regarding a GPS mapping device from ikeGPS.

10. Secretary Urban made a motion to approve the claims dated July 31, 2015 for \$287,398.74, and August 5, 2015 for \$177,254.96. Member Neil Taylor seconded the motion. Motion carried.

11. General Manager Jay McCoskey stated that Thursday evening, August 6, at 7 PM in Council Chambers he and Bob Waples will give a presentation on the need for an overall Waste Water increase. The last increase was in 2005. Without an increase now could put our ability to provide adequate waste water treatment in jeopardy. There will be a quarter page ad in the Reporter today announcing this meeting, information was sent to all eBill customers, a news release to all local media and posting on FB. We anticipate Umbaugh's rate study to be completed mid-August.

A ground breaking ceremony for the new electric ops building will be August 20th at 3:30 at the old sale barn property on West Main. We will be inviting our new neighbors and all key stakeholders that will be working with us in the future to maximize the value it will bring the utility.

Manager McCoskey suggested at a recent City Council budget meeting that the over \$200k in PILOT that we pay annually to the City for our waste water system be used to initially set up a \$100k revolving loan program for customers to deal with improperly connected sump pumps and failing laterals as well as the additional \$100k for Storm Board to use to address drainage issues in areas we have particularly high infiltration. The thought being unless storm water can be moved quickly out of an area it is going to find the weak points in our waste water system and eventually end up at the waste water treatment plant.

We recently met with Jack Alvey, VP of Generation from IMPA on possible options to put a solar park in the old railroad right of way between Patterson and Sam Ralston Road. We could make available almost 14 acres of land there. It takes 6-7 acres to have enough panels to have 1 MW in capacity at an approximate cost of \$2M per megawatt. They would seek a 10 year tax abatement but estimate would be paying about \$12k a year in taxes once the abatement goes away completely. How quickly we move forward will be determined by how we deal with the spoils from the new electric ops building.

The last 3 years have been exciting and interesting times for water utilities in the Central Indiana Region. Challenges associated with the 2012 drought have had a lasting impact on many of our customers, key stakeholders, and state and local policy leaders and created heightened awareness and interest in water

related issues and policies. This increased focus on water has resulted in several new laws, regulations and initiatives within our state and region. A few examples are noted below:

- Indiana Utility Regulatory Commission (IURC): Annual Water Utility Survey
- Indiana Chamber: 2014 Water Resource Study
- Indiana General Assembly: New legislation on topics ranging from water planning, regulatory tools, distressed assets, aging infrastructure investment, and protection of surface water from above ground storage tank spills – And that was just in 2015!!
- Indiana Finance Authority (IFA): Large City Water Survey; and
- Central Indiana Council of Elected Officials (CICEO): Central Indiana Water Initiative

Given Central Indiana's population density and overall impact on our State's economy, regional water supply for Central Indiana has emerged as a primary area of interest and concern. This increased focus has created the need (and opportunity) for Central Indiana water utilities to work together and have a voice on important water issues that impact our region. To address this need, the water utilities in Marion County (Citizens Energy Group, Lawrence and Speedway) and Indiana American Water have joined together to launch the Central Indiana Drinking Water Collaborative. The goal of the collaborative is to create an open forum where Central Indiana drinking water utility can meet, share ideas, coordinate on topics of common interest and engage in public policy discussions that impact our industry and region.

This follows the leadership Mayor Lewis provided in the initiation of the Boone County Water Needs Study which has been heralded as a role model throughout the State.

Electric Operations Supervisor Corby Unroe attended a two day Supervisor Development Training put on by the State Chamber of Commerce. Focus was on dealing with employee performance issues but most especially team building. He felt the course was very worthwhile and would recommend it for any supervisor; especially new ones.

Mike Whitman has arranged for Duane Richardson, IMEA Safety and Training Coordinator to do quarterly safety training for non-field personnel beginning August 20th.

12. Chairman Lamar asked for any other business that may be brought before the Board.

13. Chairman Lamar opened the floor for public comment. No comments were presented.

14. Hearing of no further business to be brought before the Board a motion was made to adjourn the meeting by Secretary Urban. The motion was seconded by Member Ladd. Motion carried.

The meeting was adjourned at 5:00pm.

The next Utility Board meeting will be August 19th at 4:00pm.

APPROVED THIS 19th DAY OF August, 2015

CHAIRMAN OF THE BOARD

ATTEST:

CLERK OF THE BOARD