

LEBANON UTILITY SERVICE BOARD

Lebanon, Indiana

November 17, 2021

Council Chambers

5:00 P.M.

Board:

Neil Taylor, Chairman
Jim Urban, Secretary
Aaron Smith, Member
Tim Hudson, Member
Bill Stoner, Member

Staff:

Ed Basquill, General Manager
Jeff Greeno, Electric Ops Manager
Sandra Morgan, CFO
Danielle Butts, Exec Assistant
Jeff Jacob, Legal Counsel
Ryan Ottinger, W/WW Ops Manager

Guests:

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1. Chairman Neil Taylor called the November 17, 2021, meeting of the Lebanon Utility Service Board to order at 5:00 P.M.
 2. Pledge of Allegiance to the American Flag was observed.
 3. Secretary Urban made a motion to approve the November 3, 2021, minutes. Member Hudson seconded the motion.
 4. Chief Financial Officer Sandra Morgan asked the Board to continue to pay a portion of the 2022 City Salaries. Sandra stated that this is a common practice for utilities to do for the city. Member Hudson made a motion to approve the utility portion of the 2022 salaries for city employees. Vice Chairman seconded the motion. Motion carried 4-1. Member Smith voted nay. Member Smith stated that State Law requires Lebanon Utilities to compute each year to the property tax that it would pay to the City if it were privately owned, and this amount must be included in the expenses that are covered by the utility rates used to compute the monthly bill paid by our Lebanon Utilities customers. He continued stating this property tax equivalent is called payments in lieu of taxes or "Pilot payments". State law also gives our Lebanon City Council with approval of our mayor the option whether or not to accept any or all of these pilot payments from Lebanon Utilities. He stated that the city chooses to accept the maximum amount of these pilot payment from Lebanon Utilities every year in Resolution 2010-07 was adopted by our Lebanon City Council and approved by the then Mayor on December 13, 2010. These pilot payments have increased from \$320,012.00 in 2011 to \$654,127.00 this year. Member Smith stated that the current \$654,127.00 in pilot payments from our Lebanon Utilities are not now to needed to subsidize the city government because the able management of our elected officials together with recent increases in existing taxes and the imposition of new taxes have provide ample resources to meet our city's needs. Member Smith stated the pilot payments are added to the City's General Fund cash balance because the City does not dedicate any of these payments to meet the City's ongoing needs. If the City declined to accept the pilot payments, then the pilot amounts would be available to help meet more of Lebanon Utilities Capital Improvement Project needs for wastewater, water, electric or telecommunications departments. Member Smith stated he will vote no for our Lebanon Utilities to pay \$72,962.00 in City salaries next year. Smith continued the city can easily the use the increasing pilot to pay all of its city salaries without getting additional money from our Lebanon Utilities.
 5. Ed Basquill requested the board approve the Umbaugh Availability Fee study. He explained that the current fees were set 17 years ago and to ensure Lebanon Utilities does its due diligence we would like to have these fees studied.

Vice Chairman Stoner made a motion to approve Baker Tilley to perform an Availability Fee Study for the Water Utility in the amount of \$15,000.00. Secretary Urban seconded the motion. Motion carried.

Vice Chairman Stoner made a motion to approve Baker Tilly to perform an Availability Fee Study for the Wastewater Utility in the amount of \$15,000. Member Smith seconded the motion. Motion carried.

6. Water & Wastewater Operations Manager, Ryan Ottinger requested the board authorize the BBC Pump & Equipment to upgrade the pumps and panel at the Chadwick Lift station. Ryan explained that the panel controls the pumps and would like to eventually get to have a more uniform parts for all lift stations. Vice Chairman Stoner stated that he would like to see more price comparisons. Ed commented that the reason was due to more supply chain issues than not getting quotes. Ryan agreed and stated that BBC Pump & Equipment has been a trusted company and has normally trended to be on the lower end of the pricing when quoted. Member Hudson stated that he would like to grow the number of contractors that we have. Member Smith stated that this vendor is in Indianapolis which could be beneficial in an emergency. Member Smith made a motion to approve BBC Pump & Equipment to upgrade pumps and panel at the Chadwick Lift station in an amount not to exceed \$55,461.44. Member Hudson seconded the motion. Motion carried.
7. Water and Wastewater Operations Manager, Ryan Ottinger introduced the Simplicity LS Panel and Pump Upgrade. Ryan stated the pumps at the Simplicity lift station are from 2001 and would like to upgrade to a 7.5 horsepower chopper pump. Chairman Taylor asked if this was a similar situation with only getting one quote and other contractors not being able to provide a quote. Member Hudson made a motion to approve BBC Pump & Equipment to upgrade pumps and panel at the Simplicity Lift Station in an amount not to exceed \$33,356.93. Member Smith seconded the motion. Motion carried.
8. Water and Wastewater Operations Manager, Ryan Ottinger requested the board to approve the update of the pump and panel at the Edgewood Lift Station. The current pumps are 1.5 horsepower and were installed in 1995. He would upgrade them to 3 horsepower chopper pumps. Secretary Urban made a motion to approve BBC Pump & Equipment to upgrade pumps and panel at the Edgewood Lift Station in an amount not to exceed \$33,740.67. Member Smith seconded the motion. Motion carried.
9. Water and Wastewater Operations Manager, Ryan Ottinger presented 3 design agreements with BF&S. However, Ryan asked the board to table the 4H Fairground Lift station elimination design agreement. Member Smith made a motion to table the design agreement with BF&S for the design of the 4H Fairground Lift Station elimination project. Member Hudson seconded the motion. Motion carried.

Ryan stated the Southeast regional force main will be part of the growth that Lebanon is expecting on its southeast side near the fair grounds. This force main will connect to a proposed southeast regional lift station and will be a dual 12-inch force main that will connect from the lift station through town to the Wastewater treatment plant. Ryan stated the expansion on the Wastewater Treatment plant has made it, so we have the capacity for this and to accommodate for the expansion without putting stress on the current infrastructure. Member Smith asked if this plan would accommodate all the future development that will be coming to that area on both sides of the interstate. Ryan stated this design should handle the proposed development along with what is in the City's comprehensive plan. Vice Chairman Stoner made motion to approve the BF&S design agreement for the Southeast Regional Force Main in an amount of \$628,700. BF&S is authorized to perform up to \$150,000 in services related to this project, and that the contract with BF&S be amended to reflect this additional approval for services. Additional charges above \$150,000 are subject to additional LUSB approval. Secretary Urban seconded the motion. Motion carried.

Ryan explained the Lift station design that will connect to the force main discussed previously. Secretary Urban made a motion to approve the BF&S design agreement for the Southeast Regional Lift Station in an amount of \$418,400. BF&S is authorized to perform up to \$100,000 in services related to

this project, and that the contract with BF&S be amended to reflect this additional approval for services. Additional charges above \$100,000 are subject to additional LUSB approval. Vice Chairman Stoner seconded the motion. Motion carried.

10. Water & Wastewater Operations Manager Ryan Ottinger requested the board approve the purchase of new fire hydrants. Ryan stated we keep these hydrants in stock due to supply issues and for emergency situations. Secretary Urban asked how many are going to be replaced. Ryan commented that they try to keep hydrants on hand for inventory in case of many issues or age for replacement. Vice Chairman Stoner made a motion to approve the purchase of new fire hydrants from Ferguson Waterworks in an amount not to exceed \$18,552.00. Member Hudson seconded the motion. Motion carried.
11. Secretary Urban made a motion to approve the claims dated November 17, 2021, in the amount of \$2,532,975.25 for claims and payroll and \$6,563,565.61 for transfers. Member Smith seconded the motion. Motion carried.
12. Chairman Taylor asked for any other business that may be brought before the Board. Ed Basquill wished everyone a safe and Happy Thanksgiving. Also informed the board that the next board meeting will be on December 1, 2021, and at that meeting will be discussing Board officers and committee positions as well as Board meeting dates.
13. Chairman Taylor opened the floor for public comment. No comments were received.
10. The next Utility Board meeting will meet as scheduled on Wednesday, December 1, 2021, at 5:00pm.
11. Hearing of no further business to be brought before the Board a motion was made to adjourn the meeting by Member Hudson. The motion was seconded by Member Smith. Motion carried.

The meeting was adjourned at 5:48 P.M.

APPROVED THIS 1 DAY OF December 2021

CHAIRMAN OF THE BOARD

ATTEST:

SECRETARY OF THE BOARD