

**VILLAGE OF SOUTH LEBANON
REGULAR MEETING MINUTES
JANUARY 20, 2014
6:30 P.M.**

1. Mayor Lawhorn opened the meeting at 6:30 p.m. with the Pledge
2. Linda Allen - Present Sue Johnson - Present
Randall Atkins – Present Steve Riley – Present
Dean Evans – Present James Smith – Present
3. Mayor Lawhorn opened the floor to the Public: No one responded
4. Minutes were presented for approval:

Regular – December 5, 2013 – Atkins stated in #7 it states he was to prepare a list for the sewer stock and he said it was supposed to be Tony. Discussed that he was asked to assist since he works in that area. Minutes stand as written - motion to approve made by Allen, seconded by Riley, all yeas.

Workshop – December 5, 2013 – motion to approve made by Allen, seconded by Evans, all yeas.

Regular – December 19, 2013 – motion to approve made by Atkins, seconded by Evans, all yeas.
5. Administrator Vidmar reviewed his memo concerning the engineer's presentation at the last meeting. He stated Bruce and he tried to break it down in this summary. He said they tried to break down the current agreement and then to focus on the components they feel are having the most serious affect on our water operations. He said Matt Hoying is here for any questions. He said he would like direction from council as to how to proceed with this amendment. Allen asked about Section 11C and the capital costs are \$300,000 and we are to make five annual payments of \$33,333 and it says for years through 2018. She asked if we have made any of these payments and Sharon stated yes. Linda said it looks like we are looking at 2014-2018 and Sharon said the 2014 payment has been made and these payments are due in January each year. Linda asked was the capital costs to pay for the installation of the line and Gary said it was to pay a portion because the total cost of the construction was significantly more. Smith said why don't you include it in the document and spell it out a little clearer. Mayor Lawhorn said the reason we are going over this is to do a new agreement. He said the amount it has gone up in the last three years has been significant in the water fund issues. He said if there is some way, but what it is going to do is just stretch it out over a longer period of time. He said we have to make a decision

by February. Gary said the initial deadline was mid-February and he explained to them that council would need time to absorb the information and get a grasp on what options we may have. He said he suspects they would be agreeable to give us more time if we need it. Gary said they waived the penalty payment that is due to them for the take or pay fee for 2013 temporarily. He said they also are holding back the increase of 5 ½ % rate increase. Atkins asked what he said about the take or pay fee and did he say we weren't going to have that much this year? Gary said under the current agreement we have between a sixty and seventy thousand dollar penalty. He said in the amendment the take or pay fees are greatly reduced. Mayor Lawhorn said it extends the contract for ten more years. Gary said they said they need a revenue stream that was agreed upon when the agreement was signed. He said they may amend the terms to get there but will still want the same revenue stream.

6. Jim Boerio – 101 Vista Ridge – he said there a lot of minor things he won't bother with but a couple of major things that bother him. He said one is the take or pay feature and fifty years is a mighty long extrapolation. He said he is concerned that if that actually comes to pass then fifty years from now the village is going to be spending an awful lot of money for nothing. Jim said he is afraid this will affect the village being able to do other things. He said another concern is it is not clear how that penalty would actually be paid for. Who is going to pay for it, is it going to be actual consumers or are you going to have to go to the general fund to bail out the water fund. He stated if you go to the general fund then this places an undue burden on people that are not even in the service area. Jim said those are a couple of major things that concern him. He said if you look at Section II, paragraph A, it says the agreement will automatically renew in ten year periods. He said since this document has penalties in it of take or pay, it is not clear as to what will automatically renew since these penalties vary. He said a reasonable approach to this problem and it seems that one approach would be a consumption and projections for usage in ten year periods and that would be a lot easier.

Bruce said he would add that the amendment as presented does not include his suggested changes yet. He said in this colorful mark-up he has, paragraph II is on there and he would never recommend to my client to agree to that. He said he suggested last time to the engineer that we amend the language on the second page as it addresses the take or pay penalty and that we do revisit the calculator. He said making projections of population and not revisiting it and being stuck with that projection and I think it should have a provision that it be revisited periodically, so we certainly would do that as well. We will also address all other suggestions council may have, I have heard one tonight about clarifying the portion, that is a good one because in the original agreement it does not address that it just says a portion. The one thing really bad about the original agreement it does not tell us what the potential

out of pocket or liability to the village and that clause says will pay not a portion but all of it. He said he asked for a reply from GCWW as to what the figure would be for a total capital cost and was told 1.5 million dollars.

Smith asked for a draft of the suggestions and bring it back what you would recommend instead of beating it to death and just go for it. Bruce said council will have those at the next council meeting. Gary said another point is a thought that came to my mind was that the primary reason that the village chose this path was the quality of water we were getting and yet there is nothing in the agreement to define that quality of water, no chemical elements talked about what is their responsibility to the village. We will likely have some technical language to ensure we are getting the softened water that they promised and continue to get it. Smith said he believes Lebanon and Mason are both on it so the feed that feeds Lebanon feeds South Lebanon, there is no distinction between it. He said he would suggest under the CPI he agrees with that portion of it and maybe we should look at Mason and Lebanon with the calculations and negotiations. Gary stated at the next meeting they will come back with the amended amendment. Smith asked when the deadline is February, and Gary said right after the second meeting in February. Gary said in all likelihood we will need more time than that so he will have a conversation with GCWW to have the time extended. Smith said he has a commitment with all that has been going on, the first week in February, and he would like to be here to vote. Mayor Lawhorn said he doesn't think there will be a vote until after that second meeting in February. He said it won't be the first meeting for sure.

7. Vidmar discussed a comprehensive plan and that we discussed this when we were applying for grant money. It was suggested by one or more council members that we shouldn't be making decisions on isolated matters, such as an administration building without a comprehensive plan in place. He said we have talked with the regional planning commission and found out that they offer a consultation service to small communities. Gary said the regional planning commission would charge us \$10,000 for that service and that is a good price. He said they are prepared to get started right away and this will be a community wide process and invite a number of folks from the community to ensure we are hearing the voice from the entire community when we put this together. Bruce asked if the attachment was in the council packet and was told yes.
8. Mayor Lawhorn held the first reading of Resolution 2014-01 to allow the Consulting agreement with Warren County Regional Planning Commission for a comprehensive plan for the Village of South Lebanon.

9. Council member Smith stated that because of all he has had going on he would like council to consider changing the date of the first meeting in February to the 10th. Mayor Lawhorn stated a new resolution was passed at the end of last year setting the dates of the council and me myself would like to stay with them as best we can. He said if he misses Linda will handle it, we are not going to change meeting dates. Evans stated he would prefer to leave it as scheduled. Smith made a motion to change the date and motion died lack of second.
10. An invoice was presented for Bruce McGary in the amount of \$2,235.00. A motion to authorize the payment was made by Smith, seconded by Atkins, Allen – yea, Atkins – yea, Evans – nay, Johnson – yea, Riley – yea, and Smith – yea.
11. Mayor Lawhorn told the new council members should look at attending the municipal league training session March 1st.
12. Mayor Lawhorn said he would like to express sympathy to Jim and we have had another death in our family, Ann lost Eddie and I hope we all remember these families in prayer.
13. A motion to adjourn the meeting was made at 7:02 p.m. by Allen, seconded by Atkins, all yeas.

Sharon Louallen, Fiscal Officer

Lionel Lawhorn, Mayor