

**CBU Labor-Management Committee Quarterly Report
to the Utilities Service Board
Presented March 21, 2005**

The LMC last reported to the Utilities Service Board on November 15, 2004, presenting an LMC Quarterly Report covering the period August 2004 through November 2004. The members representing the LMC here tonight would like to update the USB on LMC activities since November.

Benchmarking

The LMC is exploring the services of Malcolm Pirnie and their consulting arm Red Oak Consulting, to potentially provide the LMC with a useful and practical assessment of benchmarking metrics and their implications for CBU. Red Oak has provided an initial proposal of work which would distill the completed Qualserve report for the LMC. Conversations between management and labor to identify the most appropriate and beneficial next step and work product continue.

Standard Operating Procedures (SOPs)

Thanks to the hard work of everyone at the plants, especially Sharon Taylor, Hal Crittenden and Don Anderson, the Standard Operating Procedure documents have been completed. The SOPs will provide new and existing employees with a consistent source of current information about plant operations. The SOPs were part of the original 2001 employee LMC proposal and as such, the LMC has been committed to producing SOPs since its inception.

Training Opportunities

LMC-sponsored training events have been occurring regularly since September, and employee interest and turnout has been high and consistent. The training subcommittee is currently in the process of planning events for the coming months. Over the past six months, attendance at these events has totaled 91 with employees from both plants regularly attending the events. Events since November have included:

- **December 8 (Blucher):** Lisa-Marie Napoli of the Community Justice and Mediation Center presented a session on "Diffusing Conflict."
- **January 26 (Dillman):** Terry Jo Fluke and Kevin Williams presented a session on pump maintenance to employees.
- **February 9 (Blucher):** Jason Cox presented a session on operational lab training.
- **March 9 (Dillman):** Craig Abbott and Doug Steury conducted a lab training session.

In conjunction with each event, employees coordinate an evening meal so that employees between shifts can be accommodated. An original monthly budget of \$60.00 had been

approved in October, but the LMC has consistently remained under budget. The LMC's monthly expenses for the food component of the training events have averaged \$34.80, or 58% of the budgeted monthly amount. From September through February, the LMC has spent a total of \$173.98, a savings off the allocation of \$186.02.

LMC Website

The website subcommittee, with the help of Rance Fawbush, has made significant progress on the creation of an external LMC website which would link to the Utilities web page. The text and design are currently under review by the LMC. Once approved by the LMC, the final version will be forwarded to Pat Murphy for approval.

Safety

Safety remains a top priority at the plants, and the LMC and Risk Management are pleased that injuries reported in 2004 were very low and were primarily of the sprain or strain variety. Dillman Road reported six injuries, Monroe had three, and Blucher Poole reported two.

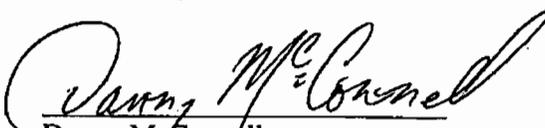
Participation in training events has been excellent at the LMC-sponsored events as well as the other annual training sessions on OSHA-required topics (Blood Borne Pathogens, Hearing Conservation, Personal Protective Equipment, Right to Know, Hazard Communication, and Fire Extinguishers). Other sessions attended by plant employees included Confined Spaces, Gas Detector Use and Maintenance, Adult CPR & AED, and First Aid. Additionally, nine employees from maintenance were trained in HAZWOPER (hazardous material leak response).

Risk Management will be working closely with the LMC in 2005 to offer a wide variety of courses tailored to plant personnel needs. We are proud to report that many of our wastewater license holders have earned continuing education credits towards certification renewal.

Of Note

The LMC is pleased to report that the Dillman Road treatment plant was named Class 4 Treatment Plant of the Year by the Southern Indiana Operators Association (SIOA) in December. The LMC is proud that its employees take pride in their work and work environment and that our peers recognize these efforts.


Jason Cox
LMC Executive Council


Danny McConnell
LMC Executive Council