

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSIONERS MEETING
APRIL 25, 2017
www.hammondsd.com

The Board of Sanitary Commissioners of the Sanitary District of Hammond, Lake County, Indiana held a regular meeting at 4:00 p.m. in the Conference Room of the Administration Building located at 5143 Columbia Avenue, Hammond, Indiana.

President Button called the meeting to order at 4:00 p.m. He stated that the Board held an Executive Session from 3:45 p.m. until 4:00 p.m. to discuss personnel and litigation matters in accordance with Indiana codes.

Commissioners Present: Button, Dimopoulos, Dye, Hawkins, Muta

Commissioners Absent: N/A

District Personnel: Marty Wielgos, District Manager
Joe Allegretti, Attorney
Donald Woodard, HSD
Rick Sutton, HSD
Jeff Massey, HSD
Jack Smith, Sewer Department
Rebecca McKinley, GIS Department
Kaleigh Boyle, HSD

Others Present: Mike Hickey, AB&H Donohue
Karl Cender. Cender & Company

The meeting started with the Pledge of Allegiance.

President Button stated that the first order of business was the ratification of a new board member to the Hammond Building Corp. - Sharon Daniels.

Marty explained that we created the Hammond Building Corp. when we did the loan against this building as the arm's length transaction between the District and the Hammond Building Corporation. The original board member had to resign because she is now a judge in Lake County with Marissa McDermott, so under the board guidelines for the Hammond Building Corporation and their bylaws that created an emergency and the emergency appointment to replace her was Sharon Daniels. They picked the replacement and the Hammond Sanitary District board ratifies that replacement and that is what this is doing.

Dye **moved** and Muta **seconded** to approve the ratification of a new board member to the Hammond Building Corporation- Sharon Daniels.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta

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Nays: None
Motion **carried** 5-0.

President Button stated that the next order of business was the consideration of the April 11, 2017 Board Meeting Minutes.

Muta **moved** and Dimopoulos **seconded** to approve the April 11, 2017 Board Meeting Minutes.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta
Nays: None
Motion **carried** 5-0. A copy of the April 11, 2017 Board Meeting Minutes are attached to and made a part of the minutes.

District Manager's Report

District Manager, Marty Wielgos, stated that he really did not have anything, but would like to turn it over to Rick to talk about the packet that he put together.

Rick explained that SRF projects- we have two of them going- the aeration tank fine bubble membrane replacement project. We are currently working on Tank #4 and hoping to finish cleaning on Friday and then we will start the membrane replacement on Monday. We replaced all of the automatic control valves on both Tanks #3 and 4 so the electrician will come wire those this week. After we complete the dual tanks (3 & 4) he will have just two tanks (1 & 2) remaining. We are six weeks or so away from completing the 1.8 million dollar project on the aeration tanks. On the secondary clarifier project, both clarifiers, the two new clarifiers that we are building, as part of that 5.4 million dollar project. We put the underground piping in the encased piping and the concrete is—floor and walls are both poured and have both passed watertight tests so the underground piping and the vessels themselves all hold water so that is good news for us and are moving on from there. We are doing a lot of work right now on the piping and the tunnels from the return activated sludge pumps. The pumps themselves should be delivered this week. We are working vigorously on the electric for those pumps- the variable speed controls and the link to our raw flow. We control all of our return pumps off of raw flow- these will be no exception and will go in queue with the other ten pumps that are currently running like that. The last big project besides those two SRF projects is we are pushing very hard to chlorinate the discharges that leave the basin and go to the Grand Calumet River. We have been installing pumps and mechanical equipment as well as running the new electric from Columbia Road 12.5 global source and we are very close. We started up the pumps last week so that is a big victory for the District. We let the air out of the piping and ran the pumps and were able to get the product over to the diffusers and the basin. Both the chlorine for disinfection and SO₂ for getting rid of chlorine residual in the pipe. Next time it rains we are going to manually run some chlorine and SO₂ over there just to confirm that we actually have installed the equipment and it is running for the Department of Justice. They are giving us a big price break for completing the disinfection system so early so that is why we are pushing really hard right now.

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President Button clarified that Rick said when it rains he is going to test it whether it overflows or not.

Rick answered that with an overflow event only. We got the pumps to pump the water over there so we are pumping it over there without gas dissolved in it so all we do at this point is open up some vacuum lines and take the gas solution, dissolve it and make it a dilute aqueous solution and then pump aqueous chlorine solution across the street as opposed to just water. We have already turned the pumps on and we have a good distribution from our orifices and our diffusers so we are more confident than we were two weeks ago.

Commissioner Dye commended Rick on his great job of putting the report together. It makes it really easy to understand and put them where he is at every day without knowing his language. He appreciates it.

President Button asked if Tanks #3 and 4 are the reaeration tanks.

Rick said that is correct.

President Button questioned if the operations of the treatment plant are okay without having those reaeration tanks in service at this time.

Rick replied that Don was very insistent that we keep the ratio the same so right now we run six of those tanks in reaeration mode- cross mode or whatever you want to call it- our east process. We took tanks #7 and 8 the conventional tanks and we turned those into reaeration tanks so we still have the same ratio of cross tanks to conventional. We cut back on the number of conventional is what we did.

President Button stated that the first two as he recalls are where we return the phosphorus from the digesters. He questioned if that will also be moved to other tanks.

Rick answered that is correct. When tanks #1 and 2 go out of service we will turn #3 and 4 to tanks #1 and 2.

PERSONNEL REPORT

Dye **moved** and Muta **seconded** to approve the Personnel Report.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta

Nays: None

Motion **carried** 5-0. A copy of the Personnel Report is attached to and made a part of the minutes.

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The Board considered the Claims Approval Docket 04-25-17.

Dimopoulos **moved** and Hawkins **seconded** to approve Claims Approval Docket 04-25-17.

Ayes: Button, Dimopoulous, Dye, Hawkins, Muta

Nays: None

Motion **carried** 5-0. A copy of Claims Approval Docket 04-25-17 is attached to and made a part of these minutes.

President Button called for Old Business

There was no old business.

President Button called for New Business

The Board considered Resolution No. 23-2017: RE: A Resolution of the Board of Sanitary Commissioners of the Hammond Sanitary District Determining Certain Equipment of the District to be Surplus and Providing for its Public Sale.

Dye **moved** and Muta **seconded** to approve Resolution No. 23-2017.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta

Nays: None

Motion **carried** 5-0. A copy of Resolution 23-2017 is attached to and made a part of these minutes.

President Button stated that next we are going to here from Karl Cender. He has a brief presentation about the status of some taxation issues that the Board needs to take action on.

Karl Cender explained that he is going to speak about storm water billings or fees for railroad right of way properties. Several years ago we modified our billing system to follow the County's way of billing storm water based on the property classifications and as part of that we exempted out all governmental entities, schools, non-for-profits, and other tax exempt organizations. This issue came up or issues do come up from time to time and this one happens to be on railroad right of way property. They are in a class of their own, but they do not pay property taxes. In fact, this land that they do not even own, it is owned by other owners, but they get a permanent right of way for that land. The issue comes up that if they do not pay it, that property goes up at the tax sale and that creates a lot of headaches and a lot of extra costs to Lake County. They communicated to Marty, Joe, and himself their disdain of having properties go up at the tax sale when they know this property cannot be sold at tax sale. They then incur costs to take it off. Joe took a look at our storm water rate Resolution that was adopted back in 2014 and it does talk about exempting out other tax exempt organizations who should be exempted. The property itself does not have an assessment on it and so we feel that is a way that we can construe to say railroad right of ways should not have a storm water fee. If the board also agrees to that, he

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would like him and Joe to communicate to the auditors that they can go ahead and remove these storm water fees from the tax rolls and any future tax sales based on this interpretation of the previous Resolution.

President Button asked if there is a motion to exempt the railroad property owners or holders from the storm water fee of the Hammond Sanitary District.

Marty questioned Jeff if that motion was interpreted correctly.

Jeff said that he thinks it needs to be said that any property (railroad property) that has a zero tax assessment because in that same tax code you would have—you are in the same position with pipeline properties and you would have some of the terminals that are in that same code and we do not want to exempt them. We want it to say that if they have a zero tax assessment, we want them to be excluded but if they pay taxes they still pay. If they have a zero gross assessed value they would be exempted, but if they do pay taxes then they will still pay a fee. The big pipeline terminal down on Michigan would still pay a storm water fee, but a right of way would not.

President Button asked if there is a motion to exempt those property holders of property with a zero assessed value from the Hammond Sanitary District storm water fee.

Dye **moved** and Muta **seconded** to exempt property holders with properties having a zero assessed value from the storm water fee.

President Button asked if there are any other classifications of property for which this fee is imposed that the County has that we do not know about. He questioned if any other classifications were brought up.

Karl Cender said that they did not.

President Button wondered if we should ask them to research what all the classifications are so that we can get this all taken care of.

Karl replied that he knows we want to get this action taken today just so these properties do not go on the tax sale. He thinks the fact that we already exempt governmental and other tax exempt and the language says if they do not have a gross assessed value that should cover a lot. He knows that Jeff has mentioned that sometimes a non-for-profit gets a bill that has a storm water fee. Part of their problem is their class code is in the system wrong so that is something that can be amended by the assessor or auditor and he thinks those are being figured out and getting fixed. He does not really think that has anything to do with us.

Attorney Allegretti added that our ordinance says that they can go to Jeff and we can administratively clear up this error.

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President Button asked how we clear up the past balances.

Karl Cender answered that basically by allowing them to provide a list to the Lake County Auditor and request that we remove them from the tax rolls.

President Button stated that they have already been billed and applied.

Karl replied that any delinquent bills he will go in and take off.

President Button asked if there is any accounting action that they need to take since we will no longer be getting that revenue.

Karl Cender does not think so.

Marty stated that he believes the total amount is \$7,000.

President Button asked if there is some sort of adjustment in our general ledger.

Marty said that he believes it is not accounted for until it gets collected, so there is nothing in our ledgers that shows that at this point.

Attorney Allegretti stated this process now is going to get us passed the sniff test of the State Board of Accounts.

President Button stated that he asks because when he was at the exit interview with the State Board of Accounts they claimed that we are accrual accounting—

Karl Cender stated that Rachel will make an adjustment for these.

President Button verified that Karl will work with her on that.

Karl said yes.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta

Nays: None

Motion **carried** 5-0.

President Button stated that the next item is a discussion about Myrtle Street.

Marty said that we have an emergency situation on Myrtle and asked Jack Smith to talk about that.

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Jack explained that it would be about a total of 1600 feet of 15 inch line that needs to be replaced. There would be no way that the Hammond Sewer Department or the Sanitary District can go out there and make those repairs due to the odd shape of the tile that is in the ground. It is in pretty bad shape right now.

Attorney Allegretti asked him to elaborate on the state of the emergency.

Jack added that the actual homeowner's waste is going into the ground and underneath that he has a storm main. It needs to be taken care of ASAP.

President Button asked if he is recommending the District board to declare an emergency on this particular action so that we can move forward on making any necessary repairs.

Jack stated that is correct. The longer we wait, the higher the price of plastic is going up.

President Button asked if he has received three quotes and if we have a lowest and responsible bidder.

Jack answered that he believes it is \$230,900 for the cheapest one which was Gatlin Plumbing.

President Button asked Jack if he has been happy with their performance.

Jack replied yes.

Attorney Allegretti told Jack that he is also required to identify the other two persons who submitted a quote.

Jack answered that is Grimmer Construction and Rex Construction. Grimmer was the highest, Rex the second, and Gatlin was the cheapest.

President Button called for a motion for a declaration of an emergency action to make sewer—

Attorney Allegretti asked if they would discuss where the funding for the project is and then the action.

President Button stated in the amount of \$230,900 funds being equally distributed between 1st District Councilman Mark Kalwinski, The City of Hammond and the Hammond Sanitary District.

Attorney Allegretti clarified that the motion is authorizing President Button or District Manager to award the contract and sign a construction contract with Gatlin subject to securing gaming funding.

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Dye **moved** and Muta **seconded**.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta

Nays: None

Motion **carried** 5-0.

President Button said this should be assembled in a complete form where we have each of the bids together with a brief report on what the findings are for informational purposes he thinks that would be best.

President Button called for Reports from Commissioners

President Button stated that there was a meeting with officials from the Town of Munster and things look they are proceeding very well with regard to determining a new rate that would be acceptable to the Hammond Sanitary District and their partners.

President Button called for Public Expression

There was no public expression.

President Button called for a motion to adjourn the meeting


Dye **moved** and Muta **seconded** for adjournment.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta

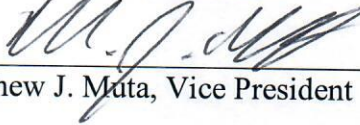
Nays: None

Motion **carried** 5-0. The meeting was adjourned at 4:20 p.m.

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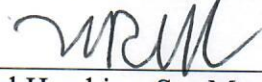


Dean Button, PE, President




Matthew J. Muta, Vice President

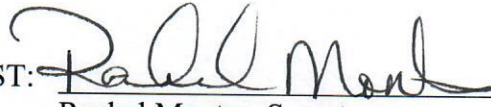
Sam Dimopoulos, Member



Michael Hawkins, Sr., Member



Michael Dye, Member

ATTEST: 

Rachel Montes, Secretary
Kaleigh Boyle, Assistant Secretary

Board Minutes Prepared By: Kaleigh Boyle