

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSIONERS MEETING
MARCH 28, 2017
www.hammondsd.com

The Board of Sanitary Commissioners of the Sanitary District of Hammond, Lake County, Indiana held a regular meeting at 4:34 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 4:34 p.m. He stated that the Board held an Executive Session from 3:45 p.m. until 4:30 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
Rachel Montes, Business Manager
Joe Allegretti, Attorney
Donald Woodard, HSD
Rick Sutton, HSD
Jeff Massey, HSD
Steve Stojakovich, Sewer Department
Rebecca McKinley, GIS Department
Kaleigh Boyle, HSD

Others Present: Mike Hickey, AB&H Donohue
Karl Cender, Cender & Company
David Nellans, Munster Town Council
Anton Petrashevich, Town of Munster
Stephen Gunty, Munster Public Works Director
Ed Bierschenk, The Times

The meeting started with the Pledge of Allegiance.

President Button stated that the first order of business was the consideration of the February 28, 2017 Board Meeting Minutes.

Dye **moved** and Muta **seconded** to approve the February 28, 2017 Board Meeting Minutes.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta

Nays: None

Motion **carried** 5-0. A copy of the February 28, 2017 Board Meeting Minutes are attached to and made a part of the minutes.

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District Manager's Report

District Manager, Marty Wielgos, stated that he did not have anything to report at this time, but would take any questions for him.

PERSONNEL REPORT

There was no personnel report for this meeting.

FINANCIAL REPORT

Business Manager, Rachel Montes, stated that she had nothing to highlight, but would take any questions.

President Button asked Rachel to explain about the Debt Service (Non-Exempt and Exempt) and kind of figure out how we can get caught up with that.

Rachel replied that with those two because the January payments are only allowed to be estimated at 15% not the whole payment or 50% so that puts us in a deficit at the beginning of the year. By December it will be positive, but in January it will happen again. Hopefully, little by little it will even out.

Hawkins **moved** and Dye **seconded** to approve the Financial Report.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta

Nays: None

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

DEPARTMENT REPORTS

SAFETY REPORT

Rachel stated that there was no safety report included.

GIS REPORT

Becky McKinley stated that she had nothing to highlight, but will answer any questions.

President Button commented that he did not see on the report necessarily that she did help the City with the liquor board issue at Fast Lane Foods and was very helpful to prevent that particular liquor license request with the radius search and the percentage of residential, so that was very useful in combatting that request. He just wanted to thank her kindly for doing that.

SEWER REPORT

Steve Stojakovich stated that he had nothing to report. Everything is all good at the Sewer Department.

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Rachel added that also included was the Sewer Department's Annual Report.

Commissioner Dye commented that Jack did a very good job putting it together.

CONSULTANTS REPORTS

AB&H Donahue Consultant Report

Mike Hickey stated that everybody should have a copy of the status report. It is a couple weeks old with the last meeting being cancelled. He would be happy to answer any questions.

RESOLUTIONS

The Board considered Resolution No. 6-2017 (Revised): RE: A Resolution Amending and Fixing the Schedule of Sewer Rates and Charges to be Collected by the Hammond Sanitary District from the Owners of Property Served by the Sewage Works of the District, As Amended.

Dye **moved** and Muta **seconded** to approve Resolution No. 6-2017.

Commissioner Hawkins commented that this has been a long process for this rate increase. He wants to note that it includes the change to put condominiums and apartment buildings in the multi-unit residential rate in Munster and this allows them to pay residential rates for flow. We can see into the future that residential rates for flow will be less than the commercial rates and this is something that has been asked for. It provides a fair and even charge for all residents. It affects all residential and he thanks the Hammond Sanitary District and the City of Hammond for their cooperation in this change to this Resolution.

President Button noted that this would be put into effect after adoption by the City of Hammond Common Council and the Town of Munster Town Council. He would ask that section four be amended to make it the 28th day of March 2017.

Dye **moved** and Muta **seconded** to approve the amended date on Resolution No. 6-2017.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta
Nays: None
Motion **carried** 5-0.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta
Nays: None
Motion **carried** 5-0. A copy of Resolution 6-2017 is attached to and made a part of these minutes.

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The Board considered Resolution No. 16-2017: RE: A Resolution by the Board of Sanitary Commissioners of the Sanitary District of Hammond, Lake County, Indiana Adopting the 2017 Financial Expenditure Plan for the Pretreatment Fund (609) in the Amount of \$482,263

Muta **moved** and Dimopoulos **seconded** to approve Resolution No. 16-2017.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta

Nays: None

Motion **carried** 5-0. A copy of Resolution 16-2017 is attached to and made a part of these minutes.

The Board considered Resolution No. 17-2017: RE: A Resolution by the Board of Sanitary Commissioners of the Sanitary District of Hammond, Lake County, Indiana Adopting the 2017 Financial Expenditure Plan for the Operation and Maintenance Fund (606) in the Amount of \$22,074,255

Dye **moved** and Muta **seconded** to approve Resolution No. 17-2017.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta

Nays: None

Motion **carried** 5-0. A copy of Resolution 17-2017 is attached to and made a part of these minutes.

The Board considered Resolution No. 18-2017: RE: A Resolution by the Board of Sanitary Commissioners of the Sanitary District of Hammond, Lake County, Indiana for Planning, Design and Management Engineering Assistance.

Dye **moved** and Muta **seconded** to approve Resolution No. 18-2017.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta

Nays: None

Motion **carried** 5-0. A copy of Resolution 18-2017 is attached to and made a part of these minutes.

The Board considered Resolution No. SW3-2017: RE: A Resolution by the Board of Sanitary Commissioners of the Sanitary District of Hammond, Lake County, Indiana Adopting the 2017 Financial Expenditure Plan for the Stormwater Fund (425) in the Amount of \$2,541,318

Dye **moved** and Hawkins **seconded** to approve Resolution No. SW3-2017.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta

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Nays: None

Motion **carried** 5-0. A copy of Resolution SW3-2017 is attached to and made a part of these minutes.

The Board considered the Bank Reconciliation for February 28, 2017.

Dye **moved** and Muta **seconded** to approve the Bank Reconciliation for February 28, 2017.

Commissioner Hawkins pointed out that on the signature page for Dean Button says City Engineer and he wonders if it should say Board President.

Rachel replied that it should.

Hawkins **moved** and Muta **seconded** to amend Dean Button's title on signature page to Board President; not City Engineer.

Ayes: Button, Dimopoulous, Dye, Hawkins, Muta

Nays: None

Motion **carried** 5-0.

Ayes: Button, Dimopoulous, Dye, Hawkins, Muta

Nays: None

Motion **carried** 5-0. A copy of the Bank Reconciliation for February 28, 2017 is attached to and made a part of these minutes.

The Board considered the Claims Approval Docket 03-14-17.

Commissioner Hawkins commented that we have knowledge of our financial situation (we are backed up on paying bills) and recent email exchange with Rachel and questioning an invoice he got an answer that surprised him. At that time he did not understand to the extent of our financial situation that Rachel could not give him an estimated time in which she would make the payment. Think about that. The financial situation of the District is so adverse right now the person who is the Financial Manager of this District cannot give an estimated date of when she is going to make a payment. It is not one payment. It is a whole string of payments. If we are approving claims approval dockets are we authorizing these payments just to be paid or are we also saying in effect that the money is available and we want these payments to be made. Reason being is, if we are looking at approving two claims approval dockets and we have not paid bills for the past ones and we do not know when they will be paid, should we be approving these or should we wait until we know that they are going to be paid. Someone he might consider an expert he asked about this and they question whether this is a right, proper procedure for our organization to be doing. State Board of Accounts may frown on this and other issues may evolve.

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Marty replied that State Board of Accounts looks at our books very thoroughly and they have never questioned this. He sits on several boards and it is customary practice for the board to approve claims so that they can be paid when money comes in. So if the board did not approve these claims, they would sit and then wait and then if a lump sum of money comes in which sometimes happens they would not be able to be paid until the next board meeting when they are approved. He can only tell him from his experience saying that State Board of Accounts has looked at us for a long time and we have not been in the black for a long, long time so it is not anything new and they do not seem to have a problem with it. He sits on other boards and this is exactly what they do on other boards.

President Button added that he believes we have accrual accounting. At least that is what he was told at the last meeting with State Board of Accounts—

Rachel stated that they will show on our financials whether we pay them or not.

President Button finished that we would have the funds available because we use accrual accounting.

Rachel wanted to add that every month when she gives the board her finance report, if you look at the O & M tab that tells what is outstanding. Separated by other vendors and Nipsco separate, so the board does receive this information on a monthly basis. So if you are curious, every fund is listed.

Commissioner Hawkins replied that considering our financial situation probably since the four and a half years that he has sat on the board it is at the worst point ever.

Marty and Rachel both responded that this is not the worst.

Marty explained that he has to remember just for reference sake that he has been here just about four years and he sat on the board previously and they were in a worse financial situation then than we are today. What has made it better is the actions that we took early on when he came on board with creating the commercial rate. That helped significantly. Also at the same time, the City of Hammond took a bold step to also increase the storm water rate. Those two all by itself with the help of the Munster Town Council helped shore us up, but this is nowhere near where we used to be.

Commissioner Hawkins stated that he stands corrected. He just wanted to express his concern.

Muta **moved** and Dye **seconded** to approve Claims Approval Docket 03-14-17.

Ayes: Button, Dimopoulous, Dye, Hawkins, Muta
Nays: None

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Motion **carried** 5-0. A copy of Claims Approval Docket 03-14-17 is attached to and made a part of these minutes.

The Board considered the Claims Approval Docket 03-28-17.

Dye **moved** and Dimopoulos **seconded** to approve Claims Approval Docket 03-28-17.

Ayes: Button, Dimopoulous, Dye, Hawkins, Muta

Nays: None

Motion **carried** 5-0. A copy of Claims Approval Docket 03-28-17 is attached to and made a part of these minutes.

President Button called for Old Business

Commissioner Hawkins stated that we have two gentlemen here at our meeting today that he would like to introduce. Stephen Gunty and Anton Petrashevich. Steve is the Public Works Director for the Town of Munster and Anton is the Supervisor for the Water and Wastewater and Anton would have the most direct interface with the crews, pump stations, etc. of the Town of Munster's Public Works and they wanted to come today to introduce themselves as a follow up to the discussions at the last meeting about pump stations and backup power generators. It is important for the folks from the Town of Munster and the Hammond Sanitary District meet and share information. He discussed this with District Manager Wielgos and they will set up a meeting between both parties to share information and get some facts and figures out from both sides.

Stephen Gunty thanked the board for letting them introduce themselves. They appreciate it. He is the Director of the Public Works Department in Munster and he just started this summer and he is very excited to be in the role. He started his career in Calumet City which is where he was raised and his first public sector position was working for the City of Calumet City under Mayor Bob Stefaniak at the time. He worked for him for nine and a half years. He was a good friend and business associate with Mayor Thomas McDermott Sr. at the time. So certainly he comes to this role in hopes that we can foster the best possible working relationship. He knows that Anton has had an excellent relationship in the field with the District's crew and he has met several of them himself as well and he is extremely impressed and they know that the comradery is there- the working, knowledge, the respect to be able to forge ahead and tackle any difficulties. On their end they are very aware of some of the concerns with the generators. They are in the process of analyzing a couple different SCADA proposals which stands for Supervisory Control and Data Acquisition where you can remotely monitor a generator or any other piece of electrical equipment and find out what it is doing from your portable device, laptop, or desktop and then respond accordingly based on what you see or the alarms that are going off. They have some of that in place already on the water side of their equipment and they now have a couple of proposals in hand and they are going to be doing a demo of one of them next week or so. Long way of saying that they are moving forward and will be presenting a proposal to their Town Manager, Dustin Anderson, who they know is very supportive. He has indicated as such. They

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started this process last fall and then got delayed because of some of the logistics of bringing the vendors together on the electric side and the generator side and on the SCADA side together so they have done that now. They will present this and they are quite certain that it is going to be moving forward in the very near future. On the Superior Avenue pump station issue with what is suspected to be Nipsco electric fluctuation issues that have affected their generators. Anton brought Nipsco out on site and they have set up a meter of sorts to monitor the fluctuations and to determine what the issue is- what the quality of the power supply is. Based on that, they will have more feedback in the days ahead on that. Long way of saying that they are trying to move forward in a progressive manner and they want to work in complete harmony and partnership with the Hammond Sanitary District on this level with their Commissioner Mike Hawkins as well as on the operational level with the staff. Anything they can do in that regard, they look forward to a future meeting and it does not have to be formal by any means. They just hope to be able to have informal dialogue as they go forward with any issues that will make this the great association that it is really meant to be. He will leave his business cards if anybody would like to grab one after the meeting and feel free to contact him or Anton on any issues or if there are any questions he would be happy to answer them even now.

Commissioner Hawkins thanked Marty for agreeing to get the sides together.

Marty replied that we are willing to talk and he knows that he can only voice the concerns of his staff. They are very vocal on their own, so they do not need him to speak for them. This has been a long issue with the Town of Munster and these generators, so we look forward to finding a solution to having a good working dialogue. It has been a long time coming and hopefully with the new personnel that Munster has it will be able to happen.

Commissioner Hawkins stated that you can accomplish a lot face to face and you get to know people too.

President Button called for New Business

Commissioner Hawkins stated that he sent an email out about a church in Munster (Fair Meadows Church on Fran Lin Parkway) and he will summarize the letter that he sent out. There was a severe water leak suffered by Fair Meadows Church and they did not realize it until the extent that it was discovered by a Public Works employee. Their normal flow every month was 4000 gallons on average. One month it was 25,000 gallons and the next month it was 445,000 gallons. At that point, they sent their maintenance staff out and maybe even Anton-

Anton replied that he was not there, but it was his crew and by the time they had been called to the scene, repairs had already been completed.

Commissioner Hawkins explained that Munster has a policy (Munster does water billing and also billing for the Hammond Sanitary District) and they call it a Proven Leak Adjustment Policy. On February 6th they ran an adjustment to their bill using the calculated average between the actual amounts. The Town's Leak Adjustment Policy is for water and taxes only. The

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Council has no authority to adjust Hammond Sanitary District's flow charge which in this case was \$1459.60. If adjusted following the same rationale the average cost would be \$13.12 which would be an adjustment of \$1446.48. About a week and a half ago, Anton and he went out to the church and were talking to an official of the church and looked at the situation. One reason they did not discover their leak is because it was under a false floor near the altar. One question was that primarily he had was where did the water go. Did the water go down the sewer and end up at the wastewater treatment plant or did the water go elsewhere. He asked Anton to give his feedback on the situation that day and what they found out.

Anton stated that there were no floor drains in the area where the water could have drained into a sanitary sewer. The best that they were able to figure was that the water escaped through a wall in the building and entered into a storm drain. They have a small retention pond just outside that area of the building and they believed that it traveled to the retention pond and the retention pond drains into their storm system and immediately into Hart ditch, so there is no evidence at all that it got into the sanitary sewer system.

Commissioner Hawkins asked if the Hammond Sanitary District would consider an adjustment since the water seems to never have hit the Hammond Sanitary District.

Commissioner Dimopoulos commented that the board has had other entities come to them in the past because they had leakage and we have a policy here that we do not give any reductions. The leakage did not happen because of something that the Hammond Sanitary District did; it was done on their own. What caused it, how did they fix it, why didn't they fix it sooner that is all up to them. If we allow this, that is going to open us up for every other entity that is going to have some type of leak that they did not foresee come to us and ask us for money. He strongly believes that we do not entertain any adjustment at all because we are in dire straits for money so we are not going to be giving money out just because somebody comes to us and says hey I had a pipe that broke, sorry I had all this water come through so I am looking for a rate reduction from you. That is where he stands on it. We have had things like this in the past and we have not allowed any reductions for anybody. A church in Hammond came in a few years back- similar situation. Her questioned Commissioner Hawkins and Anton what the remedy was. Do you guys even know? What caused this? Do you even know what caused this problem?

Anton replied that it was a frozen water pipe.

Commissioner Dimopoulos said okay and questioned why they didn't catch it sooner.

Anton responded that it was an area that was not visible because it was underneath the floor of the altar.

Commissioner Dimopoulos stated that it is an unfortunate event, but they cannot entertain these because they are going to have 20-30 every month come to them. They are going to be in a

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problem where they will probably get into litigation issues. Unfortunately, it is something unfortunate that happened to them, but the board cannot start entertaining these reductions.

President Button added that he has been on the board about 15 months or so and he does not remember any of these coming to him.

Rachel answered that she believes it was two years ago. It was First Baptist Church.

Commissioner Dimopoulos replied that he has been on the board for seven years and they have had a couple.

Rachel stated that it was the First Baptist School and they had an outside bathroom and there was some type of leak in the outside bathroom and since they did not use it (it was outside access) they did not discover it until the bills rolled in and they saw they were high. They were offered a payment plan.

President Button stated that he used to attend these meetings as a consultant and he does not ever recall a request like this.

Rachel answered that some of them come directly to her, residents do, and she explains the policy and offers for them to come to the public meetings. The residents normally do not show up, the church did because they were non-profit so he had hoped to receive an adjustment and there was not one given.

Commissioner Hawkins added that he specifically brought this forward and he is aware of the church, he remembers it and there has been another one since he has been on the board, but this specifically was because the water never hit the District. That is one of the reasons that he brought this forward and one of the reasons he and Anton went out there to see where the water went. His personal opinion may be one thing about if the water hit the District.

Marty explained that the situation with Hammond Baptist was this was an outside bathroom, the water never made it to the District either. It actually came out through the back wall—

President Button noted that this letter was dated March 13th, but he is just receiving it today. This is the first time the District is hearing of this issue.

Commissioner Dye stated that he supports the District's policy that we do not reimburse due to these types of situations.

Commissioner Muta agreed.

Marty asked if the bill has been paid.

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Commissioner Hawkins answered that he does not think so. The water side was adjusted. It is a small church and he does not believe that they have the funds quite frankly.

Marty replied that what we have done in the past as Rachel indicated is if they want to make payments on it, the District is fine with that.

President Button called for Reports from Commissioners

There were no reports from commissioners.

President Button called for Public Expression

Councilman Dave Nellans commented that he appreciates the fact that we have a good relationship between Munster and the Hammond Sanitary District. He and Marty Wielgos have been talking about some things and they will continue to talk and he wants to encourage that. Joe Allegretti has always contributed some good information that helps them, but again he wants it to be a win win situation for both communities. They understand the financial needs of the District and they just want to work this all out and make sure that things are working properly. He just wanted to make the comment that he is here to make sure that things go well and again he appreciates their staff coming in and he thinks working with the District staff will be a great benefit and they look forward to seeing the improvements. He thinks they need to understand some things and make it better.

President Button responded that he appreciates his spirit of cooperation always.

President Button called for a motion to adjourn the meeting

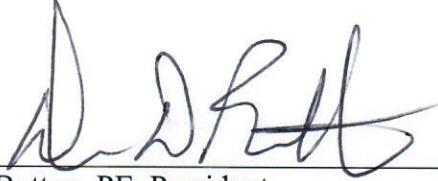
Dye **moved** and Muta **seconded** for adjournment.

Ayes: Button, Dimopoulos, Dye, Hawkins, Muta

Nays: None

Motion **carried** 5-0. The meeting was adjourned at 5:07 p.m.

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Dean Button, PE, President



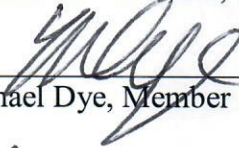
Matthew J. Muta, Vice President



Sam Dimopoulos, Member



Michael Hawkins, Sr., Member



Michael Dye, Member

ATTEST: 

Rachel Montes, Secretary
Kaleigh Boyle, Assistant Secretary

Board Minutes Prepared By: Kaleigh Boyle