

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSISONERS MEETING
JANUARY 26, 2021
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The Board of Sanitary Commissioners of the Sanitary District of Hammond, Lake County, Indiana held a regular meeting at 4:06 p.m. in the Conference Room of the Administration Building located at 5143 Columbia Avenue, Hammond, Indiana.

President Dimopoulos called the meeting to order at 4:06 p.m. He stated that the Board held an Executive Session prior to the meeting to discuss personnel and litigation matters in accordance with Indiana Codes.

Commissioners Present:	Dimopoulos
Commissioners Present Remotely:	Dye, Garay, Hawkins
Commissioners Absent:	Miller
District Personnel Present:	Marty Wielgos, Chief Executive Officer Joseph Allegretti, HSD Attorney Rachel Montes, Business Manager Kaleigh Boyle, HSD
District Personnel Present Remotely:	Jeffrey Massey, HSD Matthew Muta, Deputy District Manager Robert Szczudlo, HSD Jack Smith, Sewer Department Rebecca McKinley, GIS Department
Others Present:	Mike Hickey, MJHY, LLC Kevin Dougherty, Impact Networking Ryan Prince, Impact Networking Aaron Finnemore, Impact Networking

There was a roll call of attendees for the meeting to be documented in the minutes.

The same rules and guidelines will apply as previous meetings. Before somebody makes a statement/motion, they need to state their name so they know who is talking. There will be roll call votes on everything.

President Dimopoulos stated that he would entertain a motion that he as Board President has the authority to sign all documents today on behalf of the Board.

Dye **moved** and Hawkins **seconded** to authorize President Dimopoulos to sign any documents on behalf of the Board at this meeting.

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSISONERS MEETING
JANUARY 26, 2021
www.hammondsd.com

Ayes: Dimopoulos, Dye, Garay, Hawkins

Nays: None

Motion **carried** 4-0.

President Dimopoulos commented that the Board was going to move away from their regular agenda. They have the people from Impact here. They are going to give the Board a report on what they found here at the District concerning their cybersecurity. He is also assuming they are going to make some recommendations today and give them some overview.

Kevin Dougherty thanked the Board for having them and introduced himself. He is the Sales Manager at the Hammond office for Impact. He has here with him Aaron Finnemore and Ryan Prince. They were brought in just over a month ago to perform an internal audit when it came to the area of IT and specifically the cybersecurity of the District. During that time, five of their engineers came in and worked directly with Bob. With his help, they came back with a report that they will go over today. They are going to go over the Executive Summary and give them the recap on what they found, the challenges and then the recommendations moving forward with the Hammond Sanitary District mitigating the risk and making sure that they are moving forward with the right environment and infrastructure to operate efficiently. With that being said, he is going to hand it over to Aaron Finnemore.

Aaron Finnemore explained that he was the lead during the assessment. He said there was a number of pretty significant concerns that came out of the assessment and a lot of them were based on industry best practices, but a lot of the report they interpreted based on a joint task force advisory that came out by the FBI and Department of Homeland Security around where the foundational things that need to be in place in order to maintain an efficient and secure technology environment. Those things came down to a list of policies and procedures from a business standpoint, but it also came down to some very specific network best practices. Making sure your network equipment is patched the way that it is supposed to be. From a security perspective, the way hackers work they tirelessly beat on network equipment and server equipment for that matter until they are able to break through the defenses and once they do, the manufacturer of that equipment comes up with a patch for it and then the hackers beat on that one. It is a cycle that happens and when the updates do not happen the way that they are supposed to, you are left extremely exposed from a security standpoint. Some of the things that they found was specifically related to your network equipment. It had not been patched on a regular basis. they are all antiquated significantly. Some of them are no longer manufactured anymore and none of them are really under support from the manufacturer anymore which is the reason they are not getting updates. Same thing with the server equipment with the exception of one server in the environment. The rest of them have been out of warranty and support- he believes the newest one went out of warranty in 2018. Pretty significantly outdated. Work stations in the environment- very similar. There is probably a dozen or less Windows 10 devices that are operating right now. The rest of them are Windows 7 and even a few Windows XP devices. Windows XP has not been supported in at least ten years which means it has not been updated. With the earlier scenario, it has already been beat on. The hackers already know how to

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSISONERS MEETING
JANUARY 26, 2021
www.hammondsd.com

get into those. Windows 7 has not been supported since January of last year. This kind of goes on and on from a hardware standpoint. There are some significant exposures within the software environment as well. He thinks a couple of the things that they have going for them right now is their move to the online Accounting system that they are looking at doing. He thinks that is a big benefit to them and will certainly mitigate a lot of the risks that are involved with the existing platform. One of the big items, and he knows Marty and Rachel both cringed a little bit when he talked about it is user accounts and passwords. Most of the passwords that are out there have been out there since the user account was created. As an example, the domain administrator password which from an IT perspective that is the account that has "God" privileges for everything has not been changed since 1995. A best practice password policy would require passwords to be changed every 30 days. Those are the big ones. There were a number of other ones that were in similarity, but those are the ones that brought the most concern from their group. There are other ones like point protection on work stations which is a big concern, but however, the outdated operating system is more of a concern so that kind of alleviated that. From a recommendation standpoint, Impact is known to remediate these exact kinds of things. The District should not feel like they are the only organization out there that has these problems because there is a number of them and this is what they do. Their recommendation would be, and he hates to say it like this because it is so drastic, but a rip and replace of existing network infrastructure so they would remove all of the consumer-grade devices, all of the outdated, antiquated devices and replace them with standardized network across all of the locations and put the appropriate security in place on the switches in the firewalls specifically to allow appropriate traffic to move where it is supposed to go. For example, this particular call is a voice-over IT call and right now this call is competing with the video screen so if for whatever reason there was a bandwidth clause (too much stuff happening) there is nothing telling the network which traffic gets priority, so this call or video can drop. Imagine if that happened with the Mayor or during a Board meeting. Those are the types of things they would remediate as they are replacing that network infrastructure. they would also be able to segregate and secure more sensitive data. From a server infrastructure perspective, there are currently 11 physical servers and their recommendation would be to eliminate the antiquated servers and keep the one that is up to date and put one additional one in where they can consolidate the rest of those virtually and just use two servers. You would be reducing your footprint which reduces support costs and ultimately reduces your backup and disaster recovery which is part of the recommendation from the task force he spoke of earlier which currently there are pieces of, but not adequate. If there was to be a major disaster today, at best some pieces of data and applications would be able to be recovered in the environment, but not holistically. Their approach would be a product called DATO which is an appliance coupled with a cloud storage location. The appliance would be full-image backup with the servers and would replicate them to the cloud. From best practice, you always want backup on the premises for easy and quick restore, but you also always want an encrypted version off-site as well in case something was ever to happen to the entire facility or region. From a big picture, that is kind of their recommendation and once those remediations tasks are in place in addition to that it would be setting up from a service standpoint monitoring and alerting on the network to make sure sufficient traffic is happening and monitoring internet circuits and Wi-fi coverage and from a security standpoint with the features put on work stations

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSISONERS MEETING
JANUARY 26, 2021
www.hammondsd.com

and servers, there would be constant alerts. Coupled with all that, they will be assigned a Virtual Chief Information Officer who would be available to Marty, Bob and Rachel from an advisory standpoint and keeping them up to date on what is happening in the environment and providing monthly reports to make sure that everything is functioning the way that it is supposed to.

Marty stated that he and Rachel were at the Impact offices last week with Bob and they gave them this full presentation and he can say they all walked away from there very, very impressed. They are highly recommended and the District is highly, highly vulnerable. He is just grateful that nothing has happened. He said that Commissioner Hawkins who is on the line is the Representative from Munster and Munster had a major problem a couple of years ago and Impact went in and helped them get through that. They have also done work with Heather Garay who is also on the line as one of the Board members from the City of Hammond. He just wanted to say that he feels very comfortable with the layout and the way that they want to tackle the major problem. He was very impressed with how quickly when they first called them and they came almost immediately when he first hired them on to do the assessment. That is when his personal information was breached, the Mayor's personal information was breached. That is what started all this because they thought the connection was the Sanitary District. he thought something was happening here, but then they found out it was happening across the country and the City is already having the same problem, but anyway it was good because that is how they got to where they are at today. He would have probably never even thought of it if that did not happen. He just wants the Board President and the Board to know that he is very impressed and he thinks they will do an excellent job for them and it is time. They need to update this equipment.

President Dimopoulos verified that they said constant monitoring on their end of what is coming in and going out. He questioned if all the cloud-based information will be managed through Impact.

Aaron Finnemore responded the constant monitoring is correct, but not the information itself. They will manage the cloud and backups though- that is correct. They can even go as far as managing any technology vendors if that is something they would like them to do as well.

President Dimopoulos commented that if they are going to do this, they are going to do it the whole way.

Marty agreed.

Commissioner Garay stated that they did work with Impact during her time as City Controller and they had a very good relationship. She was wondering if they could share the report with the Board on what was recommended. She also questioned if he and Rachel were in fact on board with everything that was recommended or if there was any that they were not on as board with or what specifically they were.

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSISONERS MEETING
JANUARY 26, 2021
www.hammondsd.com

Rachel responded that they did send a full report.

Marty commented that they do have a full report. That is what they went through when they were there in their office last week. He wanted to make sure Bob was there because this whole thing—this is not a Bob problem. This is not anything that Bob has created. This has happened for two reasons. One being that most of the equipment they are taking about is outdated and not supported anymore, but Bob's intention and job was from him, if it is not broke, do not fix it, but that really does not transfer to technology. That may work for a pump and other stuff like that, but when you get to technology you have to keep updating and changing as they talked about. He was very impressed with not only the layout of the equipment that they suggested be updated, but also their approach. He agrees with Heather and would be more than happy to share that with her, but what he would like is a blessing from the Board today to move forward with getting them started because he thinks they are already committed to do the new basic program for the software upgrade along with the City, so it is perfect timing. He wants to get these both going like tomorrow. There is a proposal and he would ask the Board for their blessing to move forward with that.

Commissioner Dye asked if they are also going to have add-on if he wanted to add video to their camera systems off site.

Marty answered that part of the problem is and they are doing these call-ins but they would prefer to do the video, but as they know they had problems with that. They talked about that last week with them. He thinks it is a total get up to speed so they can do the virtual if they are going to continue this way and start to get all of this cleaned up. So, yes, Commissioner Dye, to answer your question. Yes, to cameras, the virtual—getting everything caught up to speed.

Commissioner Dye commented that it is pretty much a turn-key situation that they will put into place.

Marty replied yes. He explained that as the Board knows, they have all of this SCADA and as they talked about fortunately, he has a very smart guy that they were talking about earlier who can actually do that programming and write the program for SCADA, but they were not covering all of the other things that they should have been looking at all of these years. He looked at what happened to the Town of Munster and they are probably more updated than the District and they still got problems or had problems with their system. Somebody hacked into it. They can shut—the other thing is—he asked if Jeff Massey is on the line. He stated that Jeff was actually just telling him that they are going to be required by the Federal Government to have some type of cybersecurity audit he was saying last week.

Jeff responded that with the permit fee, they are going to require some type of security audit of all of the information and will have to meet certain federal guidelines to ensure that nobody can hack into the system here and operate the stations.

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSISONERS MEETING
JANUARY 26, 2021
www.hammondsd.com

Aaron Finnemore asked if he could speak to that for a second. In speaking to exactly that, one of the big concerns with all of the different layers and issues that they found and going back to the topic of all of the traffic it is kind of all bleeding together right now. It is not segregated right now. The SCADA environment that also sits on parts of the network so given the situation of the firewall, if the hacker got through the firewall and was on an XP device on the network, it could hit that XP device and access the SCADA system and do whatever they wanted to do which is probably the larger concern from an operation standpoint.

President Dimopoulos asked Marty what he needs from them.

Marty replied that he would just like the blessing saying, Marty, please move forward with this and sign any agreements that need to be signed to get it started and he will keep them updated with Impact every two board meetings a month.

President Dimopoulos said that he would entertain a motion on what Marty just stated.

Dye **moved** and Hawkins **seconded** to have their Chief Executive Officer, Marty, act on behalf of the Board to move forward with the cybersecurity program that was presented for them today and for them to present a final proposal to Marty for final approval.

Ayes: Dimopoulos, Dye, Garay, Hawkins
Nays: None
Motion **carried** 4-0.

President Dimopoulos stated that they would now go back to the regular agenda.

President Dimopoulos commented that the next order of business was the consideration of the January 12, 2021 Board Meeting Minutes.

Dye **moved** and Hawkins **seconded** to approve the January 12, 2021 Board Meeting Minutes.

Commissioner Dye asked since she was not at the last board meeting if she should vote on the minutes.

President Dimopoulos responded that she did receive a copy of them, and if she does not have any issues with them, she can vote.

Ayes: Dimopoulos, Dye, Garay, Hawkins
Nays: None
Motion **carried** 4-0.

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSISONERS MEETING
JANUARY 26, 2021
www.hammondsd.com

Chief Executive Officer's Report

Chief Executive Officer, Marty Wielgos, commented that they have a lot going on right now, but it is all good. He thinks that they are just about finished with the Headworks project so probably in a week or two when the weather gets a little better, they will plan a day that they will invite the Mayor here to do the official sanctioning of the operation of that building and a tour of the Plant. He would like to do a tour because they also have the new screws that went in the back and just a bunch of great things happening in the Plant.

President Dimopoulos commented that he received his hard hat and safety glasses today.

Marty asked Matt to talk about their new program with the hard hats and eye protection.

Matt explained that they have implemented a District-wide hard hat and safety glasses mandate. So, any time that an employee, person or anybody is in the Plant or at any Sanitary District area (pump station, CSO basin), you are to wear a hard hat and safety glasses. He has hard hats and safety glasses for all of the Commissioners. He actually put the President's by his chair, so he has all of that for everybody. It is going well so far. They have not had any issues of people not wearing hard hats. He thinks it is a great idea. The Sanitary District is a dangerous place and they are exposed to deadly chemicals every day just by being here and he thinks this is a good step towards mitigating some of the safety concerns. Also, on the safety front, they probably seen in their board packets the 2020 OSHA report was completed. They had a great year which is very usual. They always have a great year. All the credit goes to Marty and the Department Heads (Jeff, Jack, Dan) for making the District a very safe place to work.

Marty thanked Matt. He wanted to add which he learned today that, years ago the requirement for eye protection and hard hats was here and somehow over the last 20 years it just disappeared. So, he is glad to see that they are bringing it back. This started the first week of January.

President Dimopoulos commented that they have so much going on here and a lot of moving parts that if anybody is in the building, they should protect themselves. If they do not do this, they open themselves to the liability later so it is great idea and should be starting today.

Marty replied that it already started. It has been implemented and is operational. He was a little concerned about the reaction from the employees that he would have (resistance), but they have had none. If you look around the Plant now, you see all those blue hats out there and eye protection which he feels very good about. Other than that, he does not have anything unless the Board has questions for him.

Commissioner Dye just wanted to tell Matt he did a really good job putting that all together. He has done a really good job since taking over as Marty's assistant and he just wanted to say good job.

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSISONERS MEETING
JANUARY 26, 2021
www.hammondsd.com

PERSONNEL REPORT

President Dimopoulos commented that the Board all received a copy of the Personnel Report.

Dye **moved** and Garay **seconded** for the approval of the Personnel Report

Ayes: Dimopoulos, Dye, Garay, Hawkins

Nays: None

Motion **carried** 4-0.

DEPARTMENT REPORTS

Safety Report

Marty commented that Marty had just mentioned that Report and said that everything was perfect. He asked Matt if there was anything else he wanted to add to that.

Matt responded that he had nothing else to add. What he said previously was it.

CONSULTANT REPORTS

MJHY, LLC

Mike Hickey stated that last board meeting he reported on the Long-Term Control Plan that they were expecting technical comments from EPA. About an hour after the last board meeting, they got those technical comments. They were relatively minor and they will be able to answer them. They are waiting for EPA's comments on the FCA (Financial Capability Analysis). He just wanted to mention that when they submitted the Long-Term Control Plan in September 2020, EPA was proposing new Financial Capability Assessments guidance and HSD reserved the right to update their FCA and a proposed schedule in the Long-Term Control Plan after that guidance became final. That guidance did become final recently and HSD has an opportunity to update the schedule. He just wanted to make sure that the Board knew that. That is all that he has.

Commissioner Hawkins asked when updating the Financial Capability Analysis if there is a positive for them to do this at this time.

Mike Hickey replied that literally the question is if there is a positive to take a look at the new guidance at this time.

Commissioner Hawkins answered yes.

Mike Hickey responded yes. Literally, he printed the—his short answer is yes. He just printed out the guidance today. He was going to take a look at it because he thinks what they would like to do is to put in the data and see if they get a better result. You want to know the answer before you do it, so he thinks it is worth doing. He just has not done it yet because they just got the guidance.

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSISONERS MEETING
JANUARY 26, 2021
www.hammondsd.com

Marty added that he would say yes.

RESOLUTIONS

The Board considered Resolution No. 3-2021: RE: A Resolution by the Board of Sanitary Commissioners of the Sanitary District of Hammond, Lake County, Indiana Authorizing Permanent Transfers of Money Between Certain Funds.

Hawkins **moved** and Dye **seconded** to approve Resolution No. 3-2021.

Ayes: Dimopoulos, Dye, Garay, Hawkins

Nays: None

Motion **carried** 4-0.

The Board considered Resolution No. 4-2021: RE: A Resolution by the Board of Sanitary Commissioners of the Sanitary District of Hammond, Lake County, Indiana Amending Salaries and Wage Rates for the Hammond Sanitary District for the Year 2021.

Dye **moved** and Garay **seconded** to approve Resolution No. 4-2021.

Ayes: Dimopoulos, Dye, Garay, Hawkins

Nays: None

Motion **carried** 4-0.

The Board considered the Claims Approval Docket 01-26-21.

Dye **moved** and Hawkins **seconded** for the approval of the Claims Approval Docket 01-26-21.

Ayes: Dimopoulos, Dye, Garay, Hawkins

Nays: None

Motion **carried** 4-0.

President Dimopoulos called for Old Business

There was not any old business to discuss.

President Dimopoulos called fort New Business

There was not any new business to discuss.

President Dimopoulos called for Reports from Commissioners

There were no reports from Commissioners.

President Dimopoulos called for Public Expression

There was no public expression.

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSISONERS MEETING
JANUARY 26, 2021
www.hammondsd.com


President Dimopoulos called for a motion to adjourn the meeting

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

Ayes: Dimopoulos, Dye, Hawkins, Miller

Nays: None

Motion **carried** 4-0. The meeting was adjourned at 4:39 p.m.



Sam Dimopoulos, President

/S/

Michael Dye, Vice-President
(attending and voting via teleconference)

/S/

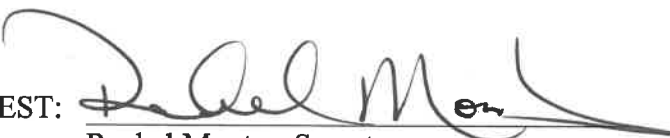
Michael Hawkins, Sr., Member
(attending and voting via teleconference)

/S/

Owana Miller, Member
(attending and voting via teleconference)

/S/

Heather Garay, Member
(attending and voting via teleconference)

ATTEST: 

Rachel Montes, Secretary
Kaleigh Boyle, Assistant Secretary

Board Minutes Prepared By: Kaleigh Boyle