

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSISONERS MEETING
SEPTEMBER 15, 2020
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 Dimopoulos called the meeting to order at 4:00 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, Dye, Garay, Hawkins, Miller

Commissioners Absent: N/A

District Personnel: Marty Wielgos, District Manager
Matthew Muta, Deputy District Manager
Joseph Allegretti, HSD Attorney
Rachel Montes, Business Manager
Jeffrey Massey, HSD
Dan Zander, HSD
Jack Smith, Sewer Department
Rebecca McKinley, GIS Department
Kaleigh Boyle, HSD

Others Present: Mike Hickey, MJHY LLC
Ken Schoon, Munster Town Council

The meeting started with the Pledge of Allegiance.

President Dimopoulos stated that the first order of business was the consideration of the August 25, 2020 Board Meeting Minutes.

Dye **moved** and Miller **seconded** to approve the August 25, 2020 Board Meeting Minutes.

Ayes: Dimopoulos, Dye, Garay, Hawkins, Miller

Nays: None

Motion **carried** 5-0.

District Manager's Report

District Manager, Marty Wielgos, stated that as they were talking a little it in the Executive Session the construction project at Headworks is just about ready to wrap up. They still have some work to do, but most of the big stuff is already done. There is one thing that he is going to do a change order on and it is the road right behind the new building. It needs to be doubled in size (width)- it is too skinny right now. He is really concerned so he sat down with Dan and some of the other

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staff members. His concern is that it could be a real big accident prone because of they way that it was originally designed, so he had them stop working on it and Dennis who put that whole project together is redesigning the road to be twice the size that it is now. That way there will be a sidewalk that butts up to the back of the building because tight now there is nothing and he is afraid that someone ids going to run into the building because it was so narrow so they are actually going to have some of that redone. For the most part, everything has turned it really well and they are really happy with Austgen Electric who really (90% of the project was the electrical upgrade) has done a great job. They have been a pleasure to work with. He knows his staff likes working with them. They have had good meetings with them. They have had great ideas. Some of the things with the way the project was initially designed with electrical components, they said there is a better way to do it and they brought that to the table and actually saved them quite a bit of money so they are really excited about working with them. At the end of the day, this whole project is going to have given them the upgrades that they needed for many years- most importantly the upgrades to Headworks and all the electrical components. The second thing is they will have dual service feeds. One from the North and one from the South. Right now, they do not technically have that. They have new transformers that were all purchased and installed and the new generators that they have. They have really in this project alone got them to a point that they should barring any major problems be totally self sufficient when there are power outages across the City and run the entire Plant without anything being down- including this building. That is all good news. Other than that, they will know when the final construction date is and they will plan a little grand opening ceremony and bring the Mayor down, so he will keep the Board informed on that.

President Dimopoulos commented that it has been a long time coming so it is very exciting that they are finally getting this stuff done.

Commissioner Hawkins asked about something either Dan Zander or Jeff Massey talked about a while ago with a problem with an automatic transfer of power to the generators—or maybe not.

Jeff replied that the new system will have an automatic transfer switch between the two transformers. If there is ever a failure of the 34.5 kv lines, it will switch automatically from one to the other. In the event that they lose both of those, Headworks has generators that it would pick up and run off of.

Dan explained that he thinks he is talking about the key interlock switch. He said they did update to that so they will not have all of those switches that takes 20 minutes to find all of the keys to switch them all and get them going.

Commissioner Hawkins stated that it will be a totally automatic process. He asked if they tested it yet.

Dan responded that it is still getting upgraded because the interlocks that go inside of the switch gear so that is still getting done, but as soon as it gets done, they will let him know what it does.

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Marty asked Dan and Jeff to update the Board on the screw pumps so they have an idea of where they are with those.

Dan said that they should be seeing within the next two weeks the bearings and some of the parts for the screw pumps and then the second or third week in October they will hopefully see the first two screw pumps pull into the Plant here. Thieneman is supposed to be coming in next week to demo the first two screw pumps out and take the grout out and get it ready for the new grout bed once the screw pumps are installed. Hopefully the weather will cooperate and they will be able to get the first two in here in November and see what the weather does. If they can get another one in, they definitely will, but they have to see what Mother Nature is going to give them or it is going to be spring time.

Commissioner Hawkins asked about the last significant weather event and he says last because it seems we have had quite a few this summer, he wants to know how the temporary pumps functioned during a significant weather event.

Dan replied that they hold their own- that's for sure. They have four pushing up to Tertiary and then the two that run the bypass tank so they can hold their own, but they like their fuel.

Marty added that the other good thing is that at the end of the day, they will have five new screw pumps. All five will be replaced and all within the same year. Long overdue because all of those screw pumps are over 20 years old.

Marty and Dan corrected Marty saying they are 40 years old.

Marty went on to say that they have a maintenance plan that is being put together once the new ones are installed which is something that was never done with the old ones so there will be a complete maintenance plan and a regular checking to make sure that they are not pitting or some of the other things that start to make them go bad quick. All five new and that is another big plus for the District.

PERSONNEL REPORT

There was no Personnel Report.

Marty stated that he wanted to welcome our new Board member.

President Dimopoulos replied that he was going to do that under—but, anyway, yes Heather, welcome. This is the best Board in the City and the best group of people in the whole municipal environment here in Hammond, so she is part of the best of the best now.

Heather replied that she is happy to be here.

President Dimopoulos added that they even have the best attorney here.

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FINANCIAL REPORT

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

Commissioner Hawkins wanted to ask a question that had to do with the Claims Docket. \$439,500, that is for health insurance; correct?

Kaleigh replied yes.

He asked how often that gets paid.

Rachel responded quarterly.

Commissioner Hawkins stated that he is asking because one payment was made in April for \$433,000 and then one in July for \$439,000 and now, they are looking at another one.

Rachel said that is the third quarter's payment. April would have been the first quarter's, July the second's, etc. It just depends when they get written up.

Marty wanted to add that they watch their monies and the cash flow here. He looks at it every single day and he still has seen only a slight variance of it going down just a little bit, but nothing that throws a red flag up. It has been pretty consistent. He knows when they were talking earlier that basically there have been more shut offs or people who are behind, but it is not affecting the cash flow here. Once again, he watches it very closely and he is going to knock on wood because things are very good, including with the industries. They are not having any problems with the industries at all.

Commissioner Hawkins replied that he watches it too. Obviously monthly, and not every day like Marty, but he is surprised that both Hamond and Munster industries have not dropped.

Marty agreed and said that with the help of Owana, they have just about wrapped up the \$500 payment program to a little less than 1700 resident homeowners. CDBG did their portion of the \$200,000 and the District picked up the other \$400,000, so they are at right about \$600,000 and they actually budgeted right around one million. As the Board knows, they went and took a line of credit with a bank, but they have not had to use one dime of that. They have been able to use funds internally and they had a little rainy-day money they had been building up and it has not affected the operation here one bit. They will probably terminate the line of credit at the end of the year when he believes it is up. He does not see any need to keep it unless some of the Board members think that they should keep it for just a need be, but his thought is that they will terminate it at the end of the year and they will talk about that more when they get closer to that.

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Commissioner Garay commented that on the payments to residents because she noticed on the Claims Docket that there were a significant number of those and they are going directly to households and she knows State Board is coming around right now so she does not think it would be a bad idea to use that especially since it is connected to a federal program that some testing is done to show them. Pull a couple of the applications and just make sure the claim and everything is processed correctly and have someone review it to show that was part of the process.

Marty replied that they had, just to give her an idea of how it worked, and Owana kind of taught them because the staff here never have done something like this before so she had a really good layout of how it had to work and they were doing both CDBG and HSD. For the CDBG, they had to have more documents (verification of income and a lot of other personal questions) where on the HSD side it really was if they were the homeowner, verified that through tax records and then had them sign certain documents saying that. Owana only had \$200,000 which was a great plus because that was a lot of money and then HSD picked up the rest, but the packets for each homeowner are pretty thick, even for the HSD, because all of the documentation that there are copies of (driver's license, homeowner's insurance, tax records, etc.) and then once that file was put together by one of the staff members, it was then checked by Owana when they were still here and then himself and Rachel.

Rachel added then it went through Kaleigh before payment, so there really was a thorough review before the check went out. They should not find one—

Commissioner Garay said there should still be a small sample taken and tested internally. Depending on how many dollars were spent through the federal program, it may be reviewed as an overall CDBG program so just to show that everything was reviewed and it was self-tested with all the checkmarks here- on the record.

Marty replied that Owana has all the CDBG and the District kept all the HSD, but he is very grateful that it has come to an end. It was very taxing on all of the staff. Working until usually 7 pm Monday through Thursday here to meet with people who obviously had to work and could not come during work hours. There were even home visits. He had staff going to some homes of people who were very elderly or medical problems so they could not leave because of COVID, employees were actually sent there to do all of the intake. It worked out really well and his staff did a wonderful job and so did Owana's staff. They also received help from the Port Authority, Water Filtration and Parks. Even some of the City Hall staff came. Everybody kind of jumped in where they needed to be and made the process run faster. He can also say that the people who came in were very gracious. They wish it could have been more, but \$500 did fill a little bit of a gap with some of their losses. He thinks, overall, it was a good program and he is just glad that they got it finished.

DEPARTMENT REPORTS

Safety Report

There were no questions or comments.

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GIS Report

There were no questions or comments.

Sewer Maintenance Report

There were no questions or comments.

CONSULTANT REPORTS

MJHY, LLC

Mike Hickey stated that they should all have a copy of his status report, so he would be happy to take any questions. The main thing is he wants to give them the Long-Term Control Plan update. The Long-Term Control Plan is due this Friday (9/18). They have incorporated comments from HSD and Max Kellen. He is going to be producing it and sending it out tomorrow or Thursday, so it will get there on Friday. He told Marty that he just got an email from Max and he wants to add one sentence to the transmittal letter, so if he could work with Jeff after the meeting, they will get him to sign that. He thinks they are in good shape to get this thing in by Friday, so he would be happy to take any questions.

Commissioner Hawkins asked how much this has affected or changed the Long-Term Control Plan from the last iteration of it.

Mike Hickey replied very little. EPA had a number of questions which they were able to clarify by answering their questions and then incorporating them into the Long-term Control Plan. The overall cost went up about 3 million. The Long-Term Control Plan itself was 255 million last September and it is 258 million now, so very little. There was some bond issues because it took them a year to review it, the first step of projects were pushed back a year, so very minor, but a little bit more expensive and a year pushed back of the bond issues.

Commissioner Hawkins questioned about the Financial Capability Assessment that he and Karl Cender worked on.

Mike Hickey answered that changed very little. Things changed, but very little. It was pretty much the same as they submitted last September.

Commissioner Hawkins commented that for an educated guess that is suited for Mike Hickey or their Attorney Allegretti if there is a guesstimate or did, they think it will be that much. They can do whatever they want.

Mike Hickey replied right. That is the estimate as they sit here now. That is what they believe it will be.

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Marty added that the good thing is it looks like they have signed off, not 100% yet, but it looks like they are leaning in the District's direction for the cloth filter program. At the very beginning, they weren't even wanting to talk about that and trying to force the District to have a backup plan and he refused to do that. He wanted them to stay focused on the cloth filters so they told them they were not going to put a backup plan. This what they wanted to do and asked them to tell them why they could not. It took a while—

Mike Hickey explained that what happened was EPA came out here last May and what they really loved was that HSD was operating the pilot unit. Jeff was operating it and the EPA guy really liked the fact that HSD staff bought into the filters. They really liked it so that was a big game changer. They were skeptical at first, but after coming out here last May, they really got on board.

Attorney Allegretti stated that the number is not going to go down, but the time limit may be extended. He joked that he and Marty both plan to be here until the end.

Commissioner Hawkins verified that number is minus what was spent on the basin.

Mike Hickey replied that the LTCP itself it 258 million minus the 67 million already spent. Those 190 million of new money, but there is also 130 million of new projects that HSD needs done systemwide. The total amount to be spent in the next 15 years or so is 330 million so it is the 190 million plus the 130.

Marty added as they all know, that money is going to be rate generated. All that money is going to come from rates. Commissioner Hawkins has been in those meetings with himself and the Mayor and it is not easy to even talk about, but it has to be done because there is an agreement with the Federal Government that was accepted by the Board and signed by then Board President, Mr. Button and it is a document that cannot be changed. At the very least, they are hoping, they could add five years to the back end of it because technically the EPA has been dragging their feet and the clock is running and he does not think it is fair that the clock should be running when they are the ones holding up documents.

Commissioner Hawkins clarified that initially it was for 17 years.

Donohue

There was nobody present from Donohue at meeting.

The Board considered the Bank Reconciliation Document dated August 31, 2020.

Dye **moved** and Hawkins **seconded** for the approval of the Bank Reconciliation Document dated August 31, 2020.

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Ayes: Dimopoulos, Dye, Garay, Hawkins, Miller
Nays: None
Motion **carried** 5-0.

The Board considered the Claims Approval Docket 09-15-20.

Dye **moved** and Miller **seconded** for the approval of the Claims Approval Docket 09-15-20.

Ayes: Dimopoulos, Dye, Garay, Hawkins, Miller
Nays: None
Motion **carried** 5-0.

President Dimopoulos called for Old Business

There was not any old business.

President Dimopoulos called for New Business

The Board considered Resolution No. 23-2020: RE: A Resolution Authorizing Execution of a Release and Termination of Easement to Accommodate the Development at the Northeast Corner of 177th Street and Kennedy Avenue

Dye **moved** and Hawkins **seconded** for the approval of Resolution No. 23-2020.

Ayes: Dimopoulos, Dye, Garay, Hawkins, Miller
Nays: None
Motion **carried** 5-0.

Commissioner Hawkins wanted to follow up to a discussion earlier regarding a Resolution that was an Interlocal, agreement between HSD and the Town of Munster. They recently located some original documents and it seems to differ from what is being done right now. He asked Marty if he would like to say anything further.

Marty stated that the Commissioner had brought this to his and Rachel's attention about a week or so ago and they had looked into it and traditionally they have never shared those with the Town of Munster. Those were always kept by HSD going as far back as when Bill Biller was here prior to Rachel. They talked bout it in Executive session with the Commissioner and they are going to bring in Jim Bennett who was part of that group that initially put that agreement together and have him tell them what was agreed to and how come if it was greed to, why HSD has not been paying it.

Rachel added that agreement was in 1994 so there may have bene another agreement after that so they are going to look at previous Resolutions to see if something else was passed.

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Commissioner Hawkins responded the Town of Munster's files were searched and there were no other documents in there to counter this.

Marty said Mr. Bennett is on a week's vacation so it will be a couple weeks from now. Hopefully by the next meeting they will have an answer to that. He does want to clarify, and asked Mike Hickey to correct him if he is wrong, but the numbers they are talking about regarding the Long-Term Control Plan is the total amount that needs to be spent by the District. People have to remember that we have partners in the District and three communities (Whiting being the smallest, Highland and Griffith). They have to financially participate in those projects so that number that is being talked about is a total number that the District has to spend, but not all of that money is going to be coming from the homeowners of both Munster and Hammond. It is going to be coming from also Whiting, Highland and Griffith so he thinks when talking about that money it is important to say that is not everything "we" as in the Town and the City have to pay, that is all of them. Those rate increases that are going to need to be done between Munster and Hammond are going to be far less than what it initially looked like. He just wanted to clarify that.

President Dimopoulos asked if the formula to generate the percentages for these customer communities is in this document.

Marty replied it is pretty much the formula that is used now.

Mike Hickey answered it is not in the document, but the contracts with customer cities.

Marty added the other good thing is they are going to be doing a rate study and his gut tells him that these customer communities are going to be paying more because he believes the rate study is going to say for far too many years, they have been paying too little.

President Dimopoulos replied they already know that.

President Dimopoulos called for Reports from Commissioners

There were no reports from Commissioners.

President Dimopoulos called for Public Expression

There was no public expression.

President Dimopoulos called for a motion to adjourn the meeting

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

Ayes: Dimopoulos, Dye, Garay, Hawkins, Miller

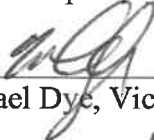
Nays: None

Motion **carried** 5-0. The meeting was adjourned at 4:26 p.m.

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Sam Dimopoulos, President



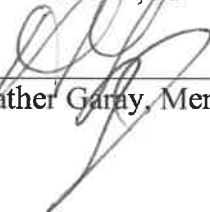
Michael Dye, Vice-President



Michael Hawkins, Sr., Member



Owana Miller, Member



Heather Garay, Member

ATTEST:



Rachel Montes, Secretary

Kaleigh Boyle, Assistant Secretary

Board Minutes Prepared By: Kaleigh Boyle