

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSIONERS MEETING
JUNE 14, 2022
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The Board of Sanitary Commissioners of the Sanitary District of Hammond, Lake County, Indiana held a regular meeting at 4:01 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 4:01 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, Hawkins, Miller

Commissioners Present Remotely: Rubio

District Personnel Present: Marty Wielgos, Chief Executive Officer
Matthew Muta, Deputy District Manager
Rachel Montes, Business Manager
Joseph Allegretti, HSD Attorney
Jeffrey Massey, HSD
Dan Zander, HSD
Jack Smith, Sewer Department
Kaleigh Boyle, HSD
Jessie Amezcua, HSD

Others Present: Mike Hickey, MJHY
Natalie Cook, Donohue

The meeting started with the Pledge of Allegiance.

President Dimopoulos stated that the first order of business is the consideration of the May 24, 2022 Board Meeting Minutes.

Hawkins **moved** and Miller **seconded** to approve the May 24, 2022 Board Meeting Minutes.

Ayes: Dimopoulos, Dye, Hawkins, Miller

Nays: None

Motion **carried** 4-0.

Chief Executive Officer's Report

Chief Executive Officer, Marty Wielgos, stated that as he has reported in the last couple meetings, all of the certified letters have gone out to the customer communities basically outlining all of the results and different amounts that appear to be owed by the community. They have slowly started getting correspondence from both Griffith, Highland and Whiting in regards to setting up meetings to discuss all of the content that were in those letters. He was told today that the conversations with Whiting have been very good. The conversations with Griffith have been good- there was a little

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concern about the final rate that the study pointed out for Griffith, but he does not see that being a hurdle or a stumbling block. He did make it clear to staff that when they started the rate study both the Sanitary District and three of its customer communities-except for Whiting because at that point, Whiting was not an issue-had all signed an agreement to be bound by the results of the study. So, he can tell them today that he is going to hold that to its finest truth. He is not sitting and negotiating rates with anybody. Whatever the study said for each of the communities, whatever that rate was, that is the rate. Unless the Board instructs him otherwise, he is going to move in that direction.

President Dimopoulos commented that he does not think they need to do anything different. That was the whole reason for the rate study was so they can have a real number for everybody to know what the real number is that they owe. There is no negotiating.

Marty added that this has been six years in the making, so this is not something they did quickly and came up with rates- this has been a six-year study with a lot of conversation to get to where they are with the finality of it. The good thing is that the group who did the rate study holds firmly behind the results. He feels very good and confident because as they all know, he thinks there will be meetings coming up with Highland also within the next week or two. The good thing is that they are moving in a positive direction.

President Dimopoulos asked if Marty has heard from Highland that they are going to do their own rate study or anything like that.

Marty answered he has not.

President Dimopoulos said good because they are not going to accept that. They have a rate study that has already been done.

Marty stated that the sad part is- he is going to let Mr. Massey expound a little more on it, but their cost of chemicals is continuing to skyrocket. He asked Jeff to give the Board an idea of the call he had today.

Jeff explained that the price of chlorine is going from roughly \$1485/ton to over \$1700/ton starting in July and the price of sulfur dioxide (SO₂) is going from \$850 to \$1400 starting July 1st.

Marty asked Jeff where they were just prior to the pandemic starting with both of those costs.

Jeff answered at the beginning of last year the contract was for \$385/ton for chlorine and SO₂ was \$580.

President Dimopoulos asked how many tons typically they go through of chlorine.

Jeff answered +/- 100.

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Marty said so what does that mean. The way he looks at it is eight years ago when they did the rate increase, they were fortunate enough to not only look at the next two years, but they looked 10-12 years ahead to see what they needed because they knew rate increases were not very popular. They get that, so that's what they did and they were fortunate to get it passed. The problem is now even though they had the foresight to do that type of thinking, they never could have seen the pandemic and these escalating costs. What is happening is that he has this flow of revenue right that doesn't change unless somebody does not pay their bills and now costs are going way up. He made it very clear to the Mayor last Monday that this was happening and he was just informing him. The Mayor asked if he was thinking of coming for a rate increase and he said no because they had the foresight to look many years in advance, but those many years are getting shortened because of the fact the costs are outweighing the revenue or income. That means he has to look at more creative things and that is no layoffs because they are not over flush anywhere with employees- they are really tight and probably one or two department short one or two employees, so that is not the answer. He has to think of another way to generate other income and that is what they are working on with Leopardo. It is all of the things they have discussed and now he has to step that up a little more quickly. At this point with Leopardo he thinks the first set of projects is about a 20 million dollar price tag which includes selling their gas back to Nipsco and that whole process. That, according to Leopardo, and they all sat in on those meetings will generate income back to the Plant. That is what he needs to start doing because they cannot always rely on rates. You just can't and he knows their costs are going to continue to rise, but he does also believe that this bubble we are all currently in is going to burst and when it does, he needs to make sure they are in a position of strength and they allow the costs to come back down because if the bubble bursts it stops (his opinion) the total rise of inflation on all of their products because no one is going to have a whole lot of money to buy these products which will drive things down. That is their mode right now. In the staff meeting today he said he only wants to talk about doing projects that are crucial to the operation of the Plant to keep it operating nothing of fluff. They were fortunate with what they did on the expansion of Headworks. It was great timing and needed to be done. That is kind of his thought. If the Board has anything they think he should look at or direction they want him to go, he is more than happy to listen to what that might be.

Vice-President Dye asked how the Plant did yesterday with the storm.

Jeff replied the storm was more fluff than substance. They had a little bit of rain in Robertsdale, but that is it. There was a lot of wind, but no problems whatsoever.

Marty stated they haven't had a basement backup in a while. The Plant is running really well. They obviously have a good operator running it with Jeff and they have been fortunate. Things are going really well.

President Dimopoulos commented as far as the projects, he thinks that is the right track to take. They are not going to do anything other than what is absolutely mandatory. There may be things that break they need to fix, but for any new projects, now is not the time to start them. He also thinks they did the right thing with Leopardo. They are giving the District a vehicle where they

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can actually make money and bring it back into the Plant, so yes they need to put that on a faster track if they can, but he does not know if Leopardo can do that or not.

Marty replied that he can tell them Heather is moving full steam ahead.

President Dimopoulos said there is no reason to stop. Get their work in place and that will keep them in the black he thinks.

Commissioner Hawkins commented that he would like to circle back to the cost-of-service study. Marty made a comment about one of the customer communities might have dissension to some details in the cost-of-service study results. Each one of the customer communities had the opportunity before the cost-of-service study report was finalized to bring up any questions, comments, or whatever the case and none did. None at all did, so to come back now and try to—

Vice-President Dye said sticker shock.

Commissioner Hawkins replied sticker shock is something. It should be expected and they understood what was going on. In many of the Zoom calls and he was in on those, there were very few questions or comments.

Marty said that is a very good point and actually in one of the emails he received from Max today, he said exactly the same thing. They had every opportunity part of the formula that was used to get to the rate that each community was assigned and discuss that and not a one of them chose to and had every opportunity. Good point, Commissioner.

PERSONNEL REPORT

There was no Personnel Report.

DEPARTMENT REPORTS

Safety Report

No questions or comments.

GIS Report

No questions or comments.

Sewer Maintenance Report

No questions or comments.

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CONSULTANT REPORTS

MJHY, LLC

Mike Hickey stated they should have a copy of his status report. He would be happy to take any questions. The Long-Term Control Plan update is that Karl Cender was out of the country for a few weeks, but he got a call from him today and he is working on the FCA and he is going to send him and Max a copy of it later this week and get back on track. He was gone for a while which was why they hadn't heard from him.

Donohue

Natalie Cook said they have a status report from her as well. Circling back to the conversations they had about the projects with Leopardo. What they are seeing now and this is industry wide, the biggest delay right now is equipment delivery times. They are working, scrambling to get this project designed this year and ready for bid, but especially when it comes down to electrical equipment and switch gear and bigger pieces of equipment like blowers, they are seeing those out like nine months or more for delivery. They are looking with Leopardo on some creative ways to phase this to make sure they can get the orders for equipment in as quickly as possible to get this done with the timeline.

RESOLUTIONS

The Board considered Resolution No. 20-2022: RE: A Resolution of the Board of Sanitary Commissioner of the Sanitary District of Hammond, Lake County, Indiana for Planning, Design and Management Engineering Assistance.

Dye **moved** and Hawkins **seconded** to approve Resolution No. 20-2022.

Ayes: Dimopoulos, Dye, Hawkins, Miller

Nays: None

Motion **carried** 4-0.

The Board considered Resolution No. 21-2022: RE: A Resolution of the Board of Sanitary Commissioner of the Sanitary District of Hammond, Lake County, Indiana Amending the Execution of a Community Development Block Grant Intergovernmental Agreement with the Hammond Department of Planning and Development.

Marty wanted to highlight a little about that. That program has been working really well. Thankfully, Commissioner Miller was able to secure for federal money for that. Basically, Kaleigh heads up that program where folks who have gotten behind on their water/sanitary bill come in and fill out an application, Kaleigh collects all of the required documents and if and so they meet the requirements under the federal guidelines, then we can reimburse them up to \$500 and it has been working. He thanked Commissioner Miller for gathering the funds because they did not know where they were going to come from.

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Commissioner Hawkins wanted to ask Commissioner Miller since she was instrumental in this and he thanks her for that, he asked if this was a federal grant she procured through the City.

Commissioner Miller answered yes. It came from Covid Relief Funds.

Commissioner Hawkins asked if there were any senior discounts for water bills in Hammond.

Marty answered no.

Miller **moved** and Dye **seconded** to approve Resolution No. 21-2022.

Ayes: Dimopoulos, Dye, Hawkins, Miller

Nays: None

Motion **carried** 4-0.

The Board considered Resolution No. 22-2022: RE: A Resolution of the Board of Sanitary Commissioner of the Sanitary District of Hammond, Lake County, Indiana Authorizing Execution of Professional Services Consulting Agreement with Donald Woodard.

Miller **moved** and Hawkins **seconded** to approve Resolution No. 22-2022.

Ayes: Dimopoulos, Dye, Hawkins, Miller

Nays: None

Motion **carried** 4-0.

The Board considered Resolution No. 23-2022: RE: A Resolution of the Board of Sanitary Commissioner of the Sanitary District of Hammond, Lake County, Indiana Accepting, Approving and Authorizing Execution of the Proposal and Public Works Contract with Independent Mechanical Industries, Inc. for the District's Headworks North Rake Replacement Project.

Dye **moved** and Hawkins **seconded** to approve Resolution No. 23-2022.

Ayes: Dimopoulos, Dye, Hawkins, Miller

Nays: None

Motion **carried** 4-0.

President Dimopoulos commented that this Resolution is going to be signed by the CEO.

Attorney Allegretti stated make sure there is a consensus that the CEO will execute- contrary to the language in the Resolution, the contract is prepared for the CEO's signature, not the Board President's.

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President Dimopoulos said that is fine. He asked if they needed to make a motion to do that.

Attorney Allegretti answered no. He explained that it is now on the record in the minutes.

The Board considered the Claims Approval Docket 06-14-22.

Dye **moved** and Miller **seconded** for the approval of the Claims Approval Docket 06-14-22.

Ayes: Dimopoulos, Dye, Hawkins, Miller

Nays: None

Motion **carried** 4-0.

President Dimopoulos called for Old Business

Marty stated that he just wanted to add that Commissioner Monica Rubio joined them via Zoom. He just wanted to make sure she was acknowledged in the meeting.

Commissioner Hawkins questioned that they did not do roll call votes.

Vice-President Dye explained that she had joined after they started and if they do that, they are unable to vote.

President Dimopoulos asked Commissioner Rubio if she had any questions regarding what has been done or discussed so far.

Commissioner Rubio replied no.

President Dimopoulos called for New Business

Marty stated that he just wanted to inform the Board that they have been waiting for a vehicle they ordered. Of course, everything has been backlogged. Dan and Jeff had gotten notification late last week that the vehicle is ready. It is in Alabama. In order for them to receive this vehicle quickly and the most economical way is they are going to fly Dan down to Alabama where he will pick the vehicle up and drive it back. Two things he just wants on the record for the Board. Since it is coming from another state, the only place they can get this truck, is that he told the dealership since they never done business with them before (cost of truck is \$160,000 plus) is that they would wire them the money the night before. Prior to wiring them the money Tuesday of next week, they need to get him copies of the MSO and a copy of the invoice. Dan will be there on Wednesday, jump in it and pick up the title or MSO and any other paperwork to bring him. He just wanted that on the record for the Board. Normally, it would be the other way around, but since everything has been delayed and they say now they have the truck, he does not want to wait and they sell it off to someone else.

President Dimopoulos called for Reports from Commissioners

There were no reports from Commissioners.

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President Dimopoulos called for Public Expression

There was no Public Expression.

President Dimopoulos called for a motion to adjourn the meeting

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

Ayes: Dimopoulos, Dye, Hawkins, Miller

Nays: None

Motion **carried** 4-0. The meeting was adjourned at 4:21 p.m.

Sam Dimopoulos, President

Michael Dye, Vice-President

Michael Hawkins, Sr., Member

Owana Miller, Member

Monica Rubio, Member

ATTEST: _____
Rachel Montes, Secretary
Kaleigh Boyle, Assistant Secretary

Board Minutes Prepared By: Kaleigh Boyle