

MINUTES
HAMMOND SANITARY DISTRICT
BOARD OF COMMISSIONERS MEETING
JANUARY 24, 2023
www.hammondsd.com

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, Dye, Hawkins

Commissioners Absent: Miller, 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
Robert Szczudlo, HSD
Jack Smith, Sewer Department
Kaleigh Boyle, HSD
Jessie Amezcua, HSD

Others Present: Mike Hickey, MJHY
Natalie Cook, Donohue
Ken Schoon, Munster Town Council

President Dimopoulos stated that the first order of business is the consideration of the January 10, 2023 Board Meeting Minutes.

Hawkins **moved** and Dye **seconded** to approve the January 10, 2023 Board Meeting Minutes.

Ayes: Dimopoulos, Dye, Hawkins

Nays: None

Motion **carried** 3-0.

Chief Executive Officer's Report

Chief Executive Officer, Marty Wielgos, stated that he has nothing new to add since their last meeting a couple weeks ago. They are finishing off January quickly. It is hard to believe the month is almost over. Everything is running well. No problems. Some new hires that they are looking at bringing in as everything has been posted, so he is looking forward to that. He will take any questions from the Commissioners.

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Vice-President Dye asked if there was an update on the impellers that were giving issues.

Dan Zander responded that the bearing top shaft had a misalignment and everything was corrected on that and they have not had any other issues on the screws themselves. The bearings came out fine once they had everything checked out. The washers had deteriorated because the epoxy coating was not on it properly. The washers actually deteriorated very quickly and became loose and rubbing with the trough. That was corrected and epoxy coating put back on and there have been no issues.

Vice-President Dye thanked Dan for his update.

Commissioner Hawkins commented that he is going to direct a question at Marty and their esteemed legal counsel, Joe Allegretti. In regards to Highland and Griffith and the cost-of-service study and their payments.

Attorney Allegretti said this is more a topic for executive session with it being in litigation, but a draft contract was given to the City of Whiting which he guesses they are reviewing. They had an exchange which he will forward to the Commissioner the dialogue between their legal team and Highland. They sent a red line response to the proposed contract amendment. They made some concessions, and he thinks they are making some progress. Griffith kind of dropped off the face of the earth for a while even to the extent that the DOJ was going to rattle their cage a bit and find out why the District was led to believe they were close to executing a contract with them and then they went silent. He thinks that activity will ramp up a bit. He will forward those documents to the Board, so they can find out what exactly the issues are, what is sticking and what is moving along. Basically, they bought into the new rate. Some of the sticking points—he thinks they are okay with the tax issue. As you recall, the Town of Highland had a feature that Griffith did not have and that was the interim rate once determined by the cost-of-service study, there would be a true up and whoever owed money would pay it. That is an expensive item for the Town of Highland and what is included in that number is what is being negotiated now. They are getting closer on that and how it is going to be paid. The other sticking point or at least an item being negotiated is the return on investment issue and a couple other things he will send along. All in all, they are making some progress and he will send that on to everybody.

Marty added that as they have talked about in several meetings prior to this is that Whiting is paying everything. The only thing they are waiting for is the amendment to the contract. Griffith is paying everything, but no conversations with issues that are still outstanding in regards to capacity. The only one who is still paying the interim rate is Highland. As they discussed early on, they are being charged late fees and interest on the money owed that they should have been paying that they are not. In staff today they talked and those numbers are really starting to add up. He wanted to clarify so they know there is only one entity (only Highland) who is still paying the interim rate and nothing else.

Attorney Allegretti stated that the last thing he is going to say is there was a discussion about

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how Highland was going to pay the capital costs for their share of the CMDF. It was suggested and they asked if the District was interested in a piggy back proposal of where the District would borrow the money and they would pay their portion of the allocated debt service. We were resistant and said that was not a good idea rather than them having their separate financing based on their own credit worthiness and pay their own interest rate rather than increasing our debt which might affect our debt, interest, etc. Also, our legislators lose their appetite for rate increases to pay debt services for revenue bonds. We would have to—our alternative historically has been and the statute provides that we can file a case with the IURC which is an expensive, time consuming process. It is much easier if Marty went to the local legislative bodies and getting their cooperation to approve user charge increases. Councilman Schoon who is here today has always been receptive and cooperative when we needed to increase user charge. A rate case with the IURC, our rate modifications require approvals of ordinances adopted by both legislative bodies—the Munster Town Council and Hammond City Council. Anyway, it is complicated, but are making progress and he hopes to give some good news soon.

Commissioner Hawkins commented that it is complicated if you think about it. We performed a cost-of-service study and their friends have not generally taken to and one had very little to do with it, but were in on one or two meetings (Whiting) and they have taken it and agreed with it fully. Hopefully their friends in Highland will come around. Especially with the new facility being built on the river that a lot of Highland flow is potentially going through, so hopefully they will come around with the financing of it. He fails to see why the District should have to finance and have Highland pay us back. One reason, quite frankly, is that they have not shown a willingness to cooperate. Even right now with them not paying the rate that was established with the cost-of-service study that they agreed to. He remembers sitting in the last meeting which happened to be a Zoom meeting and Highland did not say anything. If you had an exception, that was the time to resolve it. Hopefully, they will come around and he appreciates the efforts of the attorney, team and staff.

PERSONNEL REPORT

There was no Personnel Report.

FINANCIAL REPORT

Dye **moved** and Hawkins **seconded** for the approval of the Financial Report.

Ayes: Dimopoulos, Dye, Hawkins

Nays: None

Motion **carried** 3-0.

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CONSULTANT REPORTS

MJHY, LLC

Mike Hickey stated that they have a consent decree status report due in a few weeks so he has started putting together that info. That is all he got.

Donohue

President Dimopoulos stated that Donohue is not on the list, but asked Natalie if she had anything.

Natalie Cook responded she does not have anything for them this meeting.

The Board considered the Claims Approval Docket 01-24-23.

Hawkins **moved** and Dye **seconded** for the approval of the Claims Approval Docket 01-24-23.

Ayes: Dimopoulos, Dye, Hawkins

Nays: None

Motion **carried** 3-0.

The Board considered the Bank Reconciliation Document dated December 31, 2022.

Hawkins **moved** and Dye **seconded** for the approval of the Bank Reconciliation Document dated December 31, 2022.

Ayes: Dimopoulos, Dye, Hawkins

Nays: None

Motion **carried** 3-0.

President Dimopoulos called for Old Business

There was no old business to discuss.

President Dimopoulos called for New Business

There was no 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.

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President Dimopoulos called for a motion to adjourn the meeting

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

Ayes: Dimopoulos, Dye, Hawkins

Nays: None

Motion **carried** 3-0. The meeting was adjourned at 4:19 p.m.



Sam Dimopoulos, President



Michael Dye, Vice-President



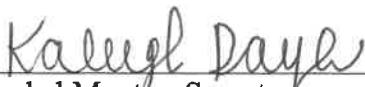
Michael Hawkins, Sr., Member



Owana Miller, Member



Monica Rubio, Member

ATTEST: 
Rachel Montes, Secretary
Kaleigh Boyle, Assistant Secretary

Board Minutes Prepared By: Kaleigh Boyle