

MINUTES  
HAMMOND SANITARY DISTRICT  
BOARD OF COMMISSISONERS MEETING  
FEBRUARY 15, 2022  
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The Board of Sanitary Commissioners of the Sanitary District of Hammond, Lake County, Indiana held a regular meeting at 4:03 p.m. in the Conference Room of the Administration Building located at 5143 Columbia Avenue, Hammond, Indiana.

Vice-President Dye called the meeting to order at 4:03 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: Dye, Hawkins

Commissioners Present Remotely: Rubio

Commissioners Absent: Dimopoulos, Miller

District Personnel Present: Marty Wielgos, Chief Executive Officer  
Joseph Allegretti, HSD Attorney  
Matthew Muta, Deputy District Manager  
Rachel Montes, Business Manager  
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, Town of Munster

The meeting started with the Pledge of Allegiance.

Vice-President Dye stated that the first order of business is the consideration of the January 25, 2022 Board Meeting Minutes.

Hawkins **moved** and Rubio **seconded** to approve the January 25, 2022 Board Meeting Minutes.

Ayes: Dye, Hawkins, Rubio

Nays: None

Motion **carried** 3-0.

**Chief Executive Officer's Report**

Chief Executive Officer, Marty Wielgos, stated he did not have much to report today. They are looking towards this upcoming Thursday, but they do not know how the weather is going to be

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Wednesday night into Thursday, Thursday into Friday. He knows Jeff is monitoring that very closely. The Plant is running very well. Staff wise, they are starting to experience a little bit of a problem in being able to hire or even have people apply for some of their positions particularly in the Lab and operators. That is not only happening here- it is happening across the City. In the staff meeting that he, Matt and Jack were at on Monday, last Monday, the Mayor talked about what his thoughts were on addressing that. The Water Department is really struggling because they had several people leave to go work at the mill. He guesses the mill has been having trouble finding people, so they have upped the ante. Basically, they have talked about what is the best remedy for the departments like the Water Department operators, Sanitary District operators, Sanitary District lab and just those areas that they are finding it difficult. At the same time, as they have talked about a few times now, specifically their chlorine costs—He asked Jeff to talk briefly about what the chlorine costs were prior to Covid and where they are today.

Jeff explained that every year they send a request for quotes for chlorine for the chlorine season. Last year, in February, it was \$385 a ton. The latest quote that came in, it is now \$1495 a ton. Their sulfur dioxide (SO<sub>2</sub>) was \$580 last year and it is \$895 a ton now. It is substantially higher and they are only guaranteeing the quotes for two months at a time. They have to chlorinate from April all the way to October and they are only giving the price quote of \$1500 for two months at a time and then the price can change after that.

Marty said and that is only one category that they are seeing dramatic increases. Shipping costs have increased dramatically, so some of the things that they order and pay for shipping on have skyrocketed. On the chlorine subject all by itself though, he has had several conversations with both Jeff and engineering over the last several months that he wants engineering to look at other ways of chlorinating other than using chlorine- disinfecting he should say. Now, maybe there is an opportunity because of the skyrocketing costs with chlorine maybe there is other opportunities for disinfection that years ago did not make sense because of costs that today may make sense. He does not think in his honest opinion that these costs are going to revert, even when things continue to get better. He just does not see it happening. He will be happy if it does, but he does not believe that is going to be the case because too many other things and dominoes have fallen around all of these different cost increases, so costs of certain goods, if not all goods, have dramatically increased across the board which has then had a trickle-down effect on labor and any other thing in between, so what the labor has done is they have had to increase their costs to keep their labor and you never take that away. So, why would the guy supplying the various goods say, okay things are better now, lets reduce the cost. What happens is it is a survival of the fittest which they are starting to see a lot of. If there were four chlorine distributors that Jeff would deal with, they are not all going to survive and they are going to be sucked up by their biggest competitor, so that means that whenever things get back to whatever the new norm is going to be, you are not going to have competitors. There will be one or two that you deal with. Right now, he was dealing with two prior to Covid. That is why he told them to really seriously start looking at coming to him with possibly other options. One of the biggest ones that he would like to see is their methane gas that they just light up and burn off and they produce a lot of it. They do not use the biogas machine anymore because it is too costly to keep running because there is no bag house to clean the biogas

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and that was the way it was designed- running it with dirty gas and it is constantly breaking down or needing major repairs. Two years ago, they did a major overhaul on that machine and now it is back down again with major repairs needed because of burning dirty gas. He thinks the idea was good at the time, but there should have been other things invested to be able to get a longer longevity and time use out of that, so that is the past and here they are today. He thinks they need to look at other engineering initiatives that may be able to use the gas that they are burning off right now to be able to use as some type of disinfectant, by boiling the water to a certain degree, he does not know, but that is what he has challenged engineering and their staff to look at because of the fact that he sees where the prices are going. And, you got to remember that they are locked in with rates and they have done well managing their money, he cannot allow that to forcibly come back to this Board to say they didn't plan maybe smart enough or accordingly because they knew these costs were going to go up and now they need a rate increase. That to him does not make sense. They know the prices are going up, so they need to figure out what do they need to do to address that. These are some of the areas that he believes can possibly pan out to be something good. Just like when they said they can only dig basins because that was the only thing they had and he challenged Mike Hickey and his engineering firm and guess what, they found the cloth disc filters. Do not have to dig these very expensive holes in the ground that are unsightly and nasty looking- it can be inside of a building. That is where they are headed and he will keep the Board updated as they go, but now they are running into them knowing the prices were going up. They slowly started seeing that happen at the beginning of the pandemic, but now it is starting to affect the employees. They are watching it and figuring out the best thing to do. When you are looking at McDonald's at \$15 an hour and a \$500 signing bonus. He asked Jeff what the place was in Munster the other day that he saw had \$20 an hour.

Jeff answered Munster Gyros.

Marty responded that it is crazy. He said they need to be careful because they cannot just be reactionary. They have to say what do they need to do to address that, how many people are they looking at and what is the long-term effect because they have a certain amount of money that is pretty locked in and that is not going to change unless they do rate increases and he is not anywhere near wanting to do that because the last time they did the rate increase was pretty substantial, it was hard to bite and he does not think they are there yet. In fact, he knows they are not. Somewhere down the line if he cannot figure out how to make these pieces of the puzzle fit together, they will have to look at that. No doubt about it. He has also indicated that to the Mayor.

Vice-President Dye questioned how short they were on staff.

Marty answered right now they are going to be down two in the lab, three or four operators which is huge and a big part of the work force because those are the guys that make this plant run and are out there turning dials and watching the computer and figuring out where they need to send the water, how much chlorine to add and that just does not happen with a guy who gets training for a week. That is usually someone who has been in training for a full cycle, a full year and all of the various shifts that they have throughout the week, weekends, cold weather, warm weather because

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the Plant operates differently in all of those different seasons and based on all of the activity with rainfall- how much rainfall you get and how you react. It is not something where you have someone you put in. He asked Jeff how long he would say that someone has to get inundated until they feel very comfortable that they are ready to go.

Jeff replied that in a couple years, they are pretty good. Once they have had about five, solid years, then they are really good. Things are not very consistent around here with rainfalls and things like that. It takes a little bit of time, but after a couple years, you are pretty strong, but after five years, you are really strong.

Vice-President Dye commented that it is a big blow losing four people.

Marty responded that most of ours were through retirement. Fortunately, we have not lost anybody to the same scenario that Water Department has where they have decided to leave here and go to the mill. There was one guy in Jack's department that happened with, but he was a really young guy and chasing as much money as he could get with a growing family. Fortunately, the operators Jeff is replacing were all retirees.

Commissioner Hawkins asked Mike Hickey if ultraviolet an alternative.

Mike Hickey answered absolutely. They are probably going to use that in conjunction with the CMDFs (cloth media disc filters). Marty wants to look at it in the Plant also. They took some data during the pilot studies that may be helpful in evaluating the UV here at the Plant.

Marty added that they thought for sure when doing the CMDFs that is the perfect place to initiate the ultraviolet, it is just here at the Plant, what do they do and that is the big one.

Commissioner Hawkins stated especially with a Plant this size.

### **FINANCIAL REPORT**

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

### **DEPARTMENT REPORTS**

#### **Safety Report**

No questions or comments.

#### **GIS Report**

No questions or comments.

#### **Sewer Maintenance Report**

Vice-President commented what a nice job was done on the Sewer report as always. It had a nice,

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clean presentation and very easy to read. They appreciate that.

Commissioner Hawkins added that it is very professional. There is a lot of information in it. He read it late at night- it kept him up until 3 in the morning.

**CONSULTANT REPORTS**

**MJHY, LLC**

Mike Hickey stated that he had a couple of things to highlight on his status report. On behalf of HSD, they submitted the quarterly Consent Decree report on February 9th. They do it four times a year, so that went out on time. Last board meeting, they were reporting they still had not received information from Griffith- that was on January 25<sup>th</sup> and the next day they got it, so on January 26<sup>th</sup>, they did get info they have been waiting for from Griffith and that allows them to start working on the Financial Capability Assessment. They are taking the Griffith info and starting to work with Max and Karl on the FCA and as soon as they have something, they will get it to Marty and keep the Board posted.

Commissioner Hawkins stated that he knows he is going to say something out of order, but he is going to say it when he thinks of it. He read in the paper a week or two ago that Griffith is planning a new subdivision on the south end of town. He asked if that is something that would have to come before here to get approval on.

Marty answered that it depends. They had, and he asked Jeff to correct him if he is wrong, if it was Griffith that Jeff gave a last approval—

Jeff said there was an approval for a small subdivision- maybe four or five homes. If there are any subdivisions that require new sewers or anything, they need a capacity certification.

Attorney Allegretti said the answer is yes. They need a sewer capacity certification from here.

Marty added that he is surprised he did not see that.

Commissioner Hawkins replied he may have had it. If he has it in an email, he will shoot it to him.

Marty asked if he knew where in Griffith.

Commissioner Hawkins replied southeast Griffith. He will look it up, but as a courtesy might it be wise to let Griffith know or maybe not just Griffith, but all of the customer communities of any changes if there is any development because maybe they forget.

Attorney Allegretti commented they know.

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Marty added they know and technically whoever is drawing up the engineering plans, there is a spot on that for the District to sign off on and that is Mr. Massey, so they technically cannot get the final approval to move forward with the development until that is done and that is some of the ways they have been able to stop it. The ones they were not able to stop were like when Highland was adding a couple apartment complexes and there was already an existing line there and they were not increasing that size so that is how they got around that. Technically, they should have, but they got around it because the infrastructure was already put in and the same thing happened on Kennedy Avenue when they added a couple apartment buildings, but a new subdivision where they actually have to put in new infrastructure for the sewer and water, that is where they get stopped at.

Jeff stated that these capacity certifications do not change their limitations with the Sanitary District, so their agreed upon contractual limitations from Highland, Griffith or Whiting do not change. They still have to stay within their limits of what is discharged to us and because it is new construction, they have to separate all of the sewers in that system and have stormwater and sanitary. They get room to do capacity, but cannot go over their limitation.

Commissioner Hawkins said that Griffith has asked for an increase, not a big one, but an increase.

Marty answered that he thinks it is from 5 to 10.

Mike Hickey clarified that it is from 5 to 15.5.

Marty said it was initially 10, but he thinks they went back and—

Mike Hickey explained that it is part of their SSO. Their old SSO plan was to build a bigger basin and that got very expensive, so the new one was that it was cheaper to send it to Hammond. They are requesting 15.5.

Commissioner Hawkins commented that in a case like this, they are going to save big bucks and the Hammond Sanitary District is going to help them out and they hope through the cost-of-service study, that they get a favorable result financially for the District.

Marty replied that he thinks from what they know and they haven't had a real meeting on the cost-of-service study in over a month or so, that it is all leaning in that direction, Commissioner. He thinks that is what maybe causing some sticker shock with some of their customer communities because he thinks they believed prior to the cost-of-service study that they were overpaying. Of course, the District who are the end treater of all of their waste knew differently. The District knew without a doubt that they were underpaying, so he thinks this is where they are at with all of this and thinks there is a little silence on the radar. Their plan is to see it through and hold everyone accountable to the agreements they signed to get into the cost-of-service study and take it down whatever path that it goes.

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Commissioner Hawkins commented that especially in the future if things work out with the cost-of-service study and the Long-Term Control Plan, they are going to take an additional responsibility for their flows. He is talking about Highland and Griffith and in that case, the District has the responsibility not necessarily them so the District has to hopefully be in a position to benefit from that because they will need upgrades, additional people, etc.

**Donohue**

Natalie Cook wanted to highlight a couple bullet points at the end of their status report regarding what Marty brought up. She thanked him for bringing it up. She said they have at Marty and Jeff's direction started looking into UV specifically as a disinfection alternative. Furthermore, he had also brought up the digester gas and how much of it is being wasted right now and how much more additionally could be produced if Hammond was able to take in more high strength industrial waste, so one of the options they have been looking at is using that digester gas combusting it through a CHP which is a combined heat and power machine. You produce electricity with that and then harvest heat off of it which you can use to heat digesters. Right now, the biogas is used directly to heat the digesters and that electricity could go to offset some of the electricity requirements for UV. This is something they are working on. They got some draft analyses that is going through QC right now and hoping to have some more information to share with them and get some decisions in the next couple weeks.

Commissioner Hawkins said that this effort and the ultraviolet energy saving effort that is going on with Leopardo, he asked if that could be part of that study too.

Marty answered it is. They already have them tied in because he figured they would come back and say they definitely need to do the ultraviolet and here is the payback, the number of years based on projection of chlorine costs. He knew right away that if he needed to find a way to get it funded, it would be a part of the Leopardo study. They tied it in all the way from the beginning.

**RESOLUTIONS**

**The Board considered Resolution No. 03-2022: RE: A Resolution of the Board of Sanitary Commissioners of the Sanitary District of Hammond, Lake County, Indiana Authorizing Payment of Wages Greater than Fixed by Resolution No. 36-2021.**

Hawkins **moved** and Rubio **seconded** to approve Resolution No. 03-2022.

Ayes: Dye, Hawkins, Rubio

Nays: None

Motion **carried** 3-0.

Marty asked if he could expound a little on that. He thanked them for passing it for them. Various times throughout the year especially now because of these unprecedented heavy snowfalls, the City relies on every man, shovel and truck they can get their hands on to keep the

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City moving and the roads open. What that Resolution does is allows them that if he is sending three or four guys over to help Street Department plow using the District's trucks and plows and if that particular contract at the Street Department pays more based on whatever they are asking our guys to do than their current contract that allows the District to pay them the same rate so nobody is getting cheated especially on our end when they are being asked to help in a difficult situation and vice versa. It gives the employees here the opportunity to be called upon to be able to help in the spirit of helping and be paid fairly based on the fact if the wages are a little higher for the other job. That is what that Resolution does.

Commissioner Hawkins asked if there is an issue with the union contracts.

Marty answered no. In fact, unless, he hasn't heard anything, but he thinks everybody would be very happy. They would be unhappy if they were taking money away from them, but he thinks even if 399's contract was X and 142's was Y, he can't imagine why 399 would say they do not want them to pay their guys any more. To be honest, he has not heard anything and he is sure if there is a problem, they will get a hold of him, but thank you for approving that.

**The Board considered Resolution No. 04-2022: RE: A Resolution of the Board of Sanitary Commissioners of the Sanitary District of Hammond, Lake County, Indiana Conveying Real Estate to the Hammond Redevelopment Commission.**

Vice-President Dye stated that the Board is going to table Resolution No. 4-2022 today. he asked for a motion to do that.

Hawkins **moved** and Rubio **seconded** to table Resolution No. 04-2022.

Ayes: Dye, Hawkins, Rubio

Nays: None

Motion **carried** 3-0.

**The Board considered the Bank Reconciliation Document dated Period 13, 2021.**

Hawkins **moved** and Rubio **seconded** for the approval of the Bank Reconciliation Document dated Period 13, 2021.

Ayes: Dye, Hawkins, Rubio

Nays: None

Motion **carried** 3-0.

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

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



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Ayes: Dye, Hawkins, Rubio  
Nays: None  
Motion **carried** 3-0.

**The Board considered the Claims Approval Docket 02-15-22.**

Hawkins **moved** and Rubio **seconded** for the approval of the Claims Approval Docket 02-15-22.

Ayes: Dye, Hawkins, Rubio  
Nays: None  
Motion **carried** 3-0.

**Vice-President Dye called for Old Business**  
There was no old business to discuss.

**Vice-President Dye called for New Business**

**The Board considered Resolution No. 05-2022: RE: A Resolution of the Board of Sanitary Commissioners of the Sanitary District of Hammond, Lake County, Indiana Determining Certain Equipment of the District to be Surplus and Providing for its Public Sale.**

Vice-President Dye asked Marty to give quick update of what Resolution is about.

Marty explained that in a previous meeting the Board approved a list of equipment that was either obsolete or no longer used by the District. After further review, they noticed that three pumps that were purchased several years ago that were specifically only used when they were replacing the screw pumps are no longer needed. Two of three were brand new when purchased and one was slightly used. They are not big on keeping equipment here at the District especially at the cost they were looking at for those three when they do not believe they are ever going to use them again and for them to sit idle is not good for the seals or anything with the pump. He instructed Jeff and Dan to put the inventory list together and get it to Joe to get approved at today's meeting so they can add it to the initial list and get these things sold. He thinks one of the pumps (they paid about a quarter of a million dollars) and they have some interest because of Covid to maybe recoup most of the money they had and maybe slightly a little bit more. That is what they are trying to do.

Vice-President Dye thanked Marty for explanation.

Hawkins **moved** and Rubio **seconded** to approve Resolution No. 05-2022.

Ayes: Dye, Hawkins, Rubio  
Nays: None  
Motion **carried** 3-0.

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Vice-President Dye stated that the second item under New Business is a Personnel Report that was presented to the Board.

Hawkins **moved** and Rubio **seconded** to approve the Personnel Report.

Ayes: Dye, Hawkins, Rubio

Nays: None

Motion **carried** 3-0.

**Vice-President Dye called for Reports from Commissioners**

There were no reports from Commissioners.

**Vice-President Dye called for Public Expression**

There was not any public expression.

**Vice-President Dye called for a motion to adjourn the meeting**

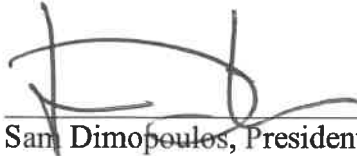
Hawkins **moved** and Rubio **seconded** for adjournment.

Ayes: Dye, Hawkins, Rubio

Nays: None

Motion **carried** 3-0. The meeting was adjourned at 4:32 p.m.

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Sam Dimopoulos, President



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Michael Dye, Vice-President

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

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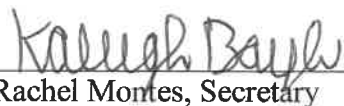
Owana Miller, Member



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Monica Rubio, Member

ATTEST:



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Rachel Montes, Secretary

Kaleigh Boyle, Assistant Secretary

Board Minutes Prepared By: Kaleigh Boyle