REGULAR MEETING, BOARD OF SANITARY DISTRICT COMMISSIONERS

WEDNESDAY, FEBRUARY 6, 2019 1:00 P.M. – 1100 E. EIGHTH STREET

The meeting was called to order at 1:02 P.M. in the Administration Building, 1100 E. Eighth Street, by President Garry L. Mitchell Sr.

Commissioners present for the meeting were Garry L. Mitchell Sr., Charles G. Peller, Holt L. Edinger and Tim Smith. Frank R Harris was absent.

Staff present for the meeting were:
- Michael P. Kuss, General Manager
- Scott Kistler, Financial Manager
- Steve Stanford, Operations Manager
- Milorad Milatovic, Water Reclamation Superintendent
- Rachel McCline, Receptionist/Dispatcher
- Arber Himaj, District Engineer
- John Gorczyca, District Engineer
- Sue Lehman, Laboratory Chemist
- Katrina Vedo, Laboratory Technician
- James B. Meyer, Legal Counsel

Also present for the meeting were:
- Bruce Woodruff, Woodruff & Sons Inc.
- Kyle Weisman, Woodruff & Sons Inc.
- Dan McCoy, Daniel McCoy & Associate
- Matt Lake, Town of Merrillville
- Charles Keene, General Insurance Services

Minutes

Mr. Mitchell entertained a motion on the matter of the December 19, 2018 Regular Meeting Minutes and the January 9, 2019 Special Meeting Minutes.

Mr. Edinger made a motion to approve the minutes as submitted – seconded by Mr. Peller. There being no question or comment on the matter the motion carried 4 – 0 in favor.

Public Comment

None

Employee Recognition

Mr. Kuss gave special recognition to former Laboratory Supervisor, Kathleen Miller. Mr. Kuss advised that Kathleen worked at the Sanitary District for over 40 years, where she dedicated her entire career protecting the environment.
**Governor’s Awards for Environmental Excellence – Merrillville Stormwater Utility**

Mr. Kuss introduced Merrillville Stormwater Utility’s Director Matt Lake. Mr. Kuss advised that the Town of Merrillville was most recently granted the 2018 Governor’s Award for recycle and reuse.

Mr. Lake gave a presentation advising that the Town of Merrillville has worked hard to incorporate recycled materials into their infrastructure for environmentally friendly purposes.

Mr. Kuss noted that Mr. Lake may be invited back to the Sanitary District for the next Blue S.W.A.G. (Storm Water Advisory Group) meeting.

**Partners for Pollution Prevention**

Mr. Kuss announced that the Sanitary District was recently admitted to the Partners for Pollution Prevention. Mr. Kuss noted that some of the benefits of the program are statewide recognition through the Indiana Department of Environmental Management’s (IDEM) website. Additional benefits of the program include networking opportunities with IDEM representatives and Partner’s Pledge signed by the commissioner of IDEM.

The Sanitary District will be officially inducted on April 10, 2019 in Logansport, Indiana.

**Workers Compensation Renewal**

Mr. Keen advised that the Michigan City Sanitary District entered into the city of Michigan City’s self-funding Workers Compensation program on April 1, 2010.

The program is administered by the following providers:

*York Risk Services provides the Third-Party Administration (TPA)*

*Great American E & S Insurance Company provided the Buffer Layer Insurance.*

Mr. Keen advised that there are no changes in coverage limits or retention amounts.
Annual Worker's Compensation Program Costs – Sanitary District Portion

<table>
<thead>
<tr>
<th>Sanitary District Totals</th>
<th>Expiring 2018</th>
<th>Renewal 2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess Premium (Safety National)</td>
<td>$21,802.00</td>
<td>$23,062.00</td>
<td>$1,260.00</td>
</tr>
<tr>
<td>Buffer Layer Excess (Great American)</td>
<td>$7,238.00</td>
<td>$7,489.00</td>
<td>$251.00</td>
</tr>
<tr>
<td>TPA Fee (York)*</td>
<td>$8,879.00</td>
<td>$9,150.00</td>
<td>$271.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$37,919.00</strong></td>
<td><strong>$39,701.00</strong></td>
<td><strong>$1,782.00</strong></td>
</tr>
</tbody>
</table>

*TPA fees are estimated. Actual fees are based on the actual number and type of claims.

The fees are shared proportionately between the City and the Sanitary District based on payroll.

The split between the City and Sanitary District is approximately 79% / 21%.

Mr. Keene also provided a Worker's Compensation Loss Summary by Department.

Mr. Peeler made a motion to approve the Worker's Compensation Self-Funded Program Renewal Presentation as presented – seconded by Mr. Edinger. There being no further question or comment on the matter, the motion carried 4 – 0 in favor.

The Board thanked Mr. Keene for his presentation.

**Financial Report**

As of December 31, 2018:
- Operating Fund: $698,280.08
- Improvement Fund: $841,604.76
- Vehicle Replacement Fund: $258,974.68
- Equipment Replacement Fund: $1,056,361.66

Mr. Kistler advised that the Indian Springs and Whippoorwill Project Funds had a zero balance because the Sanitary District paid the State Revolving Fund (SRF).

- SRF Debt Reserve Fund: $486,906.51
- SRF Bond & Interest Fund: $206,847.71
- Storm Water Fund; $406,481.09
- Refuse Fund: $1,411,140.65
- Special Revenue Fund: $1,310.72
- Levy Excess Fund: $8,522.14
- Rainy Day Fund: $81,307.78
- Karwick Remediation Fund: $2,543,338.27
The Board thanked Mr. Kistler for his report.

**Safety Report**

Mr. McCoy advised that the Sanitary District had no recordable injuries in December 2018.

The Board thanked Mr. McCoy for his report.

**DLZ Engineering**

Mr. Kuss reported that the design for electrical upgrades for the former Seneca property is complete. Mr. Kuss recommended Board approval to issue a Request for Quotes to perform electrical upgrades.

Mr. Peller made such a motion – seconded by Mr. Edinger. There being no question or comment on the matter, the motion carried 4 – 0 in favor.

Mr. Kuss reported that the Digester Phase II Improvements are near completion.

Mr. Kuss recommended Board approval to issue a Request for Quotes to complete the Digester Phase II improvements.

Mr. Peller made such a motion – seconded by Mr. Smith. There being no question or comment on the matter, the motion carried 4 – 0 in favor.

Regarding the Smith Valley Lift Station Project, Mr. Kuss advised that Woodruff & Sons Inc. sent the Sanitary District an invoice in the amount of $8,310.00. Mr. Kuss noted that if Woodruff & Sons had reconnected the private sanitary line from 1026 Lakeshore Dr., the work would not have been required.

Mr. Kuss explained that the lateral will be paid for at the contract unit price of $1,700.00 less an amount of $953.02. The amount of $953.02 is the amount the District will reimburse the owner at 1026 Lakeshore Dr. for the owner's efforts to fix the lateral that was not initially reconnected by the contractor.

Mr. Kuss then recommended Board approval for Change Order # 4, explaining that the net increase for this change order is a $2,946.98 increase to reconcile the differences between 1026 Lakeshore Dr. and the extra private sanitary sewer line connection for the Smith Valley Lift Station in the amount of $2,946.98.

Mr. Peller made a motion to allow the Sanitary District to pay the property owner at 1026 Lakeshore Dr. in the amount of $953.02 as recommended – seconded by Mr. Edinger. There being no further question or comment on the matter, the motion carried 4 – 0 in favor.
Mr. Peller made a motion to approve **Change Order # 4 in the amount of $2,946.98** – seconded by Mr. Smith. There being no question or comment on the matter, the motion carried 4 – 0 in favor.

**5th Street and Alley**

Mr. Kuss advised that the Sanitary District received a letter on January 15, 2019 regarding Quotes received for this project.

Mr. Kuss noted that Woodruff & Sons Inc. had the lowest bid for Proposal A in the amount of $169,819.88 and Proposal B in the amount of $173,725.88.

Mr. Kuss advised that Proposal B is for installing the sewer in the middle of the street and Proposal A would require the brand-new curbs to be busted up for sewer installation.

Mr. Kuss recommended that the project be awarded to Woodruff & Sons Inc. for Proposal B. Mr. Kuss added that there is a deduction for this project in the amount of $1,500.00 if the project is postponed until the asphalt plants open for the season.

Mr. Peller made such a motion – seconded by Mr. Edinger. There being no further question or comment on the matter, the motion carried 4 – 0 in favor.

**Elk Street & Jackson Street**

Mr. Kuss advised that during rain events, this area experiences storm water drainage issues. Mr. Kuss explained that the District has worked with John A. Doyle & Associates to perform preliminary work on the project.

Mr. Kuss added that John A. Doyle & Associates estimated the cost of the project in the amount of $70,200.00 and recommended approval of the same.

Mr. Peller made a motion to allow the Sanitary District to send a Request for Quotes for this project – seconded by Mr. Edinger. There being no question or comment on the matter, the motion carried 4 – 0 in favor.

**Long Beach Lakeshore Drive Sanitary Sewer**

Mr. Kuss advised that Haas & Associates, LLC are continuing to work on the Capacity and cost Estimation Study. Mr. Kuss added that a Preliminary Report was submitted to the Sanitary District on January 17, 2019.

Mr. Kuss noted that upgrades will need to be made to some of the Lift Stations and provided the Board with a handout summarizing the necessary changes.
Village Road & Southwind Drive Drainage Improvements Project

Mr. Kuss advised that Haas & Associates, LLC are working on the initial phases of design. Mr. Kuss added that an update on progress will be presented at the February 27, 2019 Board Meeting.

Mr. Kuss reported that the Sanitary District sent letters to homeowners requesting access to their properties between Ohio Street and Crestwood Dr. to assess drainage.

Chenev Run Storm Water Treatment Design

Mr. Kuss advised that the Sanitary District entered into a Contract with V3 Environmental. Mr. Kuss added that a kickoff meeting took place on Friday, January 11, 2019.

Former Seneca Property

Mr. Kuss reported that demolition started on January 21, 2019.

Begley/Concord Cleaners Contaminated Ground Water Plume

Mr. Kuss advised that the Sanitary District sent letters with sample results to all homeowners whose homes had samples taken on December 28, 2018. Mr. Kuss added that none of the sample results were above the remediation action levels and all were below the screening levels except for two (2) homes.

Mr. Kuss presented Invoice 57709 from August Mack in the amount of $21,568.56. He noted that the Redevelopment Commission is reimbursing the Sanitary District for these invoices and asked for the Board's approval.

Mr. Peller made such a motion – seconded by Mr. Smith. There being no question or comment on the matter, the motion carried 4 – 0 in favor.

Energy Savings Project

Mr. Kuss reported that the Sanitary District has already saved $27,000.00 to date with the new blowers and lighting.

Annual Staff Reports

Mr. Kuss provided and reviewed 2018 end of year reports with the Board, discussing highlights from each Sanitary District department.

Refuse Tonnage Report

Mr. Kuss reported that the Refuse Department disposed 988 tons of compact waste and 8 tons of loose waste in December 2018.
Partners for Clean Air- Gold Level Membership for 2019

Mr. Kuss recommended Board approval to allow the Sanitary District to enter into a Gold Level Membership with Partners for Clean Air. Mr. Kuss added that the membership is a $2,000.00 annual commitment.

Mr. Peller made such a motion – seconded by Mr. Edinger. There being no question or comment on the matter, the motion carried 4 – 0 in favor.

Laboratory 2019 A2LA Assessment

Mr. Kuss reported that this Laboratory assessment will take place February 11-13, 2019.

Committee on Lead (Pb)

Mr. Kuss provided the Board with an article regarding a Housing Urban Development (HUD) Grant - Notice of Award in the amount of $2.3 Million dollars for Lead (Pb) abatement.

Mr. Kuss announced that Webinars with the Department of HUD have been scheduled to further discuss the budget for this Grant.

Five (5) Year Warranty Review

Mr. Kuss advised that the Sanitary District failed to require the warranty in the Northbrook Drive and 5th Street Sewer projects.

Resolution 1400-19 Approving Application for a $100,000.00 Lake and River Enhancement (Lake) Grant from the Indiana Department of Natural Resources and Approving the Payment of the Pledge Match

Attorney Meyer recommended Board approval the mention resolution so that the Sanitary District can possibly receive an additional $100,000.00 for the project.

Mr. Peller made a motion to approve Resolution 1400-19 as recommended – seconded by Mr. Smith. There being no question or comment on the matter, the motion carried 4 – 0 in favor.

Mr. Peller made a motion to approve and allow Revenue & Tax Levy Claims for Payment – seconded by Mr. Edinger. There being no question or comment on the matter, the motion carried 4 – 0 in favor.

Old Business

None
New Business

Mr. Kuss recommended Board approval for declaring impartiality Resolution No. 1399-19 for the Laboratory so that there is no undue pressure on the Laboratory to come up with certain results.

Attorney Meyer advised that this is a requirement for the Laboratory's accreditation.

Mr. Edinger made a motion to Resolution No. 1399-19 as recommended – seconded by Mr. Smith. There being no further question or comment on the matter, the motion carried 4 – 0 in favor.

Mr. Kuss advised that the Board needs to vote on Board Officers for 2019.

Mr. Peller made a motion to retain the current Board Officers from 2018 – seconded by Mr. Edinger. There being no question or comment on the matter, the motion carried 4 – 0 in favor.

Mr. Smith made a motion to adjourn the meeting – seconded by Mr. Peller. There being no question or comment on the matter, the motion carried 4 – 0 in favor.

Next Regular Meeting of the Board of Sanitary District Commissioner – Wednesday, February 27, 2019 – 4:00 P.M at 1100 E. Eight Street.

Holt L. Edinger, Secretary