JOINT WORKSHOP:

MICHIGAN CITY SANITARY DISTRICT
and the
MICHIGAN CITY COMMON COUNCIL

May 20, 2026
Topic: STATE OF THE DISTRICT

Wendy L. Vachet, AICP	Rhonda Anderson, MS	Al Walus
Director of Public Works	Class IV/D WWTP Operator's License	District Engineer

AGENDA

- **WELCOME AND INTRODUCTION**

- **KEY ELEMENTS**
  - Ø State of the District
    - o How Did We Get Here
  - Ø Capital Improvement Plan (CIP)
    - o Where We Need to Go

- **NEXT STEPS & DISCUSSION**

PURPOSE: AS DEFINED BY INDIANA CODE IC 36-9-25 AND MICHIGAN CITY MUNICIPAL CODE 98-83

MICHIGAN CITY INDIANA

Michigan City, Indiana - Code of Ordinances / Chapter 98 - UTILITIES / ARTICLE III. - SANITARY BOARD / Sec. 98-83. - Sanitary district created; purpose.

VERSION: DEC 22, 2025 (CURRENT)

THE MICHIGAN CITY SANITARY DISTRICT IS CREATED FOR THE FOLLOWING FOUR PURPOSES:

1. **Provide services for the:**
   i. Collection and Sanitary Disposal of Sewage
   ii. Drainage of Stormwater
   iii. Collection of Trash and Garbage
2. **Prevent the Undue Pollution of Waterways**
3. **Collect Revenue that will fund:**
   i. Operating Sewers and Wastewater Treatment Works
   ii. Constructing Improvements, Additions, and Extensions
4. **Stimulate Growth by Providing:**
   i. An Adequate Sewer System and Treatment Plant
   ii. Drainage Facilities
   iii. Garbage Collection and Disposal

Not a Focal Point of this Workshop

MANAGEMENT MATTERS:
THE STATE OF THE MICHIGAN CITY SANITARY DISTRICT

PRESENTED TO SANITARY BOARD ON APRIL 22, 2026

MANAGEMENT MATTERS: PREFACE

These are commonly used Management Tools to effectively and efficiently operate a Sanitary District.

In January of 2024, did these Management Tools exist?

Management Tools to Effectively and Efficiently Operate a Sanitary District	Did this exist in January of 2024?
1. Wastewater Treatment Plant (WWTP) Capital Improvement Plan	No
2. Sanitary Sewer Rehabilitation Plan	No
3. Current Lift Station Rehabilitation Plan	No
4. WWTP Maintenance Schedules for Critical Equipment	Partial
5. Viable Sanitary Sewer Inspection Plan to Inspect All Sewers Within 3 Years (Permit Requirement)	No
6. Current & Accurate Detailed List of Assets (State Board of Accounts Requirement)	No
7. Hydraulic Computer Model of Major Sewer Trunk Line Flows/Capacities	No
8. Septic Field Clusters Elimination Plan	No
9. Comprehensive Ditch Maintenance & Culvert Plan	No
10. Striebel Pond Maintenance Logs	No
11. Biosolids Disposal Transportation Plan	No
12. Integrated GIS Model of Sewer & Water Infrastructure to Facilitate Billing Operations	No
13. “Growth Pays For Growth” Plan	No
14. Sanitary District Multi-Year Rate & Fee Analysis	No
15. Management Team Succession Plan	No

MANAGEMENT MATTERS: PREFACE

By February of 2025, a new Senior Management Team was in place:

Wendy L. Vachet, AICP, Director of Public Works
Rhonda Anderson, Water Reclamation Superintendent, Class IV/D WWTP Operator's License
Al Walus, District Engineer
Chris Yagelski, Business Manager
Rachel McCline, Administrative Assistant

This team combined has over **180** years of work experience to draw from
to deliver the results articulated by and required by Mayor Angie:

- **Stop** the MCSD Long-Standing Practice of 'Kicking the Can Down the Road' and Avoiding Critical Decisions That Need to be Made
- **Stop** the MCSD Long-Standing Practice of Deferring Maintenance
- **Utilize** Data to Drive Decision Making: **Better Data = Better Decisions**
- Utilize a **'Growth Pays for Growth'** Strategy that Requires New/Expanding Customers Seeking Sewer Service to **Pay for the Capacity They Use & the Infrastructure Improvements they Need**
- **Plan for the Future Today**
- **Plan for Sustainability:** Re-Purpose Buildings, Evaluate Solar Power, Review Chemical Usage

This presentation is the first comprehensive update on the status of the Sanitary District's asset management and financial sustainability plans prepared by this new Senior Management Team.

MANAGEMENT MATTERS: THE STATE OF THE MICHIGAN CITY SANITARY DISTRICT

Prepared by:

Sanitary District Management Team:

- Wendy L. Vachet, AICP, Director of Public Works
- Rhonda Anderson, MS, Water Reclamation Superintendent
- Al Walus, District Engineer

Capital Improvement Plan (CIP) Consultant Team

- Dan Cutshaw, PE, CDS Engineers, Inc
- Nathan DeLisle, PE, CDS Engineers, Inc
- Jenny Miller, PE, Christopher B. Burke Engineering, LLC (Burke)
- Adam Downey, MS, Class IV & D WWTP Operator, Burke

Financial Consultant, O. W. Krohn & Assoc.

- Otto W. "Buzz" Krohn, Executive Partner
- Brandon Barthel, Municipal Advisor

Legal Finance Consultant, Dentons

- David T. McGimpsey, Water, Energy, and Utility Partner

With Data Support Provided by:

- Michigan City Controller's Office
- Michigan City Department of Water Works

SANITARY DISTRICT OF MICHIGAN CITY

CDS ENGINEERS

CBB BURKE

KROHN & ASSOCIATES CPAS AND CONSULTANTS Municipal Advisors

DENTONS

MICHIGAN CITY INDIANA

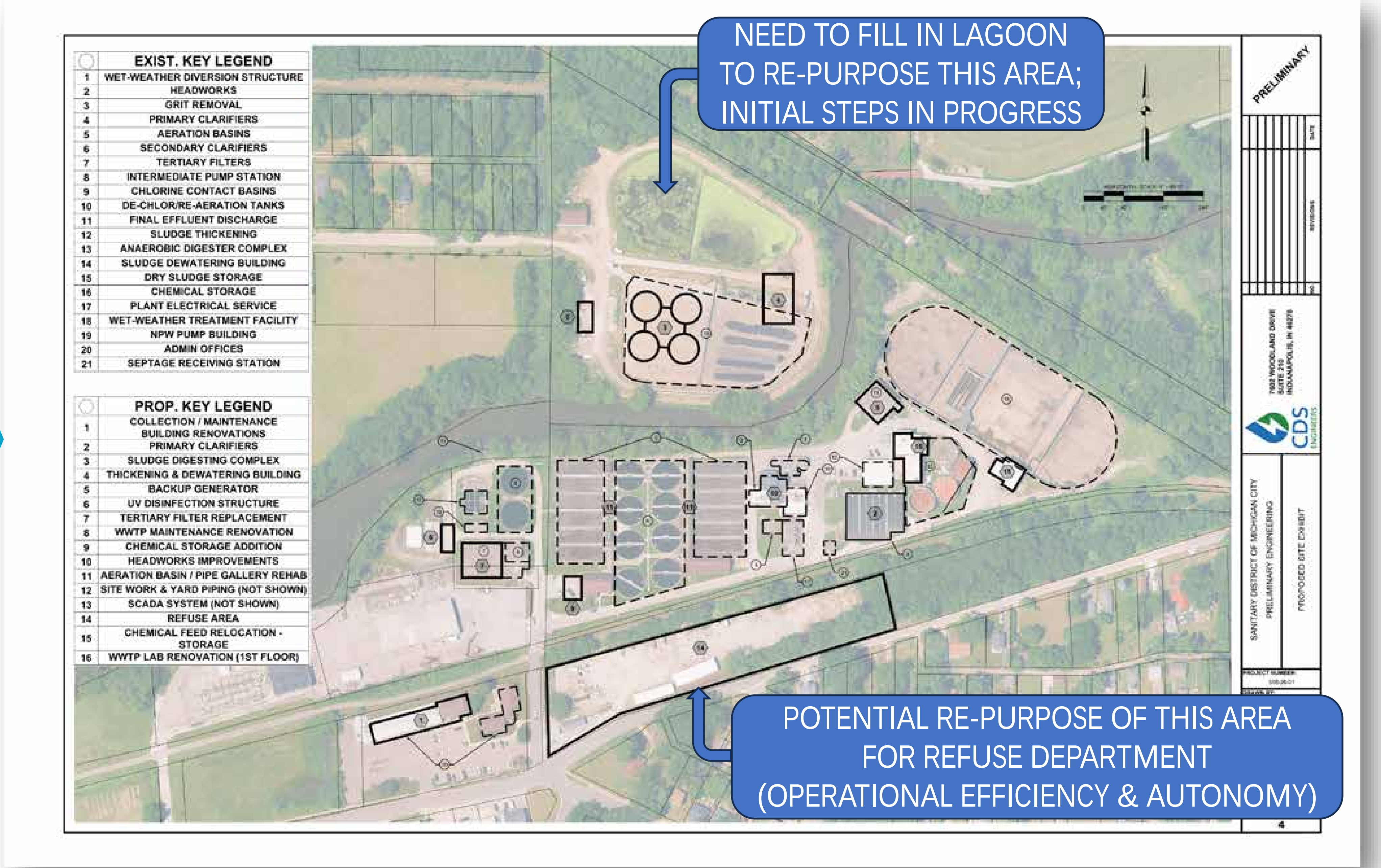
Missing Plan: WWTP Capital Improvement Plan

THE NEW MANAGE-MENT TEAM HAS STARTED BY ASSESSING EXISTING CONDITIONS: "BETTER DATA = BETTER DECISIONS"

		Rating System: "5" = Highest Priority and "0" = Lowest Priority							
Wastewater Treatment Plant Process/System		Age	Condition	Regulatory Compliance or De-Rating Risk	Safety	Technical Upgrade	Process Optimization	Equipment Availability	Total Score
1	Sludge Digester Complex	5	5	3	5	4	3	4	29
2	New Primary Clarifiers	4	4	5	3	3	4	2	25
3	Tertiary Filter Replacement	4	4	2	3	4	4	4	25
4	New SCADA System	4	4	1	1	5	4	5	24
5	Thickening/Dewatering Building (50' x 50')	3	4	2	3	3	3	4	22
6	Chemical Storage Bldg. Addition (40' x 40')	4	2	5	1	4	3	2	21
7	Aeration Basin & Pipe Gallery Rehabilitation	3	5	3	4	2	2	2	21
8	Headworks Improvements	2	2	3	3	3	3	2	18
9	Septage Receiving Station Rehabilitation	4	4	1	2	2	2	2	17
10	Backup Generator	0	0	5	0	5	4	2	16
11	New UV Disinfection Structure	0	2	1	4	3	4	2	16
12	Sitework & Yard Piping	0	1	1	0	2	1	0	5
13	Contractor's Administrative/Soft Costs	---	---	---	---	---	---	---	

Missing Plan: WWTP Capital Improvement Plan

BASED ON THE PRIORITY RANKING ASSESSMENT, WE HAVE PREPARED A CONCEPTUAL SITE LAYOUT PLAN



Missing Plan: Lift Station Status Report

WE HAVE PREPARED THE FIRST ASSESS-MENT OF ALL LIFT STATIONS IN 14 YEARS (PRIOR ASSESSMENT FROM 2012)

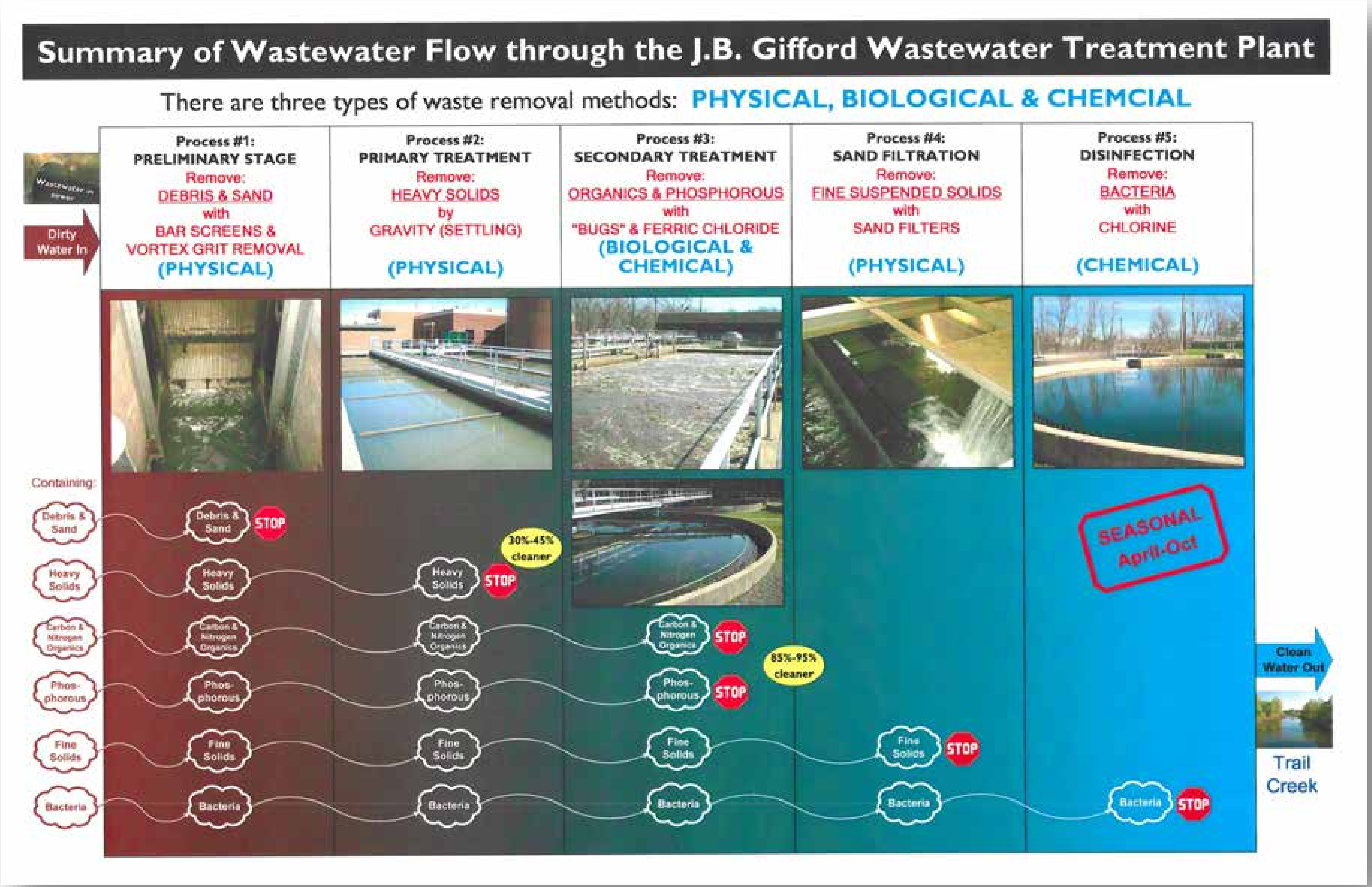
Lift Station Name	Recommendation	Year	2012 Deferred	New FM Req'd	Needs Generator	I&I	Age	Non - Standard	Access	Growth (capacity)	Serves City	Current Issues	Score
Broadway	Replacement, relocation	1992	2	1	1	0	3	2	2		2		13
Pottawatomie Park	Replacement, I&I and possible relocation for growth	1983	1						0	1	0		12
Henry Street	Replacement, relocation	1984	2						2		2		12
Tinkers Dam	Replacement, I&I issue	1989	1		1	2	3		0		2		11
Lake Park Plaza	Replacement (non-standard), Emergency Power, I&I	1991	0		1	3	3		0		2		11
Clark	Rehabilitation, new pumps & forcemain, emergency power	2000	1						0		2	1	11
Menke Rd & US 35	Rehabilitation, additional capacity for growth	1989	0		1	0	3		0	3	2		11
Coolspring/Roeske	Replacement, relocation	1985	0	1	1	0	3		0	2	1	1	11
Glenbrook		1995	0		1	3	3		0		2		10
US 12		1996	0		1	3	2		0		2		10
Tall Timbers	Rehabilitation, access and emergency power	1989	0		1	0	3		2		2		10
Hidden Shores	Feeds to Tinkers Dam check I&I, Replacement, relocation	1984	1						0		0		9
Meadowdale	Rehabilitation, I&I and Emergency Power	2003	0		1	3	2		0		2	1	9
Golfview	Rehabilitation, emergency power and access	1996	0										9
Marina		1997	0										8
Johnson Rd & US35		2001	0										8
Jackson Street		1989	0										8
Birch Tree Farms	Feeds to Tinkers Dam, check I&I	1997	0										7
Liberty Trail		1988	0										7
Edgewood		1997	0										7
Beachwalk		2009	0										7
Lake Avenue		2014	0		1	0	1	1	2		2		7
Ohio Street											2		6
Pine School											2		6
Evergreen Plaza											0		6
Beechwood											2		6
Freyer Road											2		6
Michiana Shores											2		6
Shoreland Hills											2		6
Woodlawn											2		6
Kimball Woods											2		5
Eastwood											2		5
Fourth Street											2		5
Tryon- Meer Road										1	1		4
US 20/ US35											2		4
Dunes Plaza											2		4
Lake Hills											2		3
Krueger School											2		3
Smith Valley											2		3
Lakeland Triangle		2018	0		0	0	0	0	0		2		2

MAINTENANCE RECOMMENDATIONS IDENTIFIED FOR SIX (6) LIFT STATIONS IN 2012 HAVE YET TO BE IMPLEMENTED

ASSESSMENT ITEM	SCORING RUBRIC
Projects deferred from 2012 facility assessment	1 pt for Rehabilitation, 2 pts for Replacement
Needs on-site emergency generator	Yes (1 pt), No (0 pts)
Inflow and Infiltration (wet weather influence)	Yes & in CSO area (3 pts), Yes (2 pts), No (0 pts)
Age of the Station	<10 yrs (0 pts), 10-20 yrs (1 pt), 20-30 yrs (2 pts), >30 (3 pts)
Station does not conform to city standards	Yes (2 pts), Partial (1 pt), N (0 pts)
Accessibility for safety (in traffic, tight site)	Yes (2 pt), Tight Site (1 pt), No (0pts)
Growth (to gain service area)	In City (3 pts), Both (2pts), Outside City (1 pt)
Requires Force main replacement	Yes (1 pt), No (0 pts)
Service Area	In City (2 pts), Both (1 pt), Outside City (0 pts)
Immediate need (currently being planned)	Yes (1 pt), No (0 pts)

Missing Plan: WWTP Maintenance Schedules for Critical Equipment
The 'Heart of the Plant'

THE AERATION TANKS, SECONDARY CLARIFIERS, AND CHLORINE CONTACT TANKS HAD NOT BEEN CLEANED OUT IN YEARS, RISKING NPDES VIOLATIONS.



Missing Plan: WWTP Maintenance Schedules for Critical Equipment
The 'Heart of the Plant'

THE AERATION TANKS, SECONDARY CLARIFIERS, AND CHLORINE CONTACT TANKS HAD NOT BEEN CLEANED OUT IN YEARS, RISKING NPDES VIOLATIONS.

NO TANK 'DRAIN & CLEAN' SCHEDULE FOR THE HEART OF THE PLANT

Missing Plan: Biosolids Disposal Transportation Plan

NEW MANAGEMENT APPROACH: USE OUR STAFF MORE EFFICIENTLY INSTREAD OF CONTRACTORS

COST TO HAUL 2,890 WET TONS OF BIOSOLIDS USING A CONTRACTOR: $113,808

COST TO HAUL 2,890 WET TONS OF BIOSOLIDS USING MCSD STAFF & VEHICLES: $10,549

A SAVINGS OF $103,260 PER YEAR OR 91% COST REDUCTION: MANAGEMENT MATTERS

Time Sensitive: 28 Day Window

Sludge Hauling Standard Operating Procedures

1. Contact the farmer to coordinate the date and location for the sludge delivery
2. The current farmer is William Malecki in LaCrosse on State Road 8
3. The sludge samples need to be taken to the lab 2 weeks prior to hauling
4. The dump trucks and the payloader need to be inspected 2 weeks prior to hauling. This is to schedule ample time for any maintenance or repairs to be completed prior to the start of hauling
5. Purchase straw bales 1 week prior to the scheduled hauling date
6. The foreman, payloader operator, and drivers will have a meeting to discuss daily start and end times

New SOP to Save Institutional Knowledge and Memorialize how to save $100,000 per year.

onto the truck

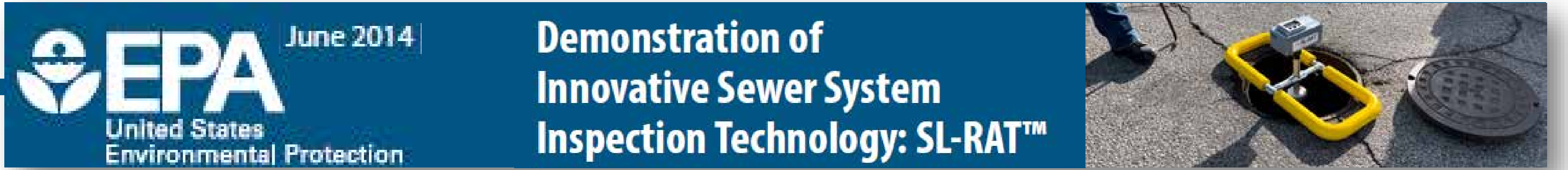
13. The payloader operator and driver should observe the load of sludge isn't too much to prevent spilling over the bedside while driving. Haul sludge to the farm following the planned route and then return to the lagoon.
14. CNG dump truck drivers will at the end of each shift plug the CNG dump trucks into a refueling post
15. On the diesel trucks refuel before the gauge is down to ¼ of a tank of fuel remaining. On your return trip is a good time to refuel since the truck will be empty.
16. The payloader can be refueled at the central maintenance pumps or the tank at Seneca. The payloader should be greased every other day.

MANAGEMENT MATTERS:

USE OUR STAFF MORE EFFICIENTLY INSTREAD OF CONTRACTORS

Missing Plan: Viable Plan to Inspect All Sanitary Sewers Within 3 Years

HOW 2 DIFFERENT MANAGEMENT TEAMS MADE A DECISION REGARDING INSPECTION INNOVATION



In 2014, the EPA issued guidance on a new sewer inspection technology: acoustic-based inspections. How did the Sanitary District assess this innovation? Here are two examples.

PREVIOUS MCSD MANAGEMENT TEAM

- ***On 7/15/21, a Field Demonstration was performed using the SL-RAT acoustic equipment on Pearl Street.***
- ***The Management Team decided not to pursue the innovative technology and continue with traditional video inspection and cleaning methods.***

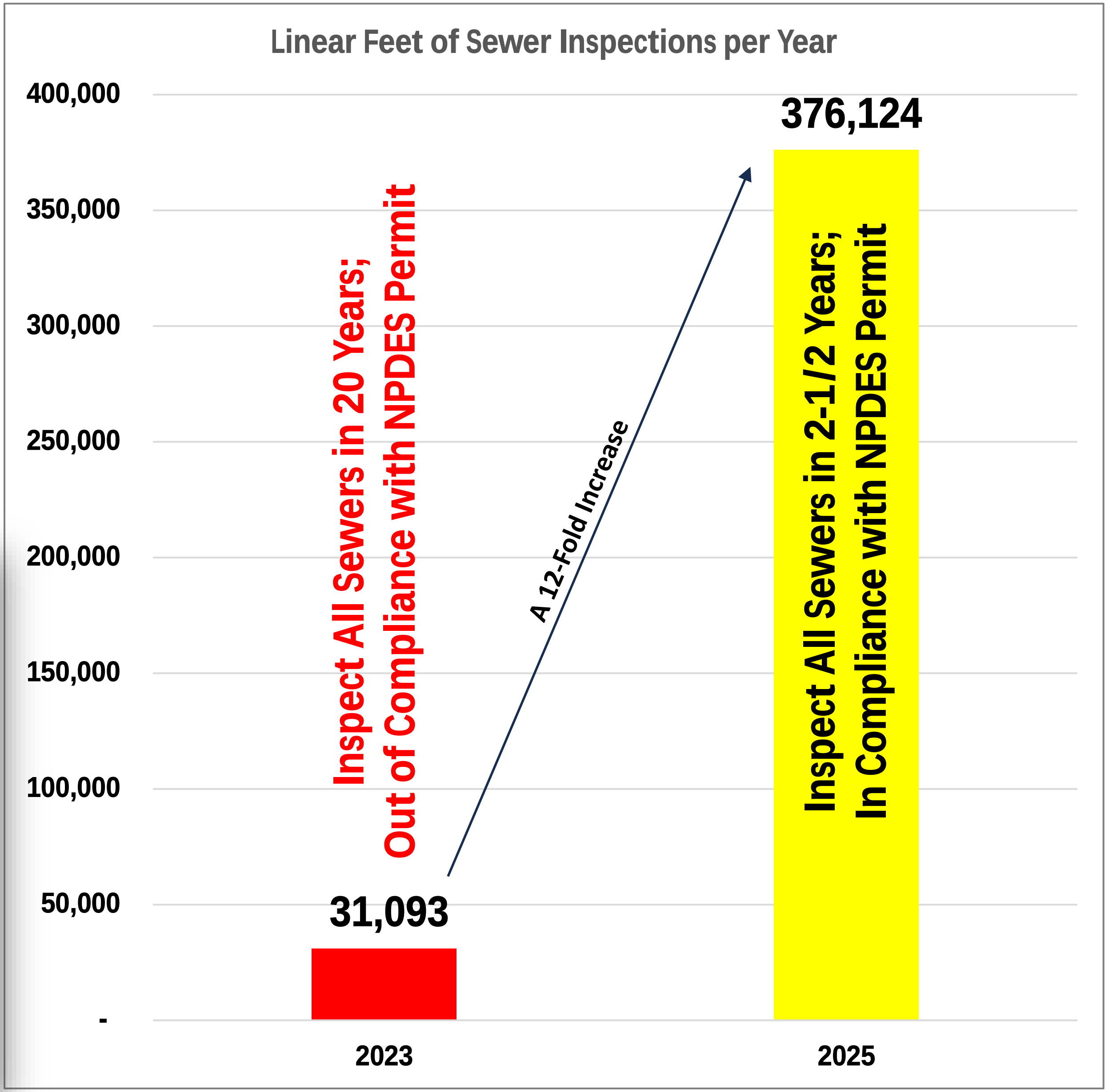
NEW MCSD MANAGEMENT TEAM OF JANUARY 2025

- ***With the new MCSD Management Team having been assembled in January of 2025, the District began using the SL-RAT acoustic based equipment to inspect Michigan City sewers on 2/28/25 .***

Missing Plan: Viable Plan to Inspect All Sanitary Sewers Within 3 Years

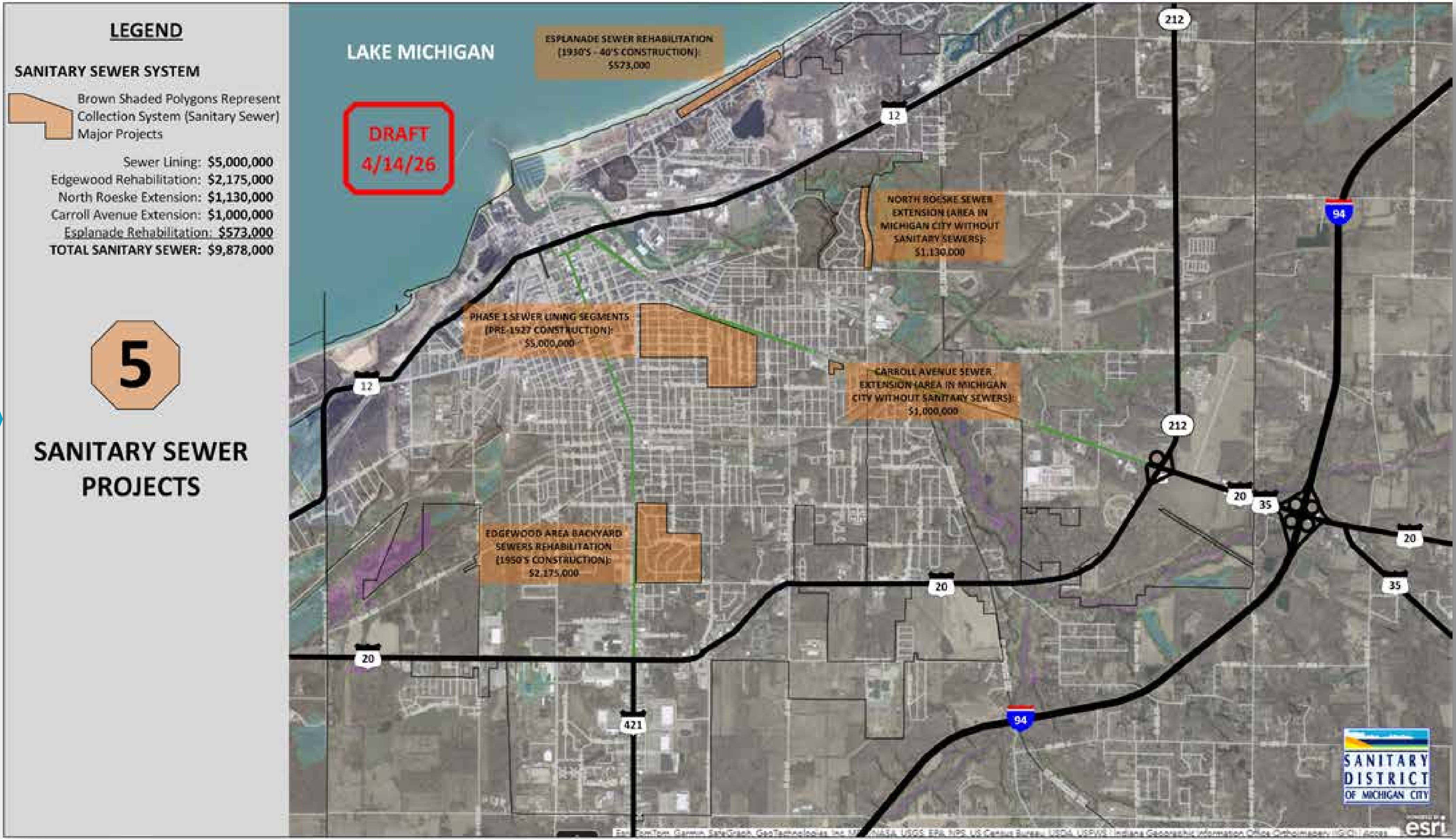
NEW MCSD MANAGEMENT TEAM OF JANUARY 2025:

- ***The District inspected 71 miles of sewers in 2025 versus the 6 miles inspected in 2023.***
- ***With the SL-RAT, the MCSD is on pace to inspect all sewers within 3 years.***
- ***Management Matters***



Missing Plan: Sanitary Sewer, Lift Station, Storm Major Projects Plan

MCSD ENGINEERING PREPARED A DRAFT MAJOR PROJECTS PLAN IN 2026



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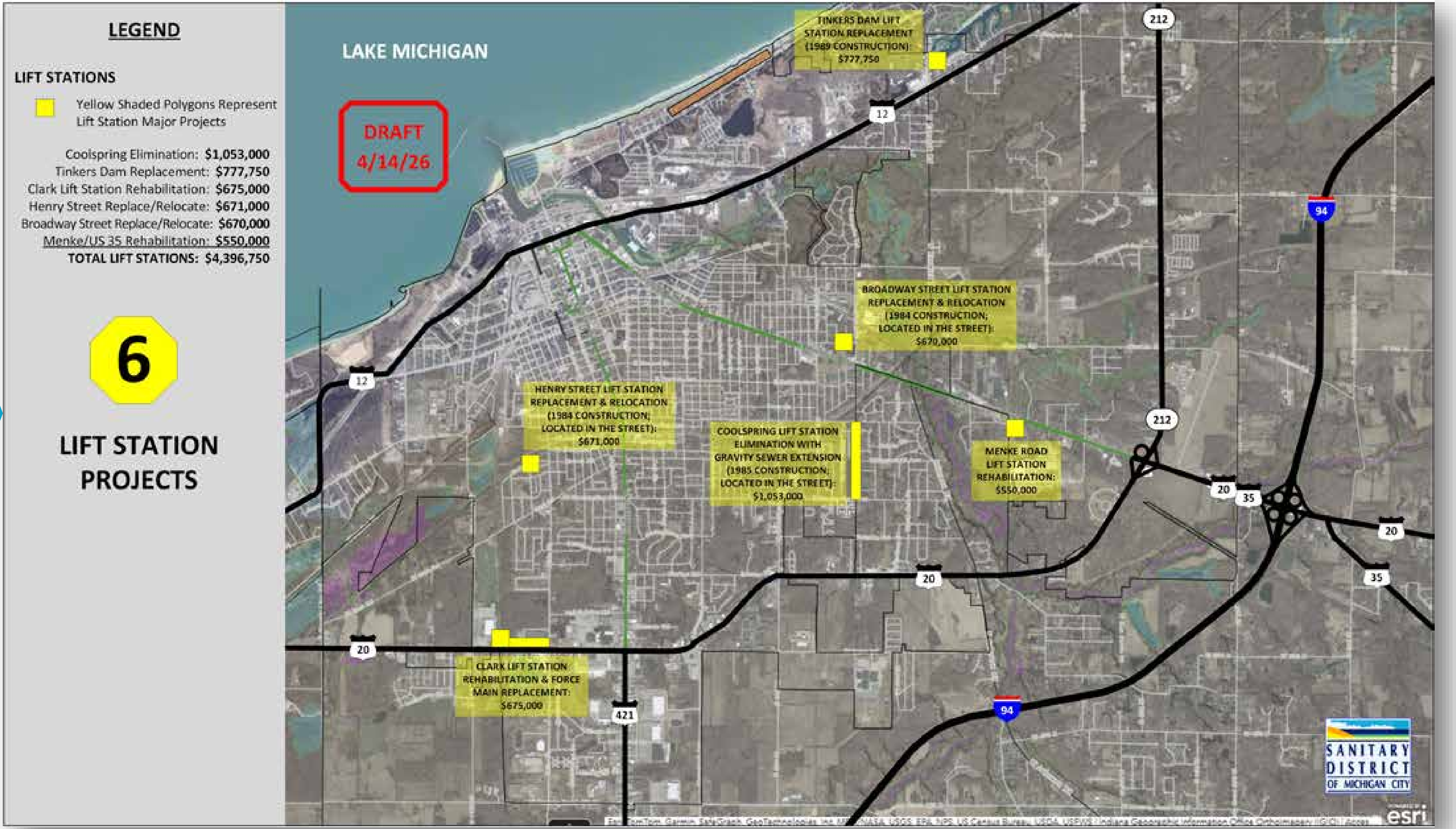

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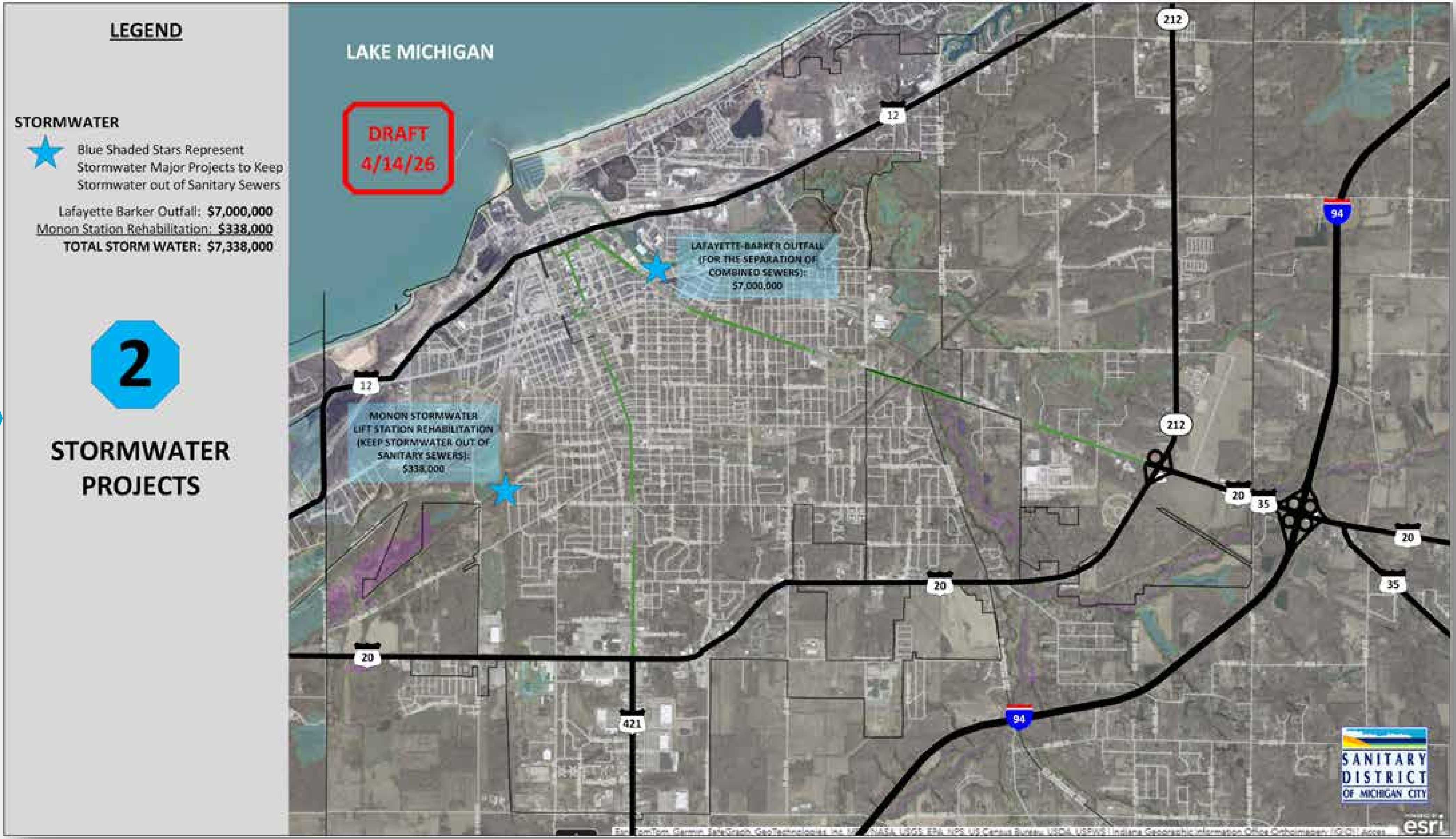

Missing Plan: Sanitary Sewer, Lift Station, Storm Major Projects Plan

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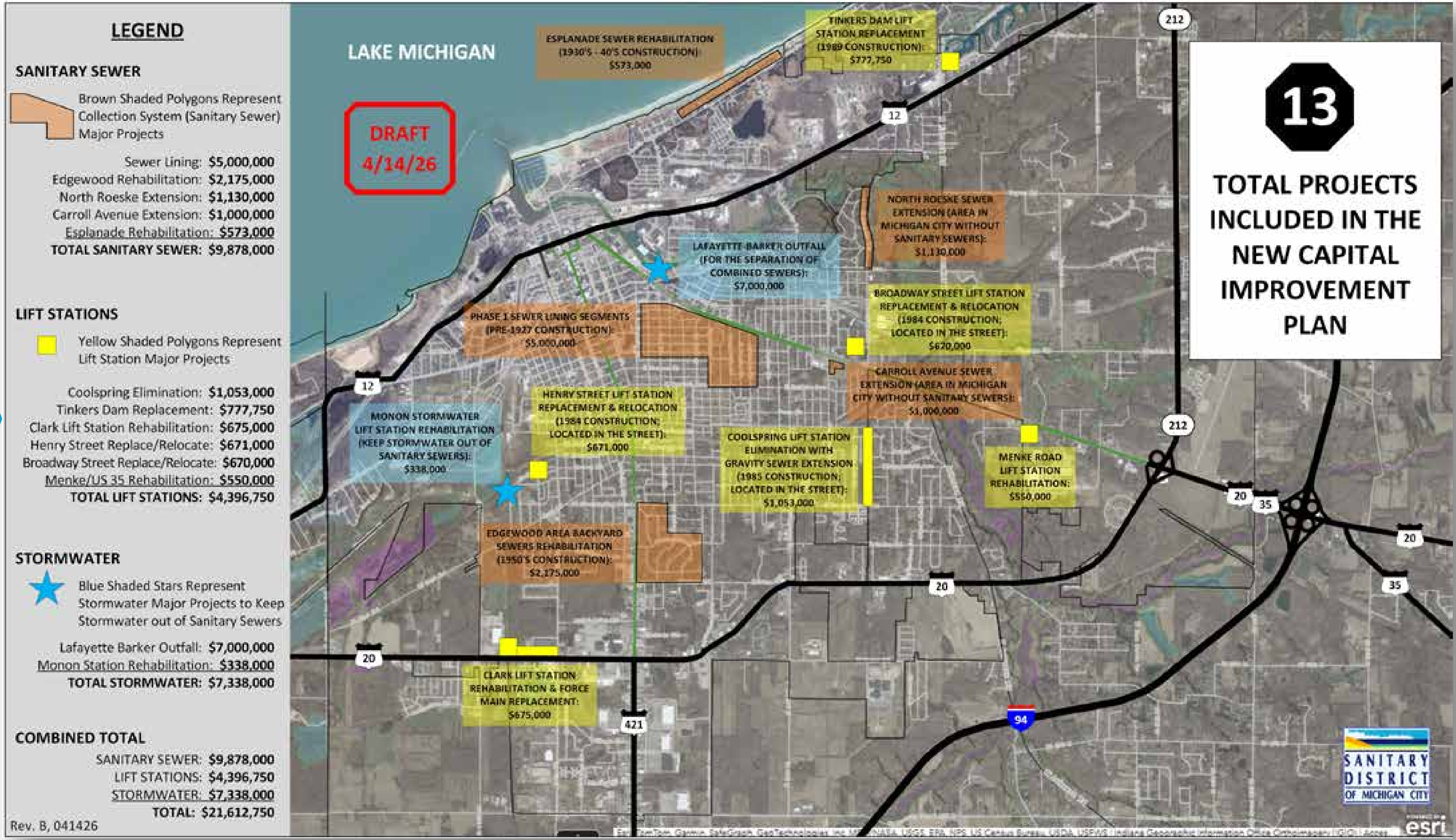
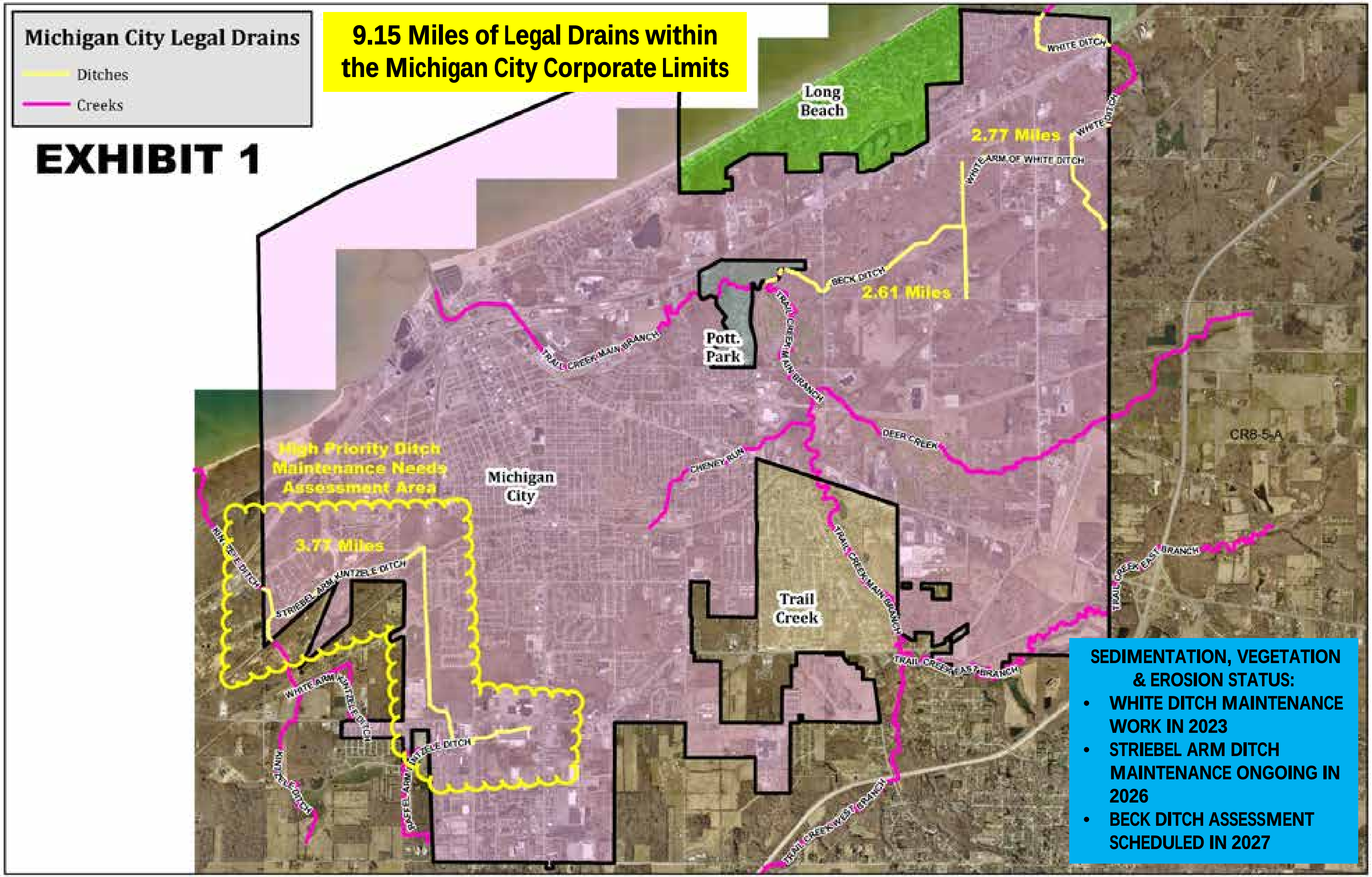


Missing Plan: Comprehensive Ditch Maintenance & Culvert Plan

MCSD ENGINEERING BEGAN PREPARING A LEGAL DRAIN MAINTENANCE PLAN IN THE FALL OF 2025, WITH THE STRIEBEL ARM OF KINTZELE DITCH IDENTIFIED AS THE 1ST ASSESSMENT AREA

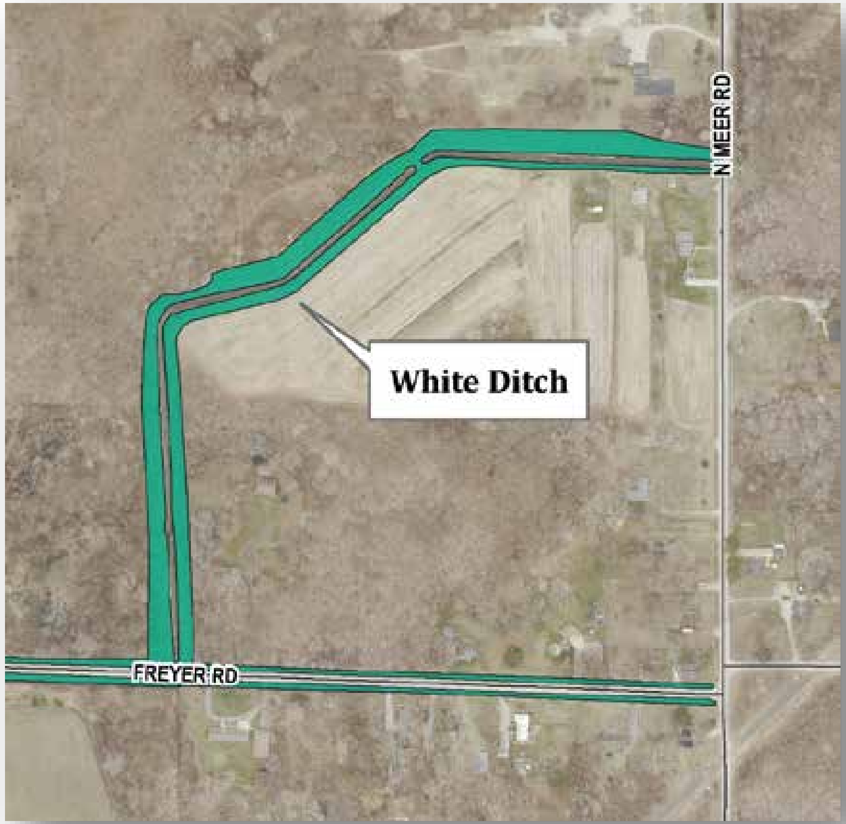


SEDIMENTATION, VEGETATION & EROSION STATUS:

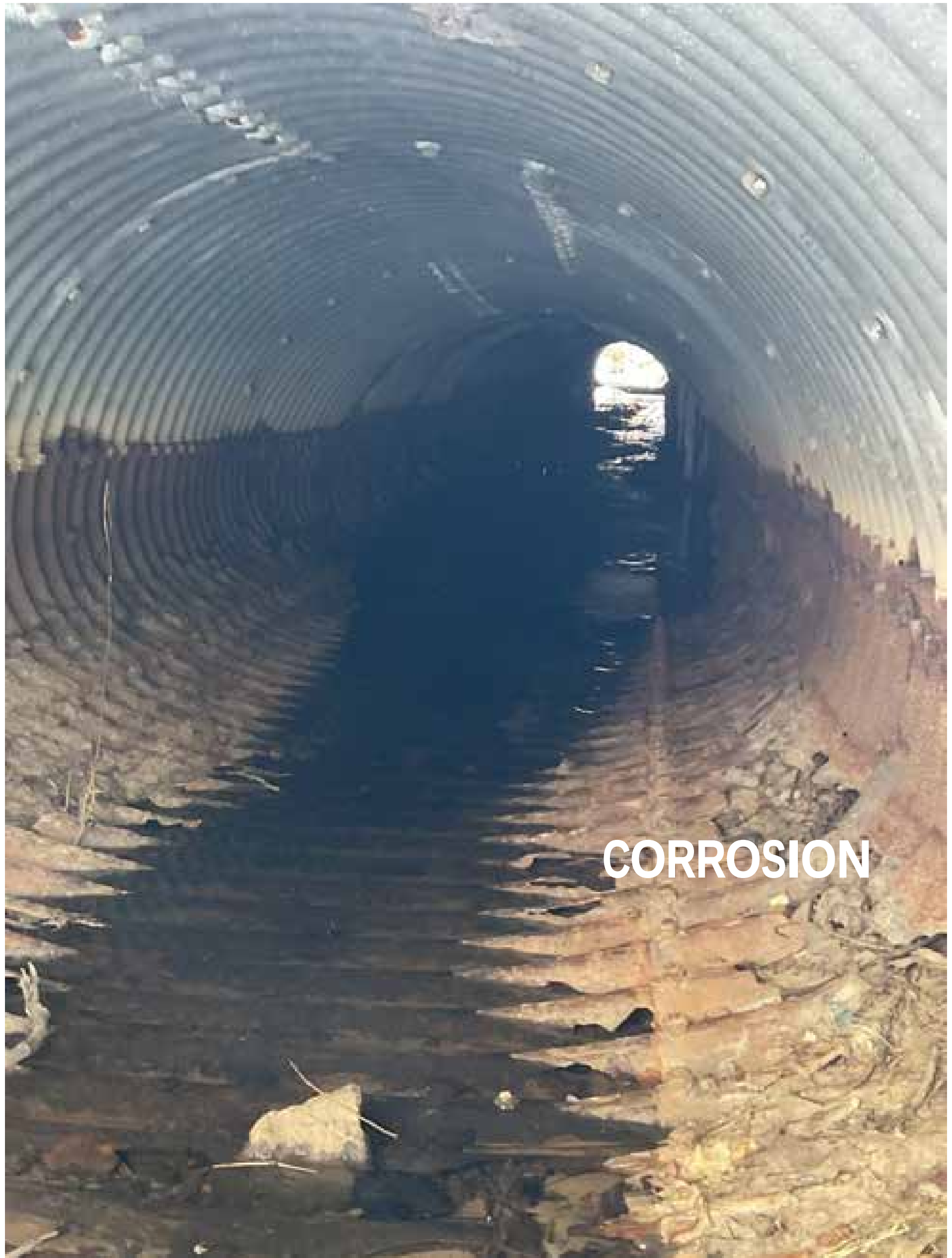
- WHITE DITCH MAINTENANCE WORK IN 2023
- STRIEBEL ARM DITCH MAINTENANCE ONGOING IN 2026
- BECK DITCH ASSESSMENT SCHEDULED IN 2027

Missing Plan: Comprehensive Ditch Maintenance & Culvert Plan

MCSD COLLECTION STAFF MOW PARTS OF STRIEBEL ARM DITCH AND WHITE DITCH AS PART OF OUR REGULAR SPRING, SUMMER, AND FALL REGULAR MOWING SCHEDULE

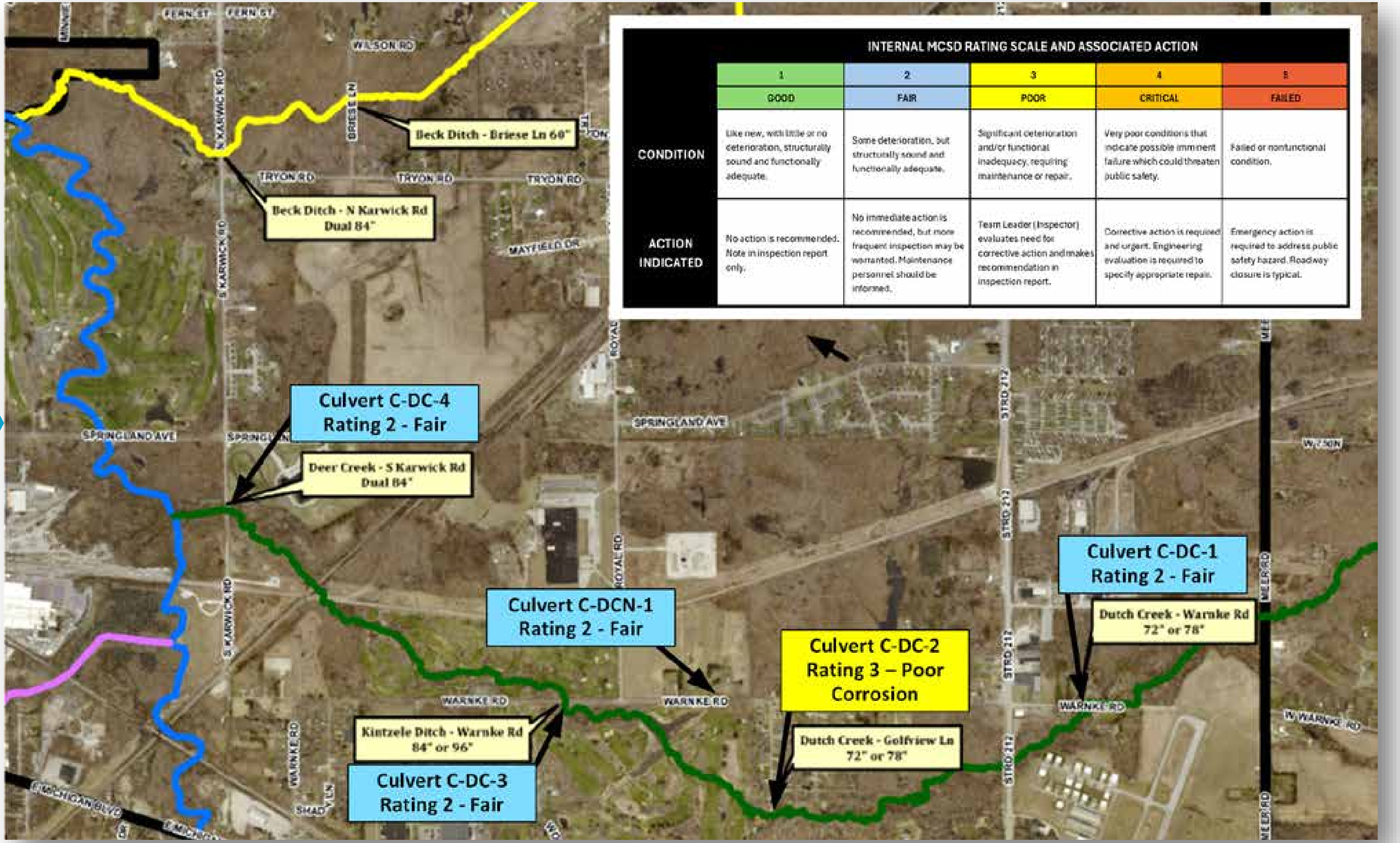


Missing Plan: Comprehensive Ditch Maintenance & Culvert Plan



Missing Plan: Comprehensive Ditch Maintenance & Culvert Plan

THE MCSD COLLECTION DEPARTMENT INSPECTED 17 LARGE DIAMETER ROADWAY CULVERTS IN JANUARY OF 2026: THE 1ST COMPREHENSIVE CULVERT INSPECTION PROGRAM IN DECADES.



INTERNAL MCSD RATING SCALE AND ASSOCIATED ACTION	1 GOOD	2 FAIR	3 POOR	4 CRITICAL	5 FAILED
CONDITION	Like new, with little or no deterioration, structurally sound and functionally adequate.	Some deterioration, but structurally sound and functionally adequate.	Significant deterioration and/or functional inadequacy, requiring maintenance or repair.	Very poor conditions that indicate possible imminent failure which could threaten public safety.	Failed or nonfunctional condition.
ACTION INDICATED	No action is recommended. Note in inspection report only.	No immediate action is recommended, but more frequent inspection may be warranted. Maintenance personnel should be informed.	Team Leader (Inspector) evaluates need for corrective action and makes recommendation in inspection report.	Corrective action is required and urgent. Engineering evaluation is required to specify appropriate repair.	Emergency action is required to address public safety hazard. Roadway closure is typical.

Missing Plan: Striebel Pond Maintenance Logs

WHAT WAS INHERITED FROM PREVIOUS MANAGEMENT

IF REGULAR INSPECTIONS & MAINTENANCE HAD BEEN PERFORMED, WE WOULD NOT HAVE THIS LEVEL OF SEDIMENTATION

STATUS AS OF 4/22/26: SEDIMENT REMOVED UPSTREAM OF ORIFICE STURCTURE

Missing Plan: Striebel Pond Maintenance Logs

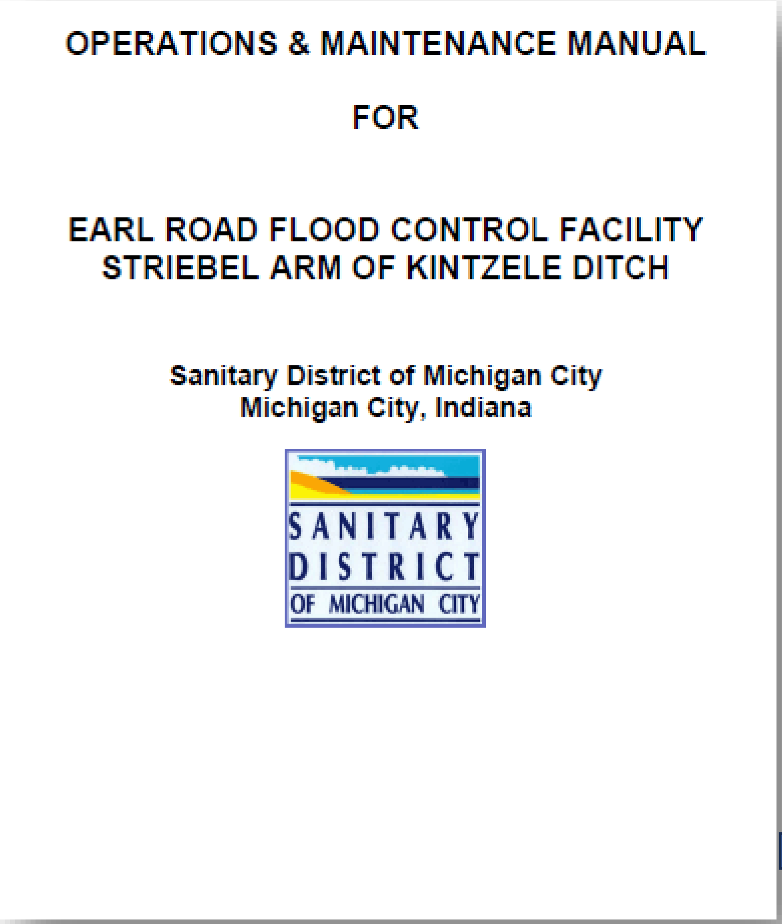
WHAT WAS INHERITED FROM PREVIOUS MANAGEMENT

IF REGULAR INSPECTIONS & MAINTENANCE HAD BEEN PERFORMED, WE WOULD NOT HAVE THIS LEVEL OF SEDIMENTATION

STATUS AS OF 4/22/26: AREA SCHEDULE FOR SEDIMENT REMOVAL IN SPRING OF 2026

Missing Plan: Striebel Pond Maintenance Logs

IN EARLY 2025, THE STRIEBEL POND O&M MANUAL AND MAINTENANCE LOGS COULD NOT BE FOUND IN THE RECORDS OF THE MCSD. THE O&M MANUAL WAS RETRIEVED FROM THE ORIGINAL DESIGN ENGINEER.



OPERATIONS & MAINTENANCE MANUAL

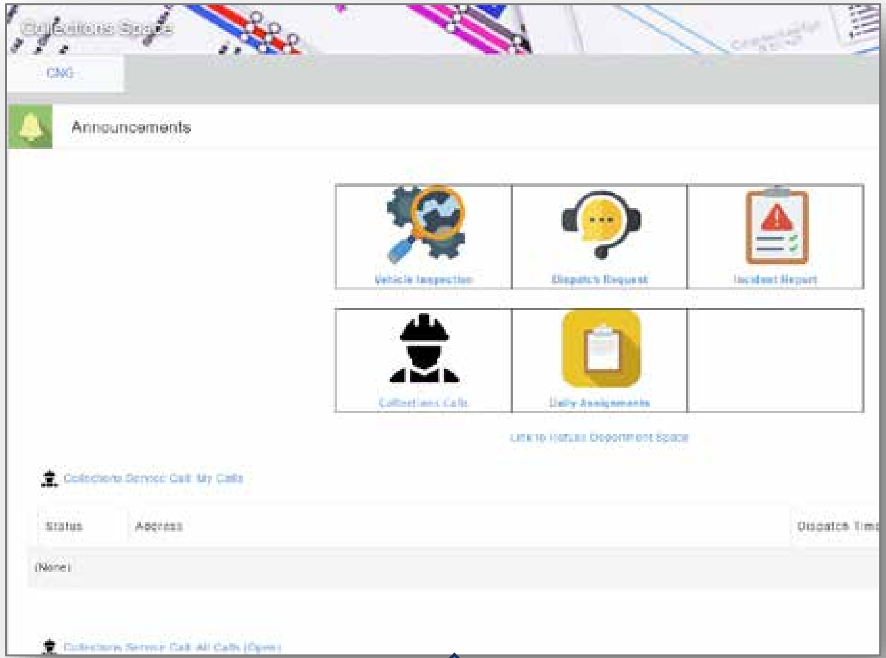
FOR

EARL ROAD FLOOD CONTROL FACILITY
STRIEBEL ARM OF KINTZELE DITCH

Sanitary District of Michigan City
Michigan City, Indiana

SANITARY DISTRICT OF MICHIGAN CITY

Cloud-Based Kintone Work Order Management System for MCSD:



How does the District Maintain Over 5,400 Stormwater Catch Basins?

We Start by Using Our GIS Tools to Identify Over 160 Priority Catch Basins

How does the District Maintain Over 5,400 Stormwater Catch Basins?

By Using Our GIS Tools to Identify Over 160 Priority Catch Basins

Overall Stormwater Infrastructure – MS4 Program (Initiated in 2003)

Implementation Chart for the Six Minimum Control Measures of The IDEM MS4 General Permit

MCM 1 PUBLIC EDUCATION

An MS4 operator shall develop a Stormwater Quality Management Plan (SWQMP) that includes methods and measurable goals that will be used to inform the following constituencies within the MS4 area about the impacts polluted storm water runoff can have on water quality and ways they can minimize their impact on storm water quality:

- Residents
- Visitors
- Public Service Employees
- Commercial & Industrial Facilities
- Construction Site Personnel

Goals must address relevant targeted audience improvement in: disposal practices; cast storm drain cover installations; school curricula or Web site implementation; outreach to every population sector; and educational material distribution.

DOCUMENT: SWQMP PART C

MCM 2 PUBLIC PARTICIPATION

The MS4 operator shall develop an SWQMP that includes provisions to allow opportunities for constituents within the MS4 area to participate in the storm water management program development and implementation. An MS4 operator shall ensure, via documented efforts, that sufficient opportunities were allotted to involve all constituents interested in participating in the program process to meet this measure.

DOCUMENT: SWQMP PART C

An MS4 operator shall develop measurable goals for this MCM. An initial assessment of MS4 area constituents must be conducted to identify interested individuals for participation in the MS4 area storm water program. To comply with this measure, specific outreach and reduction goal percentages and timetables must be identified. As applicable or, if not applicable, then appropriately justified, goals must dress relevant community ticipation in citizen panels, mmunity clean-ups, citizen watch ups and drain marking projects, and lic meeting notification.

DOCUMENT: SWQMP PART C

MCM 3 IDDE

An MS4 operator shall develop an SWQMP that includes a commitment to develop and implement a strategy to detect and eliminate illicit discharges to the MS4 conveyance.

DOCUMENT: SWQMP PART C

Through an ordinance an MS4 operator shall prohibit illicit discharges into MS4 conveyances and establish appropriate enforcement procedures and actions.

DOCUMENT: Ordinance with Illicit Discharge Prohibitions

An MS4 operator shall develop a storm sewer system map showing the location of all outfalls and MS4 conveyances in the particular MS4 area under the MS4 operator's control.

DOCUMENT: Storm Sewer System Map

An MS4 operator shall develop a plan to detect, address, and eliminate illicit discharges, including illegal dumping, into the MS4 conveyance.

DOCUMENT: IDDE Plan

The plan must locate problem areas via dry weather screening or other means, determine the source, remove or otherwise correct illicit connections, and document the actions taken.

DOCUMENT: Outfall Screening Sheets

An MS4 operator shall educate public employees, businesses, and the general public about the hazards associated with illicit discharges and improper disposal of waste.

DOCUMENT: SWQMP PART C

An MS4 operator shall initiate, or coordinate existing, recycling programs in the regulated MS4 area for commonly dumped wastes, such as motor oil, antifreeze, and pesticides.

DOCUMENT: SWQMP PART C

MCM 4 CONSTRUCTION SITE

An MS4 operator shall develop an SWQMP that includes a commitment to develop, implement, manage, and enforce an erosion and sediment control program for construction activities that disturb one (1) or more acres of land.

DOCUMENT: SWQMP PART C

Through an ordinance the MS4 operator shall establish a construction program that controls polluted run-off from construction activities with a land disturbance greater than or equal to one (1) acre.

DOCUMENT: Ordinance

The MS4 operator shall:
(1) Develop requirements for the implementation of appropriate BMPs on construction sites.
(2) Review and approve the construction plans.
(3) Develop procedures for site inspection and enforcement.
(4) Establish written procedures to identify priority sites for inspection.
(5) Develop procedures for the receipt and consideration of public inquiries regarding local construction activities.
(6) Implement a tracking process for public inquires.

DOCUMENT: SOP MCM 4/5 Manual

For construction activities operated by the MS4 operator, construction plans must be submitted to the local SWCD for review and approval.

DOCUMENT: SWCD Review Form

MS4 personnel responsible for plan review, inspection, and enforcement of construction activities shall receive annual training addressing appropriate control measures, inspection protocol and enforcement procedures.

ANNUAL TRAINING: MCM 4

MCM 5 POST-CONSTRUCTION

An MS4 operator shall develop an SWQMP that includes a commitment to develop, implement, manage, and enforce a program to address discharges of postconstruction storm water run-off from new development and redevelopment areas that disturb one (1) or more acres of land.

DOCUMENT: SWQMP PART C

Through the use of an ordinance an MS4 shall implement planning procedures to promote improved water quality.

DOCUMENT: Ordinance

An MS4 operator shall use any combination of storage, infiltration, filtering, or vegetative practices to reduce the impact of pollutants in storm water run-off on receiving waters.
Special provisions are required for:
(1) Wellhead protection areas.
(2) Sinkholes or fractured bedrock.
(3) Class V injection well.
(4) Water flow through the MS4 conveyances (regulate to reduce outfall scouring and stream bank erosion).
(5) Vegetated filter strip of appropriate width shall be maintained along unvegetated swales and ditches.
(6) New or replaced gasoline tank systems.

DOCUMENT: SOP MCM 4/5 Manual

An MS4 shall develop and implement a written operational and maintenance plan for all storm water structural BMPs.

DOCUMENT: MCM 6 SOPs

MS4 personnel responsible for plan review, inspection, and enforcement of postconstruction BMPs shall receive annual training addressing appropriate control measures, inspection protocol, and enforcement procedures.

ANNUAL TRAINING: MCM 5

MCM 6 GOOD HOUSEKEEPING

An MS4 operator shall develop an SWQMP that includes a commitment to develop and implement a program to prevent or reduce pollutant run-off from municipal operations.

DOCUMENT: SWQMP PART C

Written documentation of maintenance activities, maintenance schedules:
(A) Periodic litter pick up.
(B) Periodic BMP structure cleaning.
(C) Periodic pavement sweeping.
(D) Roadside shoulder/ditch stabilization.
(F) Planting/care of roadside vegetation.
(F) Remediation of outfall scouring conditions.

DOCUMENT: Maintenance SOPs

Controls for discharge of pollutants from municipal operational areas:
(A) Sand storage piles.
(B) Designated snow disposal areas.
(C) Providing spill containment at facilities.
(D) SOPs for spill prevention and clean-up during fueling operations.
(E) BMPs for vehicular maintenance areas.
(F) Prohibition of waste waters into storm water run-off except under the allowance of an appropriate NPDES wastewater permit.
(G) Minimization of pesticide and fertilizer use.
(H) Proper disposal of animal waste.

DOCUMENT: Facility SWPPPs

Written procedures for the proper disposal of waste or materials removed from separate storm sewer systems and operational areas.

DOCUMENT: SOPs

Written documentation that appropriate MS4 entity employees have been properly trained, with periodic refresher sessions, on topics such as proper disposal of hazardous wastes, vegetative waste handling, fertilizer and pesticide application, and the function of implemented BMPs.

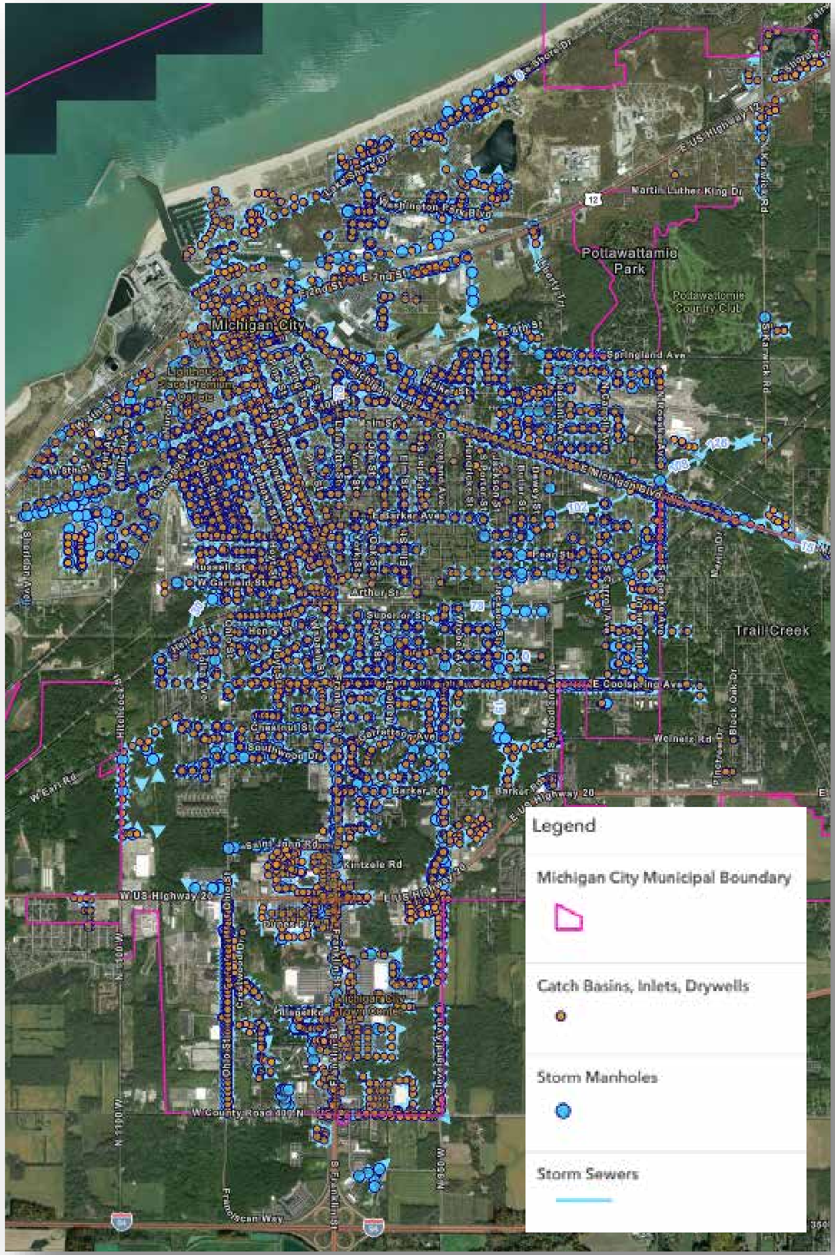
PERIODIC TRAINING: MCM 6

Since 2004, the Sanitary District Storm Water Tax Levy Fund has been used to Fund these EPA & IDEM Mandated MS4 Activities

The 25 Main Requirements of the IDEM Municipal Separate Storm Sewer (MS4) General Permit Program.

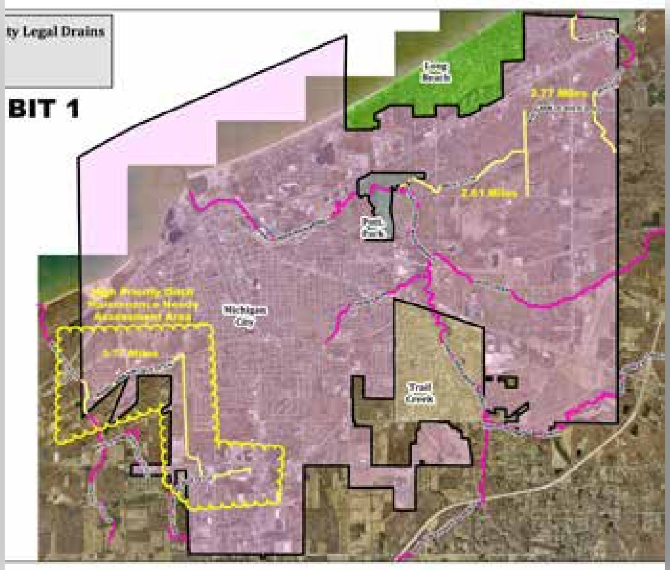
Michigan City was Audited by IDEM in October of 2025 on MCM's 1, 2, 3, and 6. The Audit resulted in a clean audit with no findings.

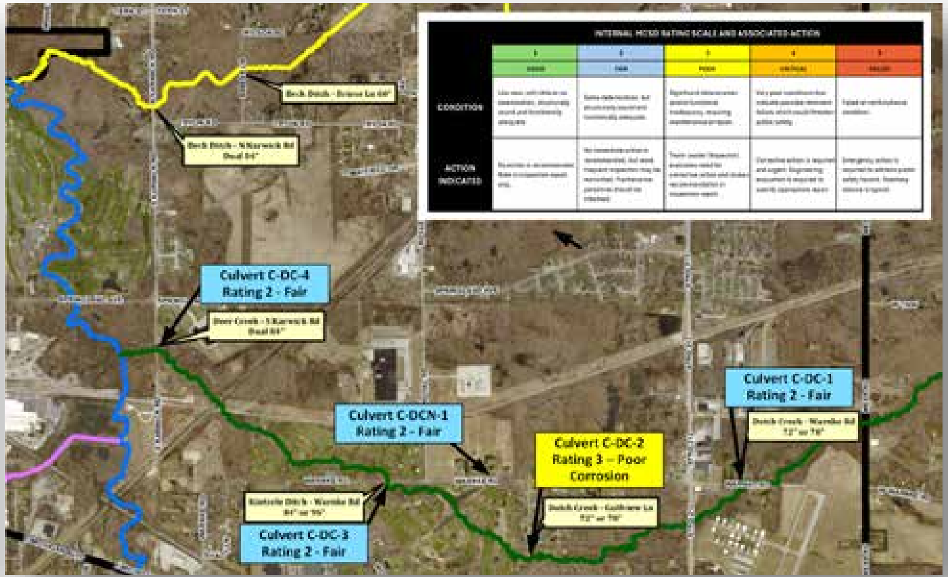
Overall Stormwater Infrastructure



- 110 Miles of Storm Sewers
- 1,785 Storm Sewer Manholes
- 5,436 Catch Basins
- 9.15 Miles of Legal Drains
- 17 Large Diameter Culverts (3’ to 9’ Diameter)

How do we fund Stormwater Infrastructure Maintenance?
Through Sanitary District Storm Water Tax Levy Fund 2522





Sanitary District Storm Water Tax Levy Fund 2522

2026 Adopted Budget: Revenue Sources

TYPE	ADOPTED BUDGET
PROPERTY TAX	$512,969
WAGERING TAX	$136,694
LOCAL OPTION TAX	$132,648
AUTO & AIRCRAFT EXCISE TAX	$27,041
VEHICLE EXCISE TAX	$7,575
FINANCIAL INSTITUTIONS TAX	$6,516
MISCELLANEOUS COLLECTION	$1,500
SHELTER RENTAL (STRIEBEL POND)	$50
TOTAL REVENUE:	***$824,993***

Account	Account Description	2026 Adopted Budget
Fund 2522 - Sanitary District Storm Water Fund		
REVENUE		
311	**General Property Taxes**	
311.000	General Property Taxes General Property Taxes	512,969.00
	311 - General Property Taxes Totals	$512,969.00
331	**Intergovernmental Revenues**	
331.100	Intergovernmental Revenues Federal Grants	.00
	331 - Intergovernmental Revenues Totals	$0.00
334	**Intergovernmental Revenues**	
334.100	Intergovernmental Revenues State Grant	.00
	334 - Intergovernmental Revenues Totals	$0.00
335	**State Shared**	
335.001	State Shared Financial Institutions Tax	6,516.00
335.002	State Shared Auto and Aircraft Excise Taxes	27,041.00
335.004	State Shared Property Tax Replacement Credit	.00
335.005	State Shared Certified Shrs Local Option Tax	132,648.00
335.007	State Shared Commercial Vehicle Excise Tax	7,575.00
335.218	State Shared Wagering Tax Dist-Local Agreemnt	136,694.00
	335 - State Shared Totals	$310,474.00
337	**Local Government Grants**	
337.001	Local Government Grants Local Grant Match	.00
	337 - Local Government Grants Totals	$0.00
362	**Rental of Property**	
362.007	Rental of Property Striebel Pond Rentals	50.00
	362 - Rental of Property Totals	$50.00
369	**Misc Collection**	
369.000	Misc Collection Other	1,500.00
	369 - Misc Collection Totals	$1,500.00
391	Interfund Transfers	.00
392	**Other Financing Sources**	
392.199	Other Financing Sources Gain/Loss on Disposal of Asset	.00
	392 - Other Financing Sources Totals	$0.00
394	Temporary Loan from Another Fund	.00
396	Refunds	.00
	REVENUE TOTALS	$824,993.00

Sanitary District Storm Water Tax Levy Fund 2522: 10-Year History

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUE TOTALS	$560,003.84	$391,719.32	$711,867.84	$956,473.59	$724,337.09	$603,747.38	$750,799.55	$694,945.94	$787,660.96	$721,116.64
EXPENSES:										
Salaries, Wages, and Benefits (411 & 413)	$424,630.00	$0.00	$449,305.00	$459,131.00	$451,397.00	$473,159.00	$484,989.00	$329,247.00	$354,107.00	$323,410.00
Supplies (422, 423, & 429)	$17,408.23	$2,986.64	$30,400.00	$30,437.42	$31,639.82	$20,605.94	$20,669.67	$6,041.39	$19,716.55	$18,700.00
Professional Services (431)	$57,614.81	$21,444.13	$4,050.00	$44,392.65	$52,506.02	$98,530.16	$82,519.25	$91,821.87	$24,370.00	$44,740.36
Insurance Workers Compensation (434)	$4,670.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Utilities (435)	$2,487.39	$2,701.53	$2,968.92	$3,283.23	$3,424.71	$3,716.98	$3,771.86	$2,374.75	$7,309.76	$1,775.84
Repairs & Maintenance (436)	$0.00	$43,053.45	$5,339.91	$101,622.06	$14,647.37	$29,441.35	$128,784.83	$124,847.24	$273,858.76	$186,983.72
Other Contractual Services (439)	$132,344.93	$123,598.44	$0.00	$26,539.57	$0.00	$13,282.00	$12,750.00	$155.00	$14,753.00	$60,499.82
Captial Outlay - Infrastructure (442)	$3,150.90	$55,187.27	$0.00	$120,001.43	$0.00	$0.00	$0.00	$150,000.00	$150,000.00	$0.00
Machinery & Equipment (445)	$11,599.96	$22,019.30	$16,187.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Financing - Fund Transfers (452)	$0.00	$444,451.00	$0.00	$0.00	$30.00	$0.00	$100,000.00	$0.00	$0.00	$0.00
Depreciation Expense (459)	$17,100.91	$22,257.15	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
EXPENSE TOTALS	$671,007.13	$737,698.91	$508,250.83	$785,407.36	$553,644.92	$638,735.43	$833,484.61	$704,487.25	$844,115.07	$636,109.74

2026 Budget

411.013 Salaries & Wages Regular Salary and Wages 182,891.00

Budget Transactions

Level	*Transaction*	*Number of Units*	*Cost Per Unit*	*Total Amount*
Department	Collection Dept Foreman - 0.35 FTE	728.0000	27.84	20,268.00
Department	Collection Maintenance - 3 FTE	6,240.0000	21.73	135,595.00
Department	Collection Maintenance Video Operator (.35)	728.0000	23.39	17,028.00
Department	General Manager per Salary Resolution	1.0000	10,000.00	10,000.00
			Department Totals	$182,891.00

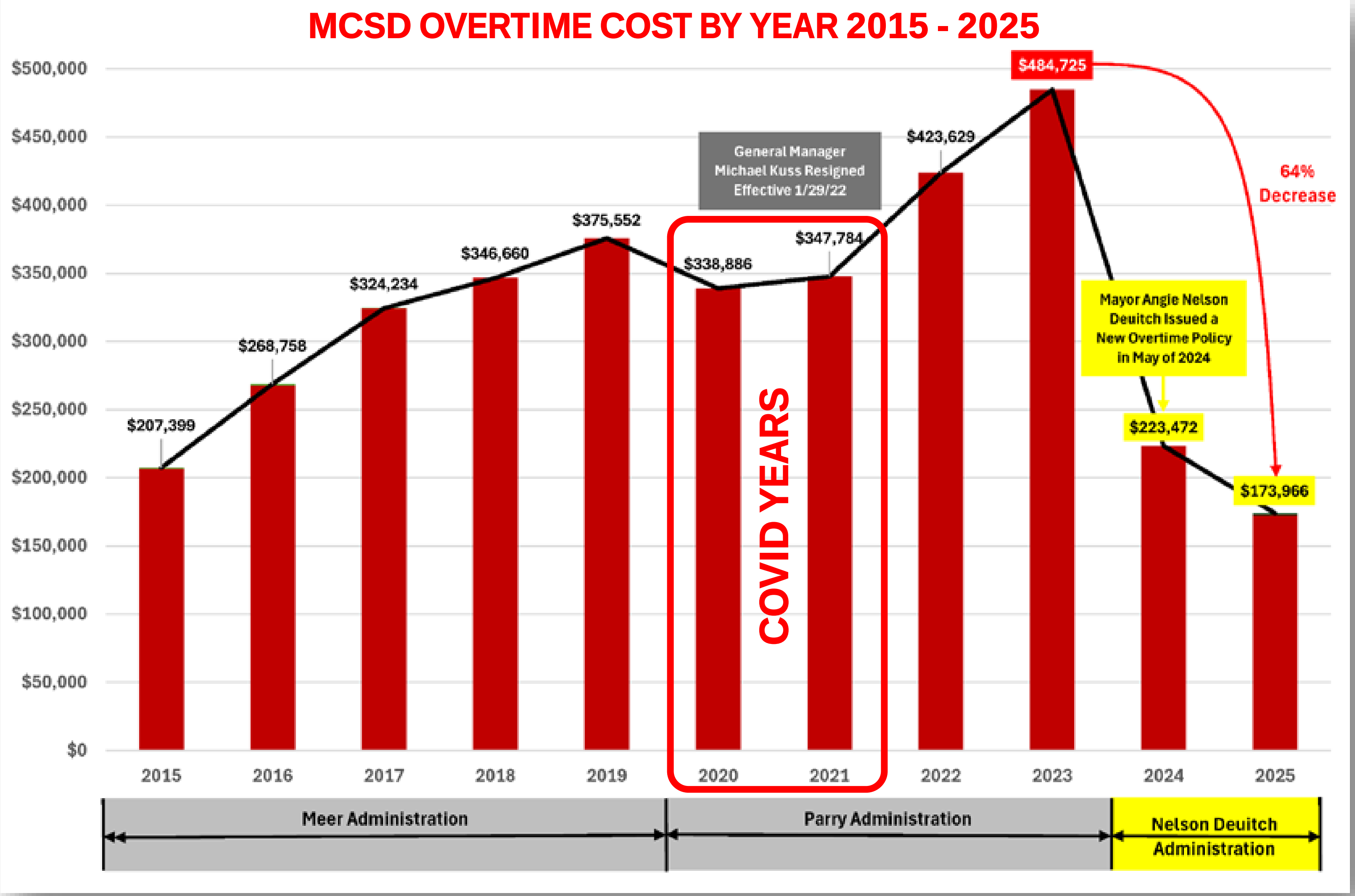
TYPICAL STORM FUND 2522 BUDGET APPROVAL PROCESS (2026 BUDGET):

1. July/Aug: Mayor, Controller, & MCSD Prepare Draft Budget
2. 9/11/25: Council Workshop on "2026 Budget"
3. 9/19/25 1st Reading of 2026 Tax Levy Budgets
4. September: Notice of Public Hearing Posted In.gov "Gateway" Website
5. 10/7/25: 2nd Reading of 2026 Tax Levy Budgets
6. 10/7/26: Public Hearing on 2026 Tax Levy Budgets
7. 10/21/25: 3rd Reading & Vote to Approve 2026 Tax Levy Budgets

How do other Jurisdictions Fund Stormwater Maintenance & Management?

	Town of Dyer	Town of Merrillville	Michigan City
Separate Stormwater Department?	Yes	Yes	No
Area of Jurisdiction	6.18 Square Miles	33.3 Square Miles	~23 Square Miles
Population	~16,300	~37,400	~31,300
Miles of Storm Sewers	100 Miles	63 Miles	110 Miles
Maintains Legal Drains?	No (Maintained by Lake County)	No (Maintained by Lake County)	Yes
MS4 Community?	Yes	Yes	Yes
Planning for Major Storm System/Flood Control Projects?	Yes	Yes	No
Planning for Major Combined Sewer Separation Projects?	No	No	Yes
Revenue Source	Monthly Stormwater Fee ($18.75 per Month)	Monthly Stormwater Fee ($9.00 per month)	Property Tax Levy & Other Sources (No Monthly Fee)
Annual Revenue	~$1.9 Million	$1.4 Million	~$825,000

MANAGEMENT MATTERS:
FACING A BUDGET DEFICIT AT THE SANITARY DISTRICT, MAYOR ANGIE NELSON DEUITCH TOOK ACTION



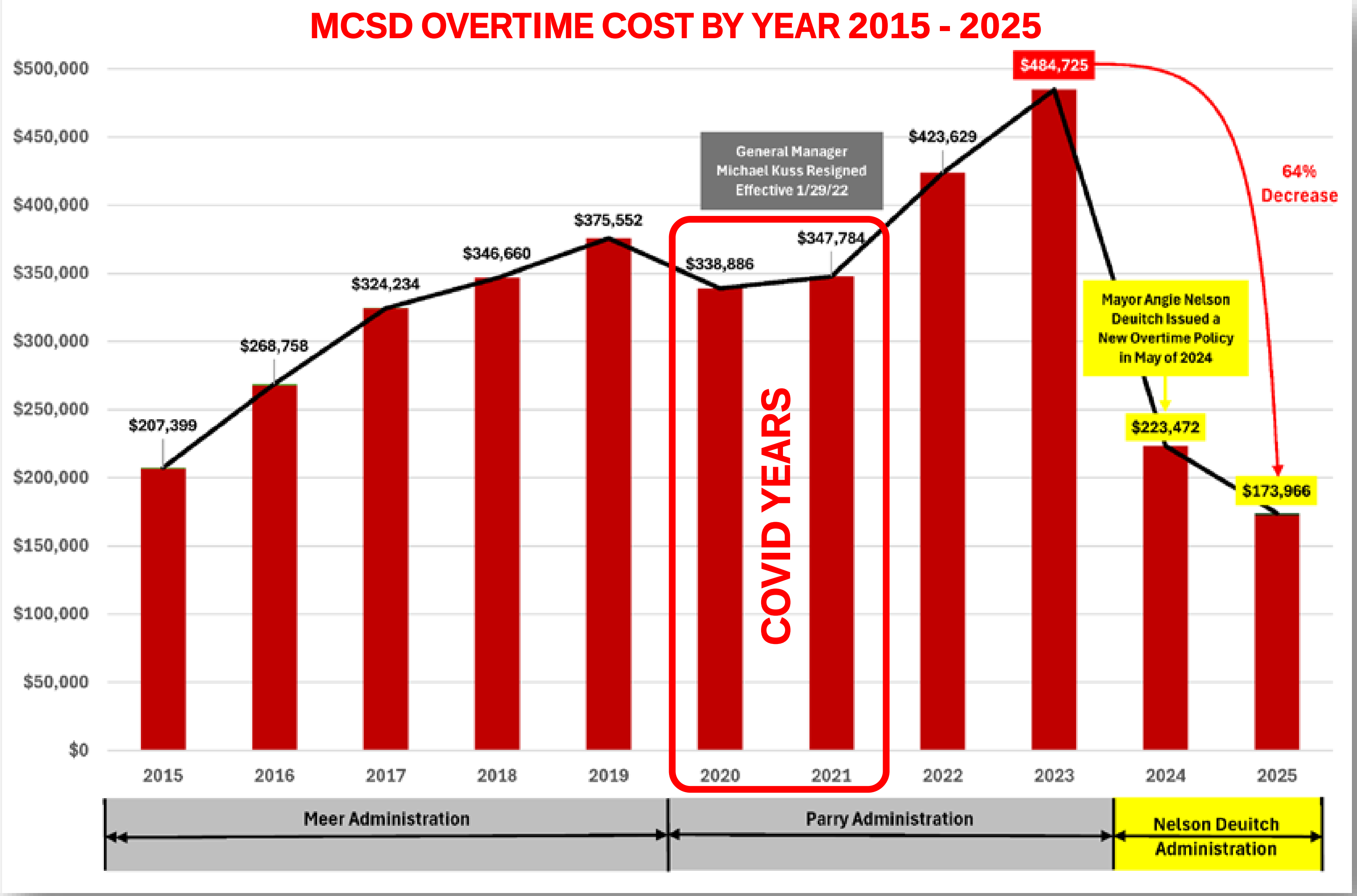
The previous MCSD Administrative Team in 2022 & 2023 employed **minimal** controls on the use of Overtime. During 2022 & 2023, the upward trend of increased Overtime costs spiked to an all-time high of **$484,725** in 2023.

Mayor Angie Nelson Deuitch quickly realized that was unsustainable and issued a new Overtime Policy in May of 2024. Because of the new policy:

- ***Overtime costs in 2024 were CUT IN HALF.***
- During the first full year of implementing the new policy, ***Overtime costs in 2025 were nearly 2/3 LESS THAN IN 2023.***

MANAGEMENT MATTERS:

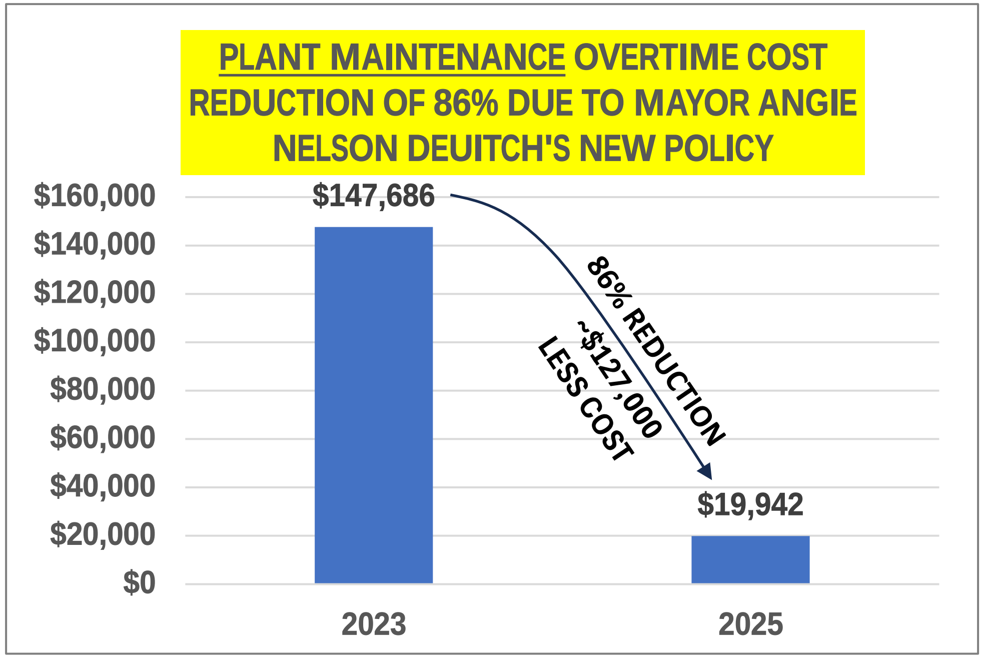
FACING A BUDGET DEFICIT AT THE SANITARY DISTRICT, MAYOR ANGIE NELSON DEUITCH TOOK ACTION



Mayor Nelson Deuitch's Overtime Policy achieved the following **Overtime Cost Avoidance** in 2024 and 2025, when compared to the 2023 actual overtime level:

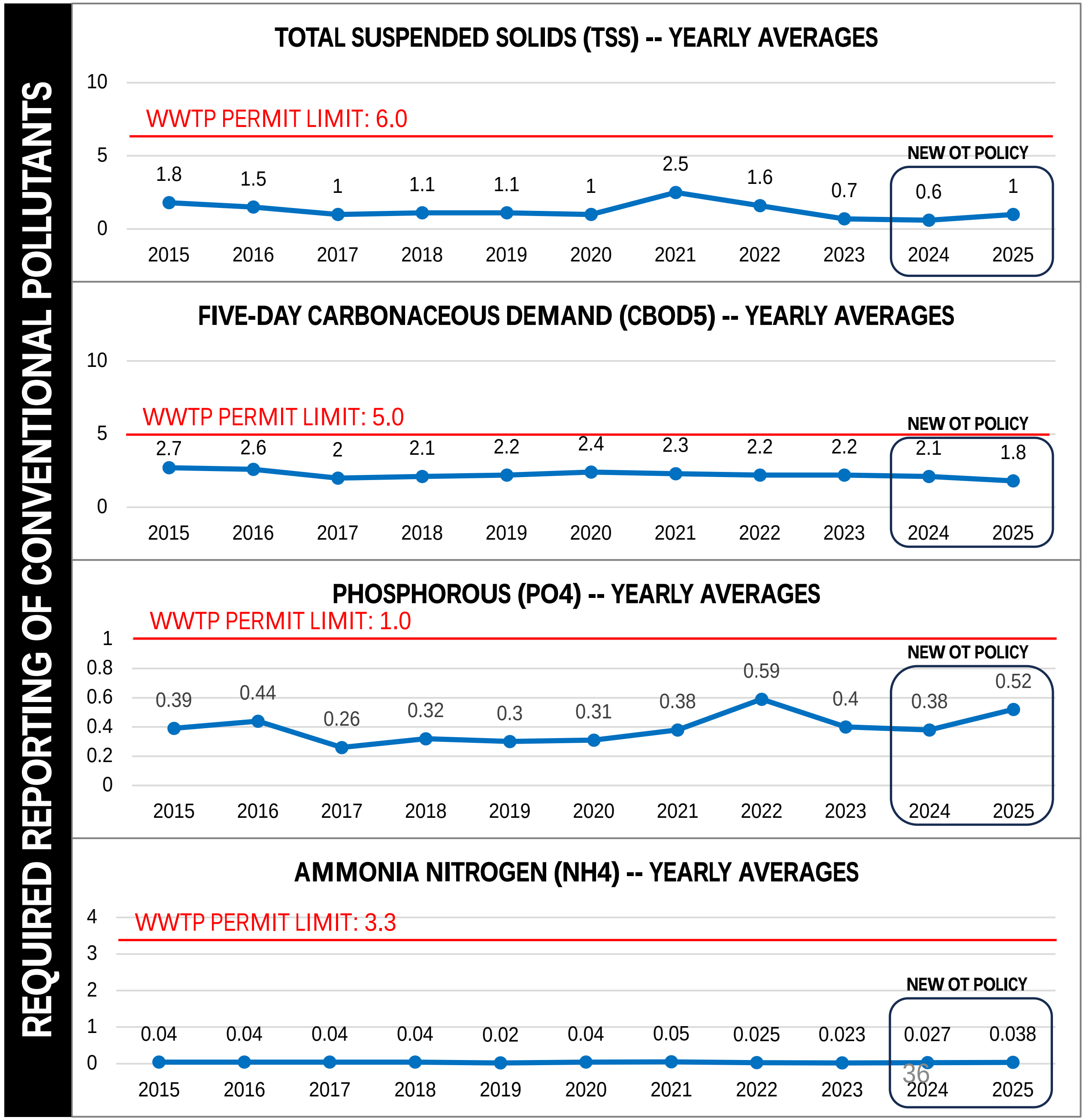
- ***Overtime costs AVOIDED IN 2024: $484,725 - $223,472 = $261,253***
- ***Overtime costs AVOIDED IN 2025: $484,725 - $173,966 = $310,759***
- ***TOTAL OVERTIME COST AVOIDED: $572,012***
- ***Management Matters***

HOW HAS THE WWTP PERFORMED IN 2025 WITH LESS MAINTENANCE OVERTIME? EXCEPTIONALLY WELL!



From 2023 to 2025:

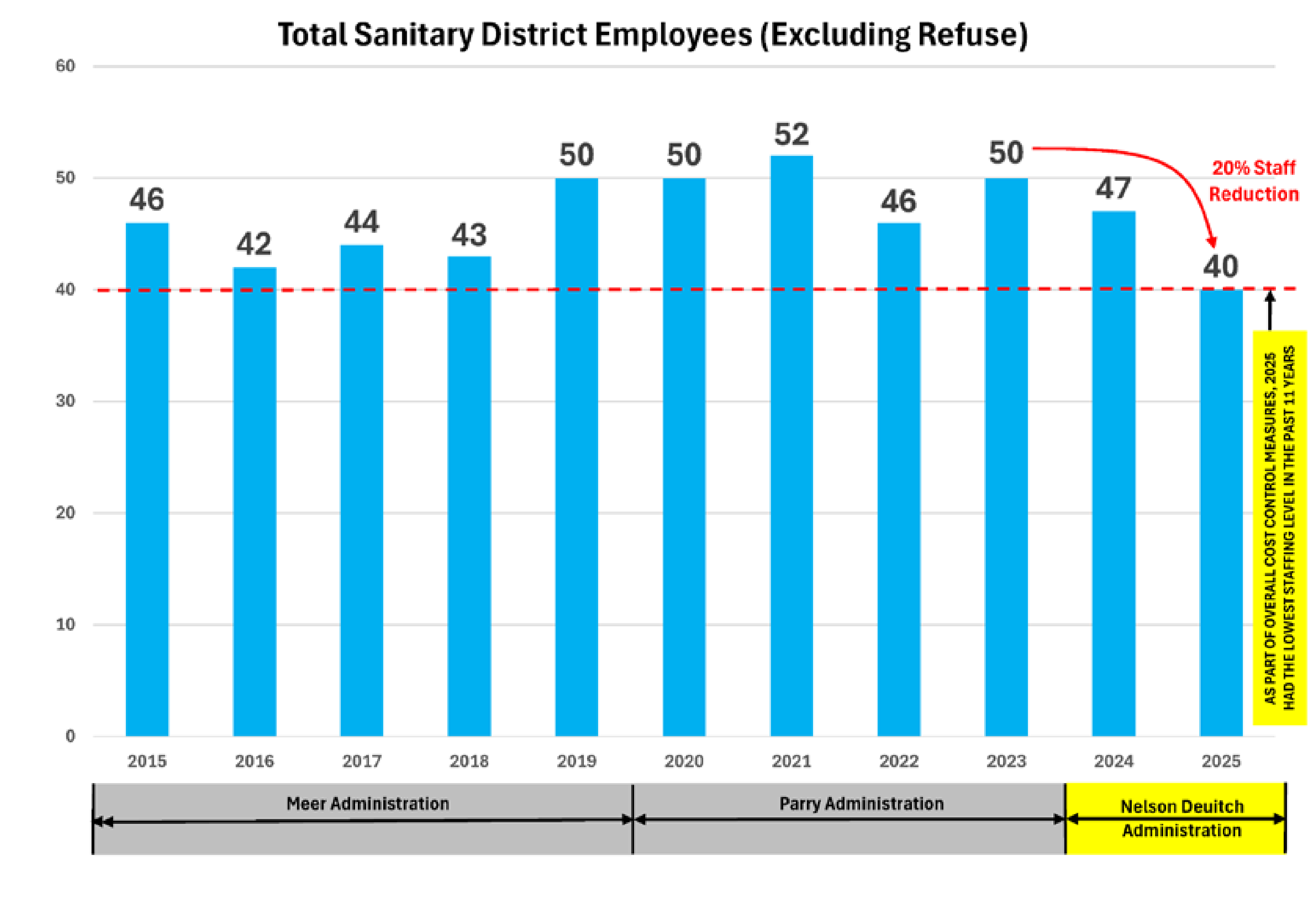
- The WWTP configuration has remained essentially the same. There have been no major upgrades and no major treatment process changes. ***However, equipment is 2 years older.***
- The new Overtime Policy in the past 2 years reduced Plant Maintenance overtime cost by 86%. Did that compromise performance? No. The WWTP Effluent Parameters reported to IDEM over the past 2 years have remained steady ***with no negative impacts*** (see charts at right).



MANAGEMENT MATTERS:
COST EFFICIENT STAFF REPLACEMENTS

As retirements and staff turnover occurred in 2024, Mayor Angie Nelson Deuitch and the new MCSD Management Team limited staff replacements to positions deemed essential to maintain operations and services. This new management philosophy led to a reduction in staff and associated personnel costs.

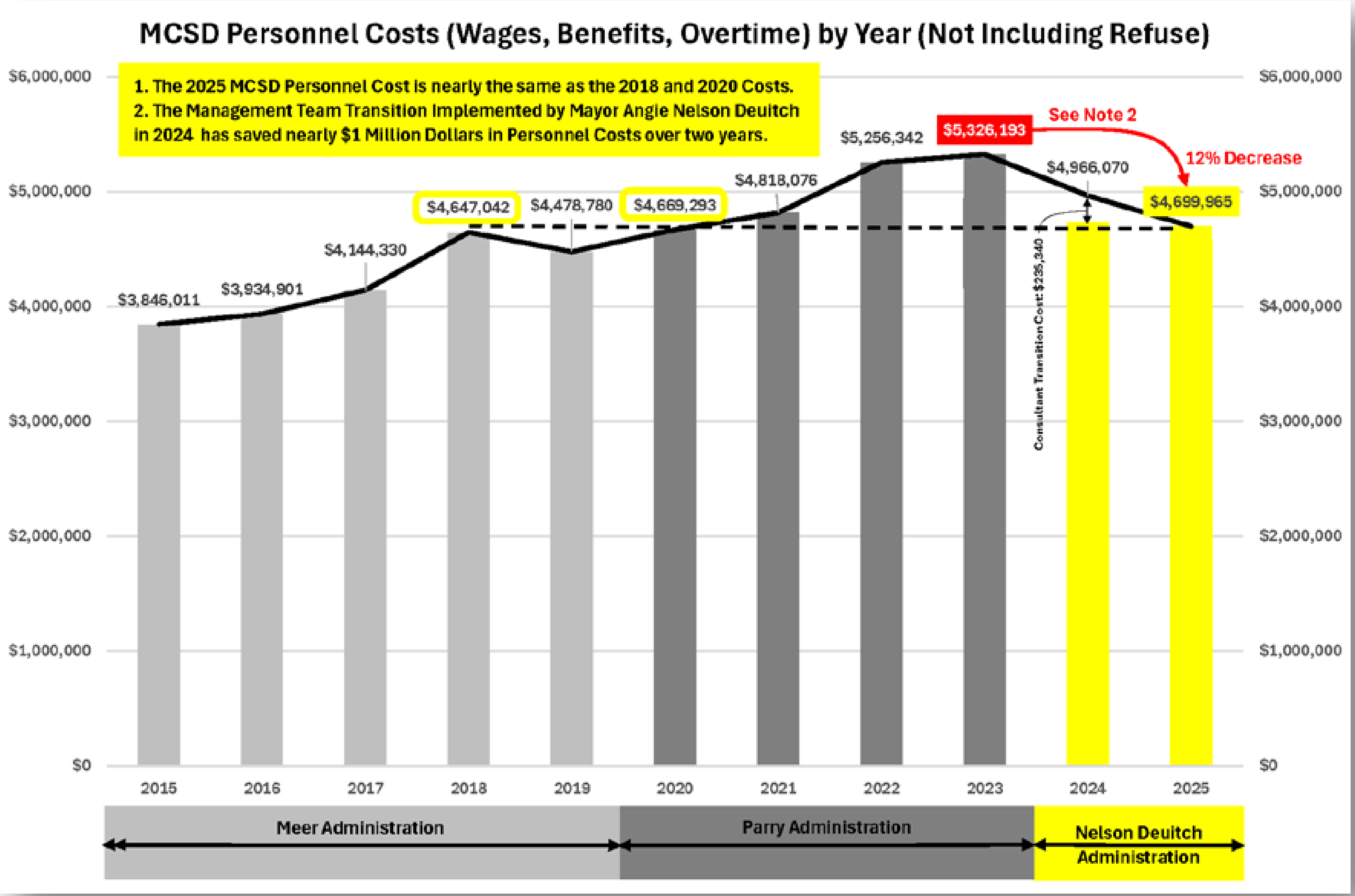
- **From 2023 to 2025:** Natural attrition led to the reduction of 10 staff or 20% of the SDMC workforce (excluding Refuse staff).
- **2025 Staffing Levels:** The total workforce level of 40 staff in 2025 was the lowest in the past 11 years.



MANAGEMENT MATTERS:
COST EFFICIENT STAFF REPLACEMENTS

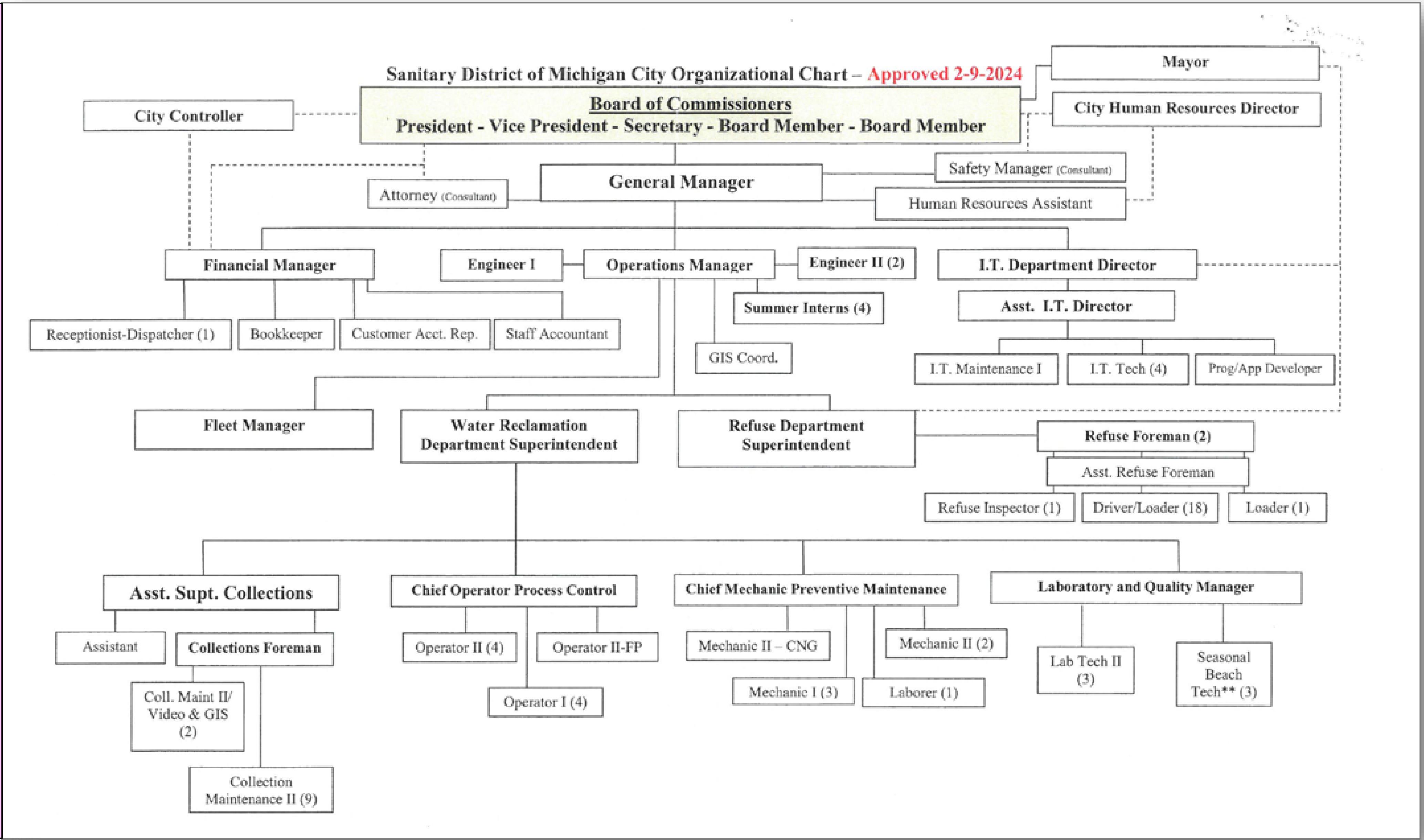
The reduction in staff from the implementation of sound business practices has led to decreased personnel costs.

- The total wages, benefits and overtime costs in ***2025*** of $4,699,965 is ***nearly the same as the 2018 and 2020 personnel costs.***
- ***Over the course of 2024 and 2025, the new Management Team has saved nearly $1,000,000 in personnel costs.***
- From 2023 to 2025, ***personnel costs have decreased by 12%.***



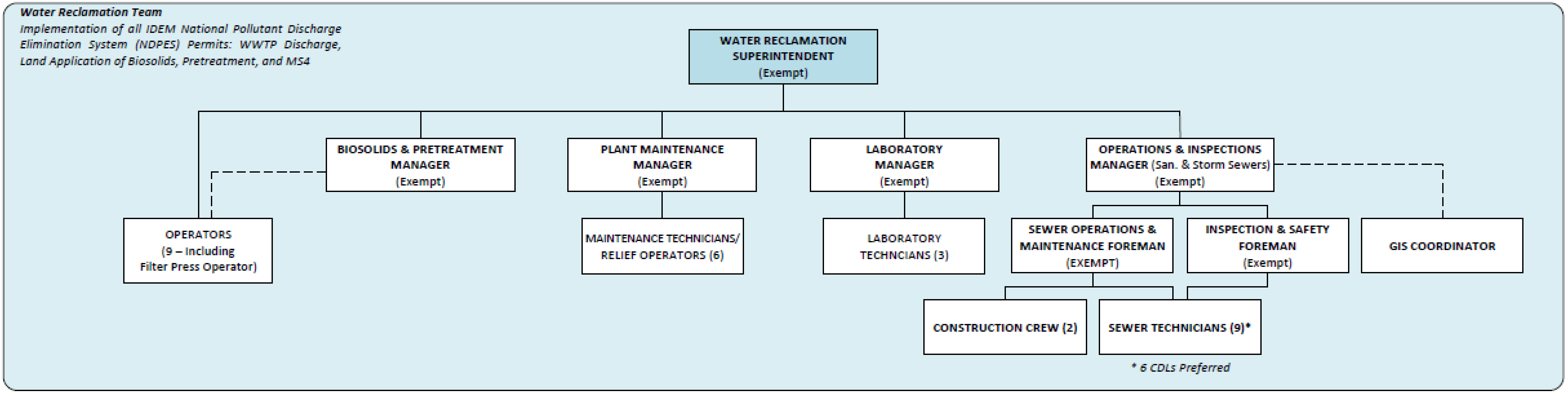
MANAGEMENT MATTERS:
COST EFFICIENT STAFF REPLACEMENTS – HOW DID WE ACCOMPLISH THIS?

FEBRUARY 9, 2024, ORGANIZATION CHART



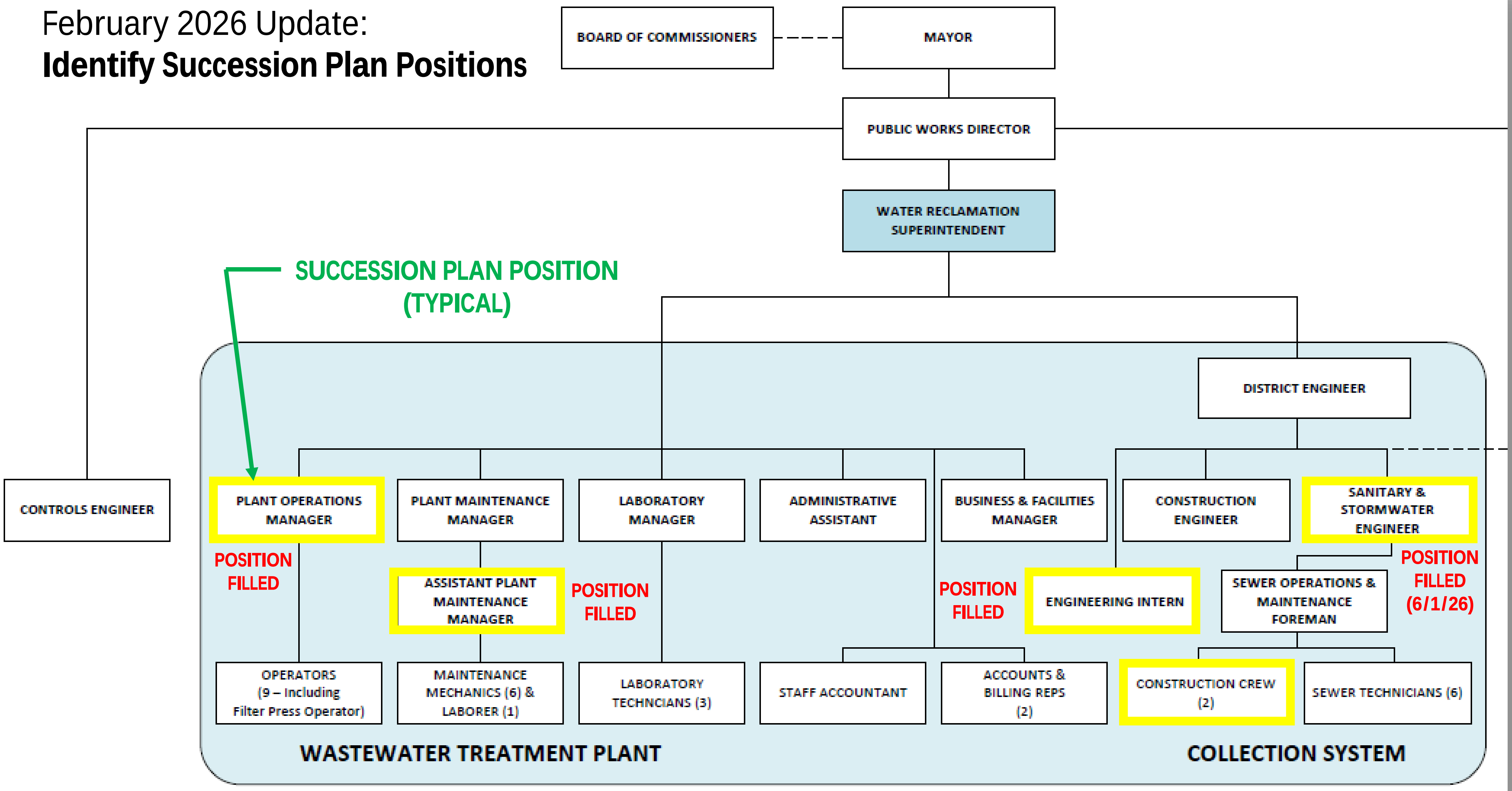
MANAGEMENT MATTERS:
COST EFFICIENT STAFF REPLACEMENTS – HOW DID WE ACCOMPLISH THIS?

November 2024 Update: **Interim Step to 'Flatten' Organizational Hierarchy**



MANAGEMENT MATTERS:
COST EFFICIENT STAFF REPLACEMENTS – HOW DID WE ACCOMPLISH THIS?

February 2026 Update:
Identify Succession Plan Positions



Water Reclamation Team
Implementation of all IDEM National Pollutant Discharge Elimination System (NDPES) Permits: WWTP Discharge, Land Application of Biosolids, Pretreatment, and MS4

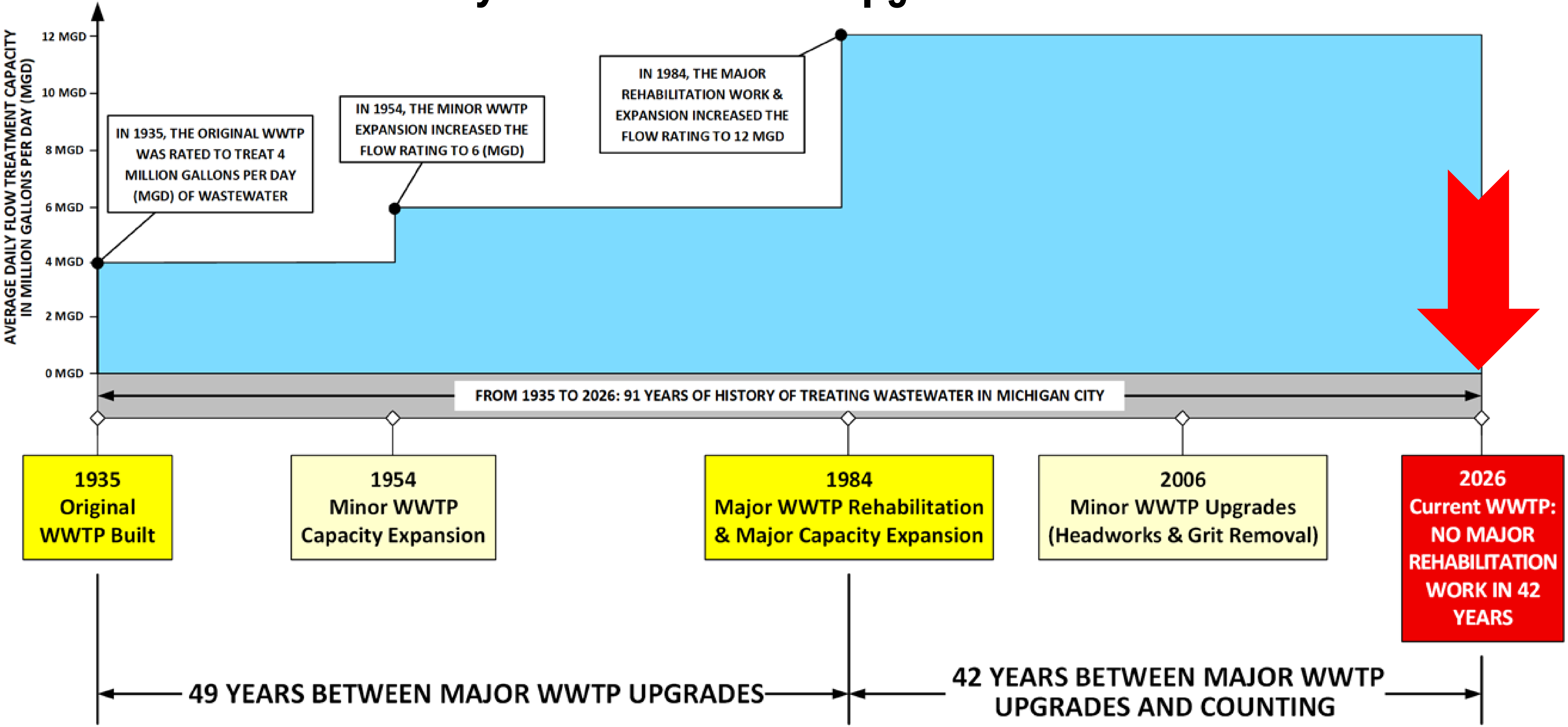
PLANNING FOR THE FUTURE TODAY: **Capital Improvement Plan**

It's not just Good Business Practice – it is Required:

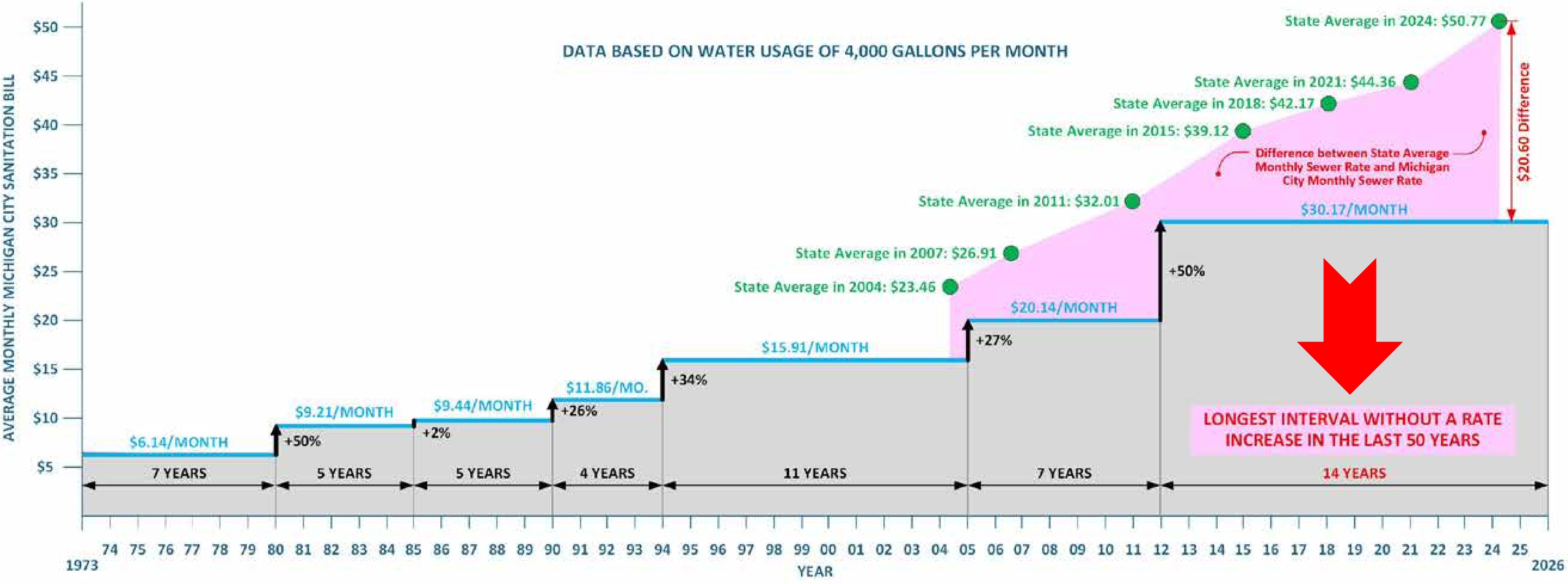
Michigan City Sanitary District NPDES Permit No. IN0023752 states, "Pursuant to 327 IAC 5-23-6(1), the permittee is responsible for providing adequate funding for and oversight of the wastewater treatment plant and collection system to ensure proper operation, maintenance, management, and supervision."

To be able to provide "adequate funding", we need to know what we need to fund, hence, the need for a Capital Improvement Plan or CIP.

Stop 'Kicking the Can Down the Road': Continued Delays of Critical Plant Upgrades are not Sustainable



Stop 'Kicking the Can Down the Road':
Continued Delays of a Rate Adjustment are not Sustainable



Stop ‘Kicking the Can Down the Road’: Continued Delays of Critical Plant Upgrades are not Sustainable

The Sanitary District did Issue Bonds in 2013/2014 totaling $9 Million for Major Sewer Works Projects:

Sewage Utility Outstanding Bonds:

Sewage Works Revenue Bonds, Series 2013
Sewage Works Revenue Bonds, Series 2014A
Sewage Works Revenue Bonds, Series 2014B

Total Annual Principal + 0% Interest Payment = <u>$475,000</u>

These Investments Addressed Sewer & Drainage Needs but not any Wastewater Treatment Plant Upgrades?

Improvement Project	Investment	Type
Greenwood Sanitary Sewer	$1.3 Million	Sanitary Sewer System
Indiana State Prison Bar Screen	$1.5 Million	Sanitary Sewer System
Sheridan Beach	$3.1 Million	Stormwater Drainage
US Hwy. 12/Meer Road	$0.9 Million	Sanitary Sewer System

We Remain at 42 Years since the Last Major Plant-Wide Improvements

MARCH 2025 REPORT SUBMITTED TO THE INDIANA FINANCE AUTHORITY

Preliminary Engineering Report

2025 WWTP Improvements

Michigan City Sanitary District

Michigan City, Indiana

Prepared For

Indiana Finance Authority – State Revolving Fund

ms consultants, inc.
engineers, architects, planners

March 2025

Engineer's Opinion of Probable Project Costs - DRAFT - March 2025

Michigan City, IN - Capital Improvement Plan & PER (Phase I Only)

Item	Description		Total Cost
Construction Contract Costs			
0	Contractor's Administrative/Soft Costs	$	11,687,000
1	WWTP Operations & Maintenance Facility (40' x 260')	$	6,632,000
2	Refuse Facility Expansion (60' x 80')	$	916,000
3	New Primary Clarifiers	$	4,489,000
4	Office Building (Administration / Operations / Laboratory / Engineering)	$	6,483,000
5	Sludge Digester Complex	$	11,807,800
6	Thickening/Dewatering Building (50' x 50')	$	6,127,000
7	Backup Generator	$	1,600,700
8	New UV Disinfection Structure	$	1,253,000
9	Tertiary Filter Replacement	$	1,913,000
10	Septage Receiving Station Rehabilitation	$	75,000
11	Chemical Storage Building Addition (40' x 40')	$	598,000
12	Headworks Improvements	$	665,000
13	Aeration Basin & Pipe Gallery Rehabiltiation	$	610,000
14	Sitework & Yard Piping	$	2,238,000
15	New SCADA System	$	2,102,000
16	New Single Lane Bridge	$	2,650,000
17	Stormwater Project - Lafayette Barker Outfall	$	7,500,000
18	Monon Stormwater Pump Station Rehabiliation	$	338,000
	Subtotal	$	69,685,000
	30% Construction Contingency	$	20,906,000
	Total Probable Construction Costs	**$**	**90,591,000**

Non-Construction Costs[1]

Item	Description		Total Cost
1	Engineering Design, Bid, & Construction Administration	$	9,059,000
2	FEMA Flood Study	$	200,000
3	Construction Inspection (30 Months)	$	1,050,000
4	Administrative Costs	$	126,000
5	Bond & Legal Council	$	230,000
	Total Probable Non-Construction Costs	**$**	**10,665,000**
	Total Probable Project Costs	**$**	**101,256,000**

DOES NOT INCLUDE SEWER & LIFT STATION NEEDS

MAY 2026 UPDATE: REPURPOSED BUILDINGS & NEW TECHNOLOGY FOR PRIMARY CLARIFICATION

Engineer's Opinion of Probable Project Costs - DRAFT - March 2025

Michigan City, IN - Capital Improvement Plan & PER (Phase I Only)

Item	Description	Total Cost
Construction Contract Costs		
0	Contractor's Administrative/Soft Costs	$ 11,687,000
1	~~WWTP Operations & Maintenance Facility (40' x 260')~~	~~$ 6,632,000~~
2	~~Refuse Facility Expansion (60' x 80')~~	~~$ 916,000~~
3	~~New Primary Clarifiers~~	~~$ 4,489,000~~
4	~~Office Building (Administration / Operations / Laboratory / Engineering)~~	~~$ 6,483,000~~
5	Sludge Digester Complex	$ 11,807,800
6	Thickening/Dewatering Building (50' x 50')	$ 6,127,000
7	Backup Generator	$ 1,600,700
8	New UV Disinfection Structure	$ 1,253,000
9	Tertiary Filter Replacement	$ 1,913,000
10	Septage Receiving Station Re	$ 75,000
11	Chemical Storage Building A	$ 598,000
12	Headworks Improvements	$ 665,000
13	Aeration Basin & Pipe Gallery Rehabilitation	$ 610,000
14	Sitework & Yard Piping	$ 2,238,000
15	New SCADA System	$ 2,102,000
16	~~New Single Lane Bridge~~	~~$ 2,650,000~~
17	Stormwater Project - Lafayette Barker Outfall	$ [illegible]
18	Monon Stormwater Pump Station Rehabiliation	
	Subtotal	$ 69,685,000
	30% Construction Contingency	$ 20,906,000
	Total Probable Construction Costs	**$ 90,591,000**

APPROXIMATELY $12,600,00 IN COST REDUCTION

RE-ALLOCATED TO ADDRESS SEWER SYSTEM NEEDS

Non-Construction Costs[1]

Item	Description	Total Cost
1	Engineering Design, Bid, & Construction Administration	$ 9,059,000
2	FEMA Flood Study	$ 200,000
3	Construction Inspection (30 Months)	$ 1,050,000
4	Administrative Costs	$ 126,000
5	Bond & Legal Council	$ 230,000
	Total Probable Non-Construction Costs	**$ 10,665,000**
	Total Probable Project Costs	**$ 101,256,000**

DOES NOT INCLUDE SEWER & LIFT STATION NEEDS

Engineer's Opinion of Proposal Costs - DRAFT - May 2026

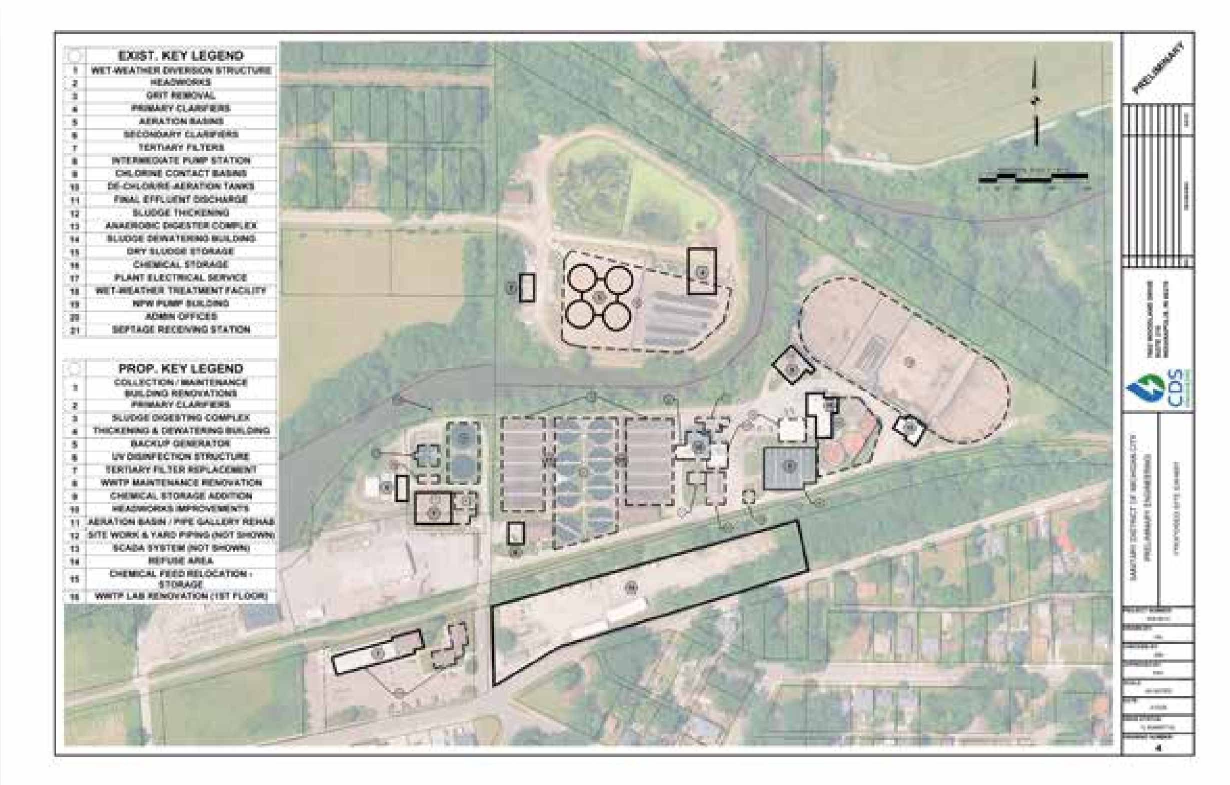
Michigan City, IN - Capital Improvement Plan & PER

Item	Description	Est. Cost
0	Contractor's Administrative / Soft Costs	$ 11,000,000
1	Sludge Digester Complex	$ 13,400,000
2	New Primary Clarifiers Retrofit	$ 2,000,000
3	Tertiary Filter Replacement	$ 2,100,000
4	New SCADA System	$ 2,000,000
5	Thickening/Dewatering Building (50' x 50')	$ 7,000,000
6	Chemical Storage Building Renovations	$ 500,000
7	Aeration Basin & Pipe Gallery Rehabilitation	$ 700,000
8	Headworks Improvements	$ 800,000
9	WWTP Lab Renovations - 1st Floor	$ 1,000,000
10	Relocate Chlorine Storage for Storm / Replace Bar Screen	$ 1,000,000
11	Collection / Maintenance / Ops Building Renovations	$ 3,000,000
12	Backup Generator	$ 1,900,000
13	New UV Disinfection Structure	$ 1,500,000
14	Sitework, Yard Piping, Trail Ramps, Security	$ 2,600,000
15	WWTP Maintenance Renovations	$ 1,000,000
16	Monon Stormwater Lift Station Rehabilitation	$ 350,000
17	Lafayette Barker Outfall	$ 7,000,000
18	Broadway,Henry, Tinkers Dam,Menke, Coolspring, Roeske LS	$ 4,800,000
19	Esplanade Sewer	$ 600,000
20	Edgewood Sewer	$ 2,200,000
21	Sewer Lining, Manhole Rehab, Septic Cluster Elimination	$ 5,000,000
	Subtotal	$ 71,450,000
	30% Construction Contingency	**$ 21,400,000**
	Total Probable Construction Costs	**$ 93,000,000**

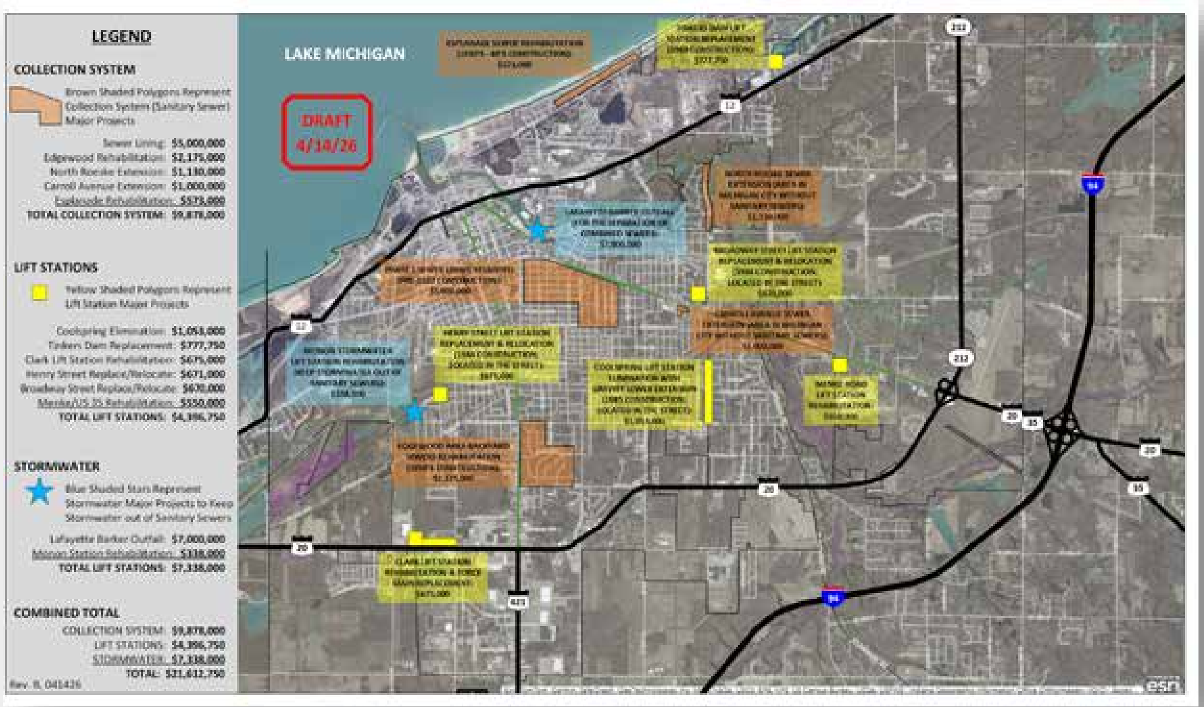
Item	Description	Est. Cost
1	Engineering Design, Bid, Construction Administration	**$ 9,000,000**
2	Sanitary Sewer Modeling	$ 100,000
3	Construction Inspection (30 months)	$ 1,050,000
4	Administrative Costs	$ 300,000
5	Bond & Legal Counsel	$ 300,000
	Total Probable Non Construction Costs	**$ 10,750,000**
	Total Probable Project Costs	**$ 104,000,000**

NEXT STEPS: PRESENT THE SYSTEM WIDE CAPITAL IMPROVEMENT PLAN TO THE MICHIGAN CITY SANITARY DISTRICT BOARD OF COMMISSIONERS ON MAY 27, 2026

WASTEWATER TREATMENT PLANT



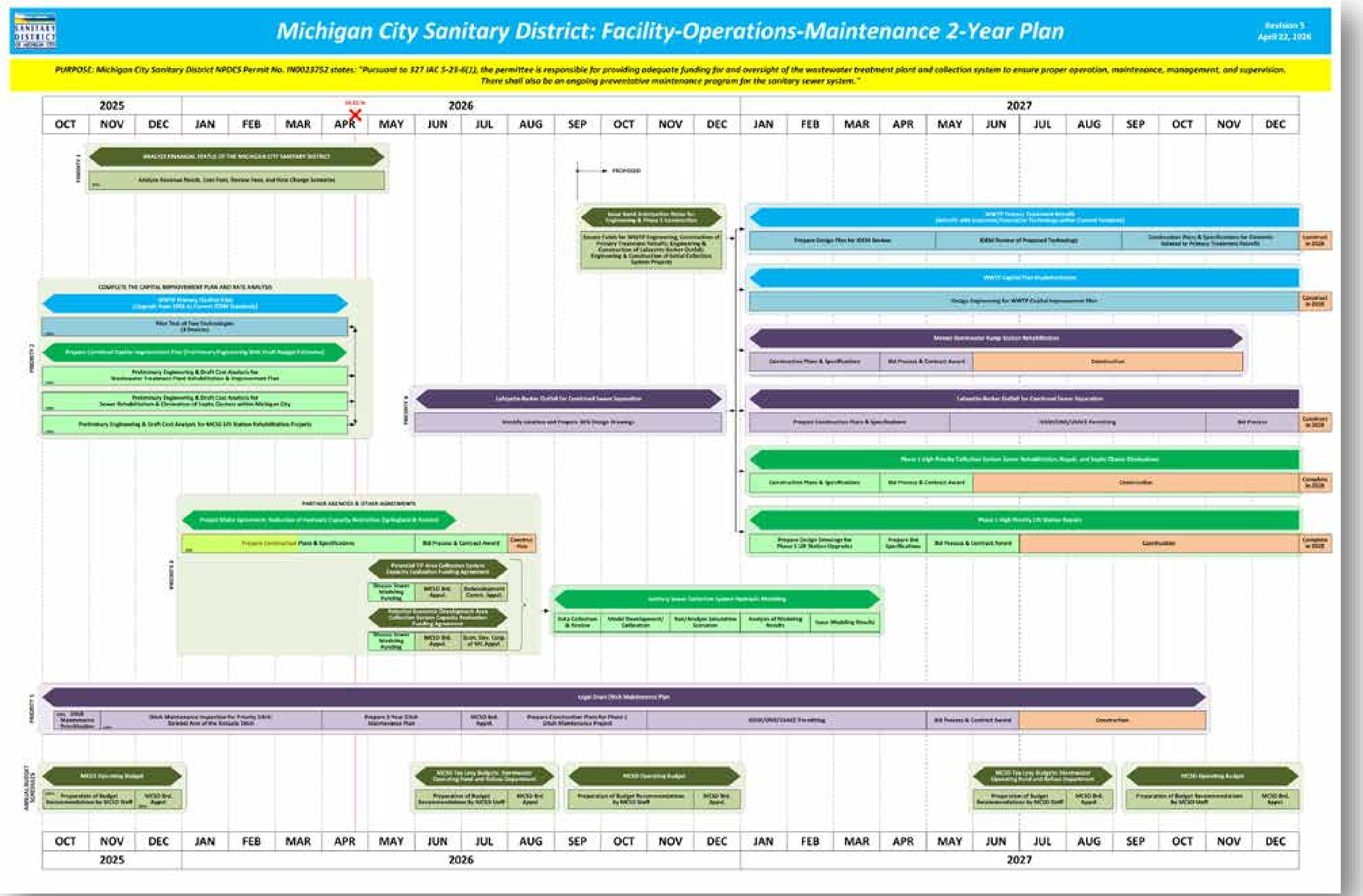
COLLECTION SYSTEM



NEXT STEPS: CAPITAL IMROVEMENT PLAN IMPLEMENTATION

2026	2027 (PROPOSED)	2028 (PROPOSED)
• 30% Drawings for Lafayette-Barker Outfall Project • Complete Primary Clarification Pilot Testing (Utilizing Newer Technology, Innovative Process) • Prepare Hydraulic Computer Model of Main Sewer Trunk Lines (Partnering with Michigan City Redevelopment Commission) • Prepare 2026 Detailed Asset List	• Complete Design Engineering & Bid Specifications for Lafayette-Barker Outfall • Bid & Start Construction of Lafayette-Barker Outfall • Complete Design for WWTP Primary Clarification Upgrade • Engineering for Septic Cluster Elimination (North Roeske & Carroll Avenue) • Engineering for Five (5) Lift Station Rehabilitation Projects (Broadway, Coolspring, Henry, Menke, Tinkers Dam) • Engineering for 70-Year-Old Backyard Sewer Maintenance • Engineering for Full Scope of WWTP Upgrades	• Construct Primary Clarifier Upgrades • Construct Septic Cluster Elimination (Sanitary Sewer Extension) • Construct Lift Station Upgrades • Perform Maintenance (Sewer Lining & Manhole Rehabilitation) on 70-Year-Old Backyard Sewer Systems • Monon Stormwater Lift Station Upgrades • Begin Construction of WWTP Upgrade Projects

NEXT STEPS: EXECUTE THE ON-GOING MCSD FACILITY-OPERATIONS-MAINTENANCE 2-YEAR PLAN



MANAGEMENT MATTERS:
Going back to Cost Savings

The new Overtime Policy of 2024 and the Cost-Efficient Staff replacement strategy since 2024 has avoided costs and reduced spending by the following amounts:

- Reduced Overtime Spending: $572,012 in savings.
- Reduced Staff: $626,228 in savings.

What would the Financial Position of the District be if these savings were NOT achieved?

March 2026 Sewage Works Operating Fund Balance:	**$938,502**
Overtime Savings:	$572,012
Sewage Works Operating Fund Balance **if** Overtime Savings were **not** achieved:	$366,490
Reduced Staff Savings:	$626,228
Sewage Works Operating Fund Balance **if** Overtime Savings were **not** achieved:	**-$259,738**

MANAGEMENT MATTERS: PREFACE

These are commonly used Management Tools to effectively and efficiently operate a Sanitary District.

Do these Management Tools exist in May of 2026?

Management Tools to Effectively and Efficiently Operate a Sanitary District	Did this exist in January of 2024?	Status in May of 2026?
1. Wastewater Treatment Plant (WWTP) Capital Improvement Plan	No	90% Complete; For MCSD Board Approval on 5/27/26
2. Sanitary Sewer Rehabilitation Plan	No	90% Complete; For MCSD Board Approval on 5/27/26
3. Current Lift Station Rehabilitation Plan	No	90% Complete; For MCSD Board Approval on 5/27/26
4. WWTP Maintenance Schedules for Critical Equipment	Partial	Maintenance Being Implemented
5. Viable Sanitary Sewer Inspection Plan to Inspect All Sewers Within 3 Years (Permit Requirement)	No	New Plan Complete & Being Implemented
6. Current & Accurate Detailed List of Assets (State Board of Accounts Requirement)	No	1st Update Completed; 2nd Update by 12/31/26
7. Hydraulic Computer Model of Major Sewer Trunk Line Flows/Capacities	No	Model Completion on Track for 1st Quarter of 2027
8. Septic Field Clusters Elimination Plan	No	Scope/Plans Identified; Seeking Funding
9. Comprehensive Ditch Maintenance & Culvert Plan	No	Priority 1 Legal Drain & Culvert Inspections Completed
10. Striebel Pond Maintenance Logs	No	Work Orders are being entered into Kintone
11. Biosolids Disposal Transportation Plan	No	New Plan Complete & Being Implemented
12. Integrated GIS Model of Sewer & Water Infrastructure to Facilitate Billing Operations	No	Discussions are In Progress with MC Water Department
13. “Growth Pays For Growth” Plan	No	90% Complete; Present to MCSD Board Summer 2026
14. Sanitary District Multi-Year Rate & Fee Analysis	No	In Progress
15. Management Team Succession Plan	No	New Plan Complete & Being Implemented

STATE OF THE DISTRICT SUMMARY
The New Management Team is Focused on the Following Main Items:

- Providing a Safe Operating Environment for our Staff
- Providing Transparency & Open Communications
- Meeting our Legal & Legislative Requirements Related to our Environmental Responsibilities
- Providing Fiduciary Control, Planning, and Oversight of all District Operations
- Identifying Short-, Medium-, & Long-Term Capital Improvement Needs
- Identifying a Sustainable Financial Plan to Fund Operations & Infrastructure Needs
- Utilizing the Skills of our many great Employees as we Seek Operational Excellence
- Implement a Successful Succession Plan that is Driven by Internal Skills Development & Advancement
- Carry on the Tradition Developed over the past 91 Years of Treating Wastewater to Protect our Local Waterways & Lake Michigan
- Recognize that Management Matters and Implement Best Practices Associated with Operating a Wastewater Treatment Plant, Sanitary Sewers, Lift Stations, and Drainage Infrastructure

JOINT WORKSHOP:

MICHIGAN CITY SANITARY DISTRICT
and the
MICHIGAN CITY COMMON COUNCIL

Questions & Discussion