

**ENROLLED MINUTES OF THE
HIGHLAND WATER WORKS BOARD OF DIRECTORS
THURSDAY, JANUARY 27, 2022**

Study Session: The Highland Water Works Board of Directors convened in study session immediately before the Regular Plenary Meeting at 6:32 p.m. on Thursday, January 27, 2022 via an on-line Zoom Meeting due to the Covid-19 Pandemic, in order to discuss the final agenda of the regular meeting. A quorum was present.

ROLL CALL: Present on roll call were Directors George A. Smith, Rick Volbrecht, Larry Kondrat, and Jason Tharp. Director Curt Schroeder was absent with prior notice given. Also present were Mark Knesek, Public Works Director; Derek Snyder, NIES Engineering; Robert F. Tweedle, Board Attorney; Tom Black, Town Council; Tim Gembala, Operations Director; Cary Smith, Midwest Telecom of America Inc. (MTA); James Smutniak, Midwest Telecom of America, Inc. (MTA); Michael Griffin, Clerk Treasurer; and Kim Webb, Recording Secretary.

1. Mark Knesek, Public Works Director, discussed with the Board typical winter water breaks that have occurred.

Also discussed was the possibility of a future water station for bulk water filling and data collectors for on-demand meter reading.

2. Robert Tweedle, Board Attorney, discussed with the Board a proposed license agreement with MTA to install telecom equipment on the elevated water tank on Indy Blvd.
3. Derek Snyder, NIES Engineering, discussed with the Board the River Drive Water Main Replacement and Street Improvement Project. The survey is complete and the design work is in progress.

Regular Meeting: The Highland Water Works Board of Directors met in its Regular Plenary Session on Thursday, January 27, 2022 via an on-line Zoom Meeting due to the Covid-19 Pandemic directly following the study session. President Smith opened the meeting at 7:49 pm. The meeting was opened with the Pledge of Allegiance. The meeting was recorded by Ed Dabrowski, serving as Administrator of the Zoom Meeting. The minutes were recorded by Kim Webb, Recording Secretary.

ROLL CALL: Present on roll call were Directors George A. Smith, Rick Volbrecht, Larry Kondrat, and Jason Tharp. Director Curt Schroeder was absent with prior notice given. A quorum is present. Also present were Mark Knesek, Public Works Director; Derek Snyder, NIES Engineering; Robert F. Tweedle, Board Attorney; Tom Black, Town Council; Tim Gembala, Operations Director; Cary Smith, Midwest Telecom of America Inc. (MTA); James Smutniak, Midwest Telecom of America, Inc. (MTA); Michael Griffin, Clerk Treasurer; and Kim Webb, Recording Secretary.

MINUTES: President Smith asked if there were any corrections to the Minutes of the Regular Meeting of December 9, 2021 as prepared and posted. Director Volbrecht moved to approve the Minutes of the

December 9, 2021 meeting. Director Tharp seconded. Upon a roll call vote, there were (3) affirmations and no negatives, (1) abstention. The motion passed.

Special Orders:

1. Election of Officers

Director Volbrecht moved to nominate a slate of officers as follows:

President – Director Smith
Vice President – Director Tharp
Secretary – Director Volbrecht

Director Tharp seconded. There were no further nominations. Upon a roll call vote, there were (4) affirmations and no negatives. The motion passed.

2. Appointments

Director Volbrecht moved to have Kim Webb continue as Water Works Board Recording Secretary for the year 2022. Director Tharp seconded. Upon a roll call vote, there were (4) affirmations and no negatives. The motion passed.

Robert F. Tweedle previously submitted a proposal to serve as the Water Works Board Attorney for 2022. Director Tharp moved to appoint Robert F. Tweedle as the Waterworks Board Attorney for the year 2022. Director Volbrecht seconded. Upon a roll call vote, there were (4) affirmations and no negatives. The motion passed.

NIES Engineering previously submitted a proposal to serve as the Water Works Board Engineer for the year 2022. Director Volbrecht moved to appoint NIES Engineering as the Waterworks Board Engineer. Director Tharp seconded. Upon a roll call vote, there were (4) affirmations and no negatives. The motion passed.

Communications: None.

Unfinished Business and General Orders:

1. Water Works District of Highland
Board of Directors
Resolution No. 2022-01

A Resolution approving and authorizing an agreement with NIES Engineering, Inc. and the Water Works District of Highland to perform professional engineering services as District Water Works Engineer for the year 2022. Director Volbrecht moved to approve Resolution

No. 2022-01. Director Tharp seconded. Upon a roll call vote, there were (4) affirmations and no negatives. The motion passed.

**WATER WORKS DISTRICT OF HIGHLAND
Board of Directors
Resolution No. 2022-01**

A Resolution Authorizing and Approving an Agreement between NIES Engineering, Incorporated and the Water Works District of Highland to perform Professional Engineering Services as District Water Works Engineer for the Year 2022

Whereas, The Water Works District of Highland, through its Board of Directors, has heretofore determined a need to engage the professional engineering services in order carry out the mission of the District; and

Whereas, NIES Engineering, Incorporated, (Consultant) has offered and presented an Agreement to provide and furnish Professional Engineering Services in consideration for fees to be charged and billed monthly; and

Whereas, There are sufficient and available appropriations balances on hand to support the payments under the agreement, pursuant to IC 5-22-17-3(e); and

Whereas, The Water Works District of Highland, through its Board of Directors, now desires to accept and approve the agreement for services as herein described.

Now, Therefore Be it Resolved by the Board of Directors for the Water Works District of Highland, Lake County, Indiana, as follows:

Section 1. That the Professional Engineering Agreement (incorporated by reference and made a part of this resolution) between NIES Engineering, Incorporated, and the Water Works District of Highland for District Water Works Engineer for the year 2022 is hereby approved, adopted and ratified in each and every respect;

Section 2. That the terms and charges under the agreement for professional engineering services are found to be reasonable and fair;

Section 3. That the Water Works District of Highland, through its Board of Directors, believes that NIES Engineering, Incorporated has demonstrated professional competence and qualifications to perform the particular professional engineering services called for in the Agreement and associated project, pursuant to I.C. 5-16-11.1-5;

Section 4. That the President of the Water Works District of Highland be authorized to execute the Agreement with his signature as attested thereto by Secretary of the Water Works District of Highland.

Duly Adopted, Resolved and Ordered by the Water Works Board of Directors of Highland, Lake County, Indiana, this 27th day of January 2022. Having been passed by a vote of 4 in favor and 0 opposed.

Water Works District of Highland, Indiana

BY ITS WATER WORKS BOARD OF DIRECTORS:

/s/George A. Smith, President

Attest:

/s/Richard E. Volbrecht, Jr., Secretary

2. Water Works District of Highland
Board of Directors
Resolution No. 2022-02

A Joint Order of the Board of Works, the Water Works Board of Directors, and the Sanitary Board approving and authorizing Change Order No. 1 to the construction contract between the Highland Board of Works and Dyer Construction Co., Inc. for the 3500 Block of Jewett

Avenue Water Main Replacement and Street Improvement Project in which the Water Works portion is a decrease in the amount of \$11,980.48. Director Volbrecht moved to approve the Resolution 2022-02. Director Tharp seconded. Upon a roll call vote, there were (4) affirmations and no negatives. The motion passed.

**TOWN OF HIGHLAND
BOARD OF WORKS
ORDER OF THE WORKS BOARD NO. 2021-44**

**WATER WORKS DISTRICT OF HIGHLAND
BOARD OF WATER WORKS DIRECTORS
RESOLUTION NO. 2022-02**

**SANITARY DISTRICT OF HIGHLAND
BOARD OF SANITARY COMMISSIONERS
RESOLUTION NO. 2021-20**

A Joint Resolution of the Board of Works, the Water Works Board of Directors, and the Sanitary board Approving and Authorizing Change Order No. 1 to the Construction Contract between the Highland Board of Works and Dyer Construction Co., Inc. for the 3500 Block of Jewett Avenue Water Main Replacement and Street Improvement Project

Whereas, The Town of Highland, through its Town Council, which is the Works Board of the Municipality pursuant to I.C. 36-1-2-24(3), has determined that a need exists to make certain public improvements and repairs to roadway infrastructure on the 3500 Block of Jewett Avenue including the replacement of defective curb and sidewalk, pavement, and tree removal and replacement and have hereto approved a project to be described as the 3500 Block of Jewett Avenue Water Main Replacement & Street Improvement Project (Project); and

Whereas, the Water Works District of Highland (WW District) is governed by its Board of Water Works Directors, pursuant to the provisions of IC 8-1.5-4 et seq.; and

Whereas, IC 8-1.5-4-4 specifically provides that the Board of Water Works Directors shall manage and control all works of the Water Works and may purchase, acquire, construct, reconstruct, operate, repair and maintain all water works; and

Whereas, The WW District, through its Board of Directors, has determine the need to replace and upsize the existing water lines within the Project boundaries, as described herein, in order to improve water flow and water quality; has determined that it would be in the best interest of the utility to coordinate the work with the Project; and have agreed to fund its share of the construction costs and engineering services necessary to complete the work; and

Whereas, The Sanitary District of Highland (SD District) is governed by its Board of Sanitary Commissioners, pursuant to the provisions of IC 36-9-25 et seq.; and

Whereas, IC 36-9-25-9 specifically provides that the Board of Sanitary Commissioners shall manage and control all works of the district and may purchase, acquire, construct, reconstruct, operate, repair and maintain all sewage works; and

Whereas, The Project scope includes the repair and replacement of certain storm water facilities, which are the responsibility of SD District and have agreed to fund its share of the construction costs and engineering services necessary to complete the work; and

Whereas, On August 30, 2021, Town Council through its Board of Works, adopted Order of the Works Board 2021-30, on August 26, 2021, the Water Works District adopted Joint Resolution No. 2021-22 and on August 17, 2021, the Sanitary Board adopted Joint Resolution No. 2021-13, awarding a Project to Dyer Construction Co., Incorporated in the total amount of Five Hundred Sixty-eight Thousand Six Hundred Fifty-eight Dollars and 00/100 (\$568,658.00), to be the lowest responsive and responsible bid; and

Whereas, during the course of construction of the Project, it has become necessary to change or alter the original specifications of the project and/or to increase or decrease the planned material quantities; and

Whereas, NIES Engineering, Inc., a licensed engineer performing construction engineering services on this project, has specifically identified and presented Change Order No. 1, attached herewith, which details the changes and alterations to the Project which have a net decrease in the total contract amount of Twenty-two Thousand Nine Hundred Sixty-three Dollars and 01/100 Cents (\$22,963.01); and

Whereas, the decrease in cost, as determined by NIES, is allocated to the Board of Works in the amount of Six Thousand Eight Hundred Thirty-one Dollars and 79/100 Cents (\$6,831.79), to the Water Works Board in the amount of Eleven Thousand Nine Hundred Eighty Dollars and 48/100 Cents (\$11,980.48), and to the Sanitary Board in the amount of Four Thousand One Hundred Fifty Dollars and 74/100 Cents (\$4,150.74); and

Whereas, The Town of Highland, through its Board of Works, now desires to approve and authorize the Change Order as described;
and

Whereas, The Water Works District of Highland, through its Board of Directors, now desires to approve and authorize the Change Order as described; and

Whereas, The Sanitary District of Highland, through its Sanitary Board of Commissioners, now desires to approve and authorize the Change Order as described; and

Now Therefore Be it Resolved by the Board of Works for the Town of Highland, the Board of Directors of the Highland Water Works, and the Board of Commissioners of the Highland Sanitary District as follows:

Section 1. That the First Addendum to the Construction Contract with Dyer Construction Co., Incorporated for the 3500 Block of Jewett Avenue Water Main Replacement & Street Improvement Project, as prepared by NIES Engineering, Incorporated, a licensed engineer performing construction engineering services on this Project, is hereby determined to be directly related to the original project and is hereby approved, adopted, and ratified in each and every respect;

Section 2. That this addendum is hereby ordered to be known as Change Order No. 1, issued to decrease net changes to the original agreement in the amount of Twenty-two Thousand Nine Hundred Sixty-three Dollars and 01/100 Cents (\$22,963.01), bringing the total value of the entire agreement with any and all change orders approved to date to Five Hundred Forty-five Thousand, Six Hundred Ninety-four Dollars and 99/100 (\$545,694.99) allocated as follows;

Board of Works	(\$6,831.79)
Water Works District	(\$11,980.48)
<u>Sanitary Board</u>	<u>(\$4,150.74)</u>
Total Change Order Amount	(\$22,963.01)

; and

Section 4. That the total of all change orders issued that increases the scope of this Project may not exceed twenty percent (20%) of the amount of the original contract, that amount being of Six Hundred Eighty-two Thousand Three Hundred Eighty-nine Dollars and 60/100 (\$682,389.60), pursuant to IC 36-1-12-18(d); and

Section 5. That the proper officers hereby be and are authorized to execute the necessary documents with their signatures.

Duly Adopted, Resolved and Ordered by the Highland Town Council, Lake County, Indiana, this 27th day of December, 2021. Having been passed by a vote of 5 in favor and 0 opposed.

**BOARD OF WORKS OF THE TOWN OF
HIGHLAND, INDIANA**

/s/Roger Sheeman (IC 36-5-2-10)

Attest:

/s/Michael W. Griffin, Clerk-Treasurer (IC 33-16-4-1;IC 36-5-6-5)

Duly Adopted, Resolved and Ordered by the Water Works Board of Directors of Highland, Lake County, Indiana, this 27th day of January, 2022. Having been passed by a vote of 4 in favor and 0 opposed.

**HIGHLAND WATER WORKS
BY ITS BOARD OF DIRECTORS:**

/s/George A. Smith, President

Attest:

/s/Richard E. Volbrecht, Jr., Secretary

Duly Adopted, Resolved and Ordered by the Highland Sanitary District, Board of Commissioners, Lake County, Indiana, this 21st day of December, 2021. Having been passed by a vote of 4 in favor and 0 opposed.

**HIGHLAND SANITARY DISTRICT
BY ITS BOARD OF COMMISSIONERS:**

/s/Richard Garcia, President

Attest:

/s/David Jones., Secretary

3. An action to approve Pay Request No. 2 for the 3500 Block of Jewett Avenue Water Main Replacement and Street Improvement Project in the amount of \$30,517.26 to Dyer Construction Co., Inc. Director Volbrecht moved to approve the action. Director Tharp seconded. Upon a roll call vote, there were (3) affirmations and no negatives, (1) abstention. The motion passed.
4. Water Works District of Highland
Board of Directors
Resolution No. 2022-03

A Resolution authorizing compensation for certain employees to be derived from the proper fund of the Water Works Utility of the Town of Highland Water Works Department, Lake County, Indiana. Director Volbrecht moved to approve the Resolution 2022-03. Director Tharp seconded. Upon a roll call vote, there were (4) affirmations and no negatives. The motion passed.

**WATER WORKS DISTRICT OF HIGHLAND
BOARD OF WATER WORKS DIRECTORS
RESOLUTION No. 2022-03**

A RESOLUTION AUTHORIZING COMPENSATION FOR CERTAIN EMPLOYEES TO BE DERIVED FROM THE PROPER FUND OF THE WATER WORKS UTILITY OF THE TOWN OF HIGHLAND WATER WORKS DEPARTMENT, LAKE COUNTY, INDIANA

Whereas, The Highland Town Council, as legislative body of the municipality, **adopted Chapter 12.05 of the Highland Municipal Code**, establishing the Highland Water Works Board and the Department of Water Works, pursuant to provisions of I.C. 8-1.5-4-1 through 8-1.5-4-19; and,

Whereas, Those provisions incorporate by reference provisions of I.C. 8-1.5-3-4, outlining for and conferring upon the Water Works Board of Directors certain responsibilities relative to the management of the utility's human and physical resources;

BE IT HEREBY RESOLVED BY the Board of Directors of the Water Works Department of the Town of Highland, Lake County, Indiana, as follows:

Section 1. That the compensation and other provisions set forth in the wage and salary and the compensation and benefits ordinances as passed by the Town Council are hereby adopted and ratified for the Directors and officers of the Department of Water Works, its Water Works District and those employees of the municipality performing duties for the utility.

Section 2. That wages and salaries are hereby established for the employees and certain professional appointments of the Department of Water Works, to be effective **January 9, 2022**, as set forth below:

Attorney	\$1,200 per year (\$300 per quarter) \$190.00/hr
Recording Secretary	\$ 65 per month
Utility Consulting Engineer(s) (retainer)	\$ 350 \$360.00 per month
Utility Services Field Representative	\$10.56 \$10.98/hr (start) (part-time) \$12.04 \$12.52/hr (after one year) (part-time)
Part-time help (Laborer)	\$ 9.27 \$9.64 - \$ 11.99 \$12.47 hr.
CDL Driver (Part-time)	\$ 16.34 \$16.99/hr

Temporary (Summer help) ~~9.00~~ \$10.00/hr. (first year)
 ~~9.35~~ \$10.35/hr. (2nd year)
 ~~9.70~~ \$10.70/hr. (3 years or more)

Section 3. That the Highland Water Works Board authorizes and approves that a share of the compensation of the deputies and employees in the Office of the Clerk-Treasurer as well as a share of the compensation of the Clerk-Treasurer may be paid from the proper utility fund of the Water Works, for services connected with the operation of the utility, subject to the laws governing same;

- a. That such pay shall be a part of and not in addition to the compensation as fixed by the Town Council in its most recently adopted wage and salary ordinances; and,
- b. That the compensation set forth in the wage and salary ordinance as most recently passed by the Town Council is hereby adopted and ratified.

Section 4. That the Highland Water Works Board of Directors authorizes and approves that a share of the compensation of the employees in the Public Works Department may *be* paid from the proper utility fund of the Water Works, for services connected with the operation of the utility, subject to the laws governing same;

- a. That such pay shall be a part of and not in addition to the compensation as fixed by the Town Council in its most recently adopted wage and salary ordinance; and,
- b. That the compensation set forth in the wage and salary ordinance most recently passed by the Town Council for utility employees is hereby adopted and ratified for utility employees of the Water Works Department.

Section 5. That the compensation and benefits policies as adopted and are in effect in the most recently adopted Compensation and Benefits ordinance is hereby adopted and ratified for employees of the utility and its officers;

Duly Approved and Adopted by the Board of Directors of the Highland Water Works, Lake County, Indiana this 27th day of January, 2022 by a vote of 3 in favor and 0 opposed.

**THE DEPARTMENT of WATER WORKS
 BY ITS BOARD of DIRECTORS:**

/s/George A. Smith, President

Attest:

/s/Richard E. Volbrecht Jr., Secretary

5. Water Works District of Highland
 Board of Directors
 Resolution 2022-04

A Resolution establishing the 2022 Capital Project Budget of the Water Works to be paid from its Water Works Improvement and Water Works Capital funds. Director Volbrecht moved to approve the Resolution 2022-04. Director Tharp seconded. Upon a roll call vote, there were (3) affirmations and no negatives, (1) abstention. The motion passed.

**Water Works District of Highland
 Board of Directors
 Capital Budget Resolution No. 2022-04**

A RESOLUTION ESTABLISHING THE 2022 CAPITAL PROJECT BUDGET OF THE WATER WORKS TO BE PAID FROM ITS WATER WORKS IMPROVEMENT FUND

- Whereas**, The Highland Water Works is governed by its Board of Directors, pursuant to the provisions of IC 8-1.5-4 et seq.; and
- Whereas**, IC 8-1.5-4-4 specifically provides that the Board of Directors shall manage and control all works of the Water Works and may purchase, acquire, construct, reconstruct, operate, repair and maintain all water works; and

Whereas, The Board of Directors in performing its duties, may adopt resolutions, rules and by-laws that are necessary to carry out the provisions of IC 8-1.5-4 et seq. including repealing or amending them consistent with the Water Works Law; and

Whereas, The Board of Directors in performing its duties, now determines that passage and adoption of a Capital Budget Resolution establishing a Capital Budget to be paid from funds of the Water Works to be necessary for the sound management and control of the Water Works and performing its duty to construct, reconstruct, repair, and maintain all water works.

Now, Therefore Be it Resolved by the Board of Directors of the Highland Water Works, Lake County, Indiana, as follows:

Section 1. That for the Capital expenses as hereinafter identified of said Water Works, the following allowances for the identified sums of money are hereby fixed and ordered set apart for the purposes herein specified to be paid from Water Works Improvement Fund:

066-0000-34301 Water Meters	\$125,000.00
066-0000-43003 Equipment	\$9,835.00
066-0000-34302 Hydrants/Valves/Fittings	\$50,000.00
Total	\$184,835.00

Section 2. That for the Capital expenses as hereinafter identified of said Water Works, the following allowances for the identified sums of money are hereby fixed and ordered set apart for the purposes herein specified to be paid from Water Works Capital Fund:

068-0000-45090 Water Tank Rehabilitation (annual payment to Suez – \$53,735.00 Indy Blvd and \$10,000.00 Ridge Rd)	\$63,735.00
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Section 3. That the Municipal Fiscal Officer is instructed and authorized to assign such accounts and establish such financial reporting methodology as to permit the regular review of the Capital expenses herein identified as compared to the budgeted amounts and to otherwise carry out the objects and purposes of this resolution;

Section 4. That the Superintendent of the Water Works is instructed and authorized to prepare accounts payable for projects identified herein in such a manner as to support and permit the regular review of the Capital expenses herein identified as compared to the budgeted amounts and to otherwise carry out the objects and purposes of this resolution;

Section 5. That there shall be no capital expenditure for the identified projects in excess of the amounts fixed by this resolution without express action by the Board of Directors, revising the amount fixed and authorizing the additional allowance amount;

Section 6. That this Resolution shall be effective immediately upon its passage and adoption by the Board of Directors and may be amended or repealed by subsequent resolution duly passed and adopted.

Duly Adopted, Resolved and Ordered by the Water Works Board of Directors of Highland, Lake County, Indiana, this 27th day of January, 2022. Having been passed by a vote of 3 in favor and 0 opposed.

**THE DEPARTMENT of WATER WORKS
BY ITS BOARD of DIRECTORS:**

/s/George A. Smith, President

Attest:

/s/Richard E. Volbrecht Jr., Secretary

6. Water Works District of Highland
Board of Directors
Resolution 2022-05

A Resolution approving and authorizing a proposal from Dorner Company for the purchase and installation of one (1) 10" Cla-Val Altitude Valve and one (1) 8" Cla-Val Pressure Relief and Surge Anticipation Valve at the Bradley Pump Station in the amount of \$27,534.00. Director Volbrecht moved to approve the Resolution 2022-05. Discussion ensued. Director

Tharp seconded. Upon a roll call vote, there were (4) affirmations and no negatives. The motion passed.

**WATER WORKS DISTRICT OF HIGHLAND
BOARD OF WATER WORKS DIRECTORS
RESOLUTION NO. 2022-05**

A RESOLUTION APPROVING AND AUTHORIZING A PROPOSAL FROM DORNER COMPANY FOR THE PURCHASE AND INSTALLATION OF ONE (1) 10" CLA-VAL ALTITUDE VALVE AND ONE (1) 8" CLA-VAL PRESSURE RELIEF AND SURGE ANTICIPATING VALVE AT THE BRADLEY PUMP STATION IN THE AMOUNT OF \$27,534.00.

Whereas, the Water Works District of Highland (District) is governed by its Board of Water Works Directors, pursuant to the provisions of IC 8-1.5-4 et seq.; and

Whereas, IC 8-1.5-4-4 specifically provides that the Board of Directors shall manage and control all works of the Water Works and may purchase, acquire, construct, reconstruct, operate, repair and maintain all water works; and

Whereas, The Facilities Supervisor reports that the altitude valve and surge anticipating valve at the Bradley Pump Station are experiencing operational problems and, due to their age, (30 years old) recommends replacement in lieu of rebuild; and

Whereas, Pursuant to §3.05.050 (D) (6) of the Highland Municipal Code (HMC), the Public Works Director as Water Works Superintendent serves as the purchasing agent for the Highland Water Works Department; and

Whereas, Pursuant to §3.05.030 (B) of the HMC, the purchase exceeds \$15,000.00, which requires the additional approval of the purchasing agency; and

Whereas, the purchase will be supported by the Water Improvement Fund and there is sufficient budget authority in order to support the purchase; and

Whereas, The Purchasing Agent, pursuant to Section 3.050.060 (G)(2) of the Highland Municipal Code, expects that the purchase would be less than \$50,000 and therefore would be purchased in the open market without inviting or receiving bids; and

Whereas, the following quotes were received:

Dorner Company	\$27,534.00
Gasvoda & Associates, Inc	\$34,725.00
Metropolitan Pump Company	\$50,631.00

Whereas, The Water Works District of Highland, through its Board of Water Works Directors, now desires to approve the purchase and authorize the payment thereof.

Now, Therefore Be it Resolved by the Board of Directors of the Highland Water Works, Lake County, Indiana, as follows:

Section 1. That the Proposal of Dorner Company in the amount of Twenty-seven Thousand Five Hundred Thirty-four Dollars and no Cents (\$27,534.00) for the purchase and installation of one (1) 10" Cal-Val Altitude Valve and one (1) 8" Cla-Val Pressure Relief and Surge Anticipating Valve is hereby accepted and approved;

Section 2. That the Water Works District Superintendent is authorized to execute the purchase agreement and all documents necessary to complete the purchase;

Duly Adopted, Resolved and Ordered by the Water Works Board of Directors of Highland, Lake County, Indiana, this 27th day of January, 2022. Having been passed by a vote of 4 in favor and 0 opposed.

**HIGHLAND WATER WORKS
BY ITS BOARD OF DIRECTORS:**

/s/George A. Smith, President

Attest:

/s/Richard E. Volbrecht, Jr., Secretary

7. A memorandum, from the Clerk Treasurer, to report and authorize a final adjustment to the Consumer Deposit Fund. Director Volbrecht moved to acknowledge the report and the adjustment of the Clerk-Treasurer and to affirm the action. Discussion ensued. Director Tharp seconded. Upon a roll call vote, there were (4) affirmations and no negatives. The motion passed.

TOWN OF HIGHLAND • OFFICE OF THE TOWN CLERK-TREASURER

Thursday, January 27, 2022

To: Highland Board of Waterworks Directors
George A. Smith, President

From: Michael W. Griffin, M.P.A., IAMC/MMC/ CPFA/ ACPFIM/ CMO Clerk-Treasurer

Re: CORRECTION of CONSUMER DEPOSIT RECEIVABLE BALANCE

Dear Mr. President and Members of the Board of Directors:

Hello. I hope this arrives to find you well. This memorandum comes to you with a two-fold objective. One is to review the issue with the board. The other is to have the board ratify the steps I will be taking to execute the corrective measure that is recommended by Baker Tilly.

First, as you may recall, the Office of the Clerk-Treasurer has been working with Baker Tilly to review the manner in which the consumer deposit fund is reported. We noted to you previously that at the time of the establishment of the fund, executed during the transition from the former software to the current BS&A software, we created a receivable account. As explained in the accompanying report from Baker Tilly, a change was made in April 2019 that triggered posting to the accounts receivable account. As you probably can discern, this is not correct as the consumer deposit fund is more of a trust fund, with no receivables and the only liabilities are the payables to the customers who make the deposit. The review determined what happened and the steps needed to correct the matter.

The cash balance on deposit to the fund is correct. The posting to the accounts receivable account has been stopped. What remains is the adjustment to the accrued accounts receivable that have accrued. In cash basis reporting, these accounts are not even contemplated. However, part of what informed the decision to select BS&A Software was that it could support a future GAAP reporting, if the Town so choose. However, the adjustment identified by the attached letter from Mr. Hedden at Baker Tilly needs to be made.

1. *Office Clerk-Treasurer to execute the adjustment.* With this memorandum I am reporting to the Board that I intend to execute the recommended adjustment according to the review and recommendation attached from Baker Tilly. The change will reduce the amount credited to the accounts receivable and then credit it to the account that shows Fund equity. (As you may recall, equity in a fund or in a balance sheet is the what remains after all the assets calculated against all the liabilities). This will have the effect of modifying the accounts receivables, which again all should understand is not an account that would be aligned with the consumer deposit fund.
2. *Action by the Board.* It is our position and that of our external auditor, the State Board of Accounts, that this adjustment because it is material should be reported to board at public meeting and reflected in the minutes of the proceedings. Further a vote to approve or affirm the action of the fiscal officer is required. The motion may read as follows:

Motion: I move to acknowledge the report and the adjustment of the Clerk-Treasurer and to affirm the action.

I will then retain this with the records of the utility evidencing its action by a proper notation. Action affirmed by the Board at its meeting January 27, 2022. /s/Michael W. Griffin



1/18/2022

Michael W. Griffin, Clerk-Treasurer
Highland Town Council
3333 Ridge Road
Highland, Indiana 46322

Baker Tilly US, LLP
8365 Keystone Crossing, Ste 300
Indianapolis, IN 46240
United States of America

T: +1 (317) 465 1500
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Re: Correcting Consumer Deposit Accounts Receivable Balance

Dear Michael:

This letter explains the accounts receivable balance in the Consumer Deposit Fund (062).

During the BS&A conversion in 2013 the Consumer Deposit Fund incorrectly established accounts receivable to track money owed to its customers. In April 2019 the Clerk-Treasurer's office, with support from BS&A, created a liability to track the amount of deposits due to customers. This journal entry credited accounts payable and debited fund balance.

Since the liability properly established the amounts owed back to customers, the Town can now eliminate the accounts receivable balance as follows:

Account#	Account Name	Debit	Credit
062-0000-16000	Accounts Receivable	\$178,875.69	
062-0000-27100	Fund Equity		\$178,875.69

We would appreciate your questions or comments on this information and would provide additional information upon request.

Very truly yours,

BAKER TILLY US, LLP

Daniel A. Hedden
Partner

Enclosures: Journal Entry Acceptance Form

8. Consideration of a proposed license agreement between Midwest Telecom of American, Inc. (MTA) and the Water Works District of Highland for co-locating telecommunications equipment on the Indianapolis Boulevard Elevated Water Tank. The agreement will be subject to approval by Suez and legal counsel before it can be finalized. The Board authorizes President George A. Smith to execute the agreement once it is finalized. A Resolution will be prepared for the next Water Works Board meeting to authorize and ratify the agreement.

New Business: None.

Reports:

1. Water Works Superintendent – none.
2. Water Works Attorney – none.
3. Water Works Engineer – none.
4. Fire Department – none.

Business from the Floor: none.

Claims:

Per the docket in the amount of:

061	Water Works District	\$00.00
062	Consumer Deposits	\$43.91
064	Water Works Operating	\$477,498.51
066	Water Improvements	\$73,404.96
068	Water Capital	\$321,732.45
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Total		\$872,679.83

Director Volbrecht moved to approve the claims per the January 27, 2022 docket in the amount of \$872,679.83. Director Tharp seconded. Upon a roll call vote, there were (4) affirmations and no negatives.

Next Meeting:

The next Special Plenary Meeting will be held on Thursday, February 24, 2022 at 6:30 p.m.

ADJOURNMENT: With no other business to come before the Board of Water Works Directors, Director Kondrat moved to adjourn the meeting.

Meeting Adjourned at 8:48 p.m.

Respectfully Submitted,

Kim Webb, Recording Secretary