

AGENDA
HIGHLAND SANITARY DISTRICT
BOARD OF SANITARY COMMISSIONERS
TUESDAY, JUNE 20, 2023
PUBLIC MEETING

Pledge of Allegiance

Roll Call:

Commissioner Kathy DeGuilio-Fox
Commissioner Rex Burton
Commissioner Greg Cieslak
Commissioner David Jones
Commissioner Richard Garcia

Minutes of

Previous Session: May 16, 2023-Public Meeting & June 6, 2023-Public Meeting

Special Orders:

Communications:

General Orders and Unfinished Business:

New Business:

Reports:

Comments from the Commissioners:

Business from the Floor:

Claims:

\$ Per the docket in the amount of:

6201	SEWAGE OPERATING	337,869.97
6204	SEWAGE IMPROV	3,975.00
6601	SANITARY OPERATING	203,700.57
	Total	545,545.54

Next Meeting:

The next regularly scheduled Public Meeting will be held Tuesday, July 18, 2023 immediately following a study session at 6:30 p.m.

No study session on July 4 2023

Adjournment:

Meeting adjourned at: _____

**MINUTES OF THE REGULAR PUBLIC MEETING
BOARD OF SANITARY COMMISSIONERS
TUESDAY May 16, 2023**

The Board of Sanitary Commissioners of the Sanitary District of Highland convened in a study session immediately before the Regular Public Meeting at 6:30 p.m. on Tuesday, May 16, 2023 with Commissioner Garcia presiding, in the first floor meeting room of the Highland Municipal Building, 3333 Ridge Road, Highland, Indiana, in order to discuss the final agenda of the regular meeting.

Silent Roll Call: Commissioners Kathy DeGuilio-Fox, Rex Burton, Dave Jones and Richard Garcia. Also present were Mark Knesek, Public Works Director, Derek Snyder of NIES Engineering, Inc., Robert Tweedle, Attorney and Clerk Treasurer Mark Herak.

A discussion took place regarding the Public Works/Sanitary District Status Report including updates from SEH regarding MS4 fee calculation for land use category classifications and appropriate billing for inclusion on the Lake County, Indiana Treasurer's property tax bills for pay 2024. The commissioners requested our representatives from SEH come to the next meeting for a discussion. Mark Knesek will call them.

Commissioner Jones and Clerk Treasurer Herak took leave at 6:42.

Discussion continued regarding stormwater fees.

Mr. Tweedle spoke regarding financing alternative for rate impacts due to HSD Funding Agreement. Mr. Tweedle and Mr. Snyder answered the commissioners questions.

Study Session ended at 6:55.

At 6:55 the Regular Meeting of the Board of Sanitary Commissioners of the Sanitary District of Highland convened with Commissioner Garcia presiding, in the meeting room of the Highland Municipal Building, 3333 Ridge Road, Highland, Indiana. The Regular Public meeting was opened with the Pledge of Allegiance to the United States of America.

Roll Call: Commissioners Kathy DeGuilio-Fox, Rex Burton, and Richard Garcia. Also present were Mark Knesek, Public Works Director, Derek Snyder of NIES Engineering, Inc., Robert Tweedle, Attorney and Mark Herak, Clerk Treasurer.

The minutes from the April 18, 2023, May 2, 2023 public meeting are approved.

Special Order: None

Communications: None

General Order and Unfinished Business:

Commissioner Burton motioned to approve Resolution 2023-08 DeGuilio-Fox seconded. Upon a roll-call, there were three (3) affirmatives and no (0) negatives. The motion passes.

SANITARY DISTRICT OF HIGHLAND
Board of Sanitary Commissioners
Resolution No. 2023-08

A RESOLUTION APPROVING AND AUTHORIZING A QUOTE FROM MIDWESTERN ELECTRIC, LLC FOR THE PURCHASE AND INSTALLATION OF ONE (1) 800-AMP AUTOMATIC TRANSFER SWITCH FOR THE NORTH DRIVE STORM WATER PUMP STATION IN THE AMOUNT OF \$32,900.00.

Whereas, The Sanitary District of Highland 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 Public Works Director as the Wastewater Superintendent, pursuant to §3.05.050(D)(7) of the HMC, serves as the purchasing agent for the Highland Sanitary District; and

Whereas, The Public Works Director reports that the 800-Amp automatic transfer switch at the North Drive Storm Water Pump Station requires replacement, and

Whereas, Pursuant to §3.05.050 (B) of the HMC, the purchase exceeds \$15,000.00, which requires the additional approval of the purchasing agency; and

Whereas, The Board of Sanitary Commissioners, pursuant to §3.05.030(E) of the HMC serves as purchasing agency for the Highland Sanitary District; and

Whereas, The Purchasing Agent, pursuant to Section 3.05.060(G) of the HMC, expects that the purchase would be less than \$50,000 and invited three quotes; and

Whereas, The following quotes were received:

Midwestern Electric, LLC	\$32,900.00
Emcor Hyre Electric, Inc.	\$34,390.00
Austgen Electric, Inc.	\$43,111.00

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

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

Now, Therefore Be it Resolved by the Board of Sanitary Commissioners of the Highland Sanitary District, Lake County, Indiana, as follows:

Section 1. That the Quote from Midwestern Electric, LLC in the amount of Thirty-two Thousand Nine Hundred Dollars and no Cents (\$32,900.00) for the purchase of one (1) Automatic Transfer Switch is hereby accepted and approved;

Section 2. That the Wastewater Superintendent is authorized to execute the purchase agreement and all documents necessary to complete the purchase.

Duly Adopted, Resolved and Ordered by the Board of Sanitary Commissioners of Highland, Lake County, Indiana, this 16th day of May, 2023. Having been passed by a vote of ____ in favor and ____ opposed.

THE SANITARY DISTRICT OF HIGHLAND
BY ITS BOARD OF COMMISSIONERS:

Richard Garcia, President

Attest:

David Jones, Secretary

Commissioner Burton motioned to approve Resolution 2023-09 DeGuilio-Fox seconded. Upon a roll-call, there were three (3) affirmatives and no (0) negatives. The motion passes.

SANITARY DISTRICT OF HIGHLAND
BOARD OF SANITARY COMMISSIONERS
CAPITAL BUDGET RESOLUTION No. 2023-09

A RESOLUTION AMENDING THE 2023 CAPITAL PROJECT BUDGET OF THE SANITARY DISTRICT TO BE PAID FROM ITS SEWAGE WORKS IMPROVEMENT FUND

Whereas, The Sanitary District of Highland 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 Board of Sanitary Commissioners in performing its duties, may adopt resolutions, rules and by-laws that are necessary to carry out the provisions of IC 36-9-25 including repealing or amending them consistent with the Sanitary District Law; and

Whereas, The Board of Sanitary Commissioners 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 Sanitary District to be necessary for the sound management and control of the sewage works and performing its duty to construct, reconstruct, operate, repair, and maintain all sewage works.

Now, Therefore Be it Resolved by the Board of Sanitary Commissioners of the Sanitary District of Highland, Lake County, Indiana, as follows:

Section 1. That for the Capital expenses as hereinafter identified of said District, 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 Sanitary District Sewage Works Improvement Fund:

6204-0000-***** 81 st St. Pump Station Generator	\$96,448.00
6204-0000-***** North Dr. Pump St. Transfer Switch	<u>\$32,900.00</u>
Total	\$129,348.00

Section 2. 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 3. That the Superintendent of the Sanitary District 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 4. 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 Sanitary Commissioners, revising the amount fixed and authorizing the additional allowance amount;

Section 5. That any prior Capital Budget duly adopted by resolution and as amended from time to time is hereby repealed and replaced to include the Capital expenses identified herein.

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

Duly Adopted, Resolved and Ordered by the Board of Sanitary Commissioners of Highland, Lake County, Indiana, this 16th day of May 2023. Having been passed by a vote of ____ for and ____ opposed.

THE SANITARY DISTRICT OF HIGHLAND
BY ITS BOARD OF COMMISSIONERS:

Richard Garcia, President

Attest:

David Jones, Secretary of the Board of Sanitary Commissioners

Commissioner Burton motioned to approve Resolution 2023-10 DeGuilio-Fox seconded. Upon a roll-call, there were three (3) affirmatives and no (0) negatives. The motion passes.

SANITARY DISTRICT OF HIGHLAND
BOARD OF SANITARY COMMISSIONERS
RESOLUTION NO. 2023-10

A RESOLUTION APPROVING AND AUTHORIZING A FIRST AMENDMENT TO THE SEWAGE COLLECTION AND TREATMENT AGREEMENT BETWEEN THE SANITARY DISTRICT OF THE CITY OF HAMMOND, INDIANA, AND THE TOWN OF HIGHLAND, INDIANA .

Whereas, The Sanitary District of Highland 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 Board of Sanitary Commissioners in performing its duties, may adopt resolutions, rules and by-laws that are necessary to carry out the provisions of IC 36-9-25 including repealing or amending them consistent with the Sanitary District Law; and

Whereas, Pursuant to the provisions of IC 36-9-25-10(14) the Board of Sanitary Commissioners may enter into contracts in the name of the municipality with the approval of the executive as provided by law; and

Whereas, On June 13, 1994 the Sanitary District of the City of Hammond, Indiana (HSD) and the Town of Highland (Highland) entered into an agreement for sewage collection and treatment (Agreement); and

Whereas, Pursuant to Section 2 of the Agreement, Highland exercised its option to extend the initial term of the Agreement for an additional 25 years beginning January 1, 2019, resulting in the term of the Agreement running up to and including December 31, 2043; and

Whereas, On February 13, 2017 HSD and Highland entered into a Binding Letter of Intent and Settlement Agreement (LOI) to address, settle and resolve any and all disputes which had arisen during the term of the Agreement; and

Whereas, HSD and Highland negotiated a First Amendment to the Agreement (First Amendment) which memorializes the agreements and terms thereof contained in the LOI; and

Whereas, The Board of Sanitary Commissioners has determined it is in the interest of operational and administrative economy as well as in the best interest of the Sanitary District of Highland to resolve pending and potential disputes arising out of the Agreement by amending the provisions thereof; and

Whereas, The Board of Sanitary Commissioners, in performing its duties, now desires to approve and authorize the First Amendment to the Agreement.

Now, Therefore Be it Resolved by the Board of Sanitary Commissioners of the Sanitary District of Highland, Lake County, Indiana, as follows:

Section 1. That the Board of Sanitary Commissioners as the governing body of the Sanitary District of Highland hereby finds and determines that the terms and provisions of the First Amendment are reasonable and approved in each and every respect (First Amendment affixed as an exhibit to this Resolution);

Section 2. That the proper officials, agents and employees of the Town of Highland are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Town of Highland and the Sanitary District of Highland in accordance with the provisions of the First Amendment;

Section 3. That the Secretary of the Board of Sanitary Commissioners is hereby directed to forward a copy of this resolution to the office of the clerk treasurer as clerk of the legislative body, with a request that the Town Council of the Town of Highland, take up the matter for consideration and action at its earliest opportunity.

Duly Adopted, Resolved and Ordered by the Board of Sanitary Commissioners of Highland, Lake County, Indiana, this 16th day of May 2023. Having been passed by a vote of ____ for and ____ opposed.

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

Richard Garcia, President

Attest:

David Jones, Secretary of the Board of Sanitary Commissioners

EXHIBIT

FIRST AMENDMENT TO SEWAGE COLLECTION AND TREATMENT AGREEMENT

FIRST AMENDMENT TO SEWAGE COLLECTION AND TREATMENT AGREEMENT BETWEEN THE SANITARY DISTRICT OF THE CITY OF HAMMOND, INDIANA, AND TOWN OF HIGHLAND (CUSTOMER CITY)

This First Amendment is made and entered into this __ day of May, 2023 by and between the Sanitary District of the City of Hammond, Indiana (the "District"), and the Town of Highland, Indiana ("Customer City") (the "First Amendment"). District and Customer City may be referred to herein as the "Parties".

RECITALS 1.

1. District owns and operates a publicly owned treatment works ("POTW") for the collection and treatment of sanitary sewage wastewater.
2. Customer City has, for many years, transmitted, and District has received, Customer City's wastewater which has been treated at the District's POTW. Customer City desires to continue to transmit its locally generated wastewater to the District for collection and treatment, and District is willing to continue to provide that service to Customer City upon the terms and conditions stated herein.
3. District and Customer City first entered into an agreement for sewage collection and treatment on June 13, 1994 (the "Agreement") that gave Customer City the right to transmit wastewater to District in a volume equal to an instantaneous flow rate of 7.5 million gallons of wastewater per day ("MGD").
4. Pursuant to Section 2 of the Agreement, Customer City exercised its option to extend the initial term of the Agreement for an additional 25 years beginning January 1, 2019, resulting in the term of the Agreement running up to and including December 31, 2043.
5. On February 13, 2017, District and Customer City entered into a Binding Letter of Intent & Settlement Agreement (the "LOI") which provided, among other things, that Customer City was to pay an interim rate of \$1.20/1,000 gallons and that future rates would be set pursuant to a cost-of-service study and the interim rate shall apply until implementation of the rate structure established by the cost-of-service study.
6. The LOI further provided that Customer City would pay District for Customer City's proportionate share of the capital cost of District's Long Term Control Plan ("LTCP") improvements.
7. On August 21, 2019, the Parties met and exchanged a preliminary list of LTCP improvements with estimated costs for which Customer City would be responsible. On May 10, 2022, District provided Customer City with a revised list of LTCP improvements with estimated costs which is provided in Exhibit A, not including interest and financing costs.
8. On January 7, 2020, District issued to Customer City a capital cost contribution notice for the remainder of Bond Issue (SP7) and Near-Term Headworks Improvement Project in the amount of \$2,022,252, which Customer City has not yet paid. These costs are identified as the Secondary Clarifier, Aeration Tank Diffusers, and Headworks on Exhibit A.
9. The cost-of-service study was completed on March 14, 2022, and District notified Customer City on May 10, 2022 that its new rate is \$2.344/1,000 gallons for FY 2022, effective July 1, 2022. A copy of the May 10, 2022 notification is provided as Exhibit B. Per the District's and Customer City's request, the cost-of-service study calculated a return on investment which could be implemented under certain circumstances, under which Highland would be allocated approximately \$848,000 per year.
10. On September 18, 2020, District submitted a LTCP for the control of Combined Sewer Overflows ("CSOs"), subject to United States Environmental Protection Agency ("EPA") and Indiana Department of Environmental Management ("IDEM") approval. On March 17, 2021, EPA and IDEM conditionally approved District's LTCP. A schematic of District's Selected Alternative for the LTCP is shown as Exhibit C.
11. On April 7, 2022, Customer City, EPA, and IDEM entered into a consent decree which was filed with the U.S. District Court for the Northern District of Indiana (the "SSO Consent Decree") requiring Customer City to construct improvements capable of sending an increased instantaneous maximum peak flow up to 32.2 MGD per day to District for treatment by August 31, 2027.
12. On May 8, 2017, District, EPA, and IDEM entered into a consent decree which was filed with the U.S. District Court for the Northern District of Indiana which required District to develop and implement an approved LTCP. On March 17, 2021, the USEPA issued partial approval of the District's LTCP, which proposed construction of improvements sufficient to increase its capacity to accept up to a 40 MGD maximum peak flow from Customer City for treatment, subject to final agreement with the Customer City and resolution of the Customer City's SSO plan with EPA and IDEM.
13. The LOI required Customer City pay District an expanded capacity operating charge of \$255,000 per MGD for each additional MGD of instantaneous peak flow capacity required for Customer City to resolve its SSO issues, adjusted for inflation as necessary. As per the Customer City's SSO Consent Decree, the Customer City requires additional instantaneous max peak capacity of 25 MGD for a total instantaneous maximum peak flow of 32.2 MGD by August 31, 2027, which the District is willing to provide subject to the terms of this First Amendment.
14. The Parties now desire to amend the Agreement with this First Amendment consistent with the foregoing events and conditions.

COVENANTS

NOW, THEREFORE, in consideration of the recitals and other mutual obligations and promises of the Parties herein expressed, District and Customer City do agree as follows:

- I. Section 4.E of the Agreement be added as set forth below:

4.E Notwithstanding Section 4.D, Customer City agrees to pay District \$269,000.00 for each additional MGD of instantaneous peak flow capacity which represents \$255,000.00 per MGD adjusted for inflation. Customer City shall pay District a total of \$2,286,500 in twelve equal monthly installments of \$190,541.67 for the right to transmit to District an additional 8.5 MGD for a new maximum instantaneous flow rate of 16 MGD, which shall become effective upon execution of this First Amendment. The initial monthly payment set forth in this paragraph shall be due 120 days following the last day of the month of execution of this First Amendment. This amount shall be in addition to all other amounts due to District pursuant to the Agreement, as amended by the First Amendment. In addition, upon completion of the Southeast Quadrant Projects under the District's LTCP improvements, Customer City shall pay a total of \$4,357,800 for the right to transmit to District an additional 16.2 MGD of wastewater per day for a final total maximum instantaneous flow rate of 32.2 MGD, which amount shall be in addition to all other amounts due to District pursuant to the Agreement, as amended by the First Amendment. Upon completion of both the Southeast Quadrant Projects under District's LTCP improvements and Phase I of Customer City's remedial measures project under the SSO Consent Decree, Customer City's instantaneous max peak flow (32.2 MGD) shall be limited to 7.2 MGD at the 8Pt Street Pump Station and 25 MGD at the newly constructed 5th Street Pump Station. If maintained by Highland after completion of the Southeast Quadrant Projects, the existing 5th Street Pump Station shall be used for dry weather flows only and use for wet weather flow through shall be prohibited.

2. Section 6.A.1 of the Agreement be deleted in its entirety and substituted with the following:

6.A.1(a) Operation and Maintenance Costs.

i. Customer City shall pay for its proportionate use of the District's POTW and Transmission Facilities in a manner consistent with the findings presented in the March 14, 2022 cost-of-service study and the May 10, 2022 notice provided in Exhibit B. Subject to Section 6.A.1(a)(ii)-(iv), the Effective Rates for the Customer City shall be as follows:

FY 2023: \$2.344/1,000 gallons
FY 2024: \$2.484/1,000 gallons
FY 2025: \$2.625/1,000 gallons
FY 2026 \$2.767/1,000 gallons

ii The FY 2023 rates shall be retroactive to and effective as of January 1, 2023, with the initial monthly payment being due 120 days following the last day of the month of execution of the First Amendment. Customer City and District shall calculate a true-up amount for the time period of January 1, 2023 to the date of the initial monthly payment, and Customer City shall pay such true-up amount to District through twelve equal monthly installments, the first of which will be due 120 days following the last day of the month of execution of this First Amendment. After FY 2023 and through 2026, the Customer City rates shall increase in proportion to the yearly O&M budget established by District compared to the prior year, but in no event shall the rates exceed those set forth in Section 6.A.1(a)(i). District may implement rates up to the foregoing amounts at the same time it implements rate increases to its other wholesale customers, including customers served by District as provided for in the March 14, 2022 cost of service study.

iii. The foregoing rates include a return on investment of approximately \$848,000 per year. In exchange for inclusion of such return, District shall provide to Customer City no later than March 1st of each year: (A) an annual accounting of actual revenue collected by customer class compared to anticipated revenues to be collected to cover the District's cost-of-service for the prior year as shown in the March 14, 2022 cost of service study and Table 2 of Exhibit B; (B) an annual accounting of actual operating costs incurred compared to the budgeted costs for the prior year as shown in the March 14, 2022 cost of service study and the most recent District budget; and (C) the District's budget, including O&M, capital expenditures and PILOT for the current year.

iv. The foregoing rates include recovery of funds to create a repair and replacement reserve for the District. The District agrees to provide Customer City no later than March 1st of each year, a yearly: (A) capital project plan; (B) plan to govern use of the repair and replacement reserve and (C) accounting of: (1) the monies collected from each of its customer classes and wholesale customers to fund the repair and replacement reserve; (2) monies spent from the repair and replacement reserve and an overview of the projects undertaken; and (3) the remaining balance of the repair and replacement reserve.

v. After FY 2026, Customer City's rates shall increase in proportion to the yearly O&M budget established by the District compared to the prior year until such time that an update to the March 14, 2022 cost-of-service study is conducted after completion of the Southeast Quadrant Projects under the District's L TCP for the purpose of evaluating and incorporating the cost-of-service for the Southeast Quadrant Projects and any associated POTW upgrades or infrastructure constructed pursuant to District's LTCP completed as of the date of the commencement of the study. The updated cost-of-service study shall be conducted by a third-party consultant mutually agreed upon by the parties, the cost of which will be shared on a pro rata basis by the District and its customer communities.

vi. The Customer City rates determined by the updated cost-of-service study in Section 6.A.1(a)(v) shall go into effect on January 1 of the year following finalization of the study. vii. The parties shall reserve the right to have the cost-of-service study updated prior to the conditions set forth in Paragraph 6.A.1 (a)(i) or (ii) for changed circumstances, as provided for in Exhibit C of the LOI.

3. Capacity Certification. If Customer City is in compliance with the Agreement, including current on all payments due to District pursuant to the Agreement and operating within the instantaneous maximum peak capacity limit, as amended by this First Amendment, District will in good faith review and, if satisfactory, approve capacity certifications for any construction permits submitted by Customer City attributable to its remedial measures project under the SSO Consent Decree with a capacity that allow Customer City to transmit no more than an instantaneous maximum peak flow of 32.2 MGD to the District. District will in good faith review and, if satisfactory, approve capacity certifications for any other construction permits submitted or approved by Customer City, including those submitted by private developers in Customer City's service territory, in the ordinary course. Any disputes regarding capacity certifications for construction permits submitted or approved by Customer City to District shall be resolved in the manner provided for under Section 10 of the Agreement.

4. True Up. Customer City agrees to pay District \$35,000 monthly for a term of sixty-eight months in satisfaction of the terms set forth in Section 1 (d) of the LOI, which totals \$2,380,000. The foregoing amount reconciles the amount paid by Customer City as compared to the rate structure established in the March 14, 2022 cost-of-service study. The initial monthly payment set forth in this paragraph shall be due 120 days following the last day of the month of execution of this First Amendment.

5. Payment for Completed Capital Projects. Customer City agrees to pay District in equal monthly instalments over a 24-month period for a total of \$2,022,252 for its share for the remainder of Bond Issue SP7 and Near-Term Headworks Improvement Project identified in Exhibit A. The initial monthly payment set forth in this paragraph shall be due 120 days following the last day of the month of execution of this First Amendment. Upon satisfaction of this provision, District shall waive any late penalties, interest, and financing costs owed by Customer City under the Agreement for these already completed capital projects.

6. LTCP Costs. Customer City shall deposit its allocated portion of the costs of each project under the LTCP provided in Exhibit A into an escrow account (the "Escrow Account") not later than the date the District awards a construction contract for each project. Upon receipt by the District of construction cost estimates from a qualified professional for a particular project, the District shall notify the Customer City of the maximum anticipated amount of the Customer City's required contribution for such project. The Customer City shall then have one hundred twenty (120) days in which to complete all authorizing actions for the issuance of its bonds (other than the actual sale thereof) to fund such contribution. The District shall schedule the receipt of construction bids to occur after such one hundred twenty (120) day period. Within thirty (30) days after the District receives construction bids for the project and provides the Customer City with the Customer City's actual allocable share (which shall occur prior to the District's award of the construction contract for the project), Customer City shall sell and issue its bonds in an amount that generates net proceeds sufficient to fund its contribution and deposit such net proceeds into the Escrow Account. Customer City shall receive a pro rata credit for any reduction in the cost of L TCP projects in Exhibit A. If District receives grant funding for any portion of the L TCP projects in Exhibit A, Customer City shall receive a pro rata credit for the amount of the grant funding. After construction of each project provided for in Exhibit A, the District shall submit a notice to Customer City reconciling the estimated and actual construction costs of the project and indicate either a debit or credit from Customer City, which shall be paid by the Customer City or the District within 180 days of the notice.

7. This First Amendment does not amend any other provisions of the Agreement, including that the term of the Agreement shall be until December 31 , 2043. SANITARY DISTRICT OF THE CITY OF HAMMOND, INDIANA ~~

SANITARY DISTRICT OF THE
CITY OF HAMMOND, INDIANA
Marty Wielgos,
Chief Executive Officer
5/1/2023

TOWN COUNCIL OF THE
TOWN OF HIGHLAND, INDIANA
President _____
Member _____
Member _____
Member _____
Member _____
ATTEST: -----
DATE: -----

New Business: None.

Reports: None

Comments from the Commissioners:

Business from the floor: Erik Sprnne asked about the water quality Cady Marsh Ditch. He noticed that the quality has gone down since past year. Mr. Snyder stated that is has nothing to do with sewage from the Town of Highland. There can be a number of items from other areas and nature that can affect the water. Mr. Snyder stated there are reports that can be found on the Town of Highland website for SSO.

Claims:

6201	SEWAGE OPERATING	\$344,821.90
6204	SEWAGE IMPOV	\$ 45,062.78
6601	SANITARY OPERATION	<u>\$203,767.93</u>
	Total	\$593,652.61

Commissioner Burton motioned to approve the docket. Commissioner DeGuilio-Fox seconded. Upon a roll call, there were three (3) affirmatives and no (0) negatives. The motion passes.

Next Meeting: The next meeting will be a study session to be held at 6:30 p.m. on Tuesday, June 6, 2023 . The next regularly scheduled Public Meeting will be held Tuesday, June 20, 2023 immediately following a study session at 6:30 p.m.

Adjournment: There being no other business to come before the Board of Sanitation Commissioners, Commissioner Burton moved to adjourn. Upon a voice vote, the meeting was adjourned at 7:23 pm.

Respectfully Submitted, Denise Beck, Recording Secretary

**MINUTES OF THE SPECIAL PUBLIC METTING
BOARD OF SANITARY COMMISSIONERS
TUESDAY JUNE 6, 2023**

The Board of Sanitary Commissioners of the Sanitary District of Highland convened in a Public Meeting at 6:30 p.m. on Tuesday, June 6, 2023 with Commissioner Garcia presiding, in the first floor meeting room of the Highland Municipal Building, 3333 Ridge Road, Highland, Indiana. The Public meeting was opened with the Pledge of Allegiance to the United States of America.

Roll Call: Commissioners Kathy DeGuilio-Fox, Greg Cieslak, Rex Burton, Dave Jones and Richard Garcia. Also present were Mark Knesek, Public Works Director, Derek Snyder of NIES Engineering, Inc., Robert Tweedle, Attorney, Toya Smith, Councilwoman and Mark Herak, Clerk Treasurer.

Special Order: None

Communications: None

General Order and Unfinished Business:

1. **Commissioner Burton motioned to approve Resolution 2023-11 DeGuilio-Fox seconded. Upon a roll-call, there were five (5) affirmatives and no (0) negatives. The motion passes.**

**TOWN OF HIGHLAND
BOARD OF WORKS
ORDER OF THE WORKS BOARD NO. 2023-14**

**WATER WORKS DISTRICT OF HIGHLAND
BOARD OF WATER WORKS DIRECTORS
RESOLUTION NO. 2023-06**

**SANITARY DISTRICT OF HIGHLAND
BOARD OF SANITARY COMMISSIONERS
RESOLUTION NO. 2023-11**

A JOINT RESOLUTION OF THE BOARD OF WORKS, WATER WORKS BOARD AND SANITARY BOARD ACCEPTING AND AWARDED A BID TO GRIMMER CONSTRUCTION, INC. FOR THE PARKWAY DRIVE IMPROVEMENT PROJECT IN THE TOTAL BASE BID AMOUNT (CONTRACTS 1 AND 2 COMBINED) OF \$1,302,719.00 AS THE LOWEST RESPONSIVE AND RESPONSIBLE BID

Whereas, The Town of Highland, through its Board of Works pursuant to IC 36-1-2-24(3) and IC 36-1-12, has determined the need to make certain public improvements and repairs to roadway infrastructure along the 8600-8800 blocks of Parkway Drive and a 150-ft portion of Kenilworth Avenue directly adjoining Parkway Drive (including pavement, curb and gutter, sidewalk, driveway aprons and parkway trees) and has hereto approved a project to be described as the Parkway Drive Improvement Project (Project); and

Whereas, The Water Works District of Highland (WW District), through its Board of Directors pursuant to IC 8-1.5-4 and IC 36-1-12, has determined the need to replace and upsize the existing water mains 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 Water Works District to coordinate the work with the Project; and has 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), through its Board of Commissioners pursuant to IC 36-9-25 and IC 36-1-12, has determined the need to replace certain storm sewer infrastructure within the Project boundaries, as described herein; has determined that it would be in the best interest of the Sanitary District to coordinate the work with the Project; and has agreed to fund its share of the construction costs and engineering services necessary to complete the work; and

Whereas, the Town of Highland has applied for and was successfully awarded a Community Crossings Matching Grant from the State of Indiana in the amount of Three Hundred Eighty-five Thousand Three Hundred Fifty-six Dollars and No Cents (\$385,356.00) to be used toward the cost of street and storm sewer improvements for the Project; and

Whereas, the Town of Highland has applied for and was successfully awarded a Grant from the Council of Lake County, Indiana through its appropriation of County reserve revenue funds in the amount of Two Hundred Fifty Thousand Dollars and No Cents (\$250,000.00) to be used toward the cost of water main improvements for the Project; and

Whereas, NIES Engineering, Inc. has prepared plans and specifications for the Project, on behalf of the Board of Works, Water Works Board and Sanitary Board; has divided the Project in two Contracts (Contract 1 – Water Main Replacement and Contract 2 – Street Improvements [2023-1 CCMG: Des. No. 2300395]); and has stipulated that both Contracts be awarded together to a single bidder with the lowest overall bid for the project as determined by the Total Base Bid amount (Contracts 1 and 2 combined); and

Whereas, the Project was bid in accordance with IC 36-1-12, with notice published in accordance with IC 5-3-1; and

Whereas, the following bids were received at 10:00 a.m. on May 22, 2023:

<u>Contractor</u>	<u>Contract 1</u>	<u>Contract 2</u>	<u>Total Base Bid</u>
Grimmer Construction, Inc.	\$598,368.00	\$704,351.00	\$1,302,719.00
Gatlin Plumbing & Heating, Inc.	\$700,000.00	\$700,000.00	\$1,400,000.00
Rieth-Riley Construction Co., Inc.	\$614,777.90	\$957,753.90	\$1,572,531.80
Dyer Construction Co., Inc.	\$953,692.89	\$763,585.74	\$1,717,278.63
Engineer's Estimate	\$682,252.00	\$812,690.00	\$1,494,942.00

Whereas, NIES Engineering, Inc. and the Public Works Director have reviewed the bids and determined the bid from Grimmer Construction, Inc. in the Total Base Bid amount (Contracts 1 and 2 combined) of One Million Three Hundred Two Thousand Seven Hundred Nineteen Dollars and No Cents (\$1,302,719.00) to be the lowest responsive and responsible bid.

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 Town of Highland, through its Board of Works, now desires to accept the recommendations of the Engineer and Public Works Director and award the bid for the Project to Grimmer Construction, Inc. in the amount of \$376,644.00 as the Works Board's share for street improvements; and

Whereas, The WW District, through its Board of Directors, now desires to accept the recommendations of the Engineer and Public Works Director and award the bid for the Project to Grimmer Construction, Inc. in the amount of \$822,053.00 as the Water Works Board's share for water main improvements; and

Whereas, The SD District, through its Board of Commissioners, now desires to accept the recommendations of the Engineer and Public Works Director and award the bid for the Project to Grimmer Construction, Inc. in the amount of \$104,022.00 as the Sanitary Board's share for storm sewer improvements.

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

Section 1. That the Bid of Grimmer Construction, Inc. in the Total Base Bid amount (Contracts 1 and 2 combined) of One Million Three Hundred Two Thousand Seven Hundred Nineteen Dollars and No Cents (\$1,302,719.00) for the Parkway Drive Improvement Project is hereby accepted as the lowest responsive and responsible bid.

Section 2. That the Town of Highland, through its Board of Works, acknowledges and approves its share of the work for the Parkway Drive Improvement Project in the amount of Three Hundred Seventy-six Thousand Six Hundred Forty-four Dollars and No Cents (\$376,644.00);

Section 3. That the Water Works District of Highland, through its Board of Directors, acknowledges and approves its share of the work for the Parkway Drive Improvement Project in the amount of Eight Hundred Twenty-two Thousand Fifty-three Dollars and No Cents (\$822,053.00);

Section 4. That the Sanitary District of Highland, through its Board of Commissioners, acknowledges and approves its share of the work for the Parkway Drive Improvement Project in the amount of One Hundred Four Thousand Twenty-two Dollars and No Cents (\$104,022.00);

Section 5. That the Public Works Director is authorized to execute the agreement and all documents necessary to implement the Project.

Duly Adopted, Resolved and Ordered by the Town of Highland, Board of Works, Lake County, Indiana, this 22nd day of May, 2023. Having been passed by a vote of _____ in favor and _____ opposed.

TOWN OF HIGHLAND, INDIANA
BY ITS BOARD OF WORKS:

Tom Black, President

Attest:

Mark Herak, Clerk-Treasurer

Duly Adopted, Resolved and Ordered by the Highland Water Works District, Board of Directors, Lake County, Indiana, this 25th day of May, 2023. Having been passed by a vote of ____ in favor and ____ opposed.

HIGHLAND WATER WORKS DISTRICT
BY ITS BOARD OF DIRECTORS:

George A. Smith, President

Attest:

Richard E. Volbrecht Jr., Secretary

Duly Adopted, Resolved and Ordered by the Highland Sanitary District, Board of Commissioners, Lake County, Indiana, this 6th day of June, 2023. Having been passed by a vote of ____ in favor and ____ opposed.

HIGHLAND SANITARY DISTRICT
BY ITS BOARD OF COMMISSIONERS:

Richard J. Garcia, President

Attest:

David Jones, Secretary

2. **Commissioner Cieslak motioned to approve Resolution 2023-12 Burton seconded. Upon a roll-call, there were five (5) affirmatives and no (0) negatives. The motion passes.**

TOWN OF HIGHLAND
BOARD OF WORKS
ORDER OF THE WORKS BOARD NO. 2023-17

WATER WORKS DISTRICT OF HIGHLAND
BOARD OF WATER WORKS DIRECTORS
RESOLUTION No. 2023-07

SANITARY DISTRICT OF HIGHLAND
BOARD OF SANITARY COMMISSIONERS
RESOLUTION No. 2023-12

A JOINT RESOLUTION OF THE BOARD OF WORKS, THE WATER WORKS BOARD OF DIRECTORS AND THE BOARD OF SANITARY COMMISSIONERS ACCEPTING AND APPROVING A PROPOSAL FROM NIES ENGINEERING, INC. FOR PROFESSIONAL CONSTRUCTION ENGINEERING SERVICES FOR THE PARKWAY DRIVE IMPROVEMENT PROJECT IN THE TOTAL AMOUNT NOT-TO-EXCEED \$110,000.00

Whereas, The Town of Highland, through its Board of Works pursuant to IC 36-1-2-24(3) and IC 36-1-12, has determined the need to make certain public improvements and repairs to roadway infrastructure along the 8600-8800 blocks of Parkway Drive and a 150-ft portion of Kenilworth Avenue directly adjoining Parkway Drive (including pavement, curb and gutter, sidewalk, driveway aprons and parkway trees) and has hereto approved a project to be described as the Parkway Drive Improvement Project (Project); and

Whereas, The Water Works District of Highland (WW District), through its Board of Directors pursuant to IC 8-1.5-4 and IC 36-1-12, has determined the need to replace and upsize the existing water mains 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 Water Works District to coordinate the work with the Project; and has 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), through its Board of Commissioners pursuant to IC 36-9-25 and IC 36-1-12, has determined the need to replace certain storm sewer infrastructure within the Project boundaries, as described herein; has determined that it would be in the best interest of the Sanitary District to coordinate the work with the Project; and has agreed to fund its share of the construction costs and engineering services necessary to complete the work; and

Whereas, The Works Board, Water Works Board and Sanitary Board have heretofore determined a need to engage professional construction engineering services in order to implement the Project, and

Whereas, NIES Engineering, Incorporated, (Consultant) has offered and presented an agreement to provide and furnish Professional Construction Engineering Services in consideration for fees to be charged and billed monthly based upon a lump sum of the value of the services completed, in an amount not to exceed One Hundred-Ten Thousand Dollars and No Cents (\$110,000.00), allocated in the amounts of Thirty-two Thousand Dollars and No Cents (\$32,000.00) to the Board of Works, Sixty-nine Thousand Dollars and No Cents (\$69,000.00) to the Water Works Board and Nine Thousand Dollars and No Cents (\$9,000.00) to the Sanitary Board; 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 Town of Highland, through its Board of Works, now desires to accept and approve the agreement for services as herein described; 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; and

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

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, Lake County, Indiana, as follows:

1. That the Professional Construction Engineering Services Proposal (incorporated by reference and made a part of this resolution) from NIES Engineering, Inc. for the Parkway Drive Improvement Project is hereby approved, adopted and ratified in each and every respect;
2. That the terms and charges under the agreement for Construction Engineering services in the not to exceed amount of One Hundred Ten Thousand Dollars and No Cents (\$110,000.00), allocated in the amounts of Thirty-two Thousand Dollars and No Cents (\$32,000.00) to the Board of Works, Sixty-nine Thousand Dollars and No Cents (\$69,000.00) to the Water Works Board and Nine Thousand Dollars and No Cents (\$9,000.00) to the Sanitary Board, is found to be reasonable and fair;
3. That the Town Council, which is the Works Board of the municipality, the Water Works District of Highland, through its Board of Directors, and the Sanitary District of Highland, through its Board of Commissioners, believe that NIES Engineering, Inc. 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;
4. That the Public Works Director is authorized to execute the agreement and all documents necessary to implement the Project.

Duly Adopted, Resolved and Ordered by the Town of Highland, Board of Works, Lake County, Indiana, this 12th day of June, 2023. Having been passed by a vote of _____ in favor and _____ opposed.

TOWN OF HIGHLAND, INDIANA
BY ITS BOARD OF WORKS:

Tom Black, President

Attest:

Mark Herak, Clerk-Treasurer

Duly Adopted, Resolved and Ordered by the Highland Water Works District, Board of Directors, Lake County, Indiana, this 25th day of May, 2023. Having been passed by a vote of _____ in favor and _____ opposed.

HIGHLAND WATER WORKS DISTRICT
BY ITS BOARD OF DIRECTORS:

George A. Smith, President

Attest:

Richard E. Volbrecht Jr., Secretary

Duly Adopted, Resolved and Ordered by the Highland Sanitary District, Board of Commissioners, Lake County, Indiana, this 6th day of June, 2023. Having been passed by a vote of _____ in favor and _____ opposed.

HIGHLAND SANITARY DISTRICT
BY ITS BOARD OF COMMISSIONERS:

Richard Garcia, President

Attest:

David Jones, Secretary

2. Commissioner DeGuilio-Fox motioned to approve Resolution 2023-13 Burton seconded. Upon a roll-call, there were five (5) affirmatives and no (0) negatives. The motion passes.

SANITARY DISTRICT OF HIGHLAND BOARD OF SANITARY COMMISSIONERS
CAPITAL BUDGET RESOLUTION NO. 2023-13

A RESOLUTION AMENDING THE 2023 CAPITAL PROJECT BUDGET OF THE SANITARY DISTRICT TO BE PAID FROM ITS SEWAGE WORKS IMPROVEMENT FUND

Whereas, The Sanitary District of Highland 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 Board of Sanitary Commissioners in performing its duties, may adopt resolutions, rules and by-laws that are necessary to carry out the provisions of IC 36-9-25 including repealing or amending them consistent with the Sanitary District Law; and

Whereas, The Board of Sanitary Commissioners 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 Sanitary District to be necessary for the sound management and control of the sewage works and performing its duty to construct, reconstruct, operate, repair, and maintain all sewage works.

Now, Therefore Be it Resolved by the Board of Sanitary Commissioners of the Sanitary District of Highland, Lake County, Indiana, as follows:

Section 1. That for the Capital expenses as hereinafter identified of said District, 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 Sanitary District Sewage Works Improvement Fund:

6204-0000-***** Parkway Dr. Improvement (CN)	\$104,022.00
6204-0000-***** Parkway Dr. Improvement (CE)	\$9,000.00
Total	\$113,022.00

Section 2. 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 3. That the Superintendent of the Sanitary District 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 4. 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 Sanitary Commissioners, revising the amount fixed and authorizing the additional allowance amount;

Section 5. That any prior Capital Budget duly adopted by resolution and as amended from time to time is hereby repealed and replaced to include the Capital expenses identified herein.

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

Duly Adopted, Resolved and Ordered by the Board of Sanitary Commissioners of Highland, Lake County, Indiana, this 6th day of June 2023. Having been passed by a vote of ____ for and ____ opposed.

THE SANITARY DISTRICT OF HIGHLAND
BY ITS BOARD OF COMMISSIONERS:

Richard Garcia, President

Attest:

David Jones, Secretary of the Board of Sanitary Commissioners

New Business: None.

Reports: None

Comments from the Commissioners: None

Business from the floor: None

Next Meeting:

The next regularly scheduled Public Meeting will be held Tuesday, June 20, 2023, immediately following a study session at 6:30 p.m.

Adjournment: There being no other business to come before the Board of Sanitation Commissioners, Commissioner Burton moved to adjourn. Upon a voice vote, the meeting was adjourned at 6:37pm.

The Board of Sanitary Commissioners of the Sanitary District of Highland convened in study session immediately after the Public Meeting.

Present at the study session on silent roll call were Commissioners Kathy DeGuilio-Fox, Greg Cieslak, Rex Burton, Dave Jones and Richard Garcia. Also present were Mark Knesek, Public Works Director, Derek Snyder of NIES Engineering, Inc., Robert Tweedle, Attorney and Toya Smith, Councilwoman.

No reports from Public Works.

No reports from the Sanitary Engineer.

Damon Tsouklis and Dan Botich of SEH were present to discuss future storm water billing for the Town of Highland including the different category and size range options. A long discussion took place regarding the advantages and disadvantages of each approach.

Mr. Tweedle explained that even though Highland will not be eligible for grant funds due to its relatively high median household income and its current ranking on the list but may be eligible for pooled funds for a subsidized loan rate from IFA but Highland needs to be prepared.

Mr. Tweedle explained we finalized the amendment to our sewage treatment agreement. We have 120 days from June 1st to begin making payments.

Ms. Smith inquired if the new gas station has received their capacity agreement approval from Hammond. Mr. Tweedle will reach out.

Adjournment: There being no other business to come before the Board of Sanitation Commissioners, Commissioner Burton moved to adjourn. Upon a voice vote, the meeting was adjourned at 7:40 pm.

Respectfully Submitted, Denise Beck, Recording Secretary