

**BOARD OF SANITARY DISTRICT COMMISSIONERS REGULAR MEETING**

**WEDNESDAY, JANUARY 25, 2023, 4:00 P.M. 1100 E. EIGHTH STREET**

The meeting was called to order at 4:03 P.M. by Vice President Tim Werner. Commissioners present were Tim Werner, Holt L. Edinger and Chris Yagelski. Tim Smith was absent.

Staff present for the meeting were:  
Milorad Milatovic, General Manager  
Steven M. Stanford, Operations Manager  
Scott Kistler, Financial Manager  
Rachel McCline, Human Resources Assistant  
Karen Zeiger, Staff Accountant  
James B. Meyer, Legal Counsel

Also present for the meeting was:  
Dan McCoy, Daniel McCoy & Associates, LLC  
Don Przybylinski, Michigan City Councilman  
Charlie Keene, General Insurance Services  
Matt Weber, General Insurance Services

**Re-election of Board Officers**

Mr. Yagelski made a motion to keep all current officers in the same position for 2023 – seconded by Mr. Edinger. There being no question or comment on the matter, the motion carried 3 – 0 in favor.

**Public Comment** None

**Minutes**

Mr. Yagelski made a motion to approve the December 21, 2022, Regular Meeting Minutes – seconded by Mr. Edinger. There being no question or comment on the matter, the motion carried 3 – 0 in favor.

**Insurance Renewal**

Mr. Keene provided the Board with a presentation regarding the Property and Casualty renewal.

**Annual Renewal Program Cost Summary**

<b>Sanitary District Totals</b>	<b>Expiring 2022</b>	<b>Renewal 2023</b>	<b>Change</b>
Excess Premium (Midwest Employers)	\$34,645.59	\$41,791.05	\$7,145.46
Buffer Layer Excess (Fortegra)	\$12,357.07	\$12,915.00	\$557.93
TPA Fee	\$10,146.57	\$5,433.75	-\$4,712.82
<b>Total</b>	<b>\$57,149.23</b>	<b>\$60,139.80</b>	<b>\$2,990.57</b>

**7-Year Loss Analysis**

<b>Policy Term</b>	<b># Claims</b>	<b>Loss &amp; Expense Reserve</b>	<b>Loss &amp; Expense Payment</b>	<b>Recovery</b>	<b>Total Incurred</b>	<b>Loss Ratio</b>
<b>2022</b>	9	\$50,398.00	\$16,329.00	\$ -	\$66,727.00	29.68%
<b>2021</b>	5	\$ -	\$24,513.00	\$ -	\$24,513.00	11.07%
<b>2020</b>	5	\$ -	\$84,694.00	\$ -	\$84,694.00	42.29%
<b>2019</b>	9	\$ -	\$50,498.00	\$ -	\$50,498.00	26.09%
<b>2018</b>	10	\$ -	\$64,870.00	\$ -	\$64,870.00	35.14%
<b>2017</b>	7	\$ -	\$21,702.00	\$ -	\$21,702.00	10.19%
<b>2016</b>	1	\$ -	\$451,698.00	\$1,791.00	\$449,907.00	235.63%
<b>Total</b>	<b>46</b>	<b>\$50,398.00</b>	<b>\$714,304.00</b>	<b>\$1,791.00</b>	<b>\$762,911.00</b>	<b>53.40%</b>

**2023 Market Review**

<b>Market</b>	<b>Coverage</b>	<b>Comments</b>
Travelers	All Package Lines & Crime	Renewal offer (summary included)
BRIT	All Lines	Declined, not competitive
Houston Casualty Company (HCC)	All Lines	Declined, not competitive
Liberty Mutual	All Lines	Declined, not competitive
Trident/Argonaut	All Lines	Declined, not competitive

**2023 Program Cost Summary**

<b>Description</b>	<b>Travelers Expiring Annual Premium</b>	<b>Travelers Renewal Annual Premium</b>
Package	\$232,275	\$251,329
Crime	\$1,606	\$1,700
<b>Total</b>	<b>\$233,881</b>	<b>\$253,029</b>

Change From Expiring	8.19%
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Exposure Increase	5.09%
Rate Increase	3.10%
<b>Total</b>	<b>8.19%</b>

**Commercial Property Coverage Detail**

Description	Expiring 2022	Renewal 2023
Blanket Building & Business Personal Pro. Limit	\$61,526,326	<b>\$63,357,110</b>
Equipment Breakdown	Included	Included
Deductible	\$10,000	\$10,000

Valuation	Replacement Cost	Replacement Cost
Property Cause of Loss Form	Special Form	Special Form
Flood Coverage	\$1,000,000	\$1,000,000
Earthquake Coverage	\$1,000,000	\$1,000,000
Flood & Earthquake Deductible	\$50,000	\$50,000

**Automobile Coverage Detail**

Description	Expiring 2022	Renewal 2023
Number of Vehicles	69	<b>67</b>
Number of Trailers	6	<b>5</b>
Automobile Liability	\$1,000,000	\$1,000,000
Liability Deductible	None	None
Uninsured/Underinsured Motorist Coverage	\$1,000,000	\$1,000,000
Medical Payments	\$5,000	\$5,000
Hired and Non-Owned Auto Liability	Included	Included

Hired Auto Physical Damage	\$1,000,000	\$1,000
Physical Damage Coverage	Per Schedule on File	Per Schedule on File
Comprehensive Deductible	\$1,000	\$1,000
Collision Deductible	\$1,000	\$1,000
Comprehensive Deductible – Extra Heavy Vehicles	\$1,000	\$1,000
Collision Deductible – Extra Heavy Vehicles	\$1,000	\$1,000

Mr. Kistler recommended Board approval for the **2023 insurance renewal**.

Mr. Yagelski made such a motion – seconded by Mr. Edinger. There being no further question or comment on the matter, the motion carried 3 – 0 in favor.

**Safety Report**

Mr. McCoy 1 recordable injury in the Refuse Department and no recordable injuries in the Water Reclamation Department.

**Financial Report**

As of December 31, 2022

Operating Fund: \$571,625.46

Horizon Municipal Fund: \$0.00

Improvement Fund: \$1,045,696.47

Vehicle Replacement Fund: \$194,464.04

Equipment Replacement Fund: \$700,754.00

Operating Grant Fund: \$0.00

Indian Springs Project Fund: \$0.00

Whippoorwill Project Fund: \$0.00

SRF Debt Reserve Fund: \$505,718.47

SRF Bond & Interest Fund: \$211,813.67

Storm Water Fund: \$617,428.78

Refuse Municipal Fund: \$0.00

Refuse Fund: \$1,514,174.64

Special Revenue Fund: \$3,849.55

Levy Excess Fund; \$8,522.14

Tax Levy Grant Fund: \$4,324.78

Rainy Day Fund: \$0.00

Karwick remediation Fund: \$217,344.49

Mr. Kistler provided the Board with the December 2022 Budget Performance Reports for the Operating, Refuse and Storm Water Funds.

Mr. Kistler advised that the Sanitary District would like to make minor transfers in the Refuse and Storm Water funds and recommended approval of the same.

Mr. Edinger made such a motion – seconded by Mr. Yagelski. There being no further question or comment on the matter, the motion carried 3 – 0 in favor.

**Update of Projects**

Mr. Stanford advised that the Sanitary District received 3 appraisals for the **3.2-Acre Parcel located Near Central Maintenance**. Mr. Stanford recommended that the Board table this topic, allowing Sanitary District officials to study the appraisals and come up with a recommendation at the next meeting.

Mr. Yagelski made such a motion – seconded by Mr. Edinger. There being no further question or comment on the matter, the motion carried 3 – 0 in favor.

Mr. Stanford advised that the **Brownfield Eligibility Determination** request was submitted to the Environmental Protection Agency (EPA) on January 4, 2023. Mr. Stanford noted that BCA will provide a Phase II work plan for the District's review by the end of the week.

**U.S. Highway 12 & Custer Avenue Stormwater Drainage Improvements Project**

Mr. Stanford reported that SWIFT Grant TRSW221946 Disbursement Request is complete. Mr. Stanford noted that disbursement should be complete in two weeks.

**White Ditch Maintenance Project**

No update

**California Avenue Stormwater Drainage Improvement Project**

Mr. Stanford recommended approval to send John Doyle's comprehensive project design out for quotes.

Mr. Yagelski made such a motion – seconded by Mr. Edinger. There being no question or comment on the matter, the motion carried 3 – 0 in favor.

**Filter Building Control System Update**

Mr. Stanford reported that supply chain issues continue.

**Striebel Pond Restoration Project**

Mr. Stanford advised that the remaining services for this project include maintaining control of the invasive species to facilitate the establishment of the new wetland plantings.

**Striebel Pond Lights**

No update

**300 N and U.S. Highway 421 Sewer Project**

Mr. Stanford reported that D&M Excavating continues to install water lines at the site.

**Repair of the Sanitary Sewer – 1100 Block of Earl Road**

Mr. Stanford advised that the project continues to remain on hold due to freezing temperatures.

**Administration Building Structural Evaluation**

Mr. Stanford submitted Global Engineering's report recommending the replacement of two columns.

Mr. Werner asked if an engineer's cost estimate was included in the report. Mr. Stanford advised that he would follow up.

**Carroll Avenue Sewer Extension**

Mr. Stanford reported that the field surveying is near completion.

**2022 Brownfield Grant**

Mr. Stanford advised that services are moving forward under this grant as previously reported.

**2022 Land Application Annual Report to the Environmental Protection Agency (EPA)**

Mr. Stanford reported that the Sanitary District's annual land application report was completed and submitted to the EPA on January 19, 2023.

**Laboratory Accreditation**

Mr. Stanford advised that Microbac Laboratories will be performing the internal audit on February 2, 2023. Mr. Stanford noted that A2LA's Contract Assessor, Brian Lane, is scheduled to conduct the Sanitary District's renewal assessment on February 13<sup>th</sup>, 14<sup>th</sup>, and 15<sup>th</sup> 2023.

**RFB for WWTP Digester Maintenance and Holding Tank Mixing**

Mr. Stanford requested the Board's approval to solicit bids for cleaning the digesters and holding tank and for the installation of a mixing system for sludge holding. Mr. Stanford explained that it's been over 10 years since the system was last cleaned. Mr. Stanford noted that the 2012 quote for the services was in the amount of \$158,942.00.

Attorney Meyer advised that there are two portions of the project. The first portion is cleaning the digesters and the second portion is the installation of a mixing system for sludge holding.

Mr. Yagelski made a motion allowing Sanitary District officials to submit a request for bids – seconded by Mr. Edinger. There being no further question or comment on the matter, the motion carried 3 – 0 in favor.

### **RFQ/RFB for EV Utility Vehicles**

Mr. Stanford reported that the Sanitary District is considering replacing two (2) 2014 Ford Escapes that are approaching 10 years of age. Mr. Stanford advised that the Sanitary District would like to research the Chevy Bolt electric vehicle as a replacement.

### **RFQ/RFB for Lincoln Avenue Sewer Replacement**

Mr. Stanford noted that the sewer is crumbling. Mr. Stanford then asked for Board approval allowing the Sanitary District to move forward with retaining an engineer for plans, specifications and bid documents.

Mr. Werner recommended that Sanitary District officials move forward with the necessary plans.

### **MCSAN Staff Monthly Reports**

Mr. Stanford gave a brief presentation on the GIS Coordinator, Tony Bazil's annual report. Mr. Bazil's report recounts the cleaning and video inspection of 8 miles of sanitary sewer and 0.75 of fs mile of storm drains in 2022. Mr. Bazil sent out over 200 maps and was instrumental in moving the Community Crossing grant forward in the absence of an organic City Engineer.

John Gorczyca, District Engineer completed a six stormwater drainage improvement projects, and kept tabs on the Double Track and US 421 Sewer Projects.

### **Attorney Meyer, Legal Counsel**

Attorney Meyer reported that a lawsuit is being prepared regarding the Long Beach Sewer Project.

Mr. Edinger made a motion to approve and allow **Revenue and Tax Levy Claims for Payment** – seconded by Mr. Yagelski. There being no question or comment on the matter, the motion carried 3 – 0 in favor.

### **Old Business**

Mr. Yagelski requested an update regarding the recommended repairs at Striebel Pond. Mr. Milatovic advised that the gazebo is currently being repaired by the Sanitary District's Collection System crew.

Regarding the restrooms at Striebel Pond, Mr. Milatovic reported that Sanitary District officials are considering portable toilets at the sight.


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The Board recommended that the current restrooms are refurbished and maintained.

Mr. Yagelski asked about the status of the damaged fencing at the Hitchcock Clean-Fill site. Mr. Stanford advised that the fencing was damaged by the trash tote delivery driver. Mr. Kistler noted that the Sanitary District received an insurance check for the necessary repairs.

Mr. Edinger made a motion to adjourn the meeting – seconded by Mr. Yagelski. There being no question or comment on the matter, the motion carried 3 – 0 in favor.

Next Regular Board of Commissioners Meeting – **Wednesday, February 22, 2023 – 1100 E. Eighth Street at 4:00 P.M.**



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Holt L. Edinger, Secretary