

BOARD OF SANITARY DISTRICT COMMISSIONERS REGULAR MEETING

WEDNESDAY, MAY 25, 2022, 4:00 P.M. 1100 E. EIGHTH STREET

The meeting was called to order at 4:06 P.M. by President Tim Smith. Commissioners present for the meeting were Tim Smith, Holt L. Edinger, Tim Werner and Chris Yagelski.

Staff present for the meeting were:

Milorad Milatovic, General Manager
Steven M. Stanford, Operations Manager
Scott Kistler, Financial Manager
Rachel McCline, Personnel Assistant
Karen Zeiger, Staff Accountant
John Gorczyca, District Engineer
James B. Meyer, Legal Counsel

Also present for the meeting were:

Michael Gorman, Town of Long Beach Resident
Linda Gorman, Town of Long Beach Resident
Dan McCoy, Daniel McCoy & Associates, LLC
Dr. Rex Bailey, DVM, Michigan City Animal Hospital
Rolf & Annamarie Twer
Kevin & Kay Scanlan
Robert L. Rulel, Town of Long Beach Resident
Jim Maurer, Haas & Associates, LLC
Tim Haas, Haas & Associates, LLC
Greg Meyer, Town of Long Beach Resident
Eric Cender, Cender Dalton
Annie Malone
Tom Crepeay
Mary O'Neil, Town of Long Beach Resident
Chuck Lazar
Jody Lazar
Robert Norris, Town of Long Beach
Brad Martin, Town of Long Beach Resident
Barret Callahan, Town of Long Beach Resident
Dan Stecich, Town of Long Beach Resident
Matt Deputy, South Bank Legal
Melissa Warneke, Town of Long Beach Resident
Dave Warneke, Town of Long Beach Resident
John Mengel, Town of Long Beach Resident
Tim Anderson, Town of Long Beach Resident
Paul Goodrich, Town of Long Beach Resident
Sue Anderson, Town of Long Beach Resident
S. Goodman, Town of Long Beach Resident
Abigail Neary, Town of Long Beach Resident
Jim & Roberta Buhle, Town of Long Beach Resident

Jim Laughlin, Town of Long Beach Resident
Becky Lempa, Stenographer, Marilyn Jones & Associates
Marilyn Jones, Marilyn Jones & Associates
Paul Przybylinski, Michigan City Council
CM Marks, Michigan City Resident
Tom & Michelle Stevenson, Town of Long Beach Resident
Don Przybylinski, Michigan City Council
Angie Nelson- Deutch, Michigan City Council
Chris Willoughby, Town of Long Beach, Legal Counsel
Randy Rompola, Bond Counsel

Mr. Edinger made a motion to approve the Regular Board Meeting Minutes for April 27, 2022, and the Special Board Meeting Minutes of April 29, 2022, and May 11, 2022 – seconded by Mr. Werner. There being no further question or comment on the matter, the motion carried 4 – 0 in favor.

Public Comment

Dr. Rex Bailey, DVM, Michigan City Animal Hospital made a special request to bring sanitary sewer access to an island of three (3) business and four (4) residencies currently on septic only. Attorney Meyer recommended that Sanitary District officials seek Board approval to apply for a Grant to fund the potential project.

Public Hearings for the Town of Long Beach Sewer Project

Attorney Meyer advised that there are two (2) Public Hearings regarding the Town of Long Beach Sewer Project.

Resolution No. 1454-22 – Rates

Mr. Smith advised that the Board of Sanitary District Commissioners are not the governing body that decides on the project moving forward. Mr. Smith noted that the Sanitary District is the governing body that is working with the Town of Long Beach to secure the State Revolving Funds (SRF) for the project. The Sanitary District will also be responsible for performing and managing the project.

Resolution No. 1453-22 Declaratory Resolution – 2022- Revenue Bond

This is a declaratory resolution by the Sanitary District Board of Commissioners of the City of Michigan City, Indiana, approving of the extension of sewage works services to the portion of the Town of Long Beach, Indiana, and all matters related thereto.

Mr. Smith opened a public comment forum for all attendees who wished to speak on the mentioned resolutions.

Attorney Meyer advised that the issuance of Bonds is coordinated by the Indiana Finance Company through the SRF program. The approval of the issuance of Bonds will be determined by the approval of the resolution confirming the Declaratory Resolution and the resolution regarding the rates for the Town of Long Beach. Attorney Meyer noted that the Bond cannot be issued without proof of how the project is going to be funded.

Attorney Meyer reported that the Bond will be paid by the persons who will be benefiting from this project.

Councilman Don Przybylinski advised that the City of Michigan City Council have a reading on this matter June 7, 2022.

Jim McLaughlin, 2811 Lake Shore Drive, expressed that he was in opposition on moving forward with the mentioned resolutions.

Tony Lasuzo, 2024 Lake Shore Drive, expressed that he is not opposed to sanitary sewers in the Town of Long Beach. Mr. Lasuzo recommended that the proposed project include the entire Town of Long Beach, not just Lake Shore Drive residents.

Bob Rulel, 2901 Lake Shore Drive, expressed that sanitary sewer is what's in the best interest for the Town of Long Beach. Mr. Rulel noted that the cost of the project has gone up exponentially since the original financial information was introduced. Mr. Rulel advised that the project was originally presented to accommodate the entire Town of Long Beach, and not just the residents of Lake Shore Drive. Mr. Rulel recommended that the scope of the project be revisited, providing full representation for the residents of Long Beach.

Ed Gozalen, 2939 Lake Shore Drive, advised that he submitted a letter to the Sanitary District's General Manager, expressing his opposition on moving forward with the proposed sanitary sewer project. Mr. Gozalen noted that the mentioned resolutions are being prematurely presented without a formal acceptance of the bid from the Town of Long Beach.

Brad Martin, 2039 Lake Shore Drive, advised that he is in favor of sanitary sewers in the Town of Long Beach. Mr. Martin expressed concerns of a financial burden to the residents of Lake Shore Drive.

Dan Stecich, 1615 Lake Shore Drive, expressed concern regarding the cost of the proposed sanitary sewer project in the Town of Long Beach. Mr. Stecich recommended that the Town of Long Beach officials find a company that can design a sanitary sewer system that will incorporate the entire town in an economical way.

Abigail Neary, 2019 Lake Shore Drive, advised that the Lake Michigan water is tested in multiple locations along the shores of Michigan City. Mr. Smith advised that there has been discussion on testing along the shores of Long Beach as well. Ms. Neary noted that there has been no indication that the septic tanks along Lake Shore Drive are contributing to the e-coli levels reported by Michigan City officials.

Mary O'Neal, 1532 Lake Shore Drive, recommended that the Town of Long Beach officials allow the LaPorte County Health Department to revisit allowing residents to repair their septic tanks.

Greg Meyer, 2221 Lake Shore Drive, asked if there was an obligation or any potential penalties to the Town of Long Beach if the mentioned resolutions are passed at this meeting. Attorney Meyer stated no, adding that the contract will not be approved until the Sanitary District Board and the City of Michigan City Council approve the sewer rates.

Paul Goodrich, 1514 Lake Shore Drive, expressed that his home failed the septic tank inspection. Mr. Goodrich advised that he was instructed to install a pump and haul system instead of a new septic tank because the sanitary sewers were coming to the Town of Long Beach. Mr. Goodrich asked if he would be able to move forward with a new septic tank if the sanitary sewer project does not come to fruition. Attorney Meyer reported that his concern is a LaPorte County and State Health Department decision.

Tom Stevenson, 2515 Lake Shore Drive, mentioned that the septic tanks in the Town of Long Beach are not affecting the waters of Lake Michigan. Mr. Stevenson expressed concern regarding the cost of tying into the sanitary sewer.

Mike Gorman, 2313 Lake Shore Drive, expressed concern regarding the cost of the proposed sanitary sewer project. Mr. Gorman acknowledged that there are a group of Long Beach residents who need assistance with their septic issues. Mr. Gorman added that those issues should not be resolved at the cost of the remaining Lake Shore Drive residents.

Tim Anderson, 2961 Lake Shore Drive, advised that there was a survey in 2018 based on the initial financial projections for the proposed sanitary sewer project. Mr. Anderson added that there was never a referendum regarding the project.

Barret Callahan, 2234 Lake Shore Drive, advised that he is in favor of the proposed sanitary sewer project. Mr. Callahan noted that it would be great if the entire Town of Long Beach could absorb the costs of the project.

Jim McLaughlin, 2811 Lake Shore Drive, expressed concern regarding the real estate of the residencies along Lake Shore Drive. Mr. McLaughlin noted that homes with sanitary sewer may be more valuable than those with a septic tank.

Susan Dziak, 2537 Lake Shore Drive, expressed that the proposed sanitary sewer project needs to be stopped immediately due to the fiscal irresponsibility of the Town of Long Beach Council. Ms. Dziak added that the only equitable way to follow through with the proposed project is to include the entire Town of Long Beach, not just the residents on Lake Shore Drive.

Tom Burke, 2601 Lake Shore Drive, questioned how badly sanitary sewer was needed in the Town of Long Beach.

John Hengel, 1508 Lake Shore Drive, expressed that he is not in favor of the proposed sanitary sewer project.

Matt Deputy, South Bank Legal, advised that he represents the bulk of the Town of Long Beach residents along Lake Shore Drive. Mr. Deputy advised that South Bank Legal submitted a monstration along with exhibits concerning the proposed sanitary sewer project. Mr. Deputy recommended that the Sanitary District Board review the submittals before voting on the mentioned resolutions.

City Councilman, Paul Przybylinski, 1716 Washington Street, recommended that the Board proceed to vote on the mentioned resolutions. Mr. Przybylinski asked if the seawalls at the areas with failing septic systems can be covered under the new legislation.

Mr. Edinger stated that when this project came about, it was initially presented as an environmentally necessary and wanted project. Mr. Edinger also thanked the residents of the Town of Long Beach for their comments.

Mr. Yagelski asked when the Town of Long Beach is scheduled to accept the bid proposal. Chris Willoughby, Town of Long Beach Legal Counsel advised that the next Town of Long Beach Council meeting will be held June 13, 2022.

Attorney Meyer advised that there is a schedule issued by the Bond Counsel which will formally indicate that the project and the rates have been approved. Attorney Meyer reported that the pre-closing is scheduled on June 15, 2022. The formal closing is scheduled on June 28, 2022. The City of Michigan City Council's second reading of the ordinance is scheduled on June 7, 2022.

Mr. Willoughby advised that there is currently nothing required by the Town of Long Beach Council regarding the fruition of the proposed sanitary sewer project. Mr. Willoughby noted that a resolution was passed long ago regarding the agreement between the Sanitary District and the Town of Long Beach.

Mr. Smith reported that the proposed sanitary sewer project is not the Sanitary District's. Mr. Smith explained that initially, the Town of Long Beach came to the Sanitary District expressing that there was a need for sanitary sewer. Mr. Smith added that there was a study performed by Haas & Associates, LLC, which included the entire Town of Long Beach. Mr. Smith noted that the Sanitary District was informed that Lake Shore Drive would be a first stage portion of the project.

Attorney Meyer advised that the SRF is already approved and determined that there is a substantial environmental benefit to this project. Attorney Meyer noted that the Indiana Department of Environmental Management (IDEM) is the environmental consultant of the project.

Mr. Edinger asked if the District Board of Commissioners should have a special meeting to have additional discussions regarding the proposed sanitary sewer project.

Attorney Meyer advised that the City Council must approve the Rate Resolution. Attorney Meyer noted that the elected representatives of the Town of Long Beach have voted to proceed with the project. Attorney Meyer mentioned that if the Rate Resolution does not pass, the project will not proceed.

Mr. Werner made a motion to approve **Resolution No. 1455-22, a Resolution Confirming Declaratory Resolution No 1453-22** – seconded by Mr. Smith. Mr. Edinger and Mr. Yagelski voted no. There being no further question or comment on the matter the motion did not pass 2 – 2 in favor.

Mr. Smith recommended that the Board have a Special Meeting to further discuss the Resolutions after the Michigan City Council has their workshop regarding the project. The Board agreed to have the **Special Meeting on June 2, 2022, at 4:00 P.M. in the City Council Chambers at City Hall, 100 E. Michigan Boulevard.**

Regarding **Resolution No. 1454-22 Regarding the Rates for the Town of Long Beach**, Mr. Smith opened the forum to public comment.

Jim McLaughlin, 2811 Lake Shore Drive, expressed that the proposed rate is not fair to the residents in the Town of Long Beach.

Ed Gozalen, 2939 Lake Shore Drive, noted that the public was notified about the May 16, 2022, Public Hearing via the website 6 hours before the hearing occurred.

Seeing that there were no further public comments, Mr. Yagelski made a motion to table the Resolution - seconded by Mr. Edinger. There being no further question or comment on the matter, the motion carried 4 – 0 in favor.

Safety Report

Mr. McCoy reported that there was one (1) recordable injury in the Refuse Department and no injuries in the Water Reclamation Department in April 2022.

Opening Quotes/Bids

U.S. Hwy. 12 & Custer Avenue Stormwater Drainage Improvement Project

HRP Construction, Inc. – South Bend, Indiana \$561,150.00

Mr. Edinger made a motion to allow Sanitary District officials to review the Bid and make a recommendation at the next regular meeting – seconded by Mr. Werner. There being no question or comment on the matter, the motion carried 4 – 0 in favor.

Lining 1100 Block of Earl Road Alley Sewer

Skuta Construction, Inc. – Marion, Illinois \$41,450.00

Mr. Smith made a motion to allow Sanitary District officials to review the Quote and make a recommendation at the next regular meeting – seconded by Mr. Yagelski. There being no question or comment on the matter, the motion carried 4 – 0 in favor.

Financial Report

As of April 30, 2022

Operating Fund: \$1,035,803.44
Horizon Municipal Fund: \$1,005.13
Improvement Fund: \$902,296.47
Vehicle Replacement Fund: \$114,464.04
Equipment Replacement Fund: \$628,745.26
Operating Grant Fund: \$0.00
Indian Springs Project: \$6,458.32
Whippoorwill Project: \$338.88
SRF Debt Reserve Fund: \$499,689.29
SRF Bond & Interest Fund: \$129,650.75
Storm Water Fund: \$674,113.80
Refuse Municipal Fund: \$10.40
Refuse Fund: \$872,696.03
Special Revenue Fund: \$3,203.79
Levy Excess Fund: \$8,522.14

Tax Levy Grant Fund: \$137,726.54
Rainy Day Fund: \$0.00
Karwick Remediation Fund: \$223,002.80

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

Organizational Chart Update

Mr. Milatovic submitted a proposed updated organizational chart that included an additional Refuse Foreman.

Attorney Meyer advised that the chart needs to be amended to include the District's Human Resource (H.R.) position. Attorney Meyer added that the H.R. position needs to have solid line connecting to the General Manager and a dotted line connecting to Board of Commissioners.

Attorney Meyer noted that for Occupational Safety and Health Administration (OSHA) reasons, the Safety Manager (Consultant) needs to have a dotted line connecting to the Board of Commissioners.

Mr. Milatovic advised that he'll work with Mr. Stanford on amending the chart and resubmit it to the Board for approval at the next regular meeting.

Stormwater Correction Project – Boyd Circle & Belmont Ct.

Mr. Stanford submitted a Project Summary Report prepared by District Engineer, John Gorczyca.

Mr. Stanford submitted a Certificate of Final Completion and recommended approval of the same.

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

White Ditch Dredging Project

Mr. Stanford advised that the culvert has been delivered. Mr. Stanford noted that this job is projected to extend into year 2023.

Wastewater treatment Plant Project Updates

Mr. Stanford advised that Shambaugh & Sons were very instrumental in installing all the automation work for the dissolved oxygen controls on the aeration tanks. Mr. Stanford added that Shambaugh & Sons will work on an estimate for the Filter Building Control System updates and present it at the next regular meeting.

Mr. Milatovic noted that Shambaugh & Sons did an exceptional job assisting the Sanitary District with an interruption of the automated backwashing system.

Cheney Run Storm Water Project

No updates

Karwick Dumpsite

Mr. Stanford reported that habitat restoration work was inspected by Weaver Consultants on May 23, 2022. Mr. Stanford added that Woodruff & Sons, Inc. and Weaver Consultants have a walk through scheduled for the week of June 6, 2022.

North End Study

Attorney Meyer advised that the Sanitary District has surplus capacity to handle what is proposed in the 2040 master plan.

Striebel Pond Restoration Project

No updates

Striebel Pond Lights

Mr. Stanford advised that the Sanitary District issued a Notice of Award to enter a construction contract with Marquiss Electric the week of May 16, 2022. Mr. Stanford reported that Marquiss Electric estimates ten (10) to twelve (12) weeks for the materials to arrive.

300 N. and U.S. Hwy 421 Sewer Project

Mr. Gorczyca advised that D&M Excavating Inc. have completed the six (6) inch forced sewer main along 950 W.

Energy Savings Project

Mr. Stanford provided the Board with the Energy Savings Report, with a savings in the amount of \$10,689.44 for the month of May 2022.

Blue SWAG

Mr. Stanford reported that John A. Doyle & Associates, Inc. continues to work on drainage improvement designs for four (4) high priority SWAG sites.

Proposed Land donation – 6 Acres Adjoining Hitchcock Street Facility Property

Mr. Stanford recommended that the Sanitary District perform an environmental assessment of the proposed property. Mr. Stanford submitted an Access Agreement between the property owner and the Sanitary District regarding the Proposal for Phase I Environmental Site Assessment. Mr. Stanford then recommended approval of the same.

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

April Land Application

Mr. Stanford reported that the Sanitary District applied 537 wet tons of sludge in April 2022. A report regarding the application was submitted IDEM on May 16, 2022.

Amended Resolution No. 1451-22 – Lateral Tap Permit Fees for Non-Profit Charities

Mr. Stanford advised that the Sanitary District amended the Lateral Tap Permit Fees for any buildings owned and occupied by 501(c)(3) organizations or Indiana Nonprofit corporations engaged in charitable services. Mr. Stanford reported that the amended fee for such organizations and corporations is in the amount of \$50.00 and recommended approval of the same.

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

Brownfield Grant 2022

Mr. Stanford advised that the EPA is awarding the Sanitary District a Grant in the amount of \$400,450.00 for redevelopment in the Brownfield areas of Michigan City. Mr. Stanford added that there is no match required for the awarded funding.

Administration Building Structural Evaluation

Mr. Stanford reported that there is a need for structural evaluation to the failing mortar joints on the Administration Building. Mr. Stanford advised that the Sanitary District received a Proposal from Global Engineering, LLC to perform a structural analysis and recommended approval of the same.

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

MCSAN Staff Monthly Reports

Mr. Stanford reported that a Cormorant was rescued behind the bar screen in the Plant on April 28, 2022.

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

Old Business

Mr. Don Przybylinski thanked Mr. Milatovic and the Board members for approving the parking lot lighting at Striebel Pond.

New Business

None

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

Next Regular Board of Commissioners Meeting – **Wednesday June 22, 2022 – 1100 E. Eighth Street at 4:0 P.M.**



Holt L. Edinger, Secretary