

Burns Harbor Sanitary Board
Minutes of Wednesday, August 15, 2018

The Burns Harbor Sanitary Board met in its regular session Wednesday, August 15, 2018 in the Town Hall. The meeting was called to order by President Toni Biancardi at 7:06 p.m.

The Pledge of Allegiance was recited.

Roll Call:

Toni Biancardi..... Present
Jim Constantine Present
Rick Balunda..... Absent
Wilbur Oudman..... Present
Nathan Tumblin Absent

A quorum was attained.

Also present were Attorney Clay Patton of Osan & Patton LLP, Sanitation Superintendent William Arney, Jeanette Hicks of Global Engineering and Land Surveying, LLC, and Secretary Corinne Peffers.

Approval of Minutes

Oudman made a motion to approve the Minutes of July 18, 2018. Constantine seconded the motion. Motion carried by all in favor vote.

Correspondence

An invitation from the Shared Ethics Advisory Commission for the 2018 Board and Commission Ethics Training dinner on Friday, Sept. 21, 2018 at NiSource, 801 E 8th Ave, Merrillville was received and shared with the board.

Sanitary Report

The board reviewed the report and there were no questions.

Superintendent Arney informed the board that the most recently repaired pump came back and was put in Lift Station #5 because there was a pump seal failure there. He currently has one 15HP reserve pump. If the failed pump just pulled out of Lift Station #5 can't be repaired he will let the board know that it needs to be replaced.

The board briefly discussed which lift station will need pumps replaced in the near future and Superintendent Arney mentioned the possibility of replacing Lift Station #2's pumps if and when it is reconstructed or relined.

The turn-around time for a new pump is approximately 4-6 weeks. Superintendent Arney noted that each lift station has two pumps that alternate, so it they can function properly using one pump temporarily.

Engineer Report

None.

Sanitary Sewer Model Update

Engineer Hicks reported that the sanitary sewer model is progressing. The software has been upgraded and the old data has been imported into the new system from the old system. Also, Shem has looked into some GIS software for Bill's use and presented one quote to the board for Think GIS. More information and quotes will be gathered.

Constantine suggested that the town purchase one computer to be located centrally for all departments to use that would be dedicated to the GIS system.

Old Business

Lift Station #2 Assessment

Engineer Hicks reported that she has been in communication with three companies that either do spray on linings or they have prefabricated linings. She said one is down in Indy and I sent them the photos of the deterioration and then the boring that was done for the original system, which was done in July of 2000. I don't have rough estimates yet, they are working on it. We may need a new soil boring.

Hicks hopes to have at least one rough estimate for the lining by the next meeting.

Superintendent Arney said the last time we had relining done it was on three manholes and one section of sewer main so this will be totally different because we need it on a wet well. This is our main lift station so pumping and hauling off costs will be involved.

Superintendent Arney said he will be out tomorrow to pump this well down so more pictures can be taken.

New Business

Corlin's Landing Phase II Underground Infrastructure Acceptance

Tom Lightfoot of R & B Developers, Corlin's Landing developer, was not in attendance to ask for a favorable recommendation from the Sanitary Board for acceptance of Phase II's underground infrastructure.

Biancardi said she was under the impression that all that the town was waiting on was the video of the sewer system, which was provided yesterday. Neither Superintendent Arney nor Engineer Hicks have been able to review the video yet. As-builts have not been provided, so those need to be filed with the town for review as well.

Biancardi directed Superintendent Arney to contact Lightfoot and let him know that as-builts are needed.

Biancardi also asked the engineers to calculate the total cost of the project so a 10% maintenance bond can be put in place before the sewer system is accepted.

2019 Budget

Biancardi discussed an email from Clerk-Treasurer Jane Jordan about payment in lieu of taxes, which was discussed at the Town Council's budget meetings held August 13 and 14, 2018.

Hello,

At last evening's budget meeting the subject of payment in lieu of taxes was discussed. Payment in lieu of taxes - a municipality can set rates and charges sufficient to compensate the municipality for taxes that would otherwise be due if the utility were privately owned. The Payment would be transferred to the General Fund of the Municipality. IC 36-9-23-25(d)(9)

This chart reflects depreciation based on 50 year useful life expectancy. It does NOT take into consideration the subdivisions' infrastructure that has since been added & accepted by the Town. Although, the facility would not be appraised by the County since its municipal owned, the Town would be required to make a concerted effort to give a true value of the property when establishing a payment in lieu of taxes.

Purchase/construction 2001-03	Construction Cost	Depreciation Value (50 yr) as of 1/1/ 2018
Sewer Plant	\$ 1,247,000	\$1,022,540
Sewer lines & lift stations	6,953,000	5,701,550
Tech Drive line extension	25,350	22,308
Old Porter Road extension	20,674	20,261
Total Assess Valuation (AV)	8,246,024	6,766,659
AV divided by 100		67,667
Town tax rate pay 2018 .3718		\$ 25,158 Payment in lieu of taxes

Biancardi said that Council President Raymond Poparad brought up the idea of supplementing the Town's budget via payment in lieu of taxes to cover a possible shortfall. Because we are a utility owned by the town, we don't pay property taxes and there is a mechanism where we can make payments in lieu of taxes that we would pay if we weren't owned by the town. The above email explains how the amount of payment is calculated.

Biancardi asked that the board consider making a payment in lieu of taxes in the future if needed.

Constantine expressed concern that the town council will make a habit out of it and it gets out of control which in turn will force the monthly sewer rates up.

After more discussion, Biancardi said she will ask the Clerk-Treasurer to get a more accurate number for consideration if the budgets deem it necessary.

Constantine reiterated that he doesn't have a problem with payment in lieu of taxes but he doesn't want to see it abused. He stated we could be in debt \$200,000 to \$300,000 in a heartbeat if something goes wrong out here.

Biancardi said it is up to the Sanitary Board to decide how often payment in lieu of taxes can be made.

Oudman said we need more information before any decisions are made.

Approval of Claims with three (3) or more signatures

Constantine made a motion to approve the claims with three (3) or more signatures. Oudman seconded the motion. Motion carried by all in favor vote.

Spending Review

The board reviewed the report and the board began discussing the budget for 2019.

Constantine asked about the budget. He asked why the 2019 budget has \$45,000 budgeted for Misc. Services and \$20,000 in Engineering Services.

Superintendent Arney explained that Misc. Services includes money for when services are provided by Eagle Services, repairs/calls from Gasvoda, and repairs/calls from Superior Pumping.

Oudman added we don't know how many cleanings or repairs we will need in a year so that's just a budget number.

Biancardi said we may not spend that much, or we may need more.

Constantine stated part of the thing, just like buying that camera, was we've been purchasing things to save money. Because in the past we've paid money to have them come out and have a camera. So, the purpose of buying one was to save money down the road and going back to what I was saying about finances, I hate to find out down the road, well we've created a small slush fund in the budget for expenditures we might want later on.

Biancardi interrupted and stated I would go on the record and say there is no slush in this budget. We've set a budget for ourselves, it is not the same as the town and getting it approved. And so, I believe that we are looking at our revenues, expenses, what we spent last year and it's pretty true. We've got a lot of money in the bank, but we are not budgeting that in. This is our second year of a budget so we are still working at it.

Constantine stated also we've spent a lot of money to save money.

Superintendent Arney said it's making a difference. Some of this money, as we watch the budget, we may be able to adjust. We most certainly want to try and build the budget to be as true as possible to what we are spending. These numbers take in to account previous expenditures and future needs like new dialers.

Biancardi asked Secretary Peffers to note what has been spent each month under Misc. Services and Other Equipment on future reports.

Constantine stated part of what I was looking at with this budget ... I am looking at the one we've been working on and we're so good on it, it's hard for me to justify let's kick it up another \$65,000 because we got it. Just cause you got it don't mean you have to spend it.

Biancardi said no, and I don't think we will. All the departments are doing well and just because it's in there doesn't mean they're spending it. If they don't have to they aren't.

Constantine stated Bill's done an extremely good job of spending the money where it needed to be spent and the same respect, this board has been good at letting Bill have what he needed and a lot of times what he wanted ... just to progress, for the benefit of the town. I'm just going to be close watching it. I see a lot of abuse.

Biancardi said we all have a responsibility to watch it closely and we will.

Constantine stated we're the ones that the town citizens are going to look at if we have to tell them well we have to raise it because we spent the money wrong. And I don't want my neighbors throwing rocks at me.

Biancardi asked if there were any questions about the Spending Review Report and Constantine stated the spending has been marvelous. I really think there is no other word to put for it. There's no waste been in there that I can see.

Delinquencies

The board reviewed the delinquency report and there were no questions.

Flow Report

The board reviewed the flow report and there were no questions. Superintendent Arney pointed out the flows for Lift Station #5 and noted that it averages around 40,000 per day, so that side of town is almost half of our total flow volume. Flows include Corlin's Landing, Trailcreek, the car dealerships, a bit from CR England area and Phase I of the Village. The residential side is growing so hopefully that will lead to a reduction of the H2S gas in the system.

Good of the Order of the Community & Any Other Business

Superintendent Arney noted that the Fire Department has been approved to add an addition onto their building which will have another sewer tap.

Announcements

The next meeting will be held Wednesday, September 19, 2018 at 7:00 p.m.

Adjourn

Oudman made a motion to adjourn at 7:48 p.m. Constantine seconded the motion. Motion carried by all in favor vote.

Submitted by: Corinne Peffers, Secretary

APPROVED on September 19, 2018

Toni Biancardi, President

Corinne Peffers, Secretary