

Burns Harbor Sanitary Board

Minutes of Wednesday, May 18, 2016

A regular meeting of the Burns Harbor Sanitary Board was called to order with the Pledge of Allegiance by President Toni Biancardi at 7:00pm. Present at roll call were Jim Constantine, Eric Hull, Ray Poparad and Marcus Rogala.

Rick Balunda and Andy Bozak were absent. Bozak did arrive late to the meeting and joined the audience.

Also present were Attorney Clay Patton, Sanitation Superintendent William Arney and Secretary Corinne Peffers. Engineer Jeanette Hicks of Global Engineering arrived late. Present in the audience were Walter Knapp and Nicole Hipp.

Minutes

Poparad moved to approve the minutes of April 20, 2016. Hull seconded the motion. Motion carried by all in favor vote.

Correspondence

None.

Sanitary Report

Superintendent Arney's sanitary report was reviewed by the board. The new format of the report was noted and there were no questions.

New Business

This business was moved forward in the meeting so the audience members in attendance wouldn't have to sit through the majority of the meeting.

Appeal from Wallace and Marlene Knapp

Poparad made a motion to grant the Knapps' their refund because of the two commercial buildings in to one tie in. Constantine seconded the motion.

President Biancardi said the board talked about this a couple months' ago and asked Superintendent Arney to confirm that he was in favor of this recommendation to refund one of the tap-on fees. He said for this particular building he most certainly understands the reason, but, his fear is the fact of the apartment buildings coming into the same play, which is a lot more work and a lot more issues, but they have a similar thing. You have 7 or 8 units within one building and normally we charged a tap per building, so he wanted the board to know ... Biancardi interrupted and asked for clarification and asked, "Do you mean a tap for each unit"?

Superintendent Arney continued saying it is the way town code reads as legal counsel last time had to dictate that and that's how when we got audited they ruled in our favor because that's the way we have always done it. Our tap was per unit. Unit dwelling is what he believes the code says. He reiterated that the board may end up seeing more of these appeals coming though as the new buildings come in and he did the rough math on it, and if the appeals do go through the lost revenue could be about \$50,000.

Poparad stated he understands what Arney is saying but argued that each one is a residential unit and the bill is based on water consumption, roughly 7,500 gallons. President Biancardi said it is based on ERU's and one ERU is about 7,000 gallons of water. Poparad said one ERU is 5,500-7,500 gallons used. Based on the water bills submitted with the appeal, 3,500 gallons are for the two buildings total. That is where Poparad feels we have "a legal leg to stand on." That is his reason for the motion.

Superintendent Arney again wanted to make sure that the board knows they may see these appeal forms and commented, "exactly what you are saying, we hopefully can adjust that by ERU's and saying well, you have each unit that's using over this. But again, as our code reads right now, we will still continue to bill that way because that is the way it reads, so you may get appeals through this."

President Biancardi asked if the code specifically talks about multifamily versus single. Superintendent Arney stated it says dwelling units. President Biancardi stated this appeal is technically for a business.

Superintendent Arney said in Mr. Knapp's favor, the amount of water they are using between both buildings is less than an average household. He uses very little water there. President Biancardi said she can't really grow, she can only have so many children in her daycare, so it's not like she is going to triple the amount of people that are in the building. Superintendent Arney agreed.

Superintendent Arney again cautioned the board that the town has been through this battle before with the multifamily. Attorney Patton asked for clarification on the exact amount for this refund. President Biancardi stated they were charged two \$1,000 sewer tap fees and they are asking to be refunded one.

Poparad asked Superintendent Arney if a duplex would be considered one tap or two taps, and Arney responded saying it is two taps. It's established per dwelling unit. Poparad asked for clarification, "But, the apartments, is one tap for all 8?" Hull and Superintendent Arney responded and said no and went on to explain that each plat has one tap coming from the main, but the tap on charges are per dwelling unit.

Hull asked about the apartments having 8 separate tap fees since they have 8 units. He also asked if there are actually 8 separate tap lines, and Superintendent Arney responded "absolutely not". Hull stated he understands that the way the code reads it is currently per residential unit and says he was asked if the board plans to address the need for a multi-unit fee.

Poparad asked what the size of the tap is on the apartments. Superintendent Arney explained phase one was 6", phase two and what they are doing now is going to be 8" because of the use. He also explained that those units will share a tap, correcting himself to using word "line" instead of "tap". "So, you may run a line from your main in between two apartment buildings and come into that depending on how the layout is. Phase two, they actually had to go on a couple of them and actually go into our main, our actual structure and pipe into that."

Poparad asked, "So in other words, they made a tie in?" Superintendent Arney said yes and it depends on how the layout it. He also stated you need to remember when our town, and the infrastructure was first put in, since then, this has come back and been replatted a couple times, so things have changed. Poparad said it was strictly supposed to be fourplexes, not eight units.

President Biancardi asked Mr. Knapp if there was just one water bill for both buildings, and he said yes, there is one meter. She asked Poparad to amend his motion to include a refund of \$1,000.

Hull stated that the whole reason the board created this form was because of this issue, that's the whole reason the board created the appeal process. President Biancardi clarified saying it's one of the reasons, with the idea that this might happen in the future.

Poparad amended his motion to ask that the board grant Mr. Knapp the refund of his \$1,000 tap-on fee and approve his appeal. Motion carried by all in favor vote.

Poparad and Hull thanked Mr. Knapp for his patience and Mr. Knapp thanked the board.

Request to suspend sewer billing

Audience member Nicole Hipp attended the meeting to request her sewer billing be suspended as her home located at 1135 Harbor Way was destroyed by fire on 5/13/16. Superintendent Arney also noted that a home adjacent to the Hipp property, the Troy home, located at 1133 Harbor Way was also damaged in the fire and is currently uninhabitable. He also said there is no power or water on at 1135 Harbor Way, the house is completely destroyed and he will be asking for an emergency demolition because it is unstable and a safety hazard, and there is no water and minimal power for restoration work at 1133 Harbor Way. He also noted that the sewer will be capped at 1135 Harbor Way once is torn down.

Poparad made a motion to stop sewer billing until the houses are rebuilt and a certificate of occupancy permit is issued for 1135 Harbor Way and 1133 Harbor Way. Constantine seconded the motion. Motion carried by all in favor vote.

Poparad expressed sympathy on behalf of the board to Hipp.

Engineer Report

None relating to the sanitary board, however she did state they have marked utilities on Old Porter Road.

Old Business

Storage Building Quotes and Excavation

The building quote that was approved at the last sanitary board meeting is no longer on the table, as MidWest was not willing to work with the town on a payment schedule. Attorney Patton was uncomfortable with the pay schedule portion of the contract and when MidWest was asked to modify the contract, they would not.

Superintendent Arney requested a new quote from FBI Buildings to include concrete work and their new quote was for \$74,693 for a 48'x56'x16' building with a metal roof, 2 large doors, 2 man doors and better quality materials than the original approved quote. He noted they do have a pay schedule but it's only engineer drawings, once those are to us, then we approve them, we sign them and submit payment for the drawings, and then they order the material. The material is delivered, the work is done and then the final payment will be made. Building can start 4 to 6 weeks after approval.

Poparad made a motion to approve the quote for FBI for the 48'x56'x16 storage building for \$74,693, with President Biancardi signing the contract upon approval of the contract by Attorney Patton. Hull seconded the motion. Motion carried by all in favor vote.

RV Sutton, Inc. underbid the original quote for \$8,500.00 to excavate the site for the storage building, so he submitted a new quote for \$13,000.00, which included additional costs of \$4,000.00 for loan removal, and \$500.00 for asphalt removal. Sutton realized as he started the excavation work that he underbid it, so he resubmitted his invoice. Superintendent Arney stated that the first day, Sutton estimated the whole job at 45 loads, and within the first day of three, he already hauled out 45 loads, and that is disposal. It ended up doubling and he has eaten half of it. Sutton has kindly asked if the board will work with him on this new invoice. Superintendent Arney mentioned that \$500.00 of the additional cost is for asphalt that he and Ray spoke about and decided it need to come out for the building.

Poparad made a motion to approve RV Sutton Inc.'s \$13,000.00 total invoice. Constantine seconded the motion. Motion carried by all in favor vote.

Poparad noted that Rudy has been a good business partner for the town, years ago he helped with the fire department when it was started in the new building. Hull noted that RV Sutton, Inc. was the only bidder on the excavation project.

Superintendent Arney mentioned upon looking at the front of the property to be excavated, you don't realize the fence lines and it is deceiving.

New Business

Budget

Secretary Peffers provided a historical report of sanitation expenses and revenues, both broken down by line item, for the 2015 calendar year, including monthly totals. It also included yearly totals for 2014 and 2013. Sanitary sewer invoiced totals were also provided as a gauge for expected income.

President Biancardi noted that this report gives a good picture of regular expenditures and will help with the budget process and allowing extra room for pumps and additional repairs as they may be needed.

The board discussed what Miscellaneous Services includes, and Superintendent Arney said it covers when he calls out GSI, Eagle Services, or any other contractor he needs to call out. They also discussed some of the figures noted in the 2015 report under Equipment and Other. President Biancardi noted that Jane Jordan can work with board to get more detailed breakdowns.

President Biancardi said the board should sit down with Superintendent Arney so he can help budget as he knows the most about what is need for repairs, and about incoming phases of development and additions. She says the board can appropriate exactly what is needed and if there is a larger project or equipment that's needed, the board would have an additional appropriation to go to the council for.

Constantine commented there will be a lot of things coming up just like the building down the road and asked how would the board budget for more stuff that is wanted. President Biancardi said the board should budget for the minimum needed with some for repairs and the idea of the additional appropriation if a building came up. "I know Marcus was concerned, that the board might not feel comfortable being mostly citizens making that decision, so needing an additional appropriation would bring the council in to that as well, to get that extra money."

Poparad talked about Superintendent Arney requesting a bathroom down at the new storage building and mentioned it was just shy of 400 feet to reach our sanitary tap, so the only way to do

it would be with a pump. Superintendent Arney mentioned the only other additional would be to move the building to where the dumpster is now, east of the street department. That would be located right next to the sewer main and water.

Hull noted that most of the figures have been consistent over a 3-year period and stated the issue comes in for special appropriations, however, he feels that if you are going to put and ask citizen members to be on the board and appoint them, they are appointed because you have some level of faith and trust in them and they need to have the ability to make decisions to do things without having to come all the way to the top for everything they need to do. Rogala said there should have always been a budget in place. Hull questioned the State Board of Accounts' scrutiny over sanitation, as it is revenue generating and not financed by tax dollars. There was further discussion about allotting percentage to future growth, current expansion, repairs, etc.

Poparad questioned if the town had had to switch over to larger force mains at the town's expense, and not a developers'. Superintendent Arney stated Lift Stations 3, 4, 5 were switched to force mains at the town's expense a few years ago, and it was planned development. Those lift stations had dual force mains for growth.

Sewer Rate Study

President Biancardi noted that the last sewer rate study was April 16, 2014 and was done by Cender & Company. According to our Ordinance, which calls for a rate study to be done every two years, it is due to be done again and asked Secretary Peffers to contact Umbaugh and Associates for a quote for a new study. President Biancardi commented on a complimentary comparative sewer rate study provided to us last month by Umbaugh. It reported the average sewer bill is about \$72.00 per month for a town with a population of 1,000-3,000.

Hull made a motion to have Umbaugh & Associates prepare a 2-year sewer rate study as required. Poparad seconded the motion. Motion carried by all in favor vote.

NSF Check List

Poparad made a motion that after 2 NSF checks, there will be a 1-year waiting period before we accept a check from that user again. Hull seconded the motion. Motion carrier by all in favor vote.

The board discussed taking deposits, and how much additional work that would be, as well as accepting electronic payments. Constantine said he would like to see more people pay a year at a time.

Shut-off cash only policy

There was discussion about changing the recently adopted Town Ordinance to only take cash, cashier's check or money order after a water shut-off notice has been provided in writing, to only taking cash, cashier's check or money order 10 days prior to the water shut-off date. The board consensus was to leave the policy as is.

The board clarified that a payment made using online bill pay would be treated like a bank check because the money is deducted from a person's account before the check is mailed. .

Mobile Home Count Form

Hull made a motion to approve the mobile home count form as written. Motion withdrawn.

Poparad made a motion to approve the revised mobile home count form with the change from "count is made by employees of the Town of Burns Harbor designated by the Sanitation Department" to "count is made by employees of the Town of Burns Harbor". Hull seconded the motion. Motion carried by all in favor vote.

Approval of Claims with 4 or more Signatures

Rogala moved to approve claims with four or more signatures and to approve purchase order number 2141 for \$1,180.26 for a new desk for the sanitation office. Poparad seconded the motion. Motion carried by all in favor vote.

Spending Review

Constantine questioned the wages under the secretary/clerk line item and it was noted that a portion of Clerk-Treasurer Jane Jordan's wages are paid from that.

Delinquencies

A new and more detailed delinquency report was provided to the board to review. It was noted Rainbow Community currently has a credit balance on account. Constantine asked for a specific customer delinquency list, the same that was used previously, to be given out at the meeting.

Flow Report

The board reviewed the report and noted it was consistent. Superintendent Arney noted that the town is using less than a quarter of its capacity, which is 500,000 gallons per day.

Good of the Order of the Community & Any Other Business

Hull questioned if the board would look into a multi-unit tap on and Poparad said no because each is a separate residential unit. Rogala questioned what other towns and cities are doing. President Biancardi questioned if the apartments each having washer and dryer hookups had an effect on the rates. Engineer Hicks suggested referencing Indiana Code for sizing sanitary mains because it gives typical numbers. Hull said that residential is treated differently than business or commercial, and asked why isn't multifamily because it's a different type of structure. President Biancardi asked if there was one water bill per building, or if there were individual bills. Hull said they have one water meter per building and the water is included in the rent, as well as the sewer price. Poparad said based on Umbaugh's comparative study, \$40.75 per month is fair and it's not tied to a water bill.

Secretary Peffers addressed a call received from Jason Quick about his closing on his properties at 287, 289, 291, 293 and 293 A Melton Road. He sold his properties to KRA Ventures LLC and closed on May 16, 2016. He has paid his May sewer bills and now has a credit balance on his accounts, totaling \$24.48. The consensus of the board was to send Jason Quick a refund on his accounts:

1076 00	287 Melton Road	-\$4.08
1077 00	289 Melton Road	-\$8.16
1078 00	291 Melton Road	-\$4.08
1079 00	293 Melton Road	-\$4.08
1080 00	293 A Melton Road	-\$4.08

Announcements

The Footloose 5K will be held June 25 and sponsors and volunteered are still needed. Next Meeting Wednesday, June 15 at 7:00 p.m.

Adjourn

Hull made a motion to adjourn at 8:19 p.m. Poparad seconded the motion. Motion carried by all in favor vote.

Submitted by: Corinne Peffers, Secretary

APPROVED JUNE 15, 2016

Toni Biancardi, President

Corinne Peffers, Secretary