

Burns Harbor Sanitary Board
Minutes of Wednesday, September 21, 2016

The Burns Harbor Sanitary Board met in its regular session Wednesday, September 21, 2016 in the Town Hall. The meeting was called to order by President Toni Biancardi at 7:00 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

Also present were Attorney Christine McWilliams, Sanitation Superintendent William Arney, Engineer Jeanette Hicks and Secretary Corinne Peffers.

Approval of Minutes

Constantine made a motion to approve the Minutes of August 24, 2016. Oudman seconded the motion. Motion carried by all in favor vote.

Correspondence

None.

Sanitary Report

The board reviewed the report. Arney noted that Gasvoda was out for a couple of emergency repairs. He said a float failed and the pump sucked it up. This was the first time we have ever had a float fail. He also noted that the new sanitation storage building has been completed and they are moved in. The street department assisted with asphalt paving of a small section near the concrete apron.

Engineer Report

None.

Old Business

Sewer Rate Study Results from Umbaugh and Associates

Jeffrey Rowe with Umbaugh distributed copies of the rate study to the board members and reviewed the results of the rate study. He noted that we are in a strong cash position and no rate adjustments are necessary at this time.

Constantine asked if we have to have a rate study every two years by law and Biancardi said our ordinance calls for every two years. Biancardi said she reached out to IACT (Indiana Association of Cities and Towns) to see if that is in fact a state law that requires a rate study every two years and she was told by the attorney there that her community also has an ordinance that calls for a rate study every two years, but on those years we could do something that is not quite as detailed.

Rowe stated it isn't unusual for communities to have rate ordinance language similar to ours where it calls for a rate study every two years. He recommends communities look at their rates at least every few years to make sure nothing has changed significantly, however, it is not required by law. The frequency of rate studies varies quite a bit from community to community, some do it quarterly, some do it annually and some do every few years.

Rowe also mentioned that if we ever find the general fund not in a good position, we could set up a payment in lieu of taxes where the utilities pays the general fund, which he didn't include in the rate study. Biancardi asked if you could make one payment, or if it was recurring. Rowe said you could make one payment, but generally it is set up as recurring.

Old Porter Road/328 Melton Rd. sewer extension

The board was provided a quote from RV Sutton for \$21,773.75 and a quote from Woodruff and Sons for \$37,800.00. Constantine asked if this sewer extension is coming from the east, or the west. Arney stated the east. If the parcel is developed to the west of 328 Melton Road (Curly's Custom Cycles) that parcel can tap on without much effort from the west.

Constantine asked if all the properties on that stretch of road will be able to tap on to our sewers after this extension is complete. Arney stated that is correct. Hicks said she has sent a permit to IDEM for the extension and it should be less than a month to get it back.

Constantine made a motion to accept the quote from RV Sutton, Inc. for \$21,773.75. Oudman seconded the motion. Motion carried by all in favor vote.

Arney will contact RV Sutton to let him know he was awarded the work and to get the work scheduled.

Traditions Apartments sewer rate

Constantine feels we shouldn't give an apartment company any kind of a break that we won't give to old people in this town. If the all residents are paying \$40.75 a month, renters should be too.

Oudman said the only thing would be if we were to change to a metered system and Biancardi said that is her position is well. We are a flat rate across the board and we would have to investigate the cost to meter. Metering would be the only way to make it equitable for everyone in town, and not just the apartments.

Constantine said they knew what the rate was when they built here and has far as he is concerned the matter is dead. It is up to the rest of the board if they want to carry it any further.

Biancardi said now that we have the rate study, we can think about it, and no matter what the board decides, a response should be sent to Traditions.

Arney feels it would be a nightmare to justify changing the Traditions apartments billing with our flat rate system.

Constantine said if we were to give them a break, he would be the first one asking for his rate to be lowered.

Oudman said you don't know that they would get theirs lowered and Constantine said they would get it lowered.

Biancardi said that the possible consequence of metering is that everyone's rates will go down, then we won't have the cash flow, and we will have to raise the rates. Constantine asked what it would cost to meter and Biancardi said she didn't know.

Biancardi said Traditions said that because they are a large apartment complex, they should be considered a commercial user and if that's the case, we would average the amount of water they use and adjust the ERU based on that.

Ray Poparad commented from the floor stating that he was at the last meeting when Traditions presented their case and the owner of the complex said they didn't due their due diligence when they decided to build here. He said that as a resident he is giving his opinion. He pays his sewer bill and it is just him and his wife and they use about 3,500 gallons per month.

Biancardi reiterated that she commented we are flat rate and to make it equitable for everyone, including anyone that has one or two people in their home, we would have to meter and that is an expense.

Constantine said we shouldn't bend over for any contractor that wants to come in to this town and they know what our rate is when they come here and if they don't like our rate, they don't have to come here.

Oudman said we want to be a friendly community and we don't want to chase people away. He feels it is worth considering what they are asking and we should have a discussion about it.

Biancardi said she agrees and we have had discussion. She would like to wait for Attorney Patton and Tumblin to come back, and she would like to send a respectful response to Traditions saying we have considered the request, but our rates were in place before the apartments were built.

Arney noted that Traditions Apartments challenged us to State Board of Accounts regarding the way we charge tap on fees per unit and State Board of Accounts found that we followed the way our ordinance is written.

From the floor, Poparad asked if the board did give them a rate reduction, would they pass it on? Hicks said if you increased their rates, they would pass it on.

New Business

Burns Harbor Town Code Chapter 18, Section 3 (c)

Biancardi said what the board is looking to designate here is "new construction". Arney said if a building has been vacant for more than six months and they don't change the use, they can come in and open up a business, but they do need to get a business license, which is different than a certificate of occupancy.

Biancardi asked Arney what he thinks the ordinance needs to say. Oudman asked if a certificate of occupancy was needed and Arney said only if a building has been vacant for more than six months.

Constantine said then they should be paying from the day they purchase it.

Biancardi said if they have water running then they should pay the sewer bill from the day the tap is made. Biancardi asked if the ordinance should designate "new construction", where there has never been water service or sewer. Arney confirmed. Biancardi asked if the only time the board has relieved the sewer bill on an existing building is if they have proved to us that the water has been off. Arney said yes, when there is proof of no water service.

Biancardi said as soon as someone connects to the sewer and they have water, they should pay the bill. Biancardi asked Arney if he has any other ordinance changes that need to be addressed before we have a public hearing. He said he can't think of any right now.

Approval of Claims with three (3) or more signatures

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

Arney explained PO #2436 for \$1,203.00 to FBi Buildings, Inc. He also explained 1-year generator maintenance agreement to Cummins NPower LLC for \$800.12.

Constantine asked what the maintenance agreement included. Arney stated it is the same that we have done every year, they come out service it, check it, check the electrical, run cycles, etc. We have to pay for oil and filters. Constantine said this agreement sounds extremely high, as we still have to pay for the oil.

Biancardi asked if we have looked around for other prices, and Arney stated it is the company's generator brand, so that is who we have always contracted with. He is also noted the model limits who can service it.

Constantine made a motion to approve the maintenance agreement with Cummins NPower LLC. Oudman seconded the motion. Motion carried by all in favor vote.

Arney said he will make a note to check for other prices next year.

Spending Review

The board reviewed the report and there were no questions. Biancardi asked for copies of the 2017 budget to be provided at the next meeting so the board can discuss it.

Delinquencies

The board reviewed the report and there were no questions.

Flow Report

The board reviewed the report and it was noted that there was a high flow rate on August 27, 2016 due to an issue with Lift Station #2 and a heavy rainfall event.

Good of the Order of the Community & Any Other Business

None.

Announcements

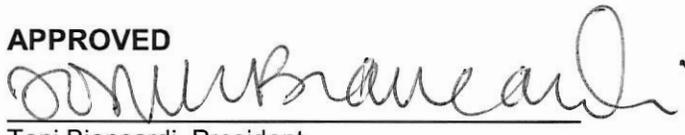
The next meeting will be held Wednesday, October 19, 2016 at 7:00 p.m.

Adjourn

Oudman made a motion to adjourn at 8:06 p.m. Constantine seconded the motion. Motion carried by all in favor vote.

Submitted by: Corinne Peffers, Secretary

APPROVED



Toni Biancardi, President



Corinne Peffers, Secretary