

Burns Harbor Sanitary Board
Minutes of Wednesday, August 19, 2020

The Burns Harbor Sanitary Board met in its regular session Wednesday, August 19, 2020 in the Town Hall. The meeting was called to order by President Toni Biancardi at 7:01 p.m.

The Pledge of Allegiance was recited.

Roll Call:

Toni Biancardi.....	Present
Jim Constantine	Present
Larry Fabina.....	Present
Wilbur Oudman.....	Present
Daniel Marsh.....	Present

A quorum was attained.

Also present were Superintendent William Arney, Attorney Clay Patton of Patton Law, LLC, Engineer Jeanette Hicks of Global Engineering and Land Surveying, LLC, and Deputy Clerk Corinne Peffers.

There were no audience members in attendance at the Town Hall.

Approval of Minutes

Oudman made a motion to approve the Minutes of July 15, 2020. Marsh seconded the motion.

Motion passed by all in favor vote.

Sewer Rate Study

BakerTilly Municipal Advisors, LLC presented the sewer rate study findings to the board members via Zoom. Presenting were Jeff Rowe and Adam Wilcox. The Sanitary Utility is in good financial shape and no rate change was recommended.

Correspondence

None.

ArcelorMittal Appointed Board Member

Biancardi welcomed and introduced Larry Fabina, the new board member appointed by ArcelorMittal. Fabina's appointment will expire on 12/31/2022. Fabina introduced himself to the board. He has 47 years of service at the mill and works out of the general manager's office. He has expertise in steel making, casting, BOF operation, he ran the slabbing mill for a while until they shut it down, he ran plate operations for about 15 years and he has been working out of the general manager's office, but also corporate wide. A lot of his focus is on energy reduction. He is also on the board of NWI Forum and has been for about 14 years.

He said if we have questions, he can connect us with the appropriate people. He stated some of your voting is on things I probably will abstain on when it starts coming to your spending and what you want to do as far as increasing charges or delinquencies, that's more your business than mine. So, a lot of that stuff, I will abstain on the issue unless you need me to vote. I am here to help, so whatever you need I will try to make it happen for you.

Biancardi took a moment to recognize Fire Chief Arney for the Volunteer of the Year Award the Burns Harbor Volunteer Fire Department received today at the Duneland Chamber of Commerce Annual Meeting.

Sanitary Report

The board reviewed the report. Superintendent Arney reported that inconsistencies in the flow report numbers were noticed and he believes he has corrected the problem.

Constantine asked if there was an issue with one of our generators last month. Superintendent Arney said yes, we have had a bad month. During the storm, Lift Station #3 took a lightning strike so it blew out our add-a-phase, so then we had to bring our generator out there. Our generator, which has a selective dial because of the voltage, it did not cross over, so it blew the fuses on the gen set, so we had to work with that and get it going. Everything is repaired now. We had to order buss fuses for the lift station, because it is a special buss fuse, they are 30-amp. So, at the moment, it is working on 30-amp breakers vs. buss fuses.

Biancardi asked if any of our stations were affected when we were out of power for almost 24 hours. Superintendent Arney said we were all out of power originally. We had this generator going and we had to take one to three because it got hit by lightning. We were out of power for about 5 hours at the lift stations.

Wastewater Treatment Plant Report

None.

Engineer Report

Hicks reported that she has found capacity certification letters and has done some research after being asked to tabulate how much capacity we are currently using, how much is out there, and what has been promised or already allocated. She stated in my own files, I found three capacity certification letters, which I sent to Corinne yesterday, so, I wish I would have found more but, you have had two other engineers that I can think of, so I did a little bit of an analysis of what I see, the average daily flow that the town uses, I just used a number of 120,000 gallons per day. I went through the sewer agreement with Mittal and the capacity that we are allocated is 450,000 gallons per day. We have some developments that have been approved that really aren't online yet, so I put some numbers in using Indiana Code, for Corlin's Landing Phase 2, Trailcreek Phase 2, Westport, using the numbers they gave, and the average daily flow when I put them together was about 165,000 gallons per day. Corlin's Landing Phase 3, I don't believe that's been platted, even though the construction drawings show a plan for it, so I even threw Corlin's Landing Phase 3 in there and if that were to come online, we would be at about 185,000 gallons per day, and that's the average daily flow. I know when I look at the permit, so if you are constructing a new subdivision, the permit you fill out, the certification letter in there states that the average daily flow should not overwhelm the system, so as I understand it, that is what we are certifying. So, to summarize, I believe by adding Westport, we should be well under half of our capacity. So, if we start trying to tabulate that as things go forward, that's what I found in the meantime. I think we are in good standing.

Superintendent Arney stated a while back, we talked about not so much capacity, and it's a concern of mine that I brought up, direct inflow to the lift station being so close, I am talking about the Westport Development, I believe it was Shem and I, we talked about concerns about the wet well capacity because that is the shallowest wet well we have. For instance, last night I got called out and by 10 minutes of time I get there, I was in high wet well, almost to capacity of that wet well where we had to get it pumped down, so my concern is with it being so close and the direct inflow, is there an impact that we are going to have to look at or maybe an impact fee for that development to increase the capacity of a possible second wet well, a lead well and a secondary well, because the water table being so low in that area, I am kind of concerned about the direct inflow to that being so close. We don't have that lag time.

Hicks stated and you don't have storage in the line.

Superintendent Arney asked Hicks to put that in the model and bring the information back to us.

Hicks said you do have the reserve wet well already at Lift Station #2, it's just a matter of working it online, right?

Superintendent Arney said no, we don't have a reserve. There's a wet well and a valve house that acts like a reserve sometimes. What you are thinking of is possibly the manhole that is 12 feet deep and it does give a little bit, but that fills because of the water table and the gravity level.

Hicks said she will research and get back to the board with more information.

Superintendent Arney said part of the Westport Development includes three phase power, so we may be able to connect Lift Station #2 to three phase and that's a plus for us.

Hicks commented that when they were doing their review of the application, we did look at the construction plans, and there were some areas of the sewers in the development that did not have the state required three foot of cover and we called attention to them when the review was given back to the project engineer. Now, I have not seen yet how they have resolved that, so I just want to throw it out there that you may hear, I don't know if the engineer is going to say, and I don't want to say this prematurely because it may not happen, but they may say we need a lift station for that project somewhere on the grounds. I would hope not, I would hope they would be able to regrade things to be able to get their three foot of cover. I don't quite recall, but it was maybe five spots where they needed more cover. Hopefully they will be able to get that sorted out but I wanted to raise your attention to it as the Sanitary Board.

Constantine stated I am concerned that we have found a lot of mistakes with the initial planning of our system, and the Westport project is going to be one of the largest ones coming in to our

town and it's going to be dumping into our main unit. I really like to make make sure we don't have any mistakes down the road, oh, I wish we would have done this. And it costs us a ton of money down the road. Even if it comes to having to put a lift station for that system.

Biancardi said so we will see what information Jeanette comes back with and I will make myself a note to talk with Councilman Eric Hull about the project to make sure that coverage is there.

Superintendent Arney asked Biancardi if the we charged an impact fee to part of the Village development because they had to switch to a bigger pipe. Biancardi didn't recall.

Constantine stated that's when we swapped over to the bigger pipe and at that time, I was a little upset about the fact that we covered the cost of it when the contractor is the ones making the profit. We had to put the money out and the only person that made a profit out of that was the contractor. That's the way I looked at it. The same thing as Westport, if we have to put a lift station in there, do we have pay for it, or does the contractor walk off with a bunch of profit?

Biancardi said we will have to see if we are going to need one. I will research the impact fee and see if we did that for the Village.

Old Business **Sewer Rate Study**

Addressed earlier in meeting.

New Business **Moratorium on Disconnects and Payment Plans**

Gov. Holcomb has extended the public health emergency through September 2, 2020. Peffers provided the board with a draft Payment Agreement form. Attorney Patton suggested removing the phrase "or water service may be disconnected" from number 6; changing "Porter County Circuit Court" to "Porter County Superior Court" in number 9.

Peffers informed the board that Indiana American Water Company will not resume disconnects until about November 3, 2020.

Attorney Patton advised no disconnects on a rolling month-to-month basis and we can just have a brief discussion to see where things are with the state and with the Governor's Executive Order.

Peffers stated the information that I received from AIM is that the Governor let the moratorium expire on August 14th for utility disconnections. He ordered, through October 12th, that regulated utilities, of course we are non-regulated, are required to offer payment arrangements.

Biancardi stated so what you are saying Corinne is that Indiana American Water Company won't shut off until November? Peffers stated right.

Peffers stated the water company notified me on the 13th of August that they are set to resume around November 3rd.

Peffers asked Attorney Patton if it would be beneficial to get the customer's driver's license number on the agreement and what other information would a court need to make a claim for collections against the customer.

Attorney Patton said the contact information to serve them is the best thing, but in my experience, if you have a date of birth, a driver's license number and a social security number, that's a great way because through the Indiana BMV, for a \$7-\$8 search fee, you can track someone down if they have updated their driver's license. You might also ask for an employer, so you can garnish wages, things like that.

Biancardi stated so for the September billing, we can resume charging late fees and then if they were to get to a disconnect, we could notice them of that, but it really wouldn't happen until November.

Attorney Patton stated, so as far as the late fees, and I know we have discussed this, I think you can charge late fees.

Peffers stated we are non-regulated so we can charge late fees.

Biancardi stated we can, but we have chose not to.

Constantine said I personally feel like we ought to waive the late fees until this is all straightened out. The late fees don't add up to that much and we are not doing any added paperwork. Attorney Patton stated there's nothing that the Governor said that says we can't do it, but my understanding is that this board has waived the late fees, so there are no late fees.

Biancardi stated through the end of August. We would have to do a new motion.

Constantine said I think we shouldn't charge any late fees until this is over.

Attorney Patton said the only trouble with that is that we don't know when this will be over. So, you need to go month-by-month to see where things are.

Constantine made a motion to waive late penalties through September. Oudman seconded the motion. Motion passed by all in favor vote.

Constantine asked about delinquencies and how many customers are currently delinquent. 62 customers are currently delinquent, and there are not that many more delinquent than normal. Peffers explained the breakdown. Peffers directed the board members to look at the back side of the delinquency report. She said I added some new charts. The first one is the percentage of delinquencies by month, and it shows last year's data vs. this year's data. So, you can see the trend lines of where we are. This year is quite a bit higher than 2019. The chart just to the right of that, is breaking it down by aging, and that is just this year.

Constantine stated it's not as crucial as it sounds. It could be worse if you only have 67 people delinquent.

Biancardi said in regards to the Payment Agreement, if there are no other concerns other than what Attorney Patton mentioned, I would ask that we have a motion to recommend it to the Council so we can get that on the next agenda so it would be ready to go.

Marsh made a motion to forward the Payment Agreement to the Town Council with a recommendation for adoption. Oudman seconded the motion. Motion passed by all in favor vote.

Biancardi said last month we waived late fees and waived liening properties for delinquent sewer bills. After the meeting, I received an email from Clerk-Treasurer Jane Jordan saying "she understands the concerns about the ability of someone to pay at this time, but she is concerned that the decision could cause the town's utilities to lose thousands of dollars and make it difficult or impossible to collect. The lien process helps protect the town's utility from losing revenue. If people were to sell their property and outstanding balances are owed to the town, these liens must be paid before closing since new owners cannot be held responsible for a previous owner's debt." Biancardi also said the email said the utility should request that the Town Council waive the lien process, which we didn't do. The email also said, "the utility has no way of enforcing customers to pay at all."

Biancardi said so we have the shutoff as one enforcement and then at the 90 days we can lien someone. Without that she is suggesting that we have no enforcement.

Constantine stated we weren't even talking about not cancelling liens, we were just late fees.

Biancardi stated no, we made a motion last month to not lien for this month. So, if they were to the 90-day period where the clerks would then file a lien, we made a motion not to file a lien.

Constantine stated yeah, that's month by month.

Biancardi stated yes, so but she is suggesting also that we would have needed to have the Council approve that.

Attorney Patton said that is what she is suggesting, yes.

Biancardi stated so she has suggested that we allow Corinne to send out the lien notices, but the notices should include language that would allow property owners to set up payment plans, which we would now have next month, allowing people who need assistance to get help and still allow the lien process to remain in place. So, I think going forward, when the water is allowed to be shut off, we would be in the same situation, we now have a payment plan.

Biancardi asked Peffers if there are any customers that should be liened.

Peffer stated typically by this point we would have warned quite a few people. As of today, we have \$1,287.54 in our 90 days plus past due range.

Biancardi stated so they have not received notice of a lien and you have already sent out late notices?

Peffer stated no and if I notice for a lien warning, they get a separate letter. It's not just your typical late letter.

Attorney Patton asked how many properties are included in the \$1,287.54. Peffer counted 14.

Biancardi said the payment plan needs to be offered to someone receiving a lien warning, so once the Council approves the plan, we can notice them and include it.

Peffer stated, just for reference on that number, the greatest number of lien warnings I have ever sent out at one time is four.

Attorney Patton stated it probably doesn't look good that August 14th was when the moratorium was lifted and here, you know, a week later we are sending out liens. Whether it is a lien, or late fee or disconnect or whatever it is, we are kind of poking them a little bit as soon as we can. Let's give it another month, we are not going to lose much.

Biancardi stated and we will have the payment plan in place.

Attorney Patton stated the likelihood of one or two of these property owners selling that house in the next 30 days and we lose out on a few hundred bucks, I don't know if we should be overly concerned with that.

Oudman made a motion to forego liens until the Town Council meeting on September 9, 2020.

Constantine asked if anyone has contacted Peffer about making payment arrangements yet. Peffer responded I have received a note from one person with a note saying, "I lost my job, here's \$45, that's all I can do."

Marsh seconded the motion.

Marsh stated I believe the last time we met, maybe you were with us electronically, in my mind I was thinking when we did this that we still were kind of unclear about the governor's intentions and what we could do and couldn't do and we were going to go month to month basis based on what the state Governor had recommended, and that maybe where this all started.

Attorney Patton said that was discussion and we can certainly take it month-to-month. We can't shut off until November, so we are talking about three different things here. We are talking about liens, we are talking about late fees, and we are talking about disconnects. So, with the disconnects, we couldn't under the Governor's Executive Order until this week, but Indiana American Water won't until about November 3rd. In regards to late fees, nothing says we can't collect or charge late fees, we just have agreed not to. And in regards to liens, we discussed last month, not to lien. I don't think we have liened anyone since March but we have agreed not to lien and to discuss it month to month.

Marsh asked if we have had a payment plan in place before this and Biancardi responded no. They have the ability to appeal, so if someone were to be in a current situation, our ordinance does allow them to file an appeal and that would basically stay the payment that they were expected to pay until they came to the board and we would do those individually.

Marsh stated then doing those individually, have we ever set up a payment plan with people? Biancardi stated no. At one point there was discussion of offering a payment plan for a tap on fee but that never materialized.

Motion passed by all in favor vote.

Professional Services

Biancardi said a concern was brought up by the Clerk-Treasurer about using mainly one provider for all of the services that we do, whether it's maintenance on our lift stations, call outs and those types of things.

Attorney Patton said anything over \$50,000 requires three quotes.

Biancardi stated so when we installed that generator, when we are doing large projects, we have to quote it out. Also, for the type of service that we need, there are limited people that provide the service, so Gasvoda is someone that we started with and our new company is Superior.

Biancardi asked if there is anyone else in the area.

Superintendent Arney stated there is. Gasvoda is out of Illinois, so timing is everything. So typically, on callout services, I deal with whoever I have on our lift stations because quite frankly a lot of it is proprietary with the pumps that they service and things like that. So, its one of those things, you don't want too many hands in your pocket.

Marsh asked if a callout would typically be over \$50,000 and Arney responded no, but I think the question she was asking is if there are other people that provide that service and yes, there is.

Biancardi stated the concern was brought to me so I just wanted to bring it to the board as well. She asked Arney to provide some information to the board next month including who we use, and what type of service they provide.

Attorney Patton commented that if we aren't dotting all the i's, crossing all the t's, State Board of Accounts would take notice.

Approval of Claims with three (3) or more signatures

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

Spending Review

The board reviewed the report and there were no questions or comments.

Delinquencies

The board reviewed the report and there were no questions.

Flow Report

The board reviewed the report. Biancardi commented that there is more detail on the report now. Our capacity is 450,000 gpd.

Good of the Order of the Community & Any Other Business

Superintendent Arney informed the board that he has hired a part-time laborer and he has been training him this week. He also said they have built some new shelving in the Sanitary storage building and purchased some new tools.

Superintendent Arney asked Fabina to inquire about us being able to bring lift station pump out to the sewer treatment plant. Arney said we used to be able to take waste to South Haven, but they will no longer accept it.

Fabina asked Arney to email him with the request and he will send it along.

Announcements

The next meeting will be held at 7 p.m. on Wednesday, September 16, 2020.

Adjourn

Oudman made a motion to adjourn. Constantine seconded the motion. **Motion passed by all in favor vote.**

Meeting adjourned at 8:20 p.m.

Submitted by: Corinne Peffers, Secretary

APPROVED September 16, 2020

Toni Biancardi, President

Corinne Peffers, Secretary