

**SANITARY/WATERWORKS DISTRICT MEETING**  
ST. JOHN MUNICIPAL BUILDING MAIN MEETING ROOM  
10955 WEST 93<sup>RD</sup> AVENUE, ST. JOHN, INDIANA  
August 18, 2008 – 6:00 P.M.

Mr. Myers called the meeting to order at 6:01 P.M. and led the Pledge of Allegiance. Roll call was taken with the following members present: Robert Myers, President; Alex Monanteras, Vice-President; Kenneth Gembala, Member; Michael Hanlon, Member; Patricia Sims-Smierciak, Member; Pete Faberbock, Robinson Engineering; Bob Pharazyn, Director of Operations; Randy Wyllie, Attorney and Sherry Sury, Clerk-Treasurer. Absent was Jerri Teibel, Town Council Liaison.

**Approval of the Minutes – Special Meeting of July 7, 2008 and Executive Session and Regular Meeting of July 21, 2008** – Mr. Hanlon motioned to approve the minutes of both the Executive Session of July 7, 2008 and the Regular Meeting of July 21, 2008. Seconded by Ms. Sims-Smierciak. Motion unanimously passed.

**SANITARY DISTRICT**

**Old Business**

**Proposal – Cender & Company – Provide Financial Consulting Services to the Sanitary District** - Ms. Sims-Smierciak motioned to approve the proposal from Cender & Company to become the Sanitary District's new Financial Advisors. Seconded by Mr. Monanteras. Motion unanimously passed.

**Interceptor to Schererville – update**

**Offer status of six easement parcels** – Mr. Wyllie stated that two offers have been accepted, has commitments from two others, and there are two outstanding that he has not heard from. Mr. Monanteras confirmed that the payments for the easements would be paid from the Wastewater utility fund.

**LS#3 – Easement status – (Bull Run Creek)** – Mr. Wyllie stated that he met with Mr. Muenich today on another issue, there is no update on this issue. Mr. Muenich is getting the easement completed for the well and will get it to the town.

**Sewer Recapitulations** - Mr. Hanlon motioned to approve the sewer recapitulations as outlined in Mr. Faberbock's letter. Seconded by Ms. Sims-Smierciak. Motion unanimously passed.

**Sewage Treatment Capacity Charge – Lake Central High School addition** - Mr. Monanteras motioned to approve Mr. Faberbock's recommendation for the sewage treatment capacity charge of \$4,467.96. Seconded by Mr. Hanlon. Motion unanimously passed.

**Corrpro Proposal – Cathodic Protection systems for LS #4, #5 and #7 at \$10,700.00 each** - Mr. Monanteras motioned to approve the Corrpro Proposal for the Cathodic Protection systems for LS #4, #5 and #7 at \$10,700.00 each. Seconded by Mr. Hanlon. Motion unanimously passed.

**Authorization to Director of Operations for denial of unwarranted water and/or sewer adjustment requests** – Mr. Monanteras asked that in the event Mr. Pharazyn denies a request, would the “higher authority” be the Sanitary Board. Mr. Myers said it could come to them if they want; however, he believes Mr. Pharazyn should have the final say. Ms. Sury asked if that would also cover residents filling their pools before or after the summer sprinkling period. The back of the water bill states that prior to filling their pools or landscaping, to contact the Town for approval. Mr. Myers confirmed that the resident must have prior approval. If not, the credit adjustment will be denied. **Mr. Monanteras motioned to give the Director of Operations authorization to deny unwarranted water and/or sewer adjustments.** Mr. Gembala added that final appeal can be made to this board; his concern is potential legal action. **Ms. Sims-Smierciak motioned to grant authorization for Director of Operations to approve or deny water and/or sewer adjustment requests with an appeal process to the Board if necessary. Seconded by Mr. Monanteras. Motion unanimously passed.**

**New Business – None**

**PAYMENT OF BILLS - #2076 - #2086 for \$31,385.40 for Sanitary District & WW Utility #6226 - #6259 for \$145,468.42** - Mr. Monanteras motioned to pay bill memos #2076 - #2086 for \$31,385.40 for the Sanitary District and Wastewater Utility #6226 - #6259 for \$145,468.42. **Seconded by Mr. Hanlon. Motion unanimously passed.**

**Any and all business that may come before the Board**

Ms. Sury stated that the budget deadline for adoption has been extended to December 1st and that the Council is looking for areas where they can cut expenses. The budgets have not been finalized and are not ready for publication or hearings at this time. Mr. Monanteras asked if they still should have the study session on Tuesday, September 1st. Discussion ensued and the consensus was to cancel the September study session.

Mr. Monanteras stated that he wanted to share a conversation he had with Mr. Steve Carter the former financial advisor regarding a recent report Mr. Carter provided. There was a need for a 7% rate increase on the sewer side; for an average consumer of 7,000 gallons per month that translates to \$2.33 per month. There would also be a need, probably in 2010, for a revenue bond of about \$1.1 or \$1.3M to finance the second half of LS#1. The 7% was to mitigate against the need to borrow from themselves for the Wastewater Utility. They also agreed they would need a \$500.00 per permit increase for both the systems water and systems sewer development charges. And finally there is something called PILT, Payment in lieu of Taxes, it's a way for the town to recapture, in a sense, pseudo property taxes for the net value of the utilities. Mr. Carter offered an idea: agree to the PILT, (the Town charges the District taxes of about \$79,000 for one district and \$89,000 for the other). The two districts send the tax payment checks to the town, the town returns the check and the amount is credited against the loan the Town owes the district.

Mr. Pharazyn mentioned the Town's financial consultant's recommendation on how the town can meet their operating expenses for the next two years. Discussion ensued and included the need for developers to help alleviate the cost or install the lines themselves, i.e., US 41 and #231.

**Public Comment – None**

## **WATERWORKS DISTRICT**

### **Old Business**

**Lotton – Water Improvements Update – Gates of St. John** – Mr. Myers referenced a meeting he had the other day with Mr. Monanteras, Mr. Kil, Mr. Pharazyn and Mr. Nick Kile. They are going to try and set up a joint Executive Session for the last Thursday of this month (the 28<sup>th</sup>) at 6:00 P.M.; however, they have not received any confirmation of that as yet. Mr. Pharazyn mentioned that Mr. Kile is available and an e-mail was sent to the Town Council members today. Discussion ensued.

**Caldwell Tank Discussion – Penalty Phase** – Mr. Pharazyn stated that before his vacation, Mr. Wyllie sent Caldwell Tank a letter in response to their understanding that the tank is considered substantially complete. Mr. Wyllie made it very clear that it is not substantially complete they must first be able to: 1) secure the tank; 2) control the tank; and 3) have the cathodic protection system installed on the tank. To date that has not been completed; basically there has been no activity there since he returned from vacation that was a week ago today, and per Mr. Wyllie's letter, they are holding all pay requests.

**Pay Estimate # 7 Partial (\$101,401.11) - Pay Estimate #8 Partial (\$65,018.79) - Pay Estimate #9 Partial (\$56,088.00)** Mr. Gembala motioned to table the payments. **Seconded by Mr. Monanteras. Motion unanimously passed.**

Mr. Monanteras referenced a hand out prepared by Ms. Sury and stated that Lotton has a \$1.1M cap and there is a \$67,000 imbalance which would require them to collect the money from Lotton. Discussion ensued regarding the \$1.1M cap, the penalties and landscaping. Mr. Wyllie stated that he would check the language of the contract.

Mr. Faberbock added that the tentative new schedule is August 28<sup>th</sup> to have the tank all sterilized and up and running.

**Retract previous approval of water treatment plans for the Gates** – Mr. Pharazyn stated that he met with Jennifer, the plans look very nice and they are 99% ready to go. He recommends approving this motion. He added that he bumped into Mr. Lotton today and mentioned that he would be presenting him (Mr. Lotton) with a set of plans for the water treatment plant. He asked Mr. Lotton if he would like to go through formal channels and do that or just say "Here you go ", either way. He let Mr. Lotton know they would be in his hands tomorrow.

Mr. Monanteras asked if the gist of the change is to build the filtration plant where the well is at. Mr. Pharazyn said there are three or four main things that they did: 1) move the water filtration plant from underneath the water tower, down the block to where the well is going to be; 2) a five or six foot basement under the building to store the backwash effluent or water and release it into the sanitary system slowly, 3) some changes were made to the outside elevation of the building and the methodology used for construction; the building almost mirrors the school that's on site. Those are the main changes, nothing to the filters, the piping, the SCADA, nothing to the heart of the building. It would all be aesthetics, the basement and the location.

**Mr. Monanteras motioned to retract the previous approval of the water treatment plans for The Gates. Seconded by Ms. Sims-Smierciak. Motion unanimously passed.**

**Approve revised water treatment plans for The Gates** - Mr. Monanteras motioned to approve the revised water treatment plans for The Gates subject to Mr. Pharazyn's final review. Seconded by Mr. Hanlon. Motion unanimously passed.

**Status of easement issue for well on Route 41** – See above.

**Proposal – Cender & Company – Provide Financial Consulting Services to the Waterworks District** - Mr. Monanteras motioned to approve the proposal from Cender & Company to provide financial consulting services to the Waterworks District. Seconded by Ms. Sims-Smierciak. Motion unanimously passed.

**New Business** – None

**PAYMENT OF BILLS - #3068 - #3073 for \$16,139.14 for Waterworks District and #4422 - #4475 for \$430,454.31 for Water Utility** - Ms. Sims-Smierciak motioned to pay bill payment memos #3068 - #3073 for \$16,139.14 for the Waterworks District and #4422 - #4475 for \$430,454.31 for the Water Utility. Seconded by Mr. Monanteras. Motion unanimously passed.

**Any and all business that may come before the Board**

Mr. Pharazyn advised the Board that in his absence the Department of Homeland Security contacted Mr. Kil about sending some of their workers up to Highland, which the Town did. He has not spoken to John Bach (Highland Public Works Director) personally to find out how they did however he believes that they did a good job and spent three days there.

He added that when he returned on Monday he received a phone call from the Department of Homeland Security and from the Griffith Director of Public Works, Rick Konopasek, to ask if St. John could send some people up there. Mr. Pharazyn sent the payloader, the backhoe; two dump trucks and four workers. They spent Tuesday through Friday there. He received nothing but positive feedback from Mr. Konopasek on the performance of our workers and the equipment. Mr. Pharazyn stated that he also found out today that they qualify for reimbursement from the Department of Homeland Security for the equipment and time spent there.

Mr. Pharazyn stated that he would like to have Derwin attend the next meeting and would discuss the matter with Mr. Myers. He would like to allocate some time at the next study session to address the meter change out project. He does not know how much money he will need for new meters. Discussion ensued. The board agreed to pre-approve funding to keep the project going. **Mr. Monanteras motioned to authorize Mr. Pharazyn to spend up to \$30,000 on new meters. Seconded by Ms. Sims-Smierciak. Motion unanimously passed.**

**Public Comment** – None

**Adjournment** – Mr. Hanlon motioned to adjourn the meeting. Seconded by Ms. Sims-Smierciak. Motion unanimously passed. Meeting adjourned at 6:45 P.M.

Attest:

/s/ Sherry P. Sury, Clerk-Treasurer