

SANITARY/WATERWORKS DISTRICT MEETING
AND TOWN COUNCIL STUDY SESSION
ST. JOHN MUNICIPAL BUILDING MAIN MEETING ROOM
10955 WEST 93RD AVENUE, ST. JOHN, INDIANA
September 21, 2009 - 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; Kenneth Gembala, Vice-President; Michael Hanlon, Member; Patricia Sims-Smierciak, Member; Pete Faberbock, Robinson Engineering; Randy Wyllie, Attorney; Michael Forbes, Town Council Liaison and Sherry Sury, Clerk-Treasurer. Absent was Bob Pharazyn, Director of Operations.

Approval of the minutes – Regular Meeting of August 17, 2009 – Mr. Hanlon motioned to approve the minutes of the Regular Meeting of August 17, 2009. Seconded by Ms. Sims-Smierciak. Motion passed with a vote of 4 - 0.

SANITARY DISTRICT

Old Business

Interceptor to Schererville – update – Mr. Faberbock stated that the contractor is working around the Schererville Treatment Plant and took some core samples there to verify concrete thickness and so forth. The Contractor is proposing another change; he is not sure exactly what it will entail.

Biennial Rate Study Progress – Mr. Myers referenced the letter from Mr. Steve Carter and stated that he e-mailed him last week asking what the status is. He stated that Mr. Carter wrote a letter to Mr. Volkmann (Schererville Town Manager) asking to settle right now and then work on the salary problem. Mr. Myers stated that it appears Schererville is putting a lot of employees in sewer and then charging St. John. The biggest issue right now is where they are placing employees to work.

Status of PILT – Mr. Myers stated that there was a first version of PILT that put the price at \$208,700. It was much more than Mr. Monanteras and he talked about and he went to Mr. Cender and told him there was a problem and they needed to look into it. It was discovered that part of the increase was because the tax rate was higher, which they can do nothing about and the other part was that they took the cost of the municipal utilities at face value, they did not depreciate anything. Mr. Myers distributed a second version that includes depreciation and that comes out at \$129,700. He stated that the problem with PILT; is that the Town is charging the District now. The District will have to pay the town \$129,700 a year and out of that, the first four or five years the Town will pay the District back the \$800,000 (loan). Mr. Myers stated that he has been discussing this with Mr. Barenie to see what they do.

Status of WWTP – Interlocal Agreement – Mr. Wyllie referenced the two letters that were distributed to the members that were sent to Attorney Austgen who is representing Schererville. He reminded the members of the meeting in July when Schererville attended their meeting to tell them about the four core projects, what they were going to be and what they were estimated to cost. They never received any real numbers from Schererville and have now learned from the media that the two bids have been awarded at a substantially higher dollar figure than they were led to believe. The amount was about \$2.5 million more than the engineer's estimate. Mr.

Wyllie stated that he wrote a letter to Attorney Austgen dated September 8th regarding this and did not receive a response from Mr. Austgen but he did receive a one page spreadsheet (which was sent to Steve Carter who forwarded it to Mr. Wyllie) that shows all four projects, the cost, and what St. John's 20% share would be under that agreement which would come out to \$1.8 million. He would like to see a copy of the bids, what work will be done in St. John and how the bid came in so much higher than the engineer's estimate. As a result of no response, just over a week later, on September 14th, Mr. Wyllie sent a letter to the Clerk-Treasurer, Janice Malinowski, by certified mail as required by the contract.

Mr. Myers stated that the biggest issue is that, for some reason, Schererville is hiding everything from them. They will not give them the information they are requiring, no one can understand how they are \$2 million above an engineer's estimate. He stated that originally Schererville was going to get a \$1.9 million dollar grant from the Stimulus Funds; they were going to take that off their share and not St. John's. However, the contract states the grant money must come off the top. Now, no matter what the District tries to do, Schererville is not responding and Mr. Wyllie is writing letters. Mr. Wyllie stated that he recently heard from Mr. Carter that Schererville had their bond issue closing last Thursday. Mr. Myers stated that he heard from Mr. Carter that Schererville was putting St. John's money up front since St. John will not give them the money. However, the reason St. John will not give them the money is because Schererville will not give them any information.

New Business

Public Hearing

Mr. Wyllie confirmed that the Publication Notices were in order with publication dates of August 31st and September 7th and that the public hearing could proceed. Mr. Myers read the budget estimates for the Sanitary District Operating and Sanitary District Bond & Interest Funds. Mr. Myers opened the floor for Public Comment.

Public Comment – none – Mr. Myers closed the floor

Ordinance #SD100 – 2010 Sanitary District Budget – First Reading - Ms. Sims-Smierciak motioned to approve the budget estimates on first reading. Seconded by Mr. Hanlon. Motion passed with a vote of 4 - 0.

Lake Central High School Addition – Sewage Treatment Capacity Charge – Mr. Faberbock stated that he used the same format as last year; they are expecting 100 new students and referenced his calculations. He stated that based on the ordinance it works out to \$1,860.27; there are no system development charges because Lake Central is an existing customer. **Mr. Hanlon motioned to accept \$1,860.27 as the treatment charge for the Lake Central High School Addition. Seconded by Ms. Sims-Smierciak. Motion passed with a vote of 4 – 0.**

Resolution #09-02-21 – Temporary Transfer & Loan of Funds from WWTP to Bond & Interest Fund – Ms. Sury explained that this is to pay the Bond & Interest Fund since they have not received their tax money yet. This is a temporary loan until the tax money comes in. **Ms. Sims-Smierciak motioned to pass Resolution #SD 09-02-21. Seconded by Mr. Hanlon. Motion passed with a vote of 4 - 0.**

Discussion on proposed use of distribution of Excess Levy Funds – both Districts – Ms. Sury stated this is a one-time distribution of the money, whatever they choose to do with the

money they must go through an additional appropriation, a notice in the paper and a public hearing. They have the money in the bank but they do not have permission to spend it. The money must be used for public safety; she hopes the money can be used to install automated handicap accessible doors on the Municipal Building. Discussion ensued. Mr. Myers asked about the \$88,000 the Town received and Ms. Sury stated that the money must be used for public safety as well; she hopes they can put the money in the LRS fund to pay for salt. **Mr. Hanlon motioned to authorize the Clerk to seek proposals for automatic doors for the Town Hall. Seconded by Ms. Sims-Smierciak. Motion passed with a vote of 4 - 0.**

PAYMENT OF BILLS - #2072 - #2088 for \$18,090.06 for Sanitary District & WW Utility #6276 - #6295 for \$172,408.49 - Ms. Sims-Smierciak motioned to pay bill payment memos #2072 - #2088 in the amount of \$18,090.06 for the Sanitary District and for the Wastewater Utility #6276 - #6295 for \$172,408.49. **Seconded by Mr. Hanlon. Motion passed with a vote of 4 - 0.**

Any and all business that may come before the Board – Mr. Myers stated that he has a letter from BLB in St. John, which is Mr. Lotton, he would like their payments sent to a different location. **Mr. Hanlon motioned to authorize the Clerk to send the payments to the new location on the letter. Seconded by Mr. Gembala. Motion passed with a vote of 4 - 0.**

Mr. Myers referenced a letter Ms. Sury received from the Hands On Premium Car Wash, they had a leak and they requested a credit on their billing. Mr. Myers stated that he does not want to set precedence with issuing credits. Discussion ensued. **Ms. Sims-Smierciak motioned to deny Hands On Car Wash's petition to waive their water and sewer bill. Seconded by Mr. Hanlon. Motion passed with a vote of 4 - 0.**

Public Comment – None

WATEWORKS DISTRICT

Old Business

Lotton – Water Improvements Update – Gates of St. John

Caldwell Tank Discussion – Mr. Wyllie stated that he has reviewed the complete contract (170 pages) and that there is not an arbitration clause and would like a motion to file a lawsuit against Caldwell Tank. **Mr. Hanlon motioned to authorize Mr. Wyllie to file suit against Caldwell Tank. Seconded by Mr. Gembala. Motion passed 4-0.** Mr. Wyllie added that he e-mailed Ms. Prinz at Robinson Engineering to ensure this is everything Caldwell has signed.

Project update – Water Treatment Plant/Well – Mr. Faberbock stated that they started working and did some soil borings.

Status of easement issue for well on Route 41 – Mr. Wyllie stated that he received the deed from Mr. Muenich and recorded it; however, he has subsequently learned that the Town never recorded the deed that they were to give the other portion back to Schilling. Mr. Myers stated that he discussed this with Mr. Forbes and that the Town must change the way they record deeds.

Mr. Wyllie gave an update on the condemnation of the easements and received a new legal description so that it covers all the easements that are needed by the Town and other public

utilities. This week he will send that to the title company to ascertain the owner of the property, will then send it to the appraiser to get what the cost would be and make offers to the owners.

Status of meter change over program – Mr. Myers stated that this item would be addressed at the next meeting.

Status of PILT – Addressed above under the Sanitary District

New Business

Public Hearing

Mr. Wyllie confirmed that the Publication Notices were in order with publication dates of August 31st and September 7th and that the public hearing could proceed. Mr. Myers read the budget estimates for the Waterworks District and opened the floor for Public Comment.

Public Comment – none – **Mr. Myers closed the floor**

Ordinance #WD67 – 2010 Sanitary District Budget – First Reading - Ms. Sims-Smierciak motioned to approve the budget estimates on first reading. **Seconded by Mr. Hanlon. Motion passed with a vote of 4 - 0.**

Backflow Prevention Program – Sprinkle Meters – Mr. Myers stated that this item would be addressed at the next meeting.

PAYMENT OF BILLS - #3063 - #3070 for \$17,758.35 for Waterworks District and #4467 - #4527 in the amount of \$260,812.43 for the Water Utility – Mr. Myers asked about an item on page three, voucher #4509, snow plow parts, and stated that they will not pay for that item. Discussion ensued. **Ms. Sims-Smierciak motioned to pay bill payment memo's #3063 - #3070 in the amount of \$17,758.35 for the Waterworks District and memo's #4467 - #4527 for \$260,812.43 for the Water Utility minus \$1,360.00 for voucher #4509. Seconded by Mr. Hanlon. Motion passed with a vote of 4 - 0.**

Any and all business that may come before the Board

Mr. Myers referenced a letter that was received from Verizon and that they will be conducting maintenance visits for antennas. He stated that he does not have a problem with them replacing antennas but does not want them adding more and if they are going to add antennas then they want more money. Discussion ensued. Mr. Wyllie was directed to send a letter to Verizon.

Mr. Forbes stated that the State Board of Accounts requires that the Town logo be placed on all Town vehicles. There is one vehicle in the Public Works Department without the town logo on it. That vehicle is parked this week so they are going to take this time to have the logo put on this vehicle. He stated that he received an e-mail that this Board is opposed to having the Town logo put on the vehicle driven by the Director of Operations. Mr. Myers stated that he never said that and does not believe any one on the Board said they were opposed. He just heard about this concern this afternoon. He stated that he does not understand why they would do it (put the logo on the vehicle) and is not aware of any Public Works Directors in Illinois that have their cars marked, it is just like Police Chiefs, they don't have their cars marked either. If there is something that says by law they will abide by the law. Mr. Forbes stated that they have been trying to get it on the vehicle, but the vehicle is in constant motion. Ms. Sury added that in the

Clerk-Treasurer State training the IRS is very adamant about this as proof that this is not a taxable fringe benefit and that the State Board of Accounts has told the Town about it. Mr. Myers asked what kind of logo it would be. Discussion ensued and included reference to the Code Enforcement vehicle. Ms. Sims-Smierciak mentioned that since he represents the Town at State functions, etc. the logo not be as large as it is on the big vehicles.

Public Comment – None

Adjournment – Ms. Sims-Smierciak motioned to adjourn the meeting. Seconded by Mr. Hanlon. Motion passed with a vote of 4 - 0. Meeting adjourned at 6:40 P.M.

ATTEST:

/s/ Sherry P. Sury, Clerk-Treasurer