

CITY OF EAST CHICAGO  
BOARD OF SANITARY COMMISSIONERS

BOARD MEMBERS

Miguel (Mike) Rivera, President  
Anthony Galindo, Vice President  
Tia Cauley, Member  
Loreto Gonzalez, Member  
Alojzy (Ben) Moricz, Member

Regular Meeting Minutes  
Thursday, January 17, 2019 @ 4:30 p.m.

Reported for Fissinger & Associates  
By: Lisa Pena

Call to Order: 4:30 p.m.

Pledge of Allegiance:

Roll Call: Present: Miguel Rivera, Alojzy Moricz, Loreto Gonzalez, Tia Cauley.

Also Present: Rene Cid, Abdul Zehraoui, John Martinez, Anthony Herrera and from Kokosing Tina Wolff.

Election:

MR. RIVERA: The first item on the agenda is Election for 2019. I will open up elections for the President.

Motion to Elect Miguel Rivera as Board President made by Loreto Gonzalez. Second by Alojzy Moricz.

Comments/Questions: None

Roll Call: "All in Favor": All Abstain: None  
Opposed: None Nomination Carries.

MR. RIVERA: Any other nominations for President? Any other nominations for President? Nominations for President closed down.

We open the nominations for Vice President.

Motion to Elect Anthony Galindo as Board Vice President made by Loreto Gonzalez. Second by Alojzy Moricz.

1 Comments/Questions: None

2 Roll Call: "All in Favor": All Abstain: None  
3 Opposed: None Nomination Carries.

4 MR. RIVERA: Are there any other nominations for Vice  
5 President? Any other nominations? Nominations for Vice  
6 President closed.

7 The Board now designates Anthony Herrera as  
8 Secretary.

9 Roll Call: "All in Favor": All Abstain: None  
10 Opposed: None Designation Carries.

11 MR. RIVERA: Let the record reflect that Tia Cauley is  
12 here.

13 Approval of Minutes from: December 20, 2018

14 Motion to accept minutes made by Loreto Gonzalez. Second  
15 by Tia Cauley.

16 Comments/Questions: None

17 Roll Call: "All in Favor": All Abstain: None  
18 Opposed: None Motion Carries.

19 Check Warrants:

20 MR. RIVERA: Next item is Check Warrants for the  
21 Sanitary District, Wastewater Division. Warrant Number  
22 011719 SX for the amount of \$91,000.00

23 Motion to accept Check Warrant 011719 SX made by Tia  
24 Cauley. Second by Loreto Gonzalez.

25 Comments/Questions: None

Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

MR. RIVERA: Next is Warrant Number 011719 SW for the  
amount of \$82,725.08.

Motion to accept Check Warrant 011719 SW made by Loreto  
Gonzalez. Second by Tia Cauley.

Comments/Questions: None

1 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

2  
3 MR. RIVERA: Next is Warrant Number 013119 SW for the  
amount of \$78,546.88.

4 Motion to accept Check Warrant 013119 SW made by Loreto  
Gonzalez. Second by Alojzy Moricz.

5 Comments/Questions: None

6  
7 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

8 MR. RIVERA: Next is Warrant Number 123118 SW for the  
amount of \$375,209.88.

9  
10 Motion to accept Check Warrant 123118 SW made by Loreto  
Gonzalez. Second by Alojzy Moricz.

11 Comments/Questions: None

12 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

13  
14 MR. RIVERA: Next is Warrant Number 011719 SC for the  
amount of \$2,025.00.

15 Motion to accept Check Warrant 011719 SC made by Loreto  
Gonzalez. Second by Alojzy Moricz.

16 Comments/Questions: None

17  
18 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

19 MR. RIVERA: Next is Warrant Number 011719 BI for the  
amount of \$750.00.

20  
21 Motion to accept Check Warrant 011719 BI made by Loreto  
Gonzalez. Second by Alojzy Moricz.

22 Comments/Questions: None

23 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

24  
25 MR. RIVERA: Next is 011519 SB for the amount of  
\$842,035.00.

1 Motion to accept Check Warrant 011519 SB made by Loreto  
Gonzalez. Second by Alojzy Moricz.

2  
3 Comments/Questions: None

4 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

5 MR. RIVERA: Next is Warrant Number 011719 SR for the  
amount of \$39,935.70.

6  
7 Motion to accept Check Warrant 011719 SR made by Loreto  
Gonzalez. Second by Alojzy Moricz.

8 Comments/Questions: None

9 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

10  
11 MR. RIVERA: I think I skipped one here. Next one is  
011519 BI for the amount of \$475,256.26.

12 Motion to accept Check Warrant 011519 BI made by Loreto  
Gonzalez. Second by Alojzy Moricz.

13  
14 Comments/Questions: None

15 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

16 MR. RIVERA: Next is Warrant Number 122818 Sanitary  
Board Payroll 12/8/18 to 12/21/18.

17  
18 Motion to accept Check Warrant 122818 Sanitary Payroll  
12/8/18 to 12/21/18 made by Loreto Gonzalez. Second by  
Alojzy Moricz.

19  
20 Comments/Questions: None

21 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

22 MR. RIVERA: Next is Warrant Number 122818 Wastewater  
Payroll 12/8/18 to 12/21/18.

23  
24 Motion to accept Check Warrant 122818 Wastewater Payroll  
12/8/18 to 12/21/18 made by Loreto Gonzalez. Second by  
Alojzy Moricz.

25

1 Comments/Questions: None

2 Roll Call: "All in Favor": All Abstain: None  
3 Opposed: None Motion Carries.

4 MR. RIVERA: Next is Warrant Number 011119 Wastewater  
5 Payroll 12/22/18 to 1/4/19.

6 Motion to accept Check Warrant 011119 Wastewater Payroll  
7 12/22/18 to 1/4/19 made by Loreto Gonzalez. Second by  
8 Alojzy Moricz.

9 Comments/Questions: None

10 Roll Call: "All in Favor": All Abstain: None  
11 Opposed: None Motion Carries.

12 MR. RIVERA: Next is Warrant Number 122118 Wastewater  
13 Payroll 12/21/18 to 12/21/18.

14 Motion to accept Check Warrant 122118 Wastewater Payroll  
15 12/21/18 to 12/21/18 made by Tia Cauley. Second by Loreto  
16 Gonzalez.

17 Comments/Questions: None

18 Roll Call: "All in Favor": All Abstain: None  
19 Opposed: None Motion Carries.

20 MR. RIVERA: Next is Warrant Number 122818 Utilities  
21 Payroll 12/8/18 to 12/21/18.

22 Motion to accept Check Warrant 122818 Utilities Payroll  
23 12/8/18 to 12/21/18 made by Loreto Gonzalez. Second by  
24 Alojzy Moricz.

25 Comments/Questions: None

Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

MR. RIVERA: Next is Warrant Number 122118 Utilities  
Payroll 12/21/18 to 12/21/18.

Motion to accept Check Warrant 122118 Utilities Payroll  
12/21/18 to 12/21/18 made by Loreto Gonzalez. Second by  
Alojzy Moricz.

Comments/Questions: None

1 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

2

MR. RIVERA: Next is Warrants for the Sanitary  
3 District, Solid Waste Division. Warrant Number 123118 SS  
for the amount of \$1,866,962.28.

4

Motion to accept Check Warrant 123118 SS made by Loreto  
5 Gonzalez. Second by Tia Cauley.

6 Comments/Questions: None

7 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

8

MR. RIVERA: Next is Warrant Number 011719 SS for the  
9 amount of \$449,368.18.

10 Motion to accept Check Warrant 011719 SS made by Loreto  
Gonzalez. Second by Alojzy Moricz.

11

Comments/Questions: None

12

13 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

14 MR. RIVERA: Next is Warrant Number 122818 Solids  
Payroll 12/8/18 to 12/21/18.

15

16 Motion to accept Check Warrant 122818 Solids Payroll  
12/8/18 to 12/21/18 made by Loreto Gonzalez. Second by Tia  
Cauley.

17

Comments/Questions: None

18

19 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

20 MR. RIVERA: Next is Warrant Number 011119 Solids  
Payroll 12/22/18 to 1/4/19.

21

22 Motion to accept Check Warrant 011119 Solids Payroll  
12/22/18 to 1/4/19 made by Loreto Gonzalez. Second by  
Alojzy Moricz.

23

Comments/Questions: None

24

25 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

1 MR. RIVERA: Next is Warrant Number 122118 Solids  
Payroll 12/21/18 to 12/21/18.

2 Motion to accept Check Warrant 122118 Solids Payroll  
3 12/21/18 to 12/21/18 made by Tia Cauley. Second by Loreto  
Gonzalez.

4 Comments/Questions: None

5 Roll Call: "All in Favor": All Abstain: None  
6 Opposed: None Motion Carries.

7 Reports from Wastewater Division:

8 Report from Utility Division Matters: None

9 Report of Field Operations:

10 MR. RIVERA: Next item is Report from Field  
Operations, John Martinez.

11 MR. MARTINEZ: Good evening, Board. I have a couple  
12 things to talk about. First of all we're getting ready for  
the big snowstorm we have coming. And we're making sure  
13 that we've got all of our equipment in place and stuff.

14 And a couple meetings ago I talked to you about  
replacing some pumps at the Michigan Avenue Pump Station.  
15 That was very successful. And we went from 6-inch pumps to  
8-inch pumps. Now we'll be able to pump what we've got  
16 going and handle storm water good.

17 As far as the furnace I also brought up the  
furnace in the Chemical Building had to be replaced. And I  
18 replaced it. Mechanical Concepts got it done. And  
everything is working good, perfect.

19 And also we are helping the Engineering  
20 Department. As you know Guthrie and Alder and all that is  
torn apart. And we've been getting some notices that the  
21 water is backing up. So we took the initiative to go  
ahead and step in and start pumping that water because we  
22 don't want those buildings on Guthrie to start flooding.

23 So we've been doing that. And it's been working  
out okay. That's all I have at this time.

24 MR. RIVERA: Any questions for Mr. Martinez?  
25

1 MR. GONZALEZ: I know you and Rock did a good job.  
2 Some of the hydrants were dead out there. You did a good  
3 job over there.

3 MR. MARTINEZ: We're working together. Our Department  
4 is helping with Rocky. So we're trying to get all these  
5 hydrants replaced. That one by your house was crazy.

5 MR. GONZALEZ: I know. Then they put my meter in, my  
6 new meter in.

6 MR. RIVERA: Mr. Martinez, did you finish  
7 reconstructing the manholes? Remember you were going to do  
8 some and some you were not going to do?

8 MR. MARTINEZ: The ones we scheduled to do we're doing  
9 them. The weather got to us. So we're going over all the  
10 manholes. We're trying to replace the ones that are bad.

10 MR. RIVERA: I know Indianapolis, that's a highway.  
11 But are you doing those too?

12 MR. MARTINEZ: That's coming.

13 MR. RIVERA: Because one of them on Columbus and  
14 Indianapolis, that's like 3 or 4 inches.

14 MR. MARTINEZ: We've got our eye on that one already.  
15 That construction is coming now in the spring. So we'll be  
16 telling you more about it next meetings.

16 MR. RIVERA: Thank you.

17 Report from Solid Waste:

18 MR. RIVERA: Next item is Report from Solid Waste,  
19 Rene Cid.

20 MR. CID: Good evening, Board. I'd like to say that  
21 there is a snowstorm coming Saturday. We are very well  
22 prepared. We have plenty of salt. We also have a good  
23 fleet, inventory of vehicles. We have quite a few new ones  
24 now.

23 MR. RIVERA: I've seen them.

24 MR. CID: I want to say the City will be safe. And  
25 we'll take care of business. We're there for you guys, for  
everybody, for the citizens of the City of East Chicago.



1 MR. GONZALEZ: Are you all ready for tomorrow?

2 MR. CID: Yes, sir.

3 MR. GONZALEZ: In case it comes in?

4 MR. CID: Yeah. We'll be fighting.

5 MR. RIVERA: Any questions for Mr. Cid?

6 MS. CAULEY: Yes. Mr. Cid, in the event that we don't  
7 get a snowstorm can you get your sweepers to come down  
8 141st Street, the dead end because a lot of times they  
9 never hit that street? That just happens to be my street.

10 MR. CID: We'll take care of that.

11 MS. CAULEY: Thank you, sir.

12 MR. CID: Right away.

13 MR. RIVERA: Thank you.

14 Report from Financial Consultant:

15 MR. RIVERA: Next item is Report from Financial  
16 Consultant, Bill Biller. He is not here.

17 Let me put in the record a couple of things here.  
18 He has got the receipts for November \$572,707. He's got  
19 November \$403,909 which consisted of \$214,363 of prepays in  
20 November. NIPSCO \$18,510, contractual services \$29,513,  
21 Hessville Plumbing \$3,255, STM Enterprises \$6,300, Umbaugh  
22 \$8,382, Microlab \$4,706, DeBonis \$3,300, debt service  
23 \$79,209, sludge removal \$18,169 and gasoline \$6,776.

24 November ending cash balance operation and  
25 maintenance fund \$2,251,094. And replacement fund  
\$1,179,976. That concludes his report.

26 New Business:

27 MR. RIVERA: Next item is New Business. We have the  
28 Analytical and Sludge Haul Notice of Award, Rate  
29 Sheet/Quotes.

30 DR. ZEHRAOUI: Good evening. So for the Analytics we  
31 have six companies that send the bids. One didn't send us.

32

1 For this year we have Element. Previously maybe  
2 two or three years they were the second bid. But this year  
3 they went through and they provide the lowest bid with more  
4 incentives.

5 For example if they miss one day, they will give  
6 us like 20 percent discount for that day. And second day  
7 and third day after that it keeps 5 percent discount which  
8 is good.

9 Right now we are working very hard to get the  
10 reports sent to IDEM on timely manner.

11 Element, they also provide another discount. So  
12 they say we make training for your staff every quarter.  
13 And the operators, they will get CDU's, like credits for  
14 their license. But the amount is like around 10,000. This  
15 is another extra.

16 So we recommend Element for this year. This is  
17 for the Analytics.

18 For the sludge we have four companies to submit  
19 the bid. And this year Synagro is the lowest bid, like \$15  
20 per ton which is good.

21 Last year we saved much more money. And this  
22 year should be again because we are making the blanket  
23 sludge for 2.5.

24 So the amount, the max is like 250. But we can  
25 extend it to 300,000 max for Synagro for the sludge.

For the chemicals is like 120,000 max per year  
we cannot exceed.

So I am recommending Element for Analytics and  
Synagro for Sludge.

MR. RIVERA: So this Board does not have to take any  
action on this, correct?

MS. CAULEY: We have to take a vote?

DR. ZEHRAOUI: Yes.

MR. RIVERA: It's actually a recommendation, right?

DR. ZEHRAOUI: Yeah. One for sludge hauling and

1 for bio-solids. The other one is for analytics.

2 MR. RIVERA: So a motion needed to accept the  
3 recommendations for sludge hauling and disposal services  
4 and the analytical services for 2019.

4 Motion to accept Recommendation of Element Materials  
5 Technology for Analytical and Synagro Central, LLC for  
6 Bio-Solids and Sludge Removal made by Tia Cauley. Second  
7 by Loreto Gonzalez.

6 Comments/Questions: None

7 Roll Call: "All in Favor": All Abstain: None  
8 Opposed: None Motion Carries.

9 MR. RIVERA: Next item is Airgas Purchase Order.  
10 The project says here request for maintenance and supplies  
11 at old pump stations at a price of \$10,000.

11 Motion to accept Airgas Rate Sheet made by Tia Cauley.  
12 Second by Loreto Gonzalez.

12 Comments/Questions: None

13 Roll Call: "All in Favor": All Abstain: None  
14 Opposed: None Motion Carries.

15 MR. RIVERA: The next item is Tierra. It doesn't say  
16 much here. Is this a purchase order also?

16 MR. HERRERA: These all rate sheets.

17 MR. RIVERA: Tierra Rate Sheet for 2019.

18 Motion to accept Tierra Rate Sheet made by Loreto Gonzalez.  
19 Second by Alojzy Moricz.

20 Comments/Questions: None

21 Roll Call: "All in Favor": Miguel Rivera, Loreto  
22 Gonzalez, Alojzy Moricz Abstain: None  
Opposed: Tia Cauley Motion Carries.

23 MR. RIVERA: Next item is Patten. Mr. Herrera, I just  
24 forgot to tell you before. I never got any paperwork for  
Patten.

25 MR. HERRERA: It's in there.

1 MR. RIVERA: Is it a rate sheet? I got all the  
2 others.

3 MR. HERRERA: So just skip over that one. You're  
4 going to run into it. It's the last one.

5 MR. RIVERA: So the next one is rate sheet for  
6 Standard Equipment.

7 Motion to accept Standard Equipment Rate Sheet made by Tia  
8 Cauley. Second by Loreto Gonzalez.

9 Comments/Questions: None

10 Roll Call: "All in Favor": All Abstain: None  
11 Opposed: None Motion Carries.

12 MR. RIVERA: Traffic Management Company, Inc. That's  
13 also a rate sheet for 2019.

14 Motion to accept Traffic Management Company, Inc. Rate  
15 Sheet made by Tia Cauley. Second by Loreto Gonzalez.

16 Comments/Questions: None

17 Roll Call: "All in Favor": All Abstain: None  
18 Opposed: None Motion Carries.

19 MR. RIVERA: Another rate sheet from Univar for 2019.

20 Motion to accept Univar Rate Sheet made by Tia Cauley.  
21 Second by Loreto Gonzalez.

22 Comments/Questions: None

23 Roll Call: "All in Favor": All Abstain: None  
24 Opposed: None Motion Carries.

25 MR. RIVERA: Tonkovich Oil rate sheet for 2019.

Motion to accept Tonkovich Oil Rate Sheet made by Tia  
Cauley. Second by Loreto Gonzalez.

Comments/Questions: None

Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

MR. RIVERA: Hernandez Electric rate sheet for 2019.

1 Motion to accept Hernandez Electric Rate Sheet made by Tia  
2 Cauley. Second by Loreto Gonzalez.

3 Comments/Questions: None

4 Roll Call: "All in Favor": All Abstain: None  
5 Opposed: None Motion Carries.

6 MR. RIVERA: Next is Altorfer rate schedule for the  
7 year 2019.

8 Motion to accept Altorfer Rate Schedule made by Tia Cauley.  
9 Second by Loreto Gonzalez.

10 Comments/Questions: None

11 Roll Call: "All in Favor": All Abstain: None  
12 Opposed: None Motion Carries.

13 MR. RIVERA: Next we have Agreements. First one is  
14 for First Group Engineering proposed agreement.

15 Motion to accept First Group Engineering Agreement made by  
16 Tia Cauley. Second by Alojzy Moricz.

17 Comments/Questions: None

18 Roll Call: "All in Favor": All Abstain: None  
19 Opposed: None Motion Carries.

20 MR. RIVERA: Next is the H.J. Umbaugh proposal.

21 DR. ZEHRAOUI: So for information we discussed the  
22 price. And they lowered from 40,000 to 30,000 right now.  
23 This is revised agreement.

24 They submit for us 40,000. But after discussion  
25 we say because they make the same proposal last year, but  
they didn't complete the work as we had issues from the  
system. So something is wrong in the system.

So right now we rectified that error and they  
should be working with us for next year. But now lower  
price cannot exceed 30,000.

MR. RIVERA: Are you suggesting we approve this one  
for this year?

DR. ZEHRAOUI: Yes.

1 MS. CAULEY: So are they doing a change order?

2 DR. ZEHRAOUI: No. This is for 2019. So new  
3 contract.

4 MS. CAULEY: So in the new contract they should  
5 already have it instead of you telling us that, correct?

6 DR. ZEHRAOUI: No. Every year we have to renew the  
7 contract. So last year they started with us. Then they  
8 found an error that we didn't find for many years.

9 So like analytics we found that there is millions  
10 in one account and stuff. But on the other hand when we go  
11 and make the same analytics it's lower. So there is like a  
12 discrepancy.

13 We did many meetings with Accounting Division  
14 because many systems has some issues.

15 So right now hopefully Umbaugh found it and  
16 starting from this year we're in good shape. I recommend  
17 that we still work with them.

18 MR. RIVERA: You say that we should approve?

19 DR. ZEHRAOUI: Yeah.

20 MR. RIVERA: For 2019?

21 DR. ZEHRAOUI: For 2019.

22 MS. CAULEY: Dr. Abdul, I'd like to see a little bit  
23 more about that because you come before us right now  
24 telling us about a different price. Where is the  
25 paperwork?

26 DR. ZEHRAOUI: This is revised. They send us 40,000.  
27 I discuss with them, negotiate. And they make it 30,000.

28 MS. CAULEY: So they reduced it?

29 DR. ZEHRAOUI: Yeah.

30 MS. CAULEY: Well, as long as they're reducing it. I  
31 thought it was higher.

32 DR. ZEHRAOUI: No. It was 40,000. I discuss with  
33 them, negotiate.

1 MS. CAULEY: Sometimes I can't understand the  
2 language.

3 Motion to accept H.J. Umbaugh Agreement made by Tia Cauley.  
4 Second by Loreto Gonzalez.

5 Comments/Questions: None

6 Roll Call: "All in Favor": All Abstain: None  
7 Opposed: None Motion Carries.

8 MR. RIVERA: And now we come to that Kokosing, the  
9 Notice to Proceed 145th Alder Pump Stations Rehab, Project  
10 Phase II.

11 DR. ZEHRAOUI: We had two companies. We did interview  
12 for two. And Kokosing, they are very good. She will  
13 explain because we need still the final parts for the  
14 contract which can be done in next month.

15 So we have with us Tina Wolff. She will explain  
16 how this new type of contract to be done.

17 MS. WOLFF: Thank you for having me, Board. The  
18 handout that I prepared, the front page just gives you a  
19 little introduction to our company.

20 We are a family-owned company. We've been in  
21 business since 1950. And at Kokosing Industrial the  
22 Industrial Division we really do excel in the type of work  
23 that we're going to be doing at 145th and Alder.

24 So that was the first thing. I wanted to provide  
25 you some assurance that you're hiring a quality contractor  
to come into the City to do this critical work.

I know that Guaranteed Savings is somewhat new to  
the City. So the second page I provided some information.  
And I know it's been introduced by others. But I'm happy  
to answer questions on the difference between a Guaranteed  
Savings contract and a bid award.

And on the last page I just put together a little  
comparison sheet between the two.

So a few things as far as what the code does  
require. It does allow for a contractor provider to be  
brought on board at any stage in the development.

1           So unlike a big procured project where you have  
2 to have the drawings 100 percent done, you have to have  
3 funding in place, with the Guaranteed Savings Code you can  
4 bring the contractor on board early.

5           And the benefits of that is that we can help the  
6 engineer with the final preparation. And really that's  
7 where we find a lot of savings where we can really tighten  
8 up the contractor's needs and methods, sort of field  
9 negotiate. We get a lot of costs out before it ever gets  
10 into a contract.

11           There's a couple of things that the GSC does not  
12 require that is different than a bid. There is not  
13 necessarily a price at the time of selection. That is what  
14 we're in the process of doing now. It's called a  
15 Guaranteed Maximum Price because it is a guaranteed maximum  
16 price.

17           Before we actually start work or when we do have  
18 the full contract there will be a price in it. It's just  
19 here as you're saying, Kokosing, yes, we intend to go  
20 forward with an agreement with you we are going to  
21 negotiate a price together.

22           The doctor has already started negotiations. We  
23 started out at a 9 and a half percent provider fee and now  
24 we're down to 8 percent provider fee. So already that  
25 process is at work.

26           The second thing that the GSC does not require is  
27 that all the construction documents be finished at the time  
28 that we're brought on board. And again the benefit of that  
29 is that we help get it done.

30           There is a few practical sides to the GSC that  
31 really benefit the City. The first is that we do work at a  
32 cost plus fixed fee contract. So there is increased  
33 transparency with this type of mechanism.

34           The monthly invoices will be at actual cost. And  
35 then Kokosing gives a percent on top of that for our  
36 overhead profit. Everything else is rolled into that.

37           So with this sort of contract you do not get a  
38 rate schedule that says pump station is \$1 million at 50  
39 percent done \$500,000.

40           Each month instead you're going to see the



1 manpower that worked on the project. You'll see the  
2 equipment that worked on the project. So there a higher  
3 level of transparency.

3 And once the work is done any savings that are  
4 realized is returned to the City. You can use that money  
5 for work in other places in the collection system or it can  
6 be change ordered out of our contract and back into yours  
7 at the end.

6 Kokosing does guarantee no contractor initiated  
7 change orders. So once we do come to an agreement at what  
8 the guaranteed maximum price is it is the guaranteed  
9 maximum price.

8 And the last point I want to make on this is just  
9 that your local ordinances with regards to employment are  
10 fully in effect using a different procurement method. The  
11 contractor does not in any way impinge on those ordinances.

11 What we have before you today is a limited notice  
12 to proceed. And if you've had a chance to read it what it  
13 says is that we mutually agree that we are in the process  
14 of working on a contract.

13 But for the benefit of the City and the benefit  
14 of the project it makes sense to go forward with certain  
15 aspects.

15 Several of the pieces of equipment specified on  
16 this project have very long lead times. They're large  
17 pieces that are only custom-made. And some of them can  
18 take up to six months.

18 Knowing that with the EPA requirement that this  
19 work really needs to be done by the end of calendar year  
20 2019 we need to work as aggressively as we can on those  
21 long lead time items. So those primarily are the pumps and  
22 the valves.

21 So this limited notice to proceed authorizes us  
22 to work with the vendors to get the quotes, to work with  
23 your professional staff and your engineer of record to  
24 select the pumps and valves and then to get the submittal  
25 process going.

24 So the submittal process is the first step in  
25 really the construction process where the vendors provide  
the cut sheets and the engineering.

1           At this point we are not authorized to release  
2 anything for fabrication. This is only to start the  
3 paperwork to enable to us to get a month's lead on if we  
4 waited until your second meeting in February to actually  
5 have the full contract.

6           You'll see in there that will when it comes to  
7 cost -- and I want to make this clear because it does get a  
8 little confusing. Kokosing is bearing the costs of the  
9 engineering work. It will be invoiced during our normal  
10 process once we start construction.

11           The cost that's listed in there is only if for  
12 some reason this contract would be canceled. And there is  
13 no fee or price to Kokosing. Those are merely pass through  
14 costs from the pump vendors for their engineering.

15           Now, if that should happen, you do receive all  
16 the work that they do because you will in some fashion have  
17 to move forward. So it's not a penalty. Kokosing gets  
18 zero dollars out of it. And it only kicks in in the event  
19 that the ultimate contract does not go forward.

20           MR. RIVERA: This says Phase II. Phase I, did  
21 Kokosing --

22           MS. WOLFF: No. We were not involved in Phase I.

23           MR. RIVERA: Somebody else did it?

24           DR. ZEHRAOUI: Yeah. It was many issues.

25           MR. RIVERA: Why isn't it done by the same company?

          MR. HERRERA: He said there's many issues.

          MR. RIVERA: Are they out of business or what?

          DR. ZEHRAOUI: As you know many issues for when they  
did the construction for Phase I. This is why it has  
delayed this Phase II because we were issues fixing the  
issues for Phase I. And we are still in litigation with  
them.

          So they sent bid. But we did not open the bid  
because they're not quite right for us. We don't need the  
same errors to be repeated.

          Kokosing, they have like extensive work. And I

1 know them very well.

2 MR. RIVERA: Have they done work before for us?

3 DR. ZEHRAOUI: No. For someplace else.

4 MR. RIVERA: For us?

5 DR. ZEHRAOUI: For us, no. This is new. I am new.  
6 So I'm bringing new blood.

7 This is like guaranteed savings. It's open book.  
8 So when they buy equipment, we will see the price. It's  
9 not like hidden. Plus because they are nationwide known  
10 they get at least 10, 20, 30 percent discounts from  
11 manufacturers which is good for us. So then we have lower  
12 price for the equipment and there is no change of order.

13 So it's called open books. It's guaranteed. Any  
14 savings that's coming we can use as a wish list or we can  
15 have it and not spend it.

16 So the second company was Boeing. They say for  
17 us 12 percent which is very high.

18 MR. RIVERA: It says here Notice to Proceed Kokosing.  
19 Did they start already?

20 DR. ZEHRAOUI: They will start from now on. We sign  
21 it they will start because we are limited by one year by  
22 IDEM. So by December 2019 the project should be finished.

23 So right now because we have to proceed and it's  
24 not like a bid. They say this is the amount. Right now  
25 they will send to manufacturers. They will get the price.  
And we negotiate the price.

Maybe next month again submit to the Board for  
approval.

But that limited is just for them to send to have  
long lead to have all the price come in for them. Then if  
the contract we don't agree -- it was like 90,000 discount.  
We negotiated 60,000 max.

But I hope that you can go forward with the  
contract because we don't have any time and plus the  
quality of Kokosing.

25

1 MR. RIVERA: Any questions for Dr. Zehraoui?

2 MS. CAULEY: I have one. Dr. Zehraoui, I have a  
3 question for you. So in event that you get displeased how  
4 long, what kind of notice do you have to give them?

4 DR. ZEHRAOUI: Give it right now.

5 MS. CAULEY: That ain't how that works. You know  
6 that.

6 DR. ZEHRAOUI: It's not like a bid.

7 MS. CAULEY: I didn't say a bid. I am saying if you  
8 get displeased with their services what kind of notice do  
9 you have to give them?

9 DR. ZEHRAOUI: After that we have to make a contract.  
10 We sign a contract.

11 MR. RIVERA: Not until the contract is made work will  
12 not begin?

12 MS. WOLFF: We won't be paid until we start  
13 construction. And at this point we're anticipating that  
14 will be May or June.

14 MS. CAULEY: So again my question is if he gets  
15 dissatisfied instead of us having to go through a whole  
16 lots of legal tape what kind of notice will he have to give  
17 you to say you're done?

17 MS. WOLFF: We really do have to look at the contract.  
18 We have proposed to use the contract that the engineer of  
19 record has used for other guarantees. We've never had it  
20 invoked. I don't know.

19 DR. ZEHRAOUI: The bonds.

20 MS. WOLFF: Prior to signing the contract I would say  
21 you can cancel at no cost to you. Once the contract is  
22 signed primarily once we authorize equipment for release  
23 those are when costs come in and start being made.

23 MS. CAULEY: You're happy?

24 DR. ZEHRAOUI: Yes.

25

1 Motion to accept Notice to Proceed Project Phase II made by  
Tia Cauley. Second by Loreto Gonzalez.

2  
3 Comments/Questions: None

4 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

5 MR. RIVERA: Next item is a Work Order for Mechanical  
Concepts for the amount of \$984.

6  
7 Motion to accept Mechanical Concepts Work Order made by Tia  
Cauley. Second by Loreto Gonzalez.

8 Comments/Questions: None

9 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

10  
11 MR. RIVERA: Next item is Past Due Invoices. The  
first one is First Group Engineering for the amount of  
\$461.99. And it's says here the reason for the delinquency  
12 is invoice received after the PO was closed. Invoice will  
be processed on 2019 PO.

13  
14 Motion to accept First Group Engineering Past Due Invoice  
made by Tia Cauley. Second by Loreto Gonzalez.

15 Comments/Questions: None

16 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

17  
18 MR. RIVERA: Next Past Due Invoice is Patten Cat for  
the amount of \$375. And the delinquency states here  
invoice in dispute per Ben El Harit.

19  
20 Motion to accept Patten Cast Past Due Invoice made by Tia  
Cauley. Second by Loreto Gonzalez.

21 Comments/Questions: None

22 Roll Call: "All in Favor": All Abstain: None  
Opposed: None Motion Carries.

23  
24 MR. RIVERA: The next one is Past Due Invoice for  
Praxair Gas for the amount of \$85.50. The reason stated  
for the delinquency is misplaced invoice.

25

1 Motion to accept Praxair Gas Past Due Invoice made by  
Loreto Gonzalez. Second by Alojzy Moricz.

2  
3 Comments/Questions: None

4 Roll Call: "All in Favor": All Abstain: None  
5 Opposed: None Motion Carries.

6 MR. RIVERA: Next item is Resolution SD 19-01.  
7 Resolution adjusting the salary and wages schedule for the  
8 employees of the City of East Chicago Utility Division.

9 Motion to accept Resolution SD 19-01 made by Tia Cauley.  
10 Second by Loreto Gonzalez.

11 Comments/Questions: None

12 Roll Call: "All in Favor": All Abstain: None  
13 Opposed: None Motion Carries.

14 MR. RIVERA: Next is Resolution SD 19-02. Resolution  
15 adjusting the salary and wages schedule for employees of  
16 the City of East Chicago Sanitary District Wastewater  
17 Division.

18 Motion to accept Resolution SD 19-02 made by Loreto  
19 Gonzalez. Second by Tia Cauley.

20 Comments/Questions: None

21 Roll Call: "All in Favor": All Abstain: None  
22 Opposed: None Motion Carries.

23 MR. RIVERA: Next is Resolution SD 19-03. Resolution  
24 authorizing the transfer of equipment by the East Chicago  
25 Sanitary District Wastewater Division to the East Chicago  
Water Department.

26 Motion to accept Resolution SD 19-03 made by Loreto  
27 Gonzalez. Second by Tia Cauley.

28 Comments/Questions: None

29 Roll Call: "All in Favor": All Abstain: None  
30 Opposed: None Motion Carries.

31 Unfinished Business: None.

32 Public Comment: None.


1           \* Next Regular Meeting Date: February 7, 2019 @ 4:30  
p.m. City Hall Council Chambers.

2  
3 Motion to adjourn was made by Tia Cauley. Second by Loreto  
Gonzalez.

4           \* The Meeting ended at 5:28 p.m.

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1                    Approval of the Meeting Minutes  
2                    of Thursday, January 17, 2019  
3                    Approved and signed \_\_\_\_\_

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6 \_\_\_\_\_  
7 Miguel Rivera, President

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10 \_\_\_\_\_  
11 Anthony Galindo, Vice President

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13 \_\_\_\_\_  
14 Tia Cauley, Member

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17 Loreto Gonzalez, Member

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21 Alojzy Moricz, Member

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24 Anthony Herrera, Board Secretary

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C E R T I F I C A T E

I, LISA PENA, a competent and duly qualified court reporter, do hereby certify that I did report in machine shorthand the foregoing proceedings and that my shorthand notes so taken at said time and place were thereafter reduced to typewriting under my personal direction.

I further certify that the foregoing typewritten transcript constitutes minutes of said proceedings taken at said time and place, so ordered to be transcribed.

Dated at Portage, Indiana, this 6th day of February 2019.

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LISA PENA  
Notary Public Porter County  
Certified Shorthand Reporter  
License Number 084-003484