

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, September 5, 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, Loreto Gonzalez, Alojzy Moricz.  
Also Present: John Martinez, Keith Selvie, Anthony Herrera.

APPROVAL OF MINUTES: August 1, 2019  
August 15, 2019

Motion to approve August 1, 2019 Meeting Minutes and August 15, 2019 Meeting Minutes made by Loreto Gonzalez. Second by Alojzy Moricz.

Questions/Comments: None.

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

CHECK WARRANTS:

Sanitary District, Wastewater Division

MR. RIVERA: Warrant Number 090519 SC for the amount of \$2,655.

Motion to approve Check Warrant 090519 SC made by Loreto Gonzalez. Second by Alojzy Moricz.

Questions/Comments: None.

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

2

MR. RIVERA: Next is Warrant Number 090519 SR for the  
3 amount of \$12,000.

4 Motion to approve Check Warrant 090519 SR made by Loreto  
Gonzalez. Second by Alojzy Moricz.

5

Questions/Comments: None.

6

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

8 MR. RIVERA: Next is Warrant Number 090519 SW for the  
amount of \$116,343.61.

9

10 Motion to approve Check Warrant 090519 SW made by Loreto  
Gonzalez. Second by Alojzy Moricz.

11 Questions/Comments: None.

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

13

MR. RIVERA: Next is Warrant 082319 Sanitary Board  
14 Payroll 8/3/19 to 8/16/19.

15 Motion to approve Check Warrant 082319 Sanitary Board Payroll  
8/3/19 to 8/16/19 made by Loreto Gonzalez. Second by Alojzy  
16 Moricz.

17 Questions/Comments: None.

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

19

MR. RIVERA: Next is Warrant Number 082319 Utilities  
20 Board Payroll 8/3/19 to 8/16/19.

21 Motion to approve Check Warrant 082319 Utilities Board  
Payroll 8/3/19 to 8/16/19 made by Loreto Gonzalez. Second by  
22 Alojzy Moricz.

23 Questions/Comments: None.

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

25

1 MR. RIVERA: Next is Warrant Number 083019 Utilities  
Board Payroll 8/30/19 to 8/30/19.

2  
3 Motion to approve Check Warrant 083019 Utilities Board  
Payroll 8/30/19 to 8/30/19 made by Loreto Gonzalez. Second  
4 by Alojzy Moricz.

5 Questions/Comments: None.

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

8 MR. RIVERA: Next is Warrant Number 082319 Wastewater  
Payroll 8/3/19 to 8/16/19.

9 Motion to approve Check Warrant 082319 Wastewater Payroll  
8/3/19 to 8/16/19 made by Loreto Gonzalez. Second by Alojzy  
10 Moricz.

11 Questions/Comments: None.

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

14 MR. RIVERA: Next is Warrant Number 083019 Wastewater  
Payroll 8/30/19 to 8/30/19.

15 Motion to approve Check Warrant 083019 Wastewater Payroll  
8/30/19 to 8/30/19 made by Loreto Gonzalez. Second by Alojzy  
16 Moricz.

17 Questions/Comments: None.

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

20 Sanitary District, Solid Waste Division

21 MR. RIVERA: Warrant Number 090519 SS for the amount of  
\$75,536.42.

22 Motion to approve Check Warrant 090519 SS made by Loreto  
Gonzalez. Second by Alojzy Moricz.

23 Questions/Comments: None.

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

1 MR. RIVERA: Next is Warrant Number 073119 SS for the  
amount of \$150.

2  
3 Motion to approve Check Warrant 073119 SS made by Loreto  
Gonzalez. Second by Alojzy Moricz.

4 Questions/Comments: None.

5 Roll Call: "All in Favor": All Abstain: None.

6 Opposed: None Motion Carries.

7 MR. RIVERA: Next is Warrant Number 082319 Solids  
Payroll 8/3/19 to 8/16/19.

8 Motion to approve Check Warrant 082319 Solids Payroll 8/3/19  
to 8/16/19 made by Loreto Gonzalez. Second by Alojzy Moricz.

9 Questions/Comments: None.

10 Roll Call: "All in Favor": All Abstain: None.

11 Opposed: None Motion Carries.

12 MR. RIVERA: Next is Warrant Number 083019 Solids  
Payroll 8/30/19 to 8/30/19.

13 Motion to approve Check Warrant 083019 Solids Payroll 8/30/19  
to 8/30/19 made by Loreto Gonzalez. Second by Tia Cauley.

14 Questions/Comments: None.

15 Roll Call: "All in Favor": All Abstain: None.

16 Opposed: None Motion Carries.

17 MS. CAULEY: Mr. President, I'm present.

18 MR. RIVERA: Let the record reflect that Miss Cauley is  
19 here.

20 REPORT OF FIELD OPERATIONS:

21 MR. RIVERA: Next item is Report of Field Operations,  
John Martinez.

22 MR. MARTINEZ: Good afternoon. I'm happy to let the  
23 Board know that the roof that we were fixing on Alder Street  
Pump Station has been completed. And I believe some  
24 paperwork was sent to the Board to okay it. All the work  
that was left to be done was done.

25

1           And also Sanitary District, we have a certain time  
2 limit to do some cleaning of the sewers. And I don't know.  
3 Some people got letters stating that they were going to be  
4 there. And that's what we were going by. We sent letters  
5 out a day or two in advance. And we come in and we do our  
6 cleaning of the sewers.

7           As far as our District we're still trying to get a  
8 couple of things straightened out with a couple of furnaces  
9 that have to be replaced. They came in. They just got to be  
10 put up.

11           That's all I have at this time.

12           MR. RIVERA: Any questions for Mr. Martinez?

13           MR. GONZALEZ: Good job on that break we had.

14           REPORT FROM SOLID WASTE: None.

15           REPORT FROM FINANCIAL CONSULTANT: None

16           REPORT FROM LEGAL COUNSEL:

17           MR. RIVERA: Next is Report from Legal Counsel, Anthony  
18 DeBonis.

19           MR. DeBONIS: Good afternoon. Since I last appeared  
20 before you we have entered into an Agreed Order with IDEM  
21 concerning the filing of some delinquent past reports on our  
22 treatment plant. We have 30 days to file these. And we are  
23 hard at work on those.

24           We received a request from IDEM for additional  
25 information on our Phase 2 of our Long-Term Control Plan. As  
26 you will recall we were in the process of doing a Cost of  
27 Service Study to support an increase in our sanitary fees to  
28 support the additional funds needed to finish Phase 2.

29           Later on in the agenda you have before Resolution  
30 SD 19-11. It starts the ball rolling for the issuance of a  
31 bond later this year. I will explain it in greater detail at  
32 that time.

33           We are assembling some documents for IDEM to look  
34 at. Their inquiry centered around what the current  
35 configuration of this project is compared to the previous  
36 plan for Phase 2.

1           It has been expanded. It was necessary to do that  
2 because of put it this way the problems that were meant to be  
3 solved in part by Phase 1 were not completely solved. And we  
4 brought in a new engineering firm after Phase 1. And they  
5 had devised a plan that will more efficiently address the  
6 issue of CSOs. That is why we're doing this. We're under  
7 the gun. We're under a Court Order to do all this work.

8           In any case that is moving toward the issuance of  
9 a bond from the State Resolving Wastewater Fund. That fund  
10 allows us borrow money at a very advantageous rate of  
11 interest. And we will be able once that bond has closed to  
12 begin work next spring.

13           Compass Industrial was chosen as our contractor  
14 through your request for proposals process. Their final  
15 contract will come before you before work begins later this  
16 year.

17           Anyway that's all of my report right now. If there  
18 are any questions, I will be glad it glad to address them.

19           MR. RIVERA: Any questions for Mr. DeBonis?

20           MR. DeBONIS: I'll be back here in a couple minutes to  
21 talk to you about --

22           MR. RIVERA: You might as well stay there.

23           NEW BUSINESS:

24           MR. RIVERA: Next item is New Business. Resolution  
25 SD 19-11.

26           MR. DeBONIS: This is called a Declaratory Bond  
27 Resolution. It declares the District's intent to issue  
28 bonds. And it gives the reason why. It's fairly general in  
29 character as it's meant to be.

30           It directs the public if they have inquiries or  
31 questions that they can review the various plans and so forth  
32 for the project at the Offices of the District.

33           The cost estimate for the project is in excess of  
34 \$14,250,000. The actual amount to be borrowed is going to be  
35 considerably less than that because we have 5 million on hand  
36 roughly from the financing that was done back in 2015 for  
37 Phase 1. So the amount borrowed will be somewhat less.

1           We don't have to decide that number until we get to  
2 the confirmatory stage of the process down the line. And  
3 that will be the next resolution that has to be adopted  
4 through a Public Hearing to be scheduled on September 19.

5           So to get the ball rolling we ask that this  
6 resolution be passed tonight which enables us to start the  
7 process.

8           MR. RIVERA: The series of bonds will be only for 9,000  
9 then if we have --

10          MR. DeBONIS: 9 million.

11          MR. DeBONIS: I mean 9 million.

12          MR. DeBONIS: Yes. Maybe even less than that. We have  
13 financial advisors.

14          MR. RIVERA: So if it's less than that, why --

15          MR. DeBONIS: Well, there's certain technical aspects of  
16 this project that have not been settled. For example we have  
17 two very large valves that control the effluent that passes  
18 into our lagoon now. And those valves, the question was  
19 raised by Doug Cunningham as to whether those valves are  
20 reliable enough to continue to be used.

21          And we performed a test this past week I am told  
22 that did establish that those valves are working. I am  
23 assuming that will save us quite a lot of money because those  
24 valves would have to be custom manufactured with considerable  
25 leave time. And they're expensive.

26          So that's one example of why this figure was  
27 purposely set high in case we need to do something in the  
28 project that is not now planned. We expect all of this will  
29 be settled very, very soon.

30          The Cost of Service Study which is being performed  
31 by Baker Tilly, they're the same outfit that did the last one  
32 in 2015 when they were called Umbaugh. They merged into a  
33 company.

34          They're going to deliver the Cost of Service Study  
35 to you. I've got a schedule here. By October 10. And  
36 you'll be asked to adopt a rate resolution at your meeting of  
37 October 17. And then there will be Public Hearing and final  
38 action on that on November 7.

1           Once that is adopted by you then that will go to  
2 the City Council for final action. And it's our plan  
3 hopefully to have the new rate ordinance in effect before the  
4 end of the year because the closing on the bond is scheduled  
5 tentatively for December 12.

6           Once the bond closes we will have the money on  
7 hand. And as soon as the weather breaks in early 2020  
8 shovels will go in the ground and construction will begin.

9           It is expected that this will take something like  
10 369 days, about a year to build. It is in many ways a  
11 massive project, but one that is needed. I have been told  
12 this will virtually eliminate CSOs in most of the City, if  
13 not all of it.

14           Of course the way the weather is changing now what  
15 used to be a 50-year storm is now a 10-year storm or a 5-year  
16 storm.

17           When this is done we will have really taken a giant  
18 leap forward in Wastewater and Storm Water management.

19           MS. CAULEY: Attorney DeBonis, I have a question for  
20 you. I like your presentation. It sounded real good. But  
21 how come our Director is not here? I was a little tardy.

22           MR. DeBONIS: Lilia Ramos called me this afternoon. She  
23 was transmitting to me some questions Dr. Zehraoui had about  
24 the current bond schedule and also this resolution. And I  
25 explained those things to her and then she went and talked to  
him.

          She came back online and said that that was a  
satisfactory explanation and would I please make sure I was  
at the meeting to explain it to you because he couldn't be  
present. I was not told the reason why. So that's all I  
know. I would have been here anyway.

          MR. RIVERA: Anymore questions?

          MR. DeBONIS: If you want, I'll be glad to let him know  
that you inquired about his absence.

          MS. CAULEY: You can because I'm going to let him know  
as well. I just think that he is the Director and our  
Director needs to be here. I am a Director and I have to be  
at my meetings. And I just don't understand. But don't



1 worry I'm going to ask the Mayor as well.

2 MR. DeBONIS: Okay.

3 MR. RIVERA: Mr. Martinez, do you want to say something?

4 MR. MARTINEZ: I was told by Dr. Abdul that he wasn't  
5 going to be present because he had a meeting about something  
6 at the Filtration Plant.

7 MR. DeBONIS: That's more than I know. Was there a  
8 motion made? Was the resolution adopted yet?

9 MR. RIVERA: I have no motion.

10 MR. DeBONIS: If anybody has anymore questions, ask  
11 them. I'll do my best.

12 MR. RIVERA: My only question was that amount. If we  
13 had so much money on hand, why the series of bonds?

14 MR. DeBONIS: The actual instrument that determines the  
15 amount of the bond is the one passed by the City Council.  
16 And that will contain a lower number almost certainly.

17 MR. RIVERA: So it may not be this amount when it goes  
18 to the Council?

19 MR. DeBONIS: Right. By that time we will have fixed  
20 exactly the amount. And we'll let you know that before it  
21 goes to the Council.

22 In fact in the course of doing the Cost of Service  
23 Study and the rate increase you will be advised of that  
24 number because the rate increase is designed to cover our  
25 next three years of operating costs plus service on this  
26 bond. So that will all be explained. And the Baker Tilly  
27 people will be here to go through it with you and answer your  
28 questions.

29 This is to be looked upon as a not to exceed  
30 number. And the actual number I expect to be considerably  
31 less. That's all I can say with certainty right now. We're  
32 about four months away from closing the bond. So it's a  
33 little early to say exactly what the volume of the bond is  
34 going to be.

35 This is simply to inform the public. The law  
36 requires it and expresses our intent. There will be a Public

1 Hearing. Then the Confirmatory Resolution you're going to  
2 adopt the next meeting affirms your intent. And then the  
3 paperwork is done.

4 The Initial Offering -- well, there is no Initial  
5 Offering Statement because the SRF is going to buy the bond.  
6 The other paperwork necessary to float the bond is prepared.  
7 And that all contains the precise numbers. And we will  
8 provide that information to you.

9 MR. RIVERA: So what do you want to do, Board?

10 MR. DeBONIS: Well, apparently nobody wants to move  
11 without this. So I don't know what else I can say to you.  
12 If that's your wish, fine.

13 MR. RIVERA: So there is no motion. There's nothing  
14 else?

15

16 MR. DeBONIS: Very well.

17

18 MR. RIVERA: There was no motion to adopt Resolution  
19 SD 19-11. So we'll move to the next item which is a Purchase  
20 Order for Morrison Construction. The scope of the work  
21 construct ability services, repair and/or replace territory  
22 effluent slide gate. 120 per hour. And the final cost is  
23 21,000 for this purchase order.  
24 Motion to approve Morrison Construction Purchase Order made  
25 by Tia Cauley. Second by Loreto Gonzalez.

16

Questions/Comments: None.

17

Roll Call: "All in Favor": All Abstain: None.

18

Opposed: None Motion Carries.

19

20 MR. RIVERA: The next item is also a Purchase Order. It  
21 says Change Order for Korellis Roofing. The project roof  
22 replacement Alder Street Pump Station for the amount of  
23 \$116,208.34.

21

22 Motion to approve Korellis Roofing Change Order made by Tia  
23 Cauley. Second by Loreto Gonzalez.

23

Questions/Comments: None.

24

Roll Call: "All in Favor": All Abstain: None.

25

Opposed: None Motion Carries.

1 UNFINISHED BUSINESS: None.

2 PUBLIC COMMENT: None.

3 \* Next Regular Meeting Date: Thursday, September  
19, 2019 @ 4:30 p.m.

4

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

6 \* Meeting ended at 4:56 p.m.

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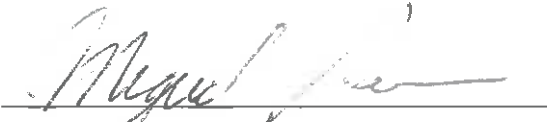
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Approval of the Meeting Minutes of  
Thursday, September 5, 2019

Approved and Signed \_\_\_\_\_

  
Miguel Rivera, President

  
Anthony Galindo, Vice President

  
Tia Cauley, Member

  
Loreto Gonzalez, Member

  
Alojzy Moricz, Member

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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 16th day of September, 2019.

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Lisa Pena  
Notary Public Porter County  
Certified Shorthand Reporter  
License Number 084-003483