

CITY OF EAST CHICAGO
BOARD OF SANITARY COMMISSIONERS

BOARD MEMBERS

Miguel (Mike) Rivera, President
Tia Cauley, Member
Loreto Gonzales, Member
Alojzy (Ben) Moricz, Member

Regular Meeting Minutes
Thursday, November 21, 2019, at 4:30 p.m.

Reported for Fissinger & Associates, Ltd
By: Peggy S. LaLonde, CSR, RPR

Call to Order: 4:30 p.m.

Pledge of Allegiance:

Roll Call: Present: Miguel Rivera
Tia Cauley
Loreto Gonzales
Ben Moricz

Also Present: Anthony Herrera, Secretary
John Martinez, Wastewater Operations
Keith Selvie, Public Works Director
Dr. Abdul Zehraoui, Utilities Director
Bill Biller, Financial Consultant
Anthony DeBonis, Attorney
Winna Guzman, Water Department Director
Douglas Cunningham, Construction Manager

MR. RIVERA: Motion is needed for approval of minutes from November 7, 2019, for the Bond hearing.

Motion to approve minutes of November 7, 2019, Bond hearing, made by Tia Cualey. Second by Loreto Gonzales.

Comments/Questions: None

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

MR. RIVERA: Motion carries.
Motion for approval of minutes from

1 November 7, 2019, regular meeting.

2 Motion to approve minutes of November 7, 2019, as
3 written, made by Loreto Gonzales. Second by Ben Moricz.

4 Comments/Questions: None

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

7 MR. RIVERA: Motion carries.

8 Next, Check Warrants, Sanitary
9 District, Wastewater Division.

10 SANITARY DISTRICT - WASTEWATER DIVISION
11 Warrant 112119 SW - \$80,499.66

12 Motion to approve Warrant 112119 SW, in the amount of
13 \$80,499.66, made by Loreto Gonzales. Second by Ben
14 Moricz.

15 Comments/Questions: None

16 Roll Call: "All in Favor": All Abstain: None
17 Opposed: None

18 MR. RIVERA: Motion carries.

19 Warrant 112719 SW - \$78,717.71

20 Motion to approve Warrant 112719 SW, in the amount of
21 \$78,717.71, made by Loreto Gonzales. Second by Ben
22 Moricz.

23 Comments/Questions: None

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

MR. RIVERA: Motion carries.

Warrant 111819 SR - \$9,046.

Motion to approve Warrant 111819 SR, in the amount of
\$9,046.00, made by Loreto Gonzales. Second by Ben
Moricz.

Comments/Questions: None

1 Roll Call: "All in Favor": All Abstain: None
Opposed: None

2 MR. RIVERA: Motion carries.

3 Warrant 111519 - Sanitary Board payroll
4 Dates of 10/26/19 to 11/08/19.

5 Motion to approve Warrant 111519, Sanitary Board
6 payroll, for dates of 10/26/19 to 11/08/19 made by
Loreto Gonzales. Second by Ben Moricz.

7 Comments/Questions: None

8 Roll Call: "All in Favor": All Abstain: None
9 Opposed: None

10 MR. RIVERA: Motion carries.

11 Warrant 111519 - Utilities Board Payroll
12 Dates of 10/26/19 to 11/08/19.

13 Motion to approve Warrant 111519, Utilities Board
14 Payroll, for dates of 10/26/19 to 11/08/19, made by
Loreto Gonzales. Second by Ben Moricz.

15 Comments/Questions: None

16 Roll Call: "All in Favor": All Abstain: None
Opposed: None

17 MR. RIVERA: Motion carries.

18 Warrant 111519 - Wastewater Payroll
19 Dates of 10/26/19 to 11/08/19

20 Motion to approve Warrant 111519, Wastewater Payroll,
21 dates of 10/26/19 to 11/08/19, made by Loreto Gonzales.
Second by Ben Moricz.

22 Comments/Questions: None

23 Roll Call: "All in Favor": All Abstain: None
Opposed: None

24 MR. RIVERA: Motion carries.

25 SANITARY DISTRICT - SOLID WASTE DIVISION

1 Warrant 112119 SS - \$1,952,692.47

2 Motion to approve Warrant 111219 SS, in the amount of
3 \$1,952,692.47 made by Loreto Gonzales. Second by Ben
4 Moricz.

4 Comments/Questions: None

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

7 MR. RIVERA: Motion carries.

7 Warrant 111519 - Solids Payroll.

8 Dates 10/26/19 to 11/08/19

9 Motion to approve Warrant 111519, Solids Payroll, dates
10 of 10/26/19 to 11/08/19 made by Loreto Gonzales. Second
11 by Ben Moricz.

11 Comments/Questions: None

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

13 MR. RIVERA: Motion carries.

14 Next item is report from Solid
15 Waste, Keith Selvie.

15 MR. SELVIE: Mr. President, no report at
16 this time.

17 MR. RIVERA: Next item, financial
18 consultant, Bill Biller.

19 MR. BILLER: Good evening. You have a
20 cash report in the packet. Just a couple of comments.
21 October is a normal month for collection. We had
22 \$636,000. As I mentioned before, we continue to run a
23 little lower than our collections last year and our
24 budgeted collections. And again, this comes back to the
25 timing of getting new meters in place. We were a little
too aggressive when we did the budget for this year.

On the expenditure side, we had some
23 large expenditures in the month. We had 617,000
24 transfer to the Replacement Fund. This is our annual
25 contribution to the Fund for capital improvements. Then
we had contributions to the Utility Fund for first half
contributions to maintain that 260. And then another

1 120,000 to Water Department for our share of their
customer accounts, the meter readers.

2 And the cash balance in Operating
Fund is \$1,256,000 and we are looking for a balance year
3 end of approximately 700,000.

4 MR. RIVERA: Is there a reason for the
lower collections?

5 MR. BILLER: Well, the month was normal
6 month, running 636. But we are down -- as I said --
from last year and from the budgets due to the timing of
7 getting the new meters in place. I really don't have a
valid answer. I think that last year there may have
8 been a couple higher months, but for the most part,
collections have been right around 620 to 650,000 a
9 month. Any questions? (None)

10 MR. RIVERA: Thank you. Next item is
report from legal counsel, Anthony DeBonis.

11 MR. DeBONIS: Mr. President, we have been
12 hard at work preparing the presentation on the proposed
new rates to the East Chicago City Council. First
13 meeting on that subject will be this Monday. Many of
the cast of characters you are used to seeing here in
14 the last number of weeks will be there to make that
presentation to the Council. I know the Mayor has been
15 working hard discussing it with Council members
individually. And if you care to make it, the Monday
16 Council meeting, you certainly are welcome. You might
get some questions from them. I know I am going to get
17 plenty. But in any case, I expect there will be a
spirited discussion. I think the public will
18 participate and it will be a good thing on the whole.
That's all I have to report.

19 By the way, the final action -- that
would be first reading -- the final action would be, I
20 think, the next meeting, which is Monday, the 16th. I'm
leaving town on the 17th to go south. If there are no
21 questions, that's it.

22 MR. RIVERA: No questions.

23 MR. DeBONIS: Thank you.

24 MR. RIVERA: Next item is New Business.
Resolution SD 19-23.

25

1 MR. BILLER: Resolution SD 19-23. We are
2 asking for the Board's approval of the budget for the
3 East Chicago Utility and Administration Fund. This is
4 the people in the Water office, that is clerical people,
5 Dr. Zehraoui and Ben's salary, and along with the
6 contributions to Civil City salaries. Proposing a
7 budget of \$1,611,881.00.

8 Just a couple highlights. The
9 budget has an additional account rep added for next
10 year, above what we had in the plan for this year. And
11 then there is an additional maintenance person being
12 added for next year and also showing a reduction of two
13 clerical people. So the head count actually increased
14 by one from the budget of this year and actually five
15 from what we are at presently. We are asking for
16 approval of the resolution

17 Motion to approve Resolution SD 19-23 made by Tia
18 Cauley. Second by Ben Moricz.

19 Comments/Questions: None

20 Roll Call: "All in Favor": All Abstain: None
21 Opposed: None

22 MR. RIVERA: Motion carries.

23 Next is Resolution SD 19-24.

24 MR. BILLER: Resolution SD 19-24 is the
25 budget for the East Chicago Wastewater Department
26 Service Fund. I'm asking for approval of budget of
27 \$1,190,410. This is to cover debt service on our
28 existing bond and also there is factored in here payment
29 of interest on the proposed new bond of \$151,000. The
30 total debt service is increasing by \$240,000 over this
31 year, that's per schedules.

32 MR. RIVERA: Over the 1190?

33 MR. BILLER: No. 1190 next year, this
34 year is \$950,000. So we are asking for approval.

35 Motion to approve Resolution SD 19-24 made by Tia
36 Cauley. Second by Loreto Gonzalez.

37 Comments/Questions: None

38 Roll Call: "All in Favor": All Abstain: None
39 Opposed: None

1 MR. RIVERA: Motion carries.
2 Next item is Resolution SD 19-25.

3 MR. BILLER: This is a resolution asking
4 for approval of the budget for the Wastewater Reserve
5 Fund next year of \$500,000. This is funded by
6 contribution from the Wastewater Operating Fund. Next
7 year the contribution or the revenue for the funds would
8 be \$410,000. This compares to 617,000 for this year.
9 If you remember, the cost of service study that was
10 presented to the Board had a reduction of the \$210,000
11 for contributions to the fund. But we are asking for
12 approval of budget for capital outlay next year of 500.
13 Motion to approve Resolution SD 19-25 made by Loreto
14 Gonzales. Second by Tia Cauley.

15 Comments/Questions: None

16 Roll Call: "All in Favor": All Abstain: None
17 Opposed: None

18 MR. RIVERA: Motion carries.

19 MR. BILLER: Thank you. Board, for your
20 information, additional resolutions for the Operating
21 Budget will be next meeting, along with salary
22 ordinances also.

23 MR. RIVERA: Thank you. Next item is
24 agreements. We have agreement with Nitco - Public
25 Works, the rate schedule.

26 MR. SELVIE: Keith Selvie, good
27 afternoon, Board. What you have before is a rate table
28 for the new phone service that we have out at Public
29 Works. As you may remember, we were having issues with
30 the phone system out there. Now we actually have become
31 part of the City's fiber network, and this rate table is
32 to maintain it, if there is an issue. So it's just the
33 rates just in case there is a problem. I believe that
34 this particular system will be throughout the City and
35 through all departments.

36 Motion to approve rate schedule with Nitco for Public
37 Works made by Loreto Gonzales. Second by Tia Cauley.

38 Comments/Questions:

39 MS. CAULEY: You are not the first

1 department, East Chicago Housing was.

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

4 MR. RIVERA: Motion carries.
5 Next item is Precision Painting.

6 MR. SELVIE: What you have before you are
7 two actual bids to continue the painting over at the
8 Public Works Department. We have been trying to spruce
9 up after about 25 years. What we are doing is
10 recommending that Precision Painting be awarded the cost
11 of \$15,411 to complete the project.

12 It's a higher bid than the other
13 proposal we received. The reason for this
14 recommendation is that we believe that Precision
15 Painting is more responsible, and they have done work
16 for us in the past.

17 Motion to approve bid proposal from Precision Painting
18 made by Tia Cauley. Second by Loreto Gonzales.

19 Comments/Questions: None

20 Roll Call: "All in Favor": All Abstain: None
21 Opposed: None

22 MR. RIVERA: Motion carries.
23 Next item is Lake Shore Ford.

24 MR. MARTINEZ: We put in for three
25 vehicles. One of our vehicles was in an accident and
26 got totaled out, so we have to replace that one. And
27 the other two are going to go for Sanitary. We are
28 replacing vehicles because we have been driving them
29 since -- they are 2006 vehicles. They are nickel and
30 dime-ing us, and I got the bid from Lake Shore Ford. We
31 got the best discount we could get with the government
32 discount, and we can't do better than that. So, we're
33 asking the Board to approve this.

34 MR. RIVERA: The amount is 41,000?

35 MR. MARTINEZ: No, there's three
36 vehicles.

37 MR. RIVERA: Are you saying 2 or 3?

1 MR. MARTINEZ: Three. One was in an
2 accident, so we are going to replace that one, and the
3 other two for the District. We are putting two new ones
4 in and taking two old ones out of commission.

5 MR. GONZALEZ: How old is the old ones?

6 MR. MARTINEZ: 2006. One the floorboard
7 is rotted out.

8 MR. DeBONIS: If you are spending that
9 amount, that requires at least a sealed quote, John.
10 Did you do that?

11 MR. MARTINEZ: No.

12 MR. DeBONIS: I know that technically
13 some of these purchasing laws don't apply to us. And if
14 you are convinced this is the better one, I guess we can
15 do it.

16 MR. SELVIE: This is under the program
17 formerly known as National Source One.

18 MR. MARTINEZ: That's the best deal we
19 are going to get.

20 MR. DeBONIS: There's no paperwork for
21 that here. Do you have a contract number?

22 MS. CAULEY: The City does, right?

23 MR. DeBONIS: If that's case, forget what
24 I said.

25 MR. SELVIE: As long as you can document
that quote would be the best government deal we can have
for these particular vehicles.

MR. DeBONIS: It's a buying cooperative
among governments. When you join it, they do the
bidding and all kinds of things. They get a price
that's usually considerably lower than what you are
going to get from a conventional bid or quote. And
state law allows you to use such a service in lieu of
conducting your own bidding. So pardon me for speaking
up, go ahead with the motion.

Motion to approve bid of Lake Shore Ford for replacement

1 of three vehicles made by Tia Cauley. Second by Loreto
2 Gonzales.

3 Comments/Questions: None

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

6 MR. RIVERA: Motion carries.

7 Next item is Ace Exterminating.

8 This is \$180 a month service from Ace. We have been
9 doing this all along?

10 MR. MARTINEZ: Yes.

11 Motion to approve Ace Exterminating Company agreement
12 made by Tia Cauley. Second by Loreto Gonzales.

13 Comments/Questions: None

14 Roll Call: "All in Favor": All Abstain: None
15 Opposed: None

16 MR. RIVERA: Motion carries.

17 Next item is past due invoices. We
18 have one here, East Chicago Water Works. Actually, it's
19 11 of them in the same amount, except the last one,
20 totally \$33,504.75. The delinquency is because of an
21 outstanding dispute with the Water Department, which has
22 been resolved and they have agreed to pay.

23 MR. SELVIE: This is a long outstanding
24 dispute between Sanitary and the Water Department. We
25 have gone through it and we ask that we be allowed to
26 pay some of these invoices that date back a few years.

27 MS. CAULEY: Winna got you too.

28 Motion to approve past due invoices of Sanitary to the
29 Water Department made by Tia Cauley. Second by Loreto
30 Gonzales.

31 Comments/Questions: None

32 Roll Call: "All in Favor": All Abstain: None
33 Opposed: None

34 MR. RIVERA: Motion carries.

35

1 MR. SELVIE: Thank you. I'm sure the
Water Department thanks you as well.

2 MR. RIVERA: Next is past due invoice for
3 USA Bluebook, actually four of them. One for \$366.46,
4 another one for \$77.16, and another for \$192.46, and
5 another one for \$554.55; totaling \$1,190.63. States
here the reason for the delinquency is EC did not
6 receive invoices until 11/15/19 after several requests
made to vendor.

7 Motion to approve past due invoices to USA Bluebook,
totaling \$1,190.63 made by Tia Cauley. Second by Loreto
8 Gonzales.

9 Comments/Questions: None

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

11 MR. RIVERA: Motion carries.

12 Next, past due invoice from Lindys
Ace Hardware for the amount of \$63.45. States here the
13 delinquency reason, EC did not receive invoice until
11/8/19.

14 Motion to approve past due invoice to Lindys Ace
Hardware, in the amount of \$63.45 made by Tia Cauley.
15 Second by Loreto Gonzales.

16 Comments/Questions: None

17 Roll Call: "All in Favor": All Abstain: None
Opposed: None

18 MR. RIVERA: Motion carries.

19 Next item is billing adjustment at
20 718 West 151st.

21 MS. GUZMAN: Winna Guzman, Water
Department Director. Commissioners, 718 West 151st
22 Street, the owners requested adjustments as there was a
leak on the side of the City. We provided the documents
23 relative to that. The actual gasket was leaking causing
high usage in the amount of \$313.95. Distribution has
24 verified the issue was on the side of the City. I'm
recommending that the owner be assessed the average
usage, estimated bill amount for all charges. It will
25 be \$64.65 a month and we are estimating the sewer side

1 to be -- I would say -- probably around 34, \$35. This
2 was presented before the Waterworks Board on Monday,
3 November 18th, and was approved on that side. We are
4 just requesting the Commissioners to approve this today
5 so we can proceed with adjusting the bill for this
6 customer.

7 Motion to approve billing adjustments for 718 West 151st
8 Street made by Loreto Gonzalez. Second by Tia Cauley.

9 Comments/Questions: None

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

12 MR. RIVERA: Motion carries.

13 Next item is Unfinished Business.

14 There is none. Public Comment? We have none.

15 Next meeting date December 5, 2019,
16 at 4:30 p.m., at the East Chicago City Hall Council
17 Chambers.

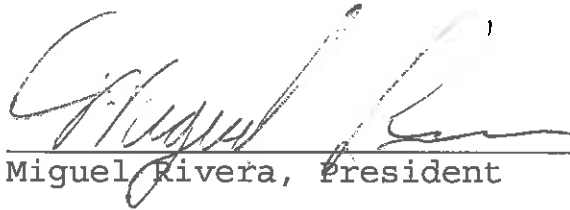
18 Motion to adjourn meeting made by Loreto Gonzales.
19 Second by Tia Cauley.

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

22 ***** Meeting adjourned *****
23
24
25

Approval of the Meeting Minutes of Thursday
November 21, 2019

Approved and signed _____



Miguel Rivera, President

Tia Cauley



Loreto Gonzalez



Alojzy (Ben) Moricz



Anthony Herrera

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C E R T I F I C A T E

I, Peggy S. LaLonde, 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 the said proceedings taken at said time and place, so ordered to be transcribed.

Dated at Munster, Indiana, this 25th day of November, 2019.

Peggy S. LaLonde



Peggy S. LaLonde, CSR, RPR