

CITY OF EAST CHICAGO  
BOARD OF SANITARY COMMISSIONERS  
BOARD MEMBERS

Steve Flowers, President  
Alojzy (Ben) Moricz, Vice-President  
Tia Cauley, Member  
Miquel (Mike) Rivera, Member  
Jawann Jones, Member

Regular Meeting Minutes  
Thursday, July 15, 2021, 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 In Chambers: Steve Flowers, Ben  
Moricz, Miguel Rivera, Tia Cauley  
Present Telephonic Conference: Jawann Jones

Staff Present in Chambers: Anthony Herrera,  
Ken Myers, Joseph Allegretti, Bill Biller,  
Rene Cid

MR. FLOWERS: First is approval of  
minutes from July 1st, 2021.

MR. RIVERA: Motion to approve minutes.

MS. CAULEY: Second.

MR. FLOWERS: Any questions pertaining to  
the motion? (None) All in favor say aye?  
(All signify aye.)  
Motion carries.  
Next we have check warrants.

SANITARY DISTRICT, WASTEWATER DIVISION  
WARRANT 071521 SC - \$41,597.88

MS. CAULEY: Make a motion.

MR. RIVERA: Second.

MR. FLOWERS: Any questions pertaining to

1 the motion? (None) All in favor say aye?  
(All signify aye.)  
2 Motion carries.

3 WARRANT 070821 SW - \$91,381.04.

4 MR. RIVERA: Motion to approve.

5 MS. CAULEY: Second.

6 MR. FLOWERS: Any questions pertaining to  
7 the motion? (None) All in favor say aye?  
(All signify aye.)  
8 Motion carries.

9 WARRANT 071521 SW - \$22,626.29

10 MS. CAULEY: Make a motion.

11 MR. RIVERA: Second.

12 MR. FLOWERS: Any questions pertaining to  
13 the motion? (None) All in favor say aye?  
(All signify aye.)  
14 Motion carries.

15 PAYROLL WARRANTS

16 WARRANT 070921 - Sanitary Board Payroll  
17 Dates of 6/19/21 to 7/2/21

18 MR. RIVERA: Make a motion.

19 MR. MORICZ: Second.

20 MR. FLOWERS: Any questions pertaining to  
21 the motion? (None) All in favor say aye?  
(All signify aye.)  
22 Motion carries.

23 WARRANT 070921 - Wastewater Payroll  
24 Dates of 6/19/21 to 7/2/21

25 MS. JONES: Make a motion.

MS. CAULEY: Second.

MR. FLOWERS: Any questions pertaining to  
the motion? (None) All in favor say aye?  
(All signify aye.)

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Motion carries.  
WARRANT 0709121 - Utilities Payroll  
Dates of 6/19/21 to 7/2/21

MR. RIVERA: Motion to approve.

MR. MORICZ: Second.

MR. FLOWERS: Any questions pertaining to  
the motion? (None) All in favor say aye?  
(All signify aye.)  
Motion carries.

SANITARY DISTRICT - SOLID WASTE DIVISION  
WARRANT 070921 SS - \$14,559.40

MR. RIVERA: Motion to approve.

MR. MORICZ: Second.

MR. FLOWERS: Any questions pertaining to  
the motion? (None) All in favor say aye?  
(All signify aye.)  
Motion carries.

WARRANT 070921 - Solids Payroll  
Dates of 6/19/21 to 7/2/21

MS. CAULEY: Make a motion.

MR. RIVERA: Second.

MR. FLOWERS: Any questions pertaining to  
the motion? (None) All in favor say aye?  
(All signify aye.)  
Motion carries.

Report from Field Operation: Mr.  
Ken Myers.

MR. MYERS: Hello Commissioners, good to  
see you in person. I will make this brief because the  
room is a little warm. Our chief operator, Nelson  
Cardona, retired the beginning of this month. We are  
seeking to replace his position with one of our three  
Class 4 operators. Those discussions are ongoing. Our  
operators are a little hesitant to fill that position  
just because of lack of training and also reduction in  
potential earning. With them working shift work and

1 working holidays and everything else, with the pay  
2 differential, they make as much -- if not more -- than  
the chief operator. So we are working through that.

3 The Wastewater Treatment Plant  
4 operations we have been experiencing problems. So the  
5 water quality -- our treated water quality -- is still  
6 poor. We are trying to address that. We have more  
7 solids in our plant and we also have limited aeration  
8 capability because our aerators, we can't run them as  
9 fully as we have because of the high solids. But we are  
10 working on that and it's a work in progress, and not  
11 something you can change that quantity really quickly.  
12 It's going to take us weeks. And we do have that  
13 current issue at the plant we are trying to sort out.

14 Our effluent volume has increased  
15 and stayed steady. Since these rains we experienced at  
16 the end of June and beginning of July, our plant was  
17 operating at a 11 to 12 million gallons a day. We had  
18 the heavy rains, I want to say June 24, 25, 26, in that  
19 period, our effluent, which as expected, jumped up to 18  
20 or so, 18 to 19 million gallons a day. The thing is,  
21 after a rain event, that usually subsides. We have seen  
22 a steady average of 18 and it's going on 20 days now.  
23 So we are concerned there may be another source of water  
24 that's coming into our sewer and the main sewer trunk  
25 line that feeds our Alder lift station. We've been  
investigating it. We haven't found the cause of that,  
but it's impacting us with our work on the Long Term  
Control Plan construction activities. We are delaying a  
few things just because we can't change the pumps with  
the water level, the flow being so high at Alder lift  
station.

And that completes my report for  
this month. Do you have any questions?

MR. FLOWERS: Thank you, Mr. Myers.  
Report from Solid Waste: Rene Cid.

MR. CID: Good evening, Board. At this  
time I have no report. Thank you.

MR. FLOWERS: Report from legal counsel:  
Mr. Joe Allegretti.

MR. ALLEGRETTI: Good afternoon. In the  
packet today was a voluminous draft of a Cost of Service  
Study generated by our financial adviser, Bakertilly,  
Andre Riley and his associates. It's obviously -- you  
could tell from reviewing -- it's a complicated

1 activity. I discussed it briefly with City Hall today.  
2 And we still have to get buy in from Mr. Myers and from  
3 Mr. Biller, but time is getting critical. It's  
4 important for us to proceed with the filing of our rate  
5 case with the IURC, the Indiana Utility Regulatory  
6 Commission soon.

7 I guess my question is, would the  
8 Board like to have our consultant come up, either at a  
9 special meeting or next meeting -- it may be time  
10 consuming -- have some kind of work study session for  
11 the Board to familiarize themselves with the components  
12 of our rate. We need additional revenue for our  
13 operations. Bill Biller is probably more suited to be  
14 giving this conversation than I am, but we also have an  
15 outstanding bond anticipation note, which we sold, in  
16 order to fund and give the Notice to Proceed for our  
17 Phase 2 of the CSO project, which is underway. That  
18 bond anticipation note is only good for maximum of five  
19 years.

20 I know this is overwhelming to  
21 everyone with all this detail. So the revenues to pay  
22 for that new bond issue to pay off that note is part --  
23 is a component of our new rate structure and added to  
24 what our revenue needs are. So I guess if I could get  
25 some understanding, we go to the next step, get some  
consultation with our consultant and give the official  
notice directing them to proceed with the filing of our  
rate case.

I know. I don't mean to be  
overwhelming with this stuff by surprise, but it's the  
nature of our business sadly.

MS. CAULEY: Isn't this what we had to do  
awhile back?

MR. ALLEGRETTI: It's been ongoing, the  
Cost of Service Study, and we have always known, we have  
to just remind everybody. A year ago December we  
submitted an ordinance to the Common Council, because at  
the time the statute provided that the Board recommends  
and adopts resolution establishing new or increased  
sewer user charges, but they don't go into effect until  
approved by ordinance adopted by the Common Council.  
The Common Council refused to pass that ordinance and we  
were stuck with obligations and no way to fund them.

We then hired, without telling the  
Council, hired a lobbyist. We have lobbied the General  
Assembly, the State Legislature and we got a bill passed  
allowing us the alternative route for amending our user

1 charges of filing a rate case with the Indiana Utilities  
2 Regulatory Commission as an alternative to getting  
approval from the Common Council.

3 This is a double edged sword. It's  
4 a lot more complicated filing a rate case than simply  
5 getting the Council to adopt an ordinance, but because  
6 they were uncooperative we had no option but to seek  
7 that kind of remedy, and that's why it's been a long  
8 road. We were able to, without Council approval, to  
9 issue a bond anticipation note. But in order to pay  
that note off, and with the long term bond, we need  
approval from the Indiana Utility Regulatory Commission,  
which also we have to approve a new rate generating  
sufficient debt service to pay that -- sufficient  
revenue to pay that debt service and provide additional  
operating revenue for us to run our waste treatment  
plant and collection system.

10 So, if I may suggest, Anthony can  
11 suggest some times when our consultant can come in and  
12 we can go through the Cost of Service Study. And then  
13 the Commission can consider authorizing us to proceed  
14 with the filing of that rate case. Sorry for the long  
15 winded explanation. So I will do that.

16 MS. CAULEY: I have a question. If we  
17 already know this, why are we coming back to this?  
18 We have already been through this. I mean why are we  
19 having another session? The only new member is possibly  
20 Steve, unless we want update, we have already  
21 experienced all of this already. You told us before.

22 MR. ALLEGRETTI: He's going to tell you  
23 what the range is and what the added cost is going to be  
24 on the water sewer bill that goes to the residents. We  
25 might be confronted at the grocery store or elsewhere by  
residents that want to know why their bill went up so  
much. It's going to be a significant increase, which is  
warranted. The cost of treating wastewater has not gone  
down and there is other issues. There is needed  
improvements that have to be made to the wastewater  
treatment plant, which Ken Myers is much more qualified  
to discuss than I am, and it's going to take money. And  
some of those costs are built into the new rate, which  
can be discussed, and we are hoping that some of the  
cost of those Public Works and improvements to the  
wastewater treatment plant can be paid for by some  
participation in the Rescue Act money given to the City  
from the federal government from the Rescue Act  
legislation.

1 MS. CAULEY: That was the 31 million?

2 MR. ALLEGRETTI: Yes, ma'am. Half of  
3 which was received by the City and the other half coming  
4 next July. Everybody has got their hand out. We have  
5 to do some arm wrestling. It's still a time consuming  
6 process. The Cost of Service Study was time consuming  
7 and the process through it --

8 MR. BILLER: I agree it's been time  
9 consuming. It's probably going to be 300 days after  
10 filing. That's entirely possible. If this August --  
11 thanks Joe -- if we get filed in September or October  
12 timeframe, the IURC, as Joe says, could take up to a  
13 year. So you could be looking at late 2022, early 2023  
14 before this rate would be in effect. We would hope that  
15 we could move this a little faster and they could be in  
16 place first half of next year, I would hope.

17 MS. CAULEY: So are you going to go back  
18 -- I mean is it going to go back retro?

19 MR. BILLER: No, ma'am, not retro. I  
20 guess that could lead to a second question, could this  
21 be phased in, that is open for discussion.

22 MS. CAULEY: Don't let me ask too many  
23 questions.

24 MR. BILLER: That's fine. Questions are  
25 good. But, no, it would not be retroactive. It would  
be -- I think the last time you put a rate in, it was a  
stepped rate. Hopefully this would be the same thing, a  
stepped rate, but it is not going to be --

MS. CAULEY: We went through that with  
Dr. Z.

MR. BILLER: It's going to be a healthy  
increase, unfortunately.

MS. CAULEY: Well, you are scaring me and  
I'm gainfully employed. Am I going to have to look for  
another job? I'm going to be working at Strack's.

MR. BILLER: You still plan to schedule a  
work session?

MS. CAULEY: This work session you

1 provide lunch and have it during the day. I don't want  
2 to be in here two hours in the evening.

3 MR. ALLEGRETTI: Understood. We'll try  
4 to get some times and then try to do some coordinating.

5 MS. CAULEY: That's just me speaking for  
6 me, when I would show up.

7 MR. ALLEGRETTI: Understood.

8 MR. FLOWERS: So the time of the meeting  
9 is daytime?

10 MS. CAULEY: Absolutely.

11 MR. FLOWERS: Okay. New Business: BF &  
12 S, Cyanide limit assistant, \$15,000.

13 MR. MYERS: That's a proposal from one of  
14 the consultants, BF & S. Some of the purpose of this  
15 work is to develop or recalculate our cyanide local  
16 limits. The reason for that is we have got a long  
17 standing appeal from one of our industrial users that  
18 has been contesting our cyanide limits before I was  
19 here, so probably been going on nine years or so. We  
20 are trying to seek a resolution that we have already  
21 discussed with US EPA.

22 As you know, we revised our local  
23 limits two years ago. They are still unable to meet  
24 that local limit for discharge into our wastewater  
25 plant, so they experience violations and have to pay  
26 fines on a routine basis. This strategy is consistent  
27 with US EPA policy. We are going to look at mass base  
28 or flow base calculation and see what those new limits  
29 will be, and determine which is most acceptable, both to  
30 our industrial user as well as to the District, as far  
31 as us maintaining compliance with NTPS permit  
32 calculation. For them to do those calculations and to  
33 exceed. It's consistent with their rate sheet, which  
34 you already approved. It's \$15,000 and to be completed  
35 in 45 days.

36 MR. RIVERA: Is the City being cited for  
37 the violations?

38 MR. MYERS: The question we are  
39 experiencing is violation not for cyanide, our plant is  
40 not doing that. The industrial user is exceeded that on



1 a regular basis and that has happened, like I said, for  
2 five years that I have been here, they have been  
3 routinely exceeding those numbers and they have been  
4 looking for relief, methods of relief. We work with US  
5 EPA and we are trying to settle out the appeals that  
6 Safety-Kleen has had with the City, but this is the step  
7 that is needed. We need to put something in place that  
8 they will be able to comply with on the majority of the  
9 time and also not impact our operations or our permit  
10 conditions.

11 MR. RIVERA: This thing with Safety-Kleen  
12 has been going on for a long time.

13 MR. MYERS: For a long time and they have  
14 appealed. We continue to issue violations. They  
15 continue to say they are not paying them under the  
16 conditions of the appeal that they have had with the  
17 District that's been dated. We want to seek resolution.  
18 We have been talking to US EPA, so that this is the  
19 strategy within the last two years that we have  
20 developed.

21 Safety-Kleen has made improvements  
22 and has spent a lot of capital to change things in their  
23 operations, including the larger storage tank. They  
24 have changed process conditions, but they still were --  
25 even with the revised local limit that we put in place  
two years ago -- are still having routine excedences.  
So in order to alleviate that and be consistent with US  
EPA policy, we are looking at doing these other  
calculations to see what we are going to evaluate, which  
is in our best interest for both the City and for our  
client.

MR. RIVERA: Thank you.

MR. FLOWERS: You said \$15,000, entertain  
a motion.

MS. CAULEY: Make a motion.

MR. MORICZ: Second.

MR. FLOWERS: Any questions pertaining to  
the motion? (None) All in favor say aye?

(All signify aye.)

Motion carries.

Next item is Gasvoda & Associates  
2021 rate sheet, which is in your packet, Commissioners.

1 MR. RIVERA: Make a motion to approve  
2021 rate sheet.

2 MS. CAULEY: Second.

3 MR. FLOWERS: Any questions pertaining to  
4 the motion? (None) All in favor say aye?  
(All signify aye.)  
5 Motion carries.  
6 Resolution SD 21-07.

7 MS. CAULEY: Make a motion.

8 MR. RIVERA: Second.

9 MR. FLOWERS: Any questions pertaining to  
the motion? (None) All in favor say aye?  
10 (All signify aye.)  
Motion carries.  
11 Adjustments, 1 North Annex BMT,  
telephone.

12 MS. CAULEY: Make a motion.

13 MR. RIVERA: Second the motion.

14 MR. FLOWERS: Any questions pertaining to  
the motion? (None) All in favor say aye?  
15 (All signify aye.)  
Motion carries.  
16 Final item, Webb Chevy, purchase of  
vehicle, Chevy Tahoe for \$61,435.95.

17 MR. RIVERA: Is the Mayor aware of this  
18 purchase?

19 MR. ALLEGRETTI: Yes, very aware. It's a  
20 work vehicle.

21 MR. RIVERA: Make a motion to accept the  
purchase of the Chevy Tahoe.

22 MS. CAULEY: Second.

23 MR. FLOWERS: Any questions pertaining to  
the motion? (None) All in favor say aye?  
24 (All signify aye.)  
Motion carries.  
25 Unfinished Business: Best Equipment

1 for one --

2 MR. HERRERA: You can take that off, we  
took care of that at the last meeting.

3 MR. FLOWERS: All right, remove that  
4 item.

5 Public Comment: None  
Our next meeting is August 5, 2021,  
6 at 4:30, here in the chambers. Is there a motion to  
adjourn?

7 MS. CAULEY: Make a motion to adjourn.

8 MR. RIVERA: Second.

9 MR. FLOWERS: All in favor say aye?  
(All signify aye.)  
10 Motion carries. Meeting adjourned.

11 \*\*\*\*\* Meeting adjourned \*\*\*\*\*

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Approval of the Meeting Minutes of Thursday  
July 15, 2021

Approved and signed \_\_\_\_\_



Steve Flowers, President



Ben Moricz, Vice-President

\_\_\_\_\_  
Tia Cauley



Miguel (Mike) Rivera



Jawann Jones



Anthony Herrera

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 20th day of July, 2021.

*Peggy S. LaLonde*



Peggy S. LaLonde, CSR, RPR