

CITY OF EAST CHICAGO
BOARD OF SANITARY COMMISSIONERS
BOARD MEMBERS

Miguel (Mike) Rivera, President
Alojzy (Ben) Moricz, Vice-President
Tia Cauley, Member
Loreto Gonzalez, Member
Steven Flowers, Member

Regular Meeting Minutes
Thursday, May 21, 2020, at 4:30 p.m.

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

Call to Order: 4:30 p.m.

Roll Call: Present: Miguel Rivera
Telephonic: Tia Cauley
Loreto Gonzalez
Ben Moricz
Steve Flowers
Joseph Allegretti

Also Present: John Martinez, Director Wastewater
Anthony Herrera, Secretary

MR. RIVERA: This meeting will be conducted via phone conference. We can also stipulate that the members delegate the president to execute all warrants, documents, minutes, etcetera, on behalf of the Commission, eliminating the need to collect signatures from the members participating electronically.

A motion is needed to accept the minutes held May 7, 2020.

Motion to approve minutes of May 7, 2020, made by Loreto Gonzalez. Second by Ben Moricz.

Questions/Comments: None

MR. RIVERA: All in favor say aye.
(All signify aye.)

MR. RIVERA: Motion carries.
Check Warrants, Sanitary District,

Wastewater Division

WARRANT 052920 - \$78,876.04

1 Motion to approve Warrant 052920, amount of \$78,876.04
2 made by Tia Cauley. Second by Ben Moricz.

3 Questions/Comments: None

4 MR. RIVERA: All in favor say aye.
(All signify aye.)

5 MR. RIVERA: Motion carries.

6 WARRANT 052120 SW - \$42,328.80

7 Motion to approve Warrant 052120 SW, in the amount of
8 \$42,328.80, made by Tia Cauley. Second by Ben Moricz.

9 Questions/Comments: None

10 MR. RIVERA: All in favor say aye.
(All signify aye.)

11 MR. RIVERA: Motion carries.

12 WARRANT 052120 SR - \$14,599.00

13 Motion to approve Warrant 052120 SR, amount of
14 \$14,599.00, made by Steve Flowers. Second by Loreto
15 Gonzalez.

16 Questions/Comments: None

17 MR. RIVERA: All in favor say aye.
(All signify aye.)

18 MR. RIVERA: Motion carries.

19 WARRANT 051520 - Sanitary Board Payroll
20 Dates of 4-25-20 to 5-8-20

21 Motion to approve Sanitary Board Payroll, dates of
22 4-25-20 to 5-8-20, made by Steve Flowers. Second by Ben
23 Moricz.

24 Questions/Comments: None

25 MR. RIVERA: All in favor say aye.
(All signify aye.)

MR. RIVERA: Motion carries.

WARRANT 051520 - Utilities Payroll
Dates of 4-25-20 to 5-8-20

Motion to approve Warrant 051520, Utilities Payroll,
dates of 4-25-20 to 5-8-20 made by Tia Cauley. Second by
Loreto Gonzalez.

Questions/Comments: None

1 MR. RIVERA: All in favor say aye.
(All signify aye.)

2 MR. RIVERA: Motion carries.
WARRANT 051520 - Wastewater Payroll
3 Dates of 4-25-20 to 5-8-20

4 Motion to approve Warrant 051520, Wastewater Payroll for
5 dates of 4-25-20 to 5-8-20, made by Tia Cauley. Second
6 by Loreto Gonzalez.

6 Questions/Comments: None

7 MR. RIVERA: All in favor say aye.
(All signify aye.)

8 MR. RIVERA: Motion carries.
Next we have Sanitary District,
9 Solid Waste Division
WARRANT 052920 SS - \$1,925,678.22

10 Motion to approve Warrant 052920 SS, in the amount of
11 \$1,925,678.22, made by Tia Cauley. Second by Loreto
12 Gonzalez.

12 Questions/Comments: None

13 MR. RIVERA: All in favor say aye.
(All signify aye.)

14 MR. RIVERA: Motion carries.
15 WARRANT 052120 SS - \$50,406.58

16 Motion to approve Warrant 052120 SS, in the amount of
17 \$50,406.58, made by Loreto Gonzalez. Second by Ben
18 Moricz.

18 Questions/Comments: None

19 MR. RIVERA: All in favor say aye.
(All signify aye.)

20 MR. RIVERA: Motion carries.
WARRANT 051520 - Solids Payroll
21 Dates of 4-25-20 to 5-8-20

22 Motion to approve Warrant 051520, Solids Payroll for
23 dates of 4-25-20 to 5-8-20, made by Loreto Gonzalez.
24 Second by Steve Flowers.

24 Questions/Comments: None

25 MR. RIVERA: All in favor say aye.

1 (All signify aye.)

2 MR. RIVERA: Motion carries.

3 Dr. Zehraoui is not present, so the
4 next item is report from Field Operations, John
5 Martinez.

6 MR. MARTINEZ: The only thing I have is,
7 I talked to you last meeting about the wells that we are
8 putting in. We have got 25 wells put in and the job is
9 complete. And we have a gearbox that we have to send
10 out to get rebuilt, instead of buying a new gearbox. A
11 new gearbox costs \$100,000 and we can get a rebuilt for
12 37,000. That's all I have at this time.

13 MR. RIVERA: Any questions for Mr.
14 Martinez? (None)

15 Next item is report from Financial
16 Consultant, Bill Biller. He has submitted a report here
17 that I am going to put in the record. This is for the
18 month of April. Receipts for April \$589,844.00;
19 disbursements for April \$342,212.00. April end cash
20 balance, Operation and Maintenance Fund, \$2,427,937.00
21 and Replacement Fund is \$1,828,079.00 that concludes
22 Mr. Biller's report.

23 Next item is report from legal
24 counsel, Joe Allegretti.

25 MR. ALLEGRETTI: You may recall that we
are preparing a rate sheet for the Indiana Utility
Regulatory Commission to accomplish what we were unable
to accomplish before the Common Council. The rate case
was to raise rates sufficient to pay debt service for a
proposed bond issue to complete the second phase of the
long term CEDA control plan. The rate case process is
time consuming and what we needed was temporary
financing. Our financial consultants have solicited
proposals from local banks. Those proposals were
received today. The lowest proposal was from one of our
local banks, First Merchants Bank, to lend us the \$8.3
million for a very favorable rate of 1.75 percent,
that's tax exempt.

So I just wanted to report that. No
decision will be made, although a previous resolution
was adopted by the Board of Sanitary Commissioners and
has already authorized this kind of activity. Of course
we can proceed without further reporting to you, but
this is kind of a significant event and we'll allow it
to proceed in a timely manner and to give notice to
proceed to the general contractor to begin the work once

1 we have the cash in hand, and it's kind of a good step.
2 That's my report.

3 MR. RIVERA: Are there any questions for
4 Attorney Allegretti? (None) Thank you.

5 Next item is New Business. We have
6 Resolution SD 20-04. A resolution of the Board of
7 Sanitary Commissioners of the East Chicago Sanitary
8 District establishing terms and conditions for the
9 transfer of certain surplus property owned by the
10 Sanitary District to the Department of Waterworks. This
11 is consisting of a 2005 GMC pickup truck.

12 Is there a motion on the transfer of
13 property?

14 Motion to approve Resolution SD 20-04, transfer of 2005
15 GMC truck, made by Tia Cauley. Second by Loreto
16 Gonzalez.

17 Questions/Comments: None

18 MR. RIVERA: All in favor say aye.
19 (All signify aye.)

20 MR. RIVERA: Motion carries.

21 Next item is Resolution SD 20-05. A
22 resolution of the Board of Sanitary Commissioners of the
23 East Chicago Sanitary District establishing a policy
24 regarding the most cost effective and efficient manner
25 for preventing and collecting delinquent accounts.

MR. ALLEGRETTI: That's kind of an
ongoing discussion with the State Board of Accounts. I
wrote kind of a lengthy memo, that might have put people
to sleep. In the memo I explained what I thought were
very compelling reasons why we should not use the
procedure suggested by the State Board of Accounts,
whereby you attempt to file liens upon property owners
for landlord property. And the General Assembly keeps
passing more legislature making it more difficult to
protect landlords from utility -- unpaid utility bills
incurred by tenants.

So, what we normally do, and the
most efficient and cost effective means of collecting
delinquent accounts is use our statutory bill to shut
their water off. I know there is a moritorium on that
procedure right now, but once that lifts, we go back to
the normal procedure.

The State Board of Accounts wants
this determination expressed in a resolution creating

1 and adopting a policy to that effect. So I wrote this
2 resolution which will answer their complaints about the
way we do business.

3 And, frankly, I think the State
4 Board of Accounts -- they are bean counters. The
5 management of the utility is up to the directors and
6 they can talk to us about accounting measures, but they
really shouldn't be dictating to us the manner in which
we operate our utility. And I don't mean to get on the
soapbox, but that's my explanation of this resolution.

7 Motion to approve Resolution SD 20-05 made by Tia
8 Cauley. Second by Loreto Gonzalez.

9 Questions/Comments: None

10 MR. RIVERA: All in favor say aye.

(All signify aye.)

11 MR. RIVERA: Motion carries.

12 Next item is the emergencies. The
13 first one is Bearing Service, for the amount of
14 \$1,446.00, emergency repair. Part needed for the WWTP.

15 MR. MARTINEZ: This is a piece of
16 machinery that broke down and we needed to get it fixed
17 right away, so we had to order the bearings. We
18 couldn't use that machine, so we declared it an
19 emergency.

20 MR. FLOWERS: Mr. Martinez, how do they
21 make a determination on the price? When they come out
22 for emergency purposes, how do they determine the price
23 for their expertise?

24 MR. MARTINEZ: Well, on that one --

25 MR. ALLEGRETTI: Commissioner, I can tell
you what the statute says about that. The statute says
that normally if it is a Public Works project, which
this may or may not be, you normally have to comply with
the public bidding statute. In the event of an
emergency, the Board must hear from staff, not only an
explanation of the nature of the emergency, because the
work gets done previous -- in between public meetings --
and then gets ratified by the Board at the next
opportunity. But the statute requires Mr. Martinez --
and he and I have discussed this very recently again --
we have discussed this several times, we are obligated
to obtain two quotes from persons -- this is an

1 emergency -- two quotes from persons known to perform
2 the nature of this kind of work and accept the lowest
3 proposal or quote from that person, authorize the work
4 performed, and then get ratification from the Board at
5 the next regular meeting.

6 MR. FLOWERS: Thank you.

7 MR. ALLEGRETTI: And Mr. Martinez, in
8 this case and in the other two tabled items, we have
9 discussed it; he has complied with those.

10 The other public bidding -- as long
11 as I'm talking about this -- in the event of the Public
12 Works project and the estimated cost is less than
13 \$50,000, we can solicit verbal quotes over the phone or
14 by e-mail from three persons, which then can be reported
15 to the Board. This is not retroactive, this is prior to
16 award. The Board is then authorized to approve award of
17 a contract estimate cost of \$50,000 or less to the
18 lowest and best quoter or bidder. And that's how the
19 small Public Works projects get done. And Mr. Martinez
20 and I have discussed this process and he's complied with
21 it. Thank you.

22 Motion to approve emergency of Bearing Service, in the
23 amount of \$1,446.00 made by Steve Flowers. Second by
24 Tia Cauley.

25 Questions/Comments: None

MR. RIVERA: All in favor say aye.
(All signify aye.)

MR. RIVERA: Motion carries.

The next one is also a purchase
order, Bearing Service, for the amount of \$3,049.00.

Motion to approve purchase order for Bearing Service, in
the amount of \$3,049.00 made by Steve Flowers. Second
by Ben Moricz.

Questions/Comments: None

MR. RIVERA: All in favor say aye.
(All signify aye.)

MR. RIVERA: Motion carries.

The next is Millwright Machine,
purchase order for the amount of \$32,979.51. Says here
the project was emergency repair, aeration gearbox. Mr.
Martinez?

1 MR. MARTINEZ: This is the gearbox that
2 we want to get rebuilt instead of buying a new one.
3 It's going to be 32,000 to be rebuilt, to get a new one
4 is 100,000.

5 MS. CAULEY: What's the guarantee?

6 MR. MARTINEZ: Last one we had rebuilt
7 lasted us 30 years on the platform. I'll get that
8 information for you.

9 Motion to approve Millwright Machine, amount of
10 \$32,979.51 made by Tia Cauley. Second by Loreto
11 Gonzalez.

12 Questions/Comments: None

13 MR. RIVERA: All in favor say aye.
14 (All signify aye.)

15 MR. RIVERA: Motion carries.

16 The next one is a change order --
17 also a purchase order from Mersino Dewatering, for the
18 amount of \$15,978.00. It says here, the scope of work,
19 agreement for the installation of a series of wells
20 needed for the wastewater clarifiers. I believe those
21 are the wells that Mr. Martinez was talking about not
22 too long ago, at the beginning of the meeting.

23 MR. MARTINEZ: This is the change order
24 that they put 25 wells in, and the last six or seven
25 they had a lot of problems getting in because we really
don't know what is underground. They ran into some bad,
bad rocks and junk that's down there. And on their
contract it states, that anything over a certain amount
-- I don't have the figures in front of me -- it would
cost more money.

MS. CAULEY: Did they tell us what the
cost would be -- on the average -- instead of just
coming up with this price?

MR. MARTINEZ: Yes, we did have it on the
contract. We don't know what we are going to run into,
all that garbage that they put underground. It was
\$5,040.00 a day, that was for three days and the labor.

MS. CAULEY: That's kind of costly.

MR. MARTINEZ: Yes, it is. But again,

1 like I said, we -- as a District -- we don't know what
2 was underground. We are taking a chance on any company
3 that might have come. But now the wells are in, so now
4 we are using them.

5 MS. CAULEY: I'm going to go along with
6 it this time, but I don't like change orders.

7 MR. MARTINEZ: Neither do I.

8 MS. CAULEY: Before you go ahead with
9 that work, you come to the Board first or I'm not going
10 to approve any more change orders. Somebody is going to
11 be stuck with the bill or they are going to be haggling
12 with the Mayor. I don't like change orders. Okay?

13 MR. MARTINEZ: Yes, ma'am. Thank you.

14 Motion to approve Change Order from Mersino Dewatering,
15 amount of \$15,978.00, made by Tia Cauley. Second by
16 Loreto Gonzalez.

17 Questions/Comments: None

18 MR. RIVERA: All in favor say aye.
19 (All signify aye.)

20 MR. RIVERA: Motion carries.

21 MR. ALLEGRETTI: Let me say, Commissioner
22 Cauley, no contractor in his right mind would proceed to
23 do additional work without getting change order approval
24 prior to doing that work. Change orders are a
25 modification of the original construction contract that
the contractor signed with the City. And in the future
we will always bring these to the Board of Sanitary
Commissioners prior to authorizing any work.

MS. CAULEY: Thank you.

MR. ALLEGRETTI: And I'm apologizing on
behalf of the staff.

MS. CAULEY: If nothing else, at least
let the president know; that way it's a change order,
but he's aware.

MR. MARTINEZ: I'll do that from now on.

MS. CAULEY: Thank you.

1 MR. MARTINEZ: I hope not to have any
2 more.

3 MS. CAULEY: I hope not either.

4 MR. RIVERA: Next item is Unfinished
5 Business. We have the past due invoice. The first one
6 is the matter that we tabled last meeting, Security
7 Door, Inc. There was also a letter or memo from the
8 company -- which I hope you all read -- explaining in
9 more detail what was done.

10 MR. ALLEGRETTI: As indicated earlier,
11 Mr. Martinez understands the statutory requirements for
12 emergency work. And emergency, you know, he understands
13 that it has to be a real emergency and the basis for the
14 emergency has to be explained and contained in the
15 minutes of the Board meeting, ratifying the emergency
16 work, which I think he did at the last meeting; and, of
17 course, is prepared to do that now.

18 He and I have discussed this. It is
19 my recommendation and statement that he has complied
20 with the statutory obligation and requirements.

21 Motion to approve past due invoice for Security Door,
22 Inc., made by Tia Cauley. Second by Steve Flowers.

23 Questions/Comments: None

24 MR. RIVERA: All in favor say aye.
25 (All signify aye.)

MR. RIVERA: Motion carries.

The next one is past due invoice for
Bingham Greenebaum Doll. The amount is \$5,703.30. It
states here the delinquency reason, the payments are
delinquent because the Law Department was not asked to
process the invoices until April 23, 2020, the date in
which they were received by the Law Department.

Motion to approve past due invoice for Bingham
Greenebaum Doll, made by Tia Cauley. Second by Loreto
Gonzalez.

Questions/Comments: None

MR. RIVERA: All in favor say aye.
(All signify aye.)

MR. RIVERA: Motion carries.

Next item is Public Comment.

1 (None)

2 Next meeting date, June 4, 2020 --

3 MS. CAULEY: Before you close the
4 meeting, I have a question. What happened to the one
5 thing that we tabled with there being a couple
6 hundred-dollar difference and they were saying it was
7 really close?

8 MR. RIVERA: Mr. Martinez has the floor.

9 MR. MARTINEZ: It was tabled because Mr.
10 Flowers had a question for Mr. Allegretti -- he wasn't
11 here at the last meeting. I had the two quotes and they
12 were very close. The reason I picked SDI was because
13 they do work for us already.

14 Mr. Flowers, I don't know if you
15 still have that question for Attorney Allegretti?

16 MS. CAULEY: The thing is, even with that
17 being said, that should have been an RSQ, not an RSP, if
18 it was the lowest price. I mean why bid if you going to
19 go and pick whatever one you want, it should be the
20 lowest price.

21 MR. MARTINEZ: I did. I got two quotes
22 and I went with the lowest price.

23 MS. CAULEY: So the one guy who never
24 worked with us ended up with it?

25 MR. MARTINEZ: The company that does do
work for the City.

MS. CAULEY: Not if he was close, because
he was more and we tabled it.

MR. MARTINEZ: He was 5,932, and the
other one was -- 5,077.

MR. ALLEGRETTI: The recommendation is --

MR. FLOWERS: To the lowest quoter or
bidder.

MR. HERRERA: Miss Cauley, the one that
John is talking about right now, that was passed at the
last meeting. I'm reading it in the minutes. The one
that Mr. Rivera was referring to was passed as an

1 emergency, that Mr. Allegretti elaborated on. That was
2 the one that was tabled that the Board just passed a few
3 minutes ago.

4 MS. CAULEY: The one we had questions
5 about?

6 MR. HERRERA: Correct. I'm looking at
7 the minutes right now and those minutes reflect the
8 amount of the Board item for the same vendor that we
9 just passed a couple minutes ago. I know there was some
10 confusion on that.

11 MS. CAULEY: Well, that won't happen
12 again. If you are doing an RSP and don't tell me it's
13 an RSP, it's not like I don't know what I'm talking
14 about. I deal with them all the time at the Housing
15 Authority. RSP is one thing and RSQ is another. If
16 it's the lowest bid, I don't care if we've worked with
17 him or not. Then you should be -- RSQ is for the
18 qualification. RSP is for the price. Right, Joe
19 Allegretti?

20 MR. ALLEGRETTI: Yes, Commissioner.

21 MS. CAULEY: So I don't care if we did
22 work with these other vendors. Make sure you put it
23 under the right thing so we'll know which one. I mean
24 if it's the lowest bidder, you are taking a chance
25 anyway. If you are going to do it another way, then do
it RSQ.

MR. MARTINEZ: Okay. Thank you.

MS. CAULEY: That's it, Mr. President.

MR. RIVERA: Okay. Thank you.

The next meeting date is June 4,
2020, 4:30 p.m., at the East Chicago City Hall Council
Chambers.

I need a motion for adjournment.
Motion to adjourn meeting made by Tia Cauley. Second by
Loreto Gonzalez.

MR. RIVERA: All in favor say aye.

(All signify aye.)

MR. RIVERA: Motion carries.

***** Meeting adjourned *****

Approval of the Regular Meeting Minutes
Thursday, May 21, 2020

Approved and signed _____



Miguel Rivera, President

/s/ Loreto Gonzalez

Loreto Gonzalez, ~~Vice-president~~

/s/ Tia Cauley

Tia Cauley

/s/ ~~Steve~~ Alojzy Moricz

Alojzy (Ben) Moricz Vice-president

/s/ Steve Flowers

Steve Flowers



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 26th day of May, 2020.

Peggy S. LaLonde



Peggy S. LaLonde, CSR, RPR