

**TOWN OF CEDAR LAKE, LAKE COUNTY, INDIANA
MINUTES OF THE UTILITY BOARD**

September 21, 2021

**Public Meeting Advertised for 6:30 PM
Conducted at the Cedar Lake Town Hall
Pledge of Allegiance & Moment of Silence**



Roll Call:

Present	Robert H. Carnahan Board Member	Ward 1	Absent	Colleen Schieben Board Member	Ward 6
Present	John Foreman Board Member	Ward 2	Absent	Richard Sharpe Board President	Ward 7
Present	Julie Rivera Board Member	Ward 3	Present	Jennifer N. Sandberg, IAMC Clerk-Treasurer	
Present	Ralph Miller Board Vice President	Ward 4	Present	Rick Eberly Town Manager	
Present	Randell Niemeyer Board Member	Ward 5	Present	David Austgen Town Attorney	

NEW BUSINESS

1. Approval of Minutes – August 17, 2021

A motion to accept and waive the reading of the minutes was made by Julie Rivera with second by Randell Niemeyer. Roll call vote: Carnahan – Yes, Foreman – Yes, Rivera – Yes, Niemeyer – Yes, Miller – Yes. Vote: 6 - 0.

2. East Side Sanitary Sewer Interceptor and Manhole Rehabilitation Proposals Award

Mr. Simstad stated this follows the work they started approximately a year and a half ago. A report given in November 2020 identified various areas within the east side interceptor that needed repairs. This includes the discharge of Lift Station #2 and the gravity interceptor to Lift Station #3. This covers the entirety of the east side of Town. They analyzed the video tapes provided by Public Works and came up with a recommended list of repairs and rehabilitation of not only the sanitary sewer but the manholes in that area. They solicited requests for proposals from three contractors and had two respondents. Contract #1 is the lining project and they have a recommendation to award to Insituform LLC in the amount of \$534,927.70. He recommended they remove item 13 which is the pressure grouting in the amount of \$74,000. In speaking with the contractor, it is not a product they specialize in. They would be well advised to remove that and solicit that particular work from another contractor. They are looking for a recommendation to award in an amount not to exceed \$534,927.70. Mr. Foreman clarified that Line 13 is still included in the \$534,927.70. Mr. Simstad clarified that Insituform has no problem removing that from their submitted bid. Mr. Foreman stated he's asking for the not to exceed amount so they can go after the proper contractor for the pressure grouting work. Mr. Simstad concurred. Mr. Niemeyer stated this is a lot of money and asked if it followed the bid process or just a request. Mr. Simstad stated it was a request for proposals. This is a specialized product and method that was discussed at previous utility board meetings. The initial estimate was in the range of \$600,000. Mr. Niemeyer asked if it had to follow any state specifications as it relates to bidding. Mr. Simstad stated this was reviewed with staff. Mr. Niemeyer stated it seems like they are changing the project specifications tonight when they were requesting proposals based on item 13 being in there. Mr. Simstad stated they are removing a small portion of the product as a whole. There are areas that are highly applicable to the sanitary sewer lining project that work for what Insituform does and they would sub-contract out the other work. He discussed

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analysis of similar work done in other communities. The number was significantly out of what they planned as a cost per installation. That's why they recommend getting it removed and modified. Mr. Niemeyer discussed being taken aback by the lack of transparency of the process. Mr. Simstad stated they discussed this at a previous meeting and in conversation with Dave. The lining of the sewers is specialized. This is a specialized product with few contractors doing the work. The RFP process was discussed and recommended. Mr. Niemeyer stated the RFP process included item 13 and that could've affected a proposal from someone else. Mr. Niemeyer discussed accountability and being fair to all bidders. Mr. Foreman asked how many people got the package. Mr. Simstad stated three but only two responded. Mr. Niemeyer voiced concerns with the process. He remembers discussing it but he has a problem with changing it the night of awarding. It seems unfair to the ratepayers and unfair to other possible proposals. Mr. Simstad stated removing it is in the benefit of the ratepayers. Mr. Niemeyer asked why wasn't it removed if they didn't need it. Mr. Simstad stated it is needed. Mr. Niemeyer asked why they are removing it. Mr. Carnahan stated because the company doesn't do it. Mr. Foreman added if they keep it in, the company will find someone to get it done. But there's the potential to save on the work if they pull it out. Mr. Simstad stated yes, the contractor would get it done but if they take it out it would probably be half the price. A lengthy discussion continued on oversight and accountability of item 13 of the contract.

Mr. Foreman asked how much higher was the next bidder. Mr. Simstad stated they only received two proposals but one was for the sewer and the other was for the manhole rehabilitation. Mr. Niemeyer asked if they would get proposals or bids for the sanitary sewer interceptor project. Mr. Simstad stated that would follow the bid process. Mr. Foreman asked Mr. Eberly for his opinion on the matter. Mr. Eberly agreed Insituform has a strong reputation in their field. He likes Neil's suggestion that they would get a better price on item 13 if they have a sub-contractor give a price for it. Insituform simply doesn't do that type of work. He stated it makes sense to pull that out and expect to have somewhere around \$30,000 less to pay. A brief discussion continued on the contact price and potential savings.

Mr. Simstad discussed the contract and items to be completed. Mr. Niemeyer discussed breaches occurring on the east side and asked if analysis has been done. He asked if they know where the problems are and if they are fixing it. Mr. Simstad stated absolutely on the interceptor. For the area's tributary to the interceptor, that is being worked on. Mr. Niemeyer asked how they know about the interceptor. Mr. Simstad stated they were given videos from public works and they were incredibly comprehensive. They analyzed from manhole to manhole. A brief discussion continued.

Mr. Niemeyer asked if they had any estimate on how this would benefit the east side capacity. Mr. Simstad stated yes. Ultimately, this is approximately 3,000 linear feet of rehabilitation. He doesn't have the gallons per minute with him but they have analyzed that in his office. Not only in terms of the main sanitary sewer interceptor but for the manholes and leaks in there. Those repairs are being recommended as part of contract two. Mr. Niemeyer asked Mr. Simstad for those numbers. Mr. Simstad stated anything you can take out in terms of I&I will give you de facto capacity within your collection. Mr. Foreman asked about the timeline. Mr. Simstad stated it is a one-year contract. He believes they can be operating within 60 days. A brief discussion continued.

A motion to approve the recommendation for Contract #1 in an amount not to exceed \$534,927.70 with the anticipation of having line item 13 removed and submitted independently was made by John Foreman. A second was made by Julie Rivera. Roll call

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vote: Carnahan – Yes, Foreman – Yes, Rivera – Yes, Niemeyer – No, Miller – Yes. Vote: 5 - 1.

A motion to approve Contract #2, manhole rehabilitation, in the amount of \$19,582.75 was made by Julie Rivera. It was asked who the contractor was. Mr. Simstad stated Spectra Tech is the contractor. Mr. Foreman asked about the contractor. Mr. Simstad stated they have done work for the Town in the past. Mr. Kubiak concurred. They have done some manholes in the past and did a good job. John Foreman made a second to the motion. Roll call vote: Carnahan – Yes, Foreman – Yes, Rivera – Yes, Niemeyer – No, Miller – Yes. Vote: 5 - 1.

3. Discussion: Potential Adjustment to the Lake Dalecarlia Regional Waste District's Capital Billing Costs

Mr. Eberly stated Sue Haase is on via Zoom to support this discussion. They have discussed it multiple times. They are not proposing an increase in the administrative fee of \$0.50 per month that is charged. They are also not proposing a change to the \$3.00 per month in past capital costs. Those two numbers are multiplied by the current number of users. That current number is 524. They are recommending that they bring the other two charges to current. Those charges are for operation and maintenance and capital costs. For whatever reason those numbers have been frozen at 2015 levels. They charge Lake Dale based on their percentage of flows that go through the flume. That is roughly 4%. They need to bring the charges up to current rates. It won't make a huge difference but it still be by today's rates. The flow rate could vary month to month. They recommend they go with the more accurate numbers. There is a true-up the Town is billed from Lowell annually. They need to charge Lake Dale for the true-up as well. Last year's true-up was approximately \$77,000. They need to apply Lake Dale's average monthly flow rate to that amount and bill them accordingly. Using the 4%, that would be roughly \$3,000. Lowell bills the Town \$60,000 in estimated charges each month. Annually the true-up occurs. They want to make sure they are transparent with the Lake Dale folks. He suggested he and Sue inform them of what they decide to do with the rates. Sue Haase stated the agreement states the O&M costs should be based on the O&M bill received from Lowell on a monthly basis. It has been frozen since 2015 at \$47,000. The current amount billed is \$60,000. On the O&M portion of it, there is a minimum charge of \$2,700. They also get an invoice on the capital portion. That is currently at \$57,007. Currently, Lowell bills \$43,040. They need to update that to be specific. She agrees with Rick that on the true-up, both of those costs are based on Lake Dale's flow, and they need to be charged correctly. A brief discussion continued on transparency with Lake Dale on any action item.

4. Discussion: Lakeview Business Park Water Recapture Agreement

Mr. Eberly stated this was discussed last month. Neil has reviewed the numbers and is comfortable with the numbers proposed by the engineer. The question is whether the benefitted area was properly defined. Mr. Simstad stated the area seems reasonable. The construction costs are in line with what they have seen. They have other items on there he will let Dave comment on. Mr. Carnahan asked about the units estimated. Mr. Simstad stated that is what they are estimating in terms of the served area versus the development. Mr. Eberly stated they are anticipating 2 lots per acre. A brief discussion continued on the benefitted area. Mr. Carnahan asked about item 8, section c. Mr. Austgen stated the Town is immune from liability to the collection process and will not be liable for fees and costs. Mr. Carnahan asked about item 10 and the 15-year projection. Mr. Austgen stated that is state law. A lengthy discussion continued on recapture agreement review and policy creation.

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5. Written Report

- a. Fund Report - Clerk-Treasurer Sandberg stated the cash and expenditure reports were previously sent out. She has nothing new at this time.

6. Consultant(s) & Staff Report(s)

- a. Engineer – NIES – Neil Simstad
 - i. West Side Sanitary Interceptor Update - Project 1 is completed. Permitted through IDEM and the updated CSX permit is in effect. Awaiting acquisition.
 - ii. West Side Sanitary Interceptor Phase 2 Update – Design is on schedule.
 - iii. East Side Sanitary Sewer Inspection Update – This item was discussed earlier.
 - iv. SSES Update – They have additional videos they have requested from Public Works. They are working on that. Part of that is the west side capacity analysis. They have begun to review that with the flygt data. They should have an update at the October meeting on capacity for certain developments.
 - v. Utopia Subdivision Water Main Replacement Design Engineering Update – This is on task and on schedule. Looking to bid consistent with the submittal to the Indiana Financial Authority State Revolving Fund loan program.

Mr. Niemeyer stated the SSES was something they had a couple years ago asked to be done. Mr. Niemeyer voiced his dissatisfaction with the lack of progress. He doesn't want to see direction of the board ignored by staff or consultants. Mr. Simstad stated the initial videotaping that was done was by a contract corporation. They provided the videos and they were unsatisfactory. Subsequent to that, staff began to do the analysis work of the entire west side interceptor. This area is essentially from Lift Station #1 all the way up to US 41, along Lauerman and north to 137th and out to US 41. North from there to the discharge of Lift Station #8. It's an incredibly large area and staff has been doing a fine job. Mr. Niemeyer stated this wasn't just two years of missed opportunities. This process started with the annexation project in 2014. Mr. Niemeyer continued to voice his disappointment with the lack of progress. Mr. Carnahan added they have authorized contractors to be used for various projects. Mr. Niemeyer stated they have always been supported of moving the process forward.

- b. Director of Operations/Superintendent
 - i. Operation & Maintenance Report - Mr. Kubiak stated he feels they have been working on what they have asked for. They haven't done the sump pump inspections with everything else going on. He feels they have been working hard on getting things taken care of the best they can. Mr. Niemeyer stated they have always supported requests for contractors as they are brought to them. Mr. Kubiak stated they contracted for the videotaping of the line and it wasn't good quality. That's why they got their own camera truck and began the work themselves. He feels the proposals they are getting now will be money spent in the right place. The Lighthouse well has been giving them trouble over the last month. They are working on new drives and rehab of the pumphouse. The sump

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pump evaluations are beginning. The building secretary will be working on a list with Jen and will start scheduling. They have some target areas to start on. Mr. Foreman asked what will come from the inspections. He asked if they will penalize those connected. Mr. Kubiak stated they are working on penalties but the idea is to give 30 days to get them in compliance. The intent for now is to give people a chance to correct it. Mr. Foreman stated he would like an exhibit to share with homeowners to give them direction on how to do it the right way. A lengthy discussion continued on the plan for sump pump inspections.

Mr. Kubiak added they are looking into options for the crane truck. The last inspection pointed out that it is near the end and repairs are costly. They will be coming back to them with the best plan.

- c. Town Attorney - Mr. Austgen stated the water rate petition before the IURC is on file. The evidence is being compiled. There is a briefing tomorrow with the consultants. He received from Neil the updated easements needed for the west side sewer interceptor. Everything is done with Phase 1. Acquisition of Phase 2 now begins. Mr. Niemeyer asked that with Phase 1 acquired they can move forward with the project. Mr. Simstad stated yes. He will update the IDEM permit and move forward with a bidding schedule at the next meeting.

7. JMOB Report – Mr. Eberly stated they are still trying to schedule a meeting.

PUBLIC COMMENT

ADJOURNMENT Mr. Miller adjourned the meeting at approximately 7:15 PM.

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Richard Sharpe, President

Ralph Miller, Vice President

Robert H. Carnahan

John Foreman

Julie Rivera

Randy Niemeyer

ATTEST:

Colleen Schieben

Jennifer N. Sandberg, IAMC
Clerk-Treasurer

The Minutes of the Cedar Lake Utility Board are transcribed pursuant to IC 5-14-1.5-4(b), which states:

- (b) As the meeting progresses, the following *memoranda* shall be kept:
- (1) The date, time and place of the meeting.
 - (2) The members of the governing body recorded as either present or absent.
 - (3) The general substance of all matters proposed, discussed, or decided.
 - (4) A record of all votes taken, by individual members if there is a roll call.