

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

January 17, 2023

**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	Present	John Foreman Board Member	At Large
Present	Julie Rivera Board Member	Ward 2	Present	Richard Sharpe Board President	At Large
Present	Nick Recupito Board President	Ward 3	Present	Jennifer N. Sandberg, IAMC, CMC, CPFIM Clerk-Treasurer	
Present	Ralph Miller Board Member	Ward 4	Present	Chris Salatas Town Manager	
Present	Colleen Schieben Board Member	Ward 5	Present	David Austgen Town Attorney	

ELECTION OF OFFICERS

1. Utility Board President

Julie Rivera nominated Nick Recupito. Second was made by Colleen Schieben. No other nominations were made. Roll Call: Carnahan – Yes, Rivera – Yes, Miller – Yes, Schieben – Yes, Foreman – Yes, Sharpe – Yes, Recupito – Yes. Vote 7 - 0.

2. Utility Board Vice-President

Julie Rivera nominated Richard Sharpe. Second was made by John Foreman. No other nominations were made. Roll Call: Carnahan – Yes, Rivera – Yes, Miller – Yes, Schieben – Yes, Foreman – Yes, Sharpe – Yes, Recupito – Yes. Vote 7 - 0.

NEW BUSINESS

1. Approval of Minutes – December 6, 2022

A motion to accept and waive the reading of the minutes was made by Ralph Miller with second by Colleen Schieben. Roll Call: Carnahan – Yes, Rivera – Yes, Miller – Yes, Schieben – Yes, Foreman – Yes, Sharpe – Yes, Recupito – Yes. Vote 7 - 0.

2. Engineering Services Consultant Appointment - NIES Engineering

Town Manager Salatas noted the rate sheet is on page 3 for their reference. A motion to approve was made by Ralph Miller with second by Richard Sharpe. Roll Call: Carnahan – Yes, Rivera – Yes, Miller – Yes, Schieben – Yes, Foreman – Yes, Sharpe – Yes, Recupito – Yes. Vote 7 - 0.

3. NIES Pay Request No. 1 for the East Side Water Utility Elevated Storage Tank payable to AES in the amount of \$3,856.50

Neil Simstad reported this is for AES who is doing the soil and concrete testing for the tank. Pay Request No. 1 is in the amount of \$3,856.50.

A motion to approve was made by Colleen Schieben with second by Richard Sharpe. Roll Call: Carnahan – Yes, Rivera – Yes, Miller – Yes, Schieben – Yes, Foreman – Yes, Sharpe – Yes, Recupito – Yes. Vote 7 - 0.

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4. NIES Pay Request No. 2 for the East Side Water Utility Elevated Storage Tank payable to Caldwell Tanks in the amount of \$480,788.10

Mr. Simstad reported this is for the site work done by Caldwell Tanks including the steel production, which was reviewed by Dixon Engineering. Pay Request No. 2 is in the amount of \$480,788.10. Mr. Carnahan asked if the capacity of the tank was 250,000 gallons. Mr. Simstad stated that is correct. Mr. Carnahan asked about the height of the tank. Mr. Simstad estimated around 117 feet. He stated he would get the exact number to Mr. Carnahan tomorrow. He stated it is a shorter tank than what you normally see but that is because of the elevation of the site. Mr. Carnahan stated he's had people ask if it is comparable to the west side. Mr. Simstad stated it will be shorter than the tank on the west side. That is due to the elevation. A brief discussion continued on the tank.

A motion to approve was made by Colleen Schieben with second by Julie Rivera. Roll Call: Carnahan – Yes, Rivera – Yes, Miller – Yes, Schieben – Yes, Foreman – Yes, Sharpe – Yes, Recupito – Yes. Vote 7 - 0.

5. NIES Pay Request No. 3 for the East Side Water Utility Elevated Storage Tank payable to Caldwell Tanks in the amount of \$215,154

Mr. Simstad reported there are two pay requests for Caldwell Tanks is due to the earlier December meeting for the Utility Board as opposed to the third Tuesday. Pay Request No. 3 is in the amount of \$215,154. This is for 80% of the foundation installation. 20% retainage is being held for items that need to be completed prior to the initial installation of the steel. Mr. Carnahan asked about the cost. Mr. Simstad stated the project cost is \$1.863 million. There is a negative change order coming back. The fencing will be removed in lieu of some of the staff coordinating with a fence contractor. That way fencing will be consistent with other locations. It will be secure but more decorative. Mr. Carnahan asked about trees being put around it. Mr. Simstad stated that will be a separate project from this one.

A motion to approve was made by Julie Rivera with second by Colleen Schieben. Roll Call: Carnahan – Yes, Rivera – Yes, Miller – Yes, Schieben – Yes, Foreman – Yes, Sharpe – Yes, Recupito – Yes. Vote 7 - 0.

6. NIES Pay Request No. 3 for the Utopia Water Main Project payable to Gatlin Plumbing & Heating in the amount of \$458,280

Mr. Simstad stated this is the routine monthly pay request for Gatlin Plumbing for the Utopia Water Main Replacement Project in the amount of \$458,280.

A motion to approve was made by Richard Sharpe with second by Colleen Schieben. Roll Call: Carnahan – Yes, Rivera – Yes, Miller – Yes, Schieben – Yes, Foreman – Yes, Sharpe – Yes, Recupito – Yes. Vote 7 - 0.

7. Consider repealing Stormwater Credit

Mr. Salatas stated this is to consider the repeal of the automatic 20% credit that was given years ago when the Stormwater rate was increased. The credit has been for non-residential accounts that received a higher than expected bill. They were allotted time to increase the stormwater infrastructure on their site, provide as-builts and other required documents, in order to give a structured 20% non-residential credit. Sue Haase, Utility Accounting Specialist, reported this is a movement for revenue generating. They are asking the Utility Board to consider the removal of this now or sometime in the future. In discussions with the engineer that developed the stormwater equivalent residential unit (ERU) and rate structure, there was a lengthy discussion on the ERU. One ERU is one

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ERU, whether it be a commercial ERU or residential ERU. She stated they would like to make the rates to where they are equitable for all and move forward with further review on a system development charge to generate more revenue. Growth paying for growth like in the other utilities. She stated she is in the process of completing the storm water rate sufficiency analysis based on the 2022 test year. The repeal of the 20% credit is estimated to give \$60,000 a year in revenue. Mr. Foreman asked if the price is the same for a business and a resident. Ms. Haase stated it depends on the ERU's attributed. Christopher B. Burke Engineering did a calculation in 2007 of the ERU's. They update those calculations as changes are made to commercial properties. She stated when the rates doubled, they were taken aback by it. Part of the compromise was, there were customers that could have used the credit mechanism already in place to lower their attributable ERU's, but they hadn't moved forward with it. That's why the Town gave the 20% credit. It gave everyone the additional time to come in and have the engineer review. The schools put in retention ponds and some commercial developments put in in-ground storage with timed release. They put in the infrastructure that the Town doesn't have to so they have the opportunity to get the credit. A lot of the bigger commercial developments have come in and received their reductions. They don't receive a 20% credit; they have a lower number of ERU's because it is considered to be a permanent reduction. Mr. Foreman asked about a list of businesses to come up with the number mentioned. He stated he wants to see how it is spread out. Ms. Haase stated the intention is the sufficiency analysis that is done, will have a listing for them. This way they are aware of what the impact will be. Mr. Carnahan stated when they went from \$5.00 to \$10.00 on the residential, they doubled it for businesses too. Ms. Haase stated that was correct, initially. Then they received the 20% reduction, which gave them the time to utilize the reduction mechanism. Mr. Recupito stated there are two ways of getting a credit. One way is the automatic credit and the other is the enhanced credit. The enhanced credit is when infrastructure is put in to mitigate storm water flow. Ms. Haase stated that is correct. Mr. Recupito asked if this would only effect those with the 20% credit. Ms. Haase stated that is correct. Mr. Austgen stated this is on the agenda to further discuss the circumstance that was discovered in the course of preparing a budget for the storm water. The revenue stream was identified and the need for revenue related to the capital improvements that are prioritized and required. This is for review. No action is needed tonight. They are working internally on what this all means and will provide a recommendation in the future. Mr. Salatas added they have solicited a quote from engineering on what it would cost to do a study to create a system development charge for the storm water utility. That is not in hand yet. He explained a system development charge is what new customers into the utility would pay. This doesn't affect existing customers. It is similar to the water and sanitary sewer. It would go towards capital infrastructure that is required or necessary to service the new customers. Mr. Carnahan asked who determines the amount. Mr. Salatas stated it would be done through an engineering study. The work and calculation would determine the appropriate system development charge. It is very similar to what was done with the water system development charge through the IURC rate case.

8. Future Water Capacity Needs Planning Discussion

Mr. Salatas reported they are undergoing several projects. The largest one is the well exploration. They are currently working with Sheehy Well and Peerless Midwest to locate future well sites to drill. He doesn't have a date yet for when the well site at the Railside Development will take place. They are hoping it will take place shortly so they can get water quality information and potential capacity of that site. Mr. Foreman asked about the pipes at the Lighthouse well. Mr. Salatas stated those are pipes being stocked for the East Side Transmission Main Project.

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9. Written Report

- a. Fund Report - Clerk Treasurer Sandberg stated she emailed the fund and expenditure reports as of today. She stated they are working on the budgets for the utilities. She plans to have an update at their next meeting.

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

- a. Engineer - NIES
 - i. Sanitary Update - Mr. Simstad reported the sanitary upgrades are proceeding. Construction has begun on the west side sanitary sewer interceptor project 1. They anticipate being done this summer. They will move forward with the planning on projects two and three. Mr. Foreman asked where they are beginning. Mr. Simstad stated just north of the flume on Morse.
 - ii. Water update – The projects are proceeding on schedule. The stockpile at the Lighthouse facility is for the East Side Transmission Main. That is to extend east on 141st to the corporate limits of Town. The elevated tank project and Utopia are proceeding as well. A brief discussion continued on the transmission main.
- b. Director of Operations/Superintendent
 - iii. Operation & Maintenance Report – Mr. Kubiak discussed the fence at the new tower. He discussed having it be in line with the look of the other properties. Wrought iron across the front and chain link on the other sides. They haven't determined landscaping yet. Utopia is coming along. Main lines should be in by the next week. Taps will follow. This will be the bumpy part of the project as they will be digging to get homes connected to the new line. Discussion continued on the project.
- c. Town Attorney – No report.

11. JMOB Report – No report.

PUBLIC COMMENT

Diane Jostes, Chamber of Commerce, she stated she is here tonight due to the storm water credit. She voiced concerns for the smaller businesses that cannot do anything to change their storm water. She asked them to consider the smaller businesses that can't make changes. Mr. Recupito stated they will be doing their homework first. A brief discussion continued.

ADJOURNMENT President Sharpe adjourned the meeting at approximately 7:11 PM.

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Nick Recupito, President

Richard Sharpe, Vice-President

Robert H. Carnahan, Member

John Foreman, Member

Julie Rivera, Member

Ralph Miller, Member

ATTEST:

Colleen Schieben, Member

Jennifer N. Sandberg, IAMC, CMC, CPFIM
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.