

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



November 21, 2023

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

**Roll Call:**

Absent	Robert H. Carnahan Board Member	Ward 1	Present	John Foreman Board Member	At Large
Present	Julie Rivera Board Member	Ward 2	Absent	Richard Sharpe Board Vice-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	
Absent	Colleen Schieben Board Member	Ward 5	Present	David Austgen Town Attorney	

**NEW BUSINESS**

**1. Approval of Minutes – October 17, 2023**

A motion to accept and waive the reading of the minutes was made by John Foreman with second by Ralph Miller. Roll Call: Rivera – Yes, Miller – Yes, Foreman – Yes, Recupito – Yes. Vote 4 – 0.

**2. Consider Peerless Midwest’s Well Test Drilling Geolocation Services Proposal, former Howkinson Farm**

**3. Consider Sheehy Well & Pump Co.'s Well Test Drilling Proposal, former Howkinson Farm**

A motion to defer both Item 2 and Item 3 until January 2024 was made by Julie Rivera with second by Ralph Miller. Roll Call: Rivera – Yes, Miller – Yes, Foreman – Yes, Recupito – Yes. Vote 4 – 0.

**4. 2024 Utility Budget**

Sue Haase, Utility Account Specialist, presented the proposed 2024 Utility Budgets. She stated she has included water, sewer, and storm water. She stated she gave comparable information from the 2023 budget and adjustments to the 2023 budget for 2024. She stated they are high altitude and show historical and proposed. The backup detail by expense number was included in their packets. She stated the proposed budget for water is less in operating than it was in 2023 by less than \$8,000. She stated she talked with Mr. Recupito about possibly having to adjust the purchase power. In talking with the engineer, it is minimal. She is not sure if the \$100,000 stated would need to be adjusted, not greatly, if any. She stated she would review the costs at the Parrish tank. She reported she has shown a rough estimate of revenues. She was conservative in normalizing the 2023 revenues. For each of the utilities, they only calculated 75 new customers or new charges. That is based on a 4,000-gallon residential. She stated when looking at the tap fees, it goes down. That is because of the 75 new customer assumption. She discussed the debt payments for 2024. Maximum debt service will be \$416,923.30. She noted debt service coverage exceeds the required coverage on maximum annual debt service. The Town has a 1.61x and are only required to have 1.25x. She estimates a net cash flow of \$238,911 available. Transfers have been made this year from the water utility to the capital improvement fund. That shows savings have been made in the actual budget. At the end of October, only 70% of the 2023 budget had been used. Mr. Recupito stated

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there is a use for the capital money. Ms. Haase stated absolutely. She added this does not take into consideration the current balances. It only looks at a snapshot of the twelve-month period and what they are going to do. It is positive that it is projected to end with funds available. Within the sewer utility, the projection shows revenues of just over \$4.654. Operating expenses are projected at \$3.45 million. She explained when Jen sends the expenses, a line item in that is the debt transfers. That is not an operating expense but comes from the operating because the Town is required to fund the debt on a monthly basis. When looking at operating expenses, you do not include the debt transfers. Net operating income is estimated at \$1.3 million. Maximum annual debt service is \$463,500 with debt coverage at 2.8x. She discussed the minimum operating balance of three months average expenditures. That means a balance of \$862,500.57 has to be carried in sewer. The current cash balance is \$1.3 million, before payments approved today. Subtracting the minimum, this shows roughly \$442,000 to transfer at year end. That calculation will not be done until December books are closed. That transfer will go to the capital improvement fund, WWTP Special Fund #633. A brief discussion continued on capital transfers and minimum balances. She reported they are expecting storm water to have \$1.328 million in revenues in 2024. She brought their attention that they are budgeting \$40,000 annually for ditch maintenance. Given this, they will track and see to make sure it is a usable number. She stated the estimated operating income is \$704,000. There are two bonds with a coverage of 2.22x and a maximum annual debt service payment of \$317,600. The actual coverage on the 2024 debt payments is 2.46x. Mr. Recupito asked about the 1.25. Ms. Haase reported 1.25 is the minimum. She stated the estimated cash flow is a little under \$400,000. She told them to keep in mind that comes over the year and they will make strides in the cash balances of the improvement fund. She briefly discussed the strides they are making overall with the budgeting process for utilities. Mr. Foreman stated the way they are approaching the utilities conservatively is very intelligent and appreciated so they do not get strapped. Ms. Haase told them to keep in mind that excess cash at the end of the year will go into the capital funds. Mr. Recupito asked about the drop in revenue in the wastewater proposal. Ms. Haase stated a change will be needed as there is a subtraction instead of an addition. Mr. Recupito asked about the project of 75 new customers. He said historically, where do they get that number from and what analysis is done. Ms. Haase stated it was through work the budget group did. They have seen a downturn. Mr. Salatras reported the number they used last year for the 2023 budget was 200 building permits. That was conservative compared to historic numbers. The 75 number is a significantly lower amount. For this year, they are currently at 134 new building permits. The 75 is based off the number of platted subdivisions. Not what they expect to be newly approved. Mr. Recupito asked what their next steps are. Ms. Sandberg requested a motion to accept, if they are okay with the proposed budgets. Those numbers will be input to the system and used for 2024. Mr. Recupito asked for clarification on the utility budgets and them not being a requirement. Ms. Sandberg stated they are not required to budget the utilities. There is no requirement but they chose to start doing it to keep better tabs on everything they are doing. A brief conversation continued on the next steps.

A motion to approve the 2024 budgets with the corrections noted was made by Julie Rivera with second by John Foreman. Roll Call: Rivera – Yes, Miller – Yes, Foreman – Yes, Recupito – Yes. Vote 4 – 0.

*A copy of the utility budgets can be found on the Town's website at <https://cedarlakein.org/town-budget-and-finances/>.*

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**5. Ratification of funding sources for the Morse Street Water Main Project**

Ms. Sandberg reported after a lot of internal discussion as well as the most recent State Board of Accounts examination, in order to better document larger projects, she asked Sue to help her review projected costs and totals for each fund that will be utilized. The bid was already completed for the Morse Street Water Main Extension and she wanted to have it on the record the planned use of funds. Fund 644 is the Water Development Fund and it is anticipated to use \$686,690. Fund 804 is the TIF Fund and it is anticipated to use \$276,057.75.

A motion to approve the ratification of funding sources for the Morse Street Water Main Project was made by John Foreman. A second was made by Julie Rivera. Roll Call: Rivera – Yes, Miller – Yes, Foreman – Yes, Recupito – Yes. Vote 4 – 0.

**6. NIES Pay Request No. 3 for the East Side Transmission payable to H&G Plumbing in the amount of \$118,439.77**

Mr. Simstad reported this is a routine pay request for the east side transmission main to H&G. They are substantially complete. Within the next sixty days, they will have the final pay request. The punch list has already been sent and accepted. They will be processing that. They expect the entirety of the project for construction to be \$50,000 under budget. They will work with staff and consultants to determine reappropriation.

A motion to approve was made by Ralph Miller with second by John Foreman. Roll Call: Rivera – Yes, Miller – Yes, Foreman – Yes, Recupito – Yes. Vote 4 – 0.

**7. Future Water Capacity Needs Planning Discussion**

Mr. Salatas stated there was no update.

**8. Written Report**

- a. Fund Report – Clerk-Treasurer Sandberg reported the cash and expenditure reports were sent out to them.

**9. Consultant(s) & Staff Report(s)**

- a. Engineer – NIES - Mr. Simstad reported for WSSSI project 1, the piping is substantially complete. CSX was able to get the inspectors out there last month. It has been three months of delays due to the railroad. LGS did a great job coordinating. They are working on final testing and punch list items. Those items will be coming before them with the next pay request. They are coordinating with Town staff and Dave's office on easements for project 2. They are almost there. Project 3 is proceeding with design. They are working with Town staff on the west side interceptor and looking at opportunities for value engineering. Connecting to intercepting in the Lynnsway area to take load off of Lift Station 11. This would provide additional capacity. On the water side, Utopia is proceeding to close out with contractors. He stated they expect it to be about \$200,000 plus under construction budget. The engineering will be under as well. The tower at Krystal Oaks has been filled. Site work is being completed. Mr. Recupito asked about having substantial completion for Utopia in December. Mr. Simstad stated he would love to have that be the case. They are working on the paperwork right now and completing the punch list items. They will prepare that with a final pay request and release retainage. The punch list items and the guaranteed period of one year. Mr. Foreman asked if they took care of the yard

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and grass problems. Mr. Simstad stated the contractor has come to an agreement with the residents to get that taken care of.

- b. Director of Operations/Superintendent
  - i. Operation & Maintenance Report – No report.
- c. Town Attorney – No report.

**10. JMOB Report** – Mr. Salatas reported Lowell cancelled the meeting due to scheduling conflicts with their representatives. They are looking to reschedule in the first quarter of next year. Mr. Recupito asked if there was movement on the Wessler Task Order 15. Mr. Salatas stated Lowell stated they will provide a written report when they get it. It will be forwarded on to the Utility Board. He believes it to be an evaluation of the plant. Mr. Recupito asked about Task Order 16. Mr. Salatas stated he would imagine it would be discussed at the next JMOB meeting but he does not have a timeline.

**PUBLIC COMMENT**

None

**ADJOURNMENT** President Recupito called the meeting to adjournment at approximately 7:25 PM.

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Robert Carnahan, Ward 1

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Julie Rivera, Ward 2

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Nick Recupito, Ward 3

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Chuck Becker, Ward 4

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Greg Parker, Ward 5

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Mary Joan Dickson, At-Large

ATTEST:

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Richard C Thiel Jr., At-Large

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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.
- (5) Any additional information required under section 3.5 or 3.6 of this chapter or any other statute that authorizes a governing body to conduct a meeting using an electronic means of communication.