



MINUTES OF THE GARY SANITARY DISTRICT BOARD OF COMMISSIONERS
 REGULAR MEETING HELD ON **AUGUST 5, 2024**

BOARD OF COMMISSIONERS MEETING

DATE: Monday, August 5, 2024
TIME: 12:00PM, cst
LOCATION: GSD, Boardroom

TYPE: Regular Meeting
NOTICE PROVIDED IN ADVANCE: YES
QUORUM: YES

BOARD MEMBERS PRESENT

William L. Allen, President
 Ola V. Morris, Vice President
 Maurice G. Mabon, Secretary/Treasurer
 Darnail Lyles, Member
 William Cook, Member

ABSENT MEMBERS

OTHERS PRESENT

Nick Snow, Attorney – *Harris Law Firm*
 Brenda Scott-Henry, Interim Exec. Director
 Jerome Foster, Finance Manager

OTHERS ABSENT

I. Call to Order: 12:08PM by Chairman Allen

Chairman Allen began the Meeting with the Pledge of Allegiance followed by Roll-Call. He then stated prior to the start of the August 5, 2024 Board Meeting, there was an Executive Session held and there was nothing discussed in Executive Session that was not indicated on the Posted Notice of the Executive Session; and to follow compliance with Indiana Statutes, there were no final votes held during the Executive Session. Chairman Allen asked if any Board member dissented to the certification. Hearing none, he proceeded with the meeting.

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1. MINUTES

Commissioner Mabon gave the motion to approve/accept the Executive Session and Regular Meeting Minutes of July 15, 2024, with any/all noted corrections. The motion for approval of the minutes was seconded by Commissioner Cook and passed without dissent.

The vote: Five (5)-Ayes / Zero (0)-No

2. NEW BUSINESS

2.1 A Motion to Approve GSD's Payroll Earnings for Period Ending: June 17, 2024 through June 30, 2024, in the amount of \$283,156.18.

Overview: Finance Manager Jerome Foster recommended approval of the GSD Payroll Earnings Report submitted as GSD Agenda Item 2.1.

Chairman Allen called for the Board's pleasure with respect to approving GSD Agenda Item 2.1. Commissioner Lyles gave the motion to approve. The motion to Approve and Ratify GSD's Payroll Earnings for Period Ending: June 17, 2024 through June 30, 2024 was seconded by Commissioner Mabon and passed/approved.

The vote: Five (5)-Ayes / Zero (0)-No

2.2 A Motion to Approve GSD's Payroll Earnings for Period Ending: July 1, 2024 through July 14, 2024, in the amount of \$349,035.40.

Overview: Finance Manager Jerome Foster recommended approval of the GSD Payroll Earnings Report submitted as GSD Agenda Item 2.2.

Chairman Allen called for the Board's pleasure with respect to approving GSD Agenda Item 2.2. Commissioner Lyles gave the motion to approve. The motion to Approve and Ratify GSD's Payroll Earnings for Period Ending: July 1, 2024 through July 14, 2024 was seconded by Commissioner Mabon and passed/approved.

The vote: Five (5)-Ayes / Zero (0)-No

2.3 A Motion to Approve an Employee Benefits Service Agreement between Gary Sanitary District and Hub International Midwest Limited dba Meyer Glaros Insurance Group.

Overview: Interim Executive Director Scott-Henry recommended approval of GSD Agenda Item 2.3.

Question: Commissioner Mabon asked if a Conflict of Interest form was required and/or signed by Meyer Glaros Insurance Group; and if the new terms of written notice of termination (if there was a need) have been revised to be 60 days advanced notice.

Response: Attorney Snow stated he would have to further review the draft contract to verify provisions for the referenced matter.

Attorney Snow confirmed the new terms of written termination to be 60 days.



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Chairman Allen called for the Board’s pleasure with respect to approving GSD Agenda Item 2.3. Commissioner Lyles gave the motion to approve. The motion to Approve an Employee Benefits Service Agreement between Gary Sanitary District and Hub International Midwest Limited dba Meyer Glaros Insurance Group was seconded by Commissioner Cook and passed/approved.

The vote: Five (5)-Ayes / Zero (0)-No

2.4 A Motion to Approve the Acceptance of a State Revolving Fund (SRF) Loan via the Indiana Finance Authority (IFA) in an amount not-to-exceed \$14,400,000.00. Funds to be used for GSD’s Combined Sewer Overflow Projects:

- 27th & Chase Street Pumping Station Force Main, Phase 3 Project, estimate amount not exceeding: \$9,629,600.00;
- 27th & Chase Street Pumping Station System Upgrades Project, estimate amount not exceeding: \$1,693,490.00;
- 27th & Chase Street Pumping Station Bar Screen Replacement Project, estimate amount not exceeding: \$1,575,815.00; and
- 15th & Clay Street Pumping Station Grit System Improvements Project, estimate amount not exceeding: \$1,335,000.00

Overview: Interim Executive Director Scott-Henry recommended approval of GSD Agenda Item 2.4. It was highly recommended by the Regulators that GSD apply for said loans. \$5 Million of the \$14.4M is considered grant which does not have to be repaid. \$9.4 Million of money will be repaid with a very low interest rate.

Eric Cender stated:

- IFA has confirmed the funding will be made available for the upcoming SRF Fiscal Year (June 2025); with an estimated interest rate of 2.12%/fixed on the amount loaned – with a repayment term of 20 years.
- GSD’s internal goal is to close on the loan by May 2025.
- IFA has also confirmed that \$5 Million will be made available as a forgivable bond anticipation note regardless of what amount GSD wants to incur; however, GSD wants to pursue the entire amount.
- Before closing on the Grant and Loan, GSD and the Common Council must approve a sewer rate increase or look to renegotiate contracts (Contract Customers) with some new rate structures in order to demonstrate sufficient revenue requirements on the amount of the loan.
 - o Other requirements are:
 - GSD Board of Commissioners Approval of a bond resolution, followed by an approval from the City of Gary Common Council;
 - Scheduling closing dates with SRF and Notice of Awards to successful bidders and the issuance of a Notice to Proceed.
 - Prior to closing the Loan Repayment Schedule will be submitted within the Financial Due Diligence Reporting to be done after the Final Designs for Each Project.



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As there is existing debt, sewer rates may need to be increased. If increasing sewer rates is not an option for GSD, an alternate source of revenue must be produced to cover the additional loans. There is an intention to perform a Cost of Service Study to review rates of the Contract Communities (as current contracts are longstanding) and possibly the rates of trash/sewer.

Chairman Allen called for the Board’s pleasure with respect to approving GSD Agenda Item 2.4. Commissioner Lyles gave the motion to approve. The motion to Approve the Acceptance of a State Revolving Fund Loan via Indiana Finance Authority for GSD’s Combined Sewer Overflow Projects was seconded by Commissioner Mabon and passed/approved.

The vote: Five (5)-Ayes / Zero (0)-No

2.5 A Motion to Approve an Award of Bid to Pyramid Equipment Inc., for the Purchase of a 2024 Mack Granite 64BR Tandem-Axle Roll-off Truck, in an amount not-to-exceed \$224,525.00.

Overview: Interim Executive Director Scott-Henry recommended approval of GSD Agenda Item 2.5.

Chairman Allen called for the Board’s pleasure with respect to approving GSD Agenda Item 2.5. Commissioner Lyles gave the motion to approve. The motion to Approve an Award of Bid to Pyramid Equipment Inc., for the Purchase of a 2024 Mack Granite 64BR Tandem-Axle Roll-Off Truck was seconded by Commissioner Cook and passed/approved.

The vote: Five (5) -Ayes / Zero (0)-No

2.6 A Motion to Approve and Ratify an Award of Bid to Xylem Water Solutions for the Emergency Repair of Pump No. 1 at the 27th & Chase Street Pumping Station, in an amount not-to-exceed \$79,497.95.

Overview: Interim Executive Director Scott-Henry recommended approval of GSD Agenda Item 2.6.

Chairman Allen called for the Board’s pleasure with respect to approving GSD Agenda Item 2.6. Commissioner Lyles gave the motion to approve. The motion to Approve and Ratify an Award of Bid to Xylem Water Solutions for the Emergency Repair of Pump No. 1 at the 27th & Chase Street Pumping Station was seconded by Commissioner Mabon and passed/approved.

The vote: Five (5)-Ayes / Zero (0)-No

2.7 A Motion to Approve an Award of Bid to Gariup Construction Co., for the Removal of Sediment and Vegetation from the GSD Outfall Structure of Alley 9 East (Maintenance as required under the National Pollutant Discharge Elimination System (NPDES) and the Combined Sewer Overflow Operational Plan (CSOOP)) in an amount not-to-exceed \$26,500.00.

Overview: Interim Executive Director Scott-Henry recommended approval of GSD Agenda Item 2.7.

Chairman Allen called for the Board’s pleasure with respect to approving GSD Agenda Item 2.7. Commissioner Mabon gave the motion to approve. The motion to Approve an Award of Bid to



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Gariup Construction Co., for the Removal of Sediment and Vegetation from the GSD Outfall Structure of Alley 9 East was seconded by Commissioner Lyles and passed/approved.
The vote: Five (5)-Ayes / Zero (0)-No

2.8 A Motion to Approve an Award of Bid to LGS Plumbing for the Sanitary Sewer Replacement at the vicinity of 1122 Harrison Boulevard, in an amount not-to-exceed \$56,500.00.

Overview: Interim Executive Director Scott-Henry recommended approval of GSD Agenda Item 2.8.

Chairman Allen called for the Board’s pleasure with respect to approving GSD Agenda Item 2.8. Commissioner Lyles gave the motion to approve. The motion to Approve an Award of Bid to LGS Plumbing for the Sanitary Sewer Replacement at the vicinity of 1122 Harrison Boulevard was seconded by Commissioner Mabon and passed/approved.

The vote: Five (5)-Ayes / Zero (0)-No

3. CLAIMS

3.1 GSD Claims Numbers: 1843 through 2055, in the amount of \$2,427,699.43

Overview: Finance Manager Jerome Foster recommended approval and ratification of the GSD Claims.

Chairman Allen called for the Board pleasure with respect to approving GSD Agenda Item 3.1. Commissioner Lyles gave the motion to approve. The motion for approval and ratification of GSD Claims Numbers 1843 – 2055 was seconded by Commissioner Mabon and passed/approved.

The vote: Five (5)-Ayes / Zero (0)-No

3.2 GSD Financial Reporting – For Period Ending: April 1, 2024 – June 30, 2024

Submitted as a Matter of Record

Question: Commissioner Mabon asked (of Cender|Dalton) if GSD will be tracking a deficit in Year 2024.

Response: Eric Cender stated there are net revenues over expenditures.

Question: Commissioner Lyles asked about the “unknown” figures referenced at Page 19

Response: Jerome Foster’s stated any overages paid by customers on sewer/trash billing, it is classed as “unknown” and the balance referenced is a multi-year balance.

4. INFORMATION UPDATES

4.1 Plant Activities – Kola Awosika, Interim Director of Plant Operations / Director of Engineering provided an overview:

Filter Cell 2 is repaired and put back in service.

Installed (2) new air compressors in the Filter Building, completed.

The backup Grit Pump Motors are repaired and returned to GSD.



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Thirty (30) ABB flow meters have been calibrated for year of 2024.
 The breaker associated with the B40 & A40 Raw Sewage Pumps has been installed and tested for proper operation. The system is functioning as design.
 Belt Press No.3 has been repaired and tested for proper operation. The PLC for Belt Press No. 3 has been restored for proper operation.
 Primary Tank No. 9: Work is progressing on the rehabilitation of the tank. The anticipated completion time is September 30, 2024.
 FEMA BRIC GRANT: GSD had a kick-off meeting with FEMA Direct Technical Assistant Facilitators on 8/1/24. They are assisting to position GSD for FEMA BRIC Funding.

4.2 Construction Activity Updates

Eric Tonk, GSD Resident Engineer, provided Construction Activity Updates:

PROJECT: 27TH & CHASE PUMP STATION BAR SCREEN REPLACEMENT PROJECT

Current Work: Both Bar Screen are installed and are ready for start-up and testing. Cleaning of screens and testing of the bar screens will begin August 6, 2024, and if found acceptable, training will begin August 8, 2024.

Planned Work: Cleaning and testing of bar screens. Preparation of Punch List.

PROJECT: LAKE STREET DRAINAGE IMPROVEMENTS AND ROAD RECONSTRUCTION

Current Work: Curb work has been completed. Asphalt base and intermediate courses completed. Grading and aggregate base placed for sidewalk, cycle track and driveways have been completed.

Planned Work: Completion of driveway installations, 3rd Avenue intersection re-construction. Work north of Hemlock to begin the week after the Gary Air Show (August 19, 2024).

PROJECT: 27TH & CHASE STREET PUMP STATION FORCE MAIN REPLACEMENT, PHASE II

Current Work: Installation of forcemain is continuing. Installing 5 to 6 section of piping each day. Elevation is getting shallower, therefore dewatering activities are no longer needed which should make installing piping more efficient.

Planned Work: Construction will continue north towards 23rd Avenue with open cut construction along Chase Street. Installation of valving structure to existing forcemain.

PROJECT: GRIT IMPROVEMENTS PROJECT

Current Work: Spare Grit Pump Motors have been provided to GSD per negotiations between the ACOE and the Contractor.

Planned Work: Litigation is continuing regarding liquidated damages.

4.3 American Structurepoint, Inc.

John Tucker, American Structurepoint, Inc., (ASI) provided the Board with updates.



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5. DISCUSSION

August 7, 2024 City of Gary/Gary Sanitary District Contractor's Meeting – 2:30pm, GSD

6. REQUEST TO SPEAK

Mary Okoro

Ms. Okoro stated she owns a rental property at 800 Fillmore Street. The last tenant to leave the property left a large outstanding sewer/trash bill unpaid. The new tenant slated to move into the property cannot connect water/sewer services as the outstanding balance is connected to the property.

Ms. Okoro asked for the Board's assistance with a solution to remove the outstanding balance.

Legal addressed Ms. Okoro after the Board Meeting.

7. ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 1:26PM.



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ADOPTED BY THE BOARD DURING THE MEETING ON:

08/19/2024

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William L. Allen

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William L. Allen, President

DocuSigned by:

Maurice G. Mabon

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Maurice G. Mabon, Secretary

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