

**ENROLLED MINUTES OF THE
HIGHLAND WATER WORKS BOARD OF DIRECTORS
THURSDAY, JUNE 22, 2023**

Regular Meeting: The Highland Water Works Board of Directors met in a Regular Plenary Session on Thursday, June 22, 2023 in the lower meeting chambers of the Highland Municipal Building, 3333 Ridge Road, Highland, Indiana. President Smith opened the Regular Plenary meeting at 6:30 p.m. with no study session. The meeting was opened with the Pledge of Allegiance. The minutes were recorded by Kim Webb, Recording Secretary.

ROLL CALL: Present on roll call were Directors George A. Smith, Rick Volbrecht, Larry Kondrat, Curt Schroeder, and Jason Tharp. A quorum was present. Also present were Mark Knesek, Public Works Director; Derek Snyder, NIES Engineering; Robert F. Tweedle, Board Attorney; Bernie Zemen, Town Council; Mark Herak, Clerk Treasurer, and Kim Webb, Recording Secretary.

MINUTES: President Smith asked if there were any corrections to the Minutes of the Regular Plenary Meeting of May 25, 2023 as prepared and posted. Director Volbrecht moved to approve the Minutes of the May 25, 2023 meeting. Director Tharp seconded. Upon a voice vote, there were (5) affirmations and no negatives. The motion passed.

Special Orders: None.

Communications: None.

Comments from the Public or Visitors (Limited to Matters on the Agenda): None.

Reports:

1. Water Works Superintendent – Mark Knesek informed the Board that a valve located at Prairie Ave. and Industrial Dr. was cracked at the bottom of valve body and a driveway had to be pulled to reach the valve. An inserta-valve, placed outside of the driveway, was used to replace the broken valve which was removed.
The Jet truck will need to be replaced in the next few years. The cost of the truck would be split between the Water Works Board and the Sanitary Board.
2. Water Works Attorney – Robert Tweedle, Board Attorney, informed the Board that item #4, under **Unfinished Business and General Orders**, on tonight’s agenda is being tabled. The Town of Dyer Utility Board wanted more time to review the First Amendment agreement prior to placing it on their agenda. A final draft is expected to be ready for approval at the July Water Works Board meeting.
3. Water Works Engineer – Derek Snyder reported to the Board that the Parkway Dr. Improvement Project’s pre-construction meeting is scheduled for next Thursday. The project will begin in July and is scheduled to be completed in November.
4. Fire Department – None.

Unfinished Business and General Orders: None.

1. Water Works District of Highland
Board of Directors
Resolution No. 2023-09

A Resolution Fixing and Establishing New Reserve Balances for the Water Operating and Water Improvement Fund. Director Tharp moved to approve Resolution No. 2023-09. Discussion ensued. Director Kondrat seconded. Upon a roll call vote, there were (5) affirmations and no negatives. The motion passed.

**WATER WORKS DISTRICT OF HIGHLAND
BOARD OF WATER WORKS DIRECTORS
RESOLUTION No. 2023-09**

A RESOLUTION FIXING AND ESTABLISHING NEW RESERVE BALANCES FOR THE WATER OPERATING FUND AND THE WATER IMPROVEMENT FUND

Whereas, The Town Council as Legislative Body of the Municipality passed an Ordinance adopting the provisions of IC 8-1.5-4 for the establishment of a Department of Water Works controlled by a Board of Directors; and

Whereas, The aforementioned Chapter incorporates the provisions of IC 8-1.5-3-4 entitled Powers and Duties, making it applicable to the Department of Water Works, indicating that for the purposes set forth in those statutes, the Board of Directors serves as the governing board; and

Whereas, The Board of Directors has general supervisory powers over the utilities under its control, in particular to adopt rules for the safe, economical and efficient management of the utility and to make findings and determinations; and

Whereas, The fund balances of the Water Works Utility are maintained on a net revenue method; and

Whereas, From time to time, new circumstances and exigencies emerge that, in the interest of operating efficiencies and sound management, do urge the need to revise and fix new reserve balance(s) for the Water Operating Fund and/or Water Improvement Fund; and

Whereas, The Board of Directors of the Water Works now wishes to act in the interest of operating efficiency and sound management practice to revise and fix new reserve balances for both the Water Operating Fund and the Water Improvement Fund.

Now, Therefore Be it Resolved by the Board of Directors of the Highland Department of Water Works, Lake County, Indiana, as follows:

Section 1. That the Board of Directors hereby repeals Resolution No. 2014-07 and finds and determines in its place the following:

(A) That the reserve balance for the **Water Operating Fund** be hereby fixed to a new recommended reserve amount of \$800,000 which represents a desirable reserve level; and

(B) That the reserve balance for the **Water Improvement Fund** be hereby fixed to a new recommended reserve amount of \$1,000,000, which represents a desirable balance to support the utility's expected annual capital improvements, replacements and extensions based upon the projected five-year calculation memorialized in the cost of service and rate study dated September 8, 2022; and

(C) That these reserve balances herein described be effective beginning from the month of August 2023.

Section 2. That the net revenues collected from rates and charges of the Water Works District of Highland shall be deposited to the credit of the funds herein described according to the following Net Revenue Protocol:

(A) There shall be deposited to the credit of the **Water Operating Fund** as of the last day of each calendar month an amount of the net revenues from rates and charges sufficient to bring the **Water Operating Fund** balance up to the reserve balance amount set forth in Section 1(A) of this Resolution; and

(B) Any net revenues remaining after meeting the requirements of the **Water Operating Fund** shall be transferred and deposited to the credit of the **Water Improvement Fund** in order to bring the **Water Improvement Fund** balance up to the reserve balance amount set forth in Section 1(B) of this Resolution; and

(C) Any net revenues remaining after meeting the requirements of the **Water Improvement Fund** shall be deemed "surplus earnings" and shall be transferred and deposited to the credit of the **Water Cash Reserve Fund**, which shall operate pursuant to the provisions of IC 8-1.5-3-11 or IC 8-1.5-3-12.

Section 3. That the Board of Directors acknowledges the provisions of IC 8-1.5-3-11(d), which provide that the legislative body may include in the municipal general fund budget, as revenue in lieu of taxes, an amount equal to the actual balance in the **Water Cash Reserve Fund** as of June 30 of the current year. However, the available fund balance may be transferred to the municipal general fund only during the calendar year for which the budget was adopted, and transfers may not be made from any utility funds to the general fund except from the **Water Cash Reserve Fund**.

Section 4. That the Board of Directors further acknowledges the provisions of IC 8-1.5-3-11(e), which provide that if an emergency should arise for further appropriations from the general fund at any time after the final approval of the budget, the legislative body may, by ordinance, transfer additional money from the **Water Cash Reserve Fund** to the general fund to provide for the additional appropriations, subject to the transfer being limited to the accretions to the **Water Cash Reserve Fund** since the preceding June 30.

Section 5. That the Board of Directors authorizes and instructs the municipal fiscal officer to take such steps to carry out the purposes of this resolution.

Section 6. That this resolution shall remain in full force and effect until its repeal or revision by subsequent action of the Board.

Duly Adopted and Resolved by the Water Works Board of Directors of Highland, Lake County, Indiana, this 22nd day of June, 2023. Having been passed by a vote of 5 in favor and 0 opposed.

**HIGHLAND WATER WORKS
BY ITS BOARD OF DIRECTORS:**

/s/George A. Smith, President

Attest:

/s/Richard E. Volbrecht, Jr., Secretary

2. Water Works District of Highland
Board of Directors
Resolution No. 2023-10

A Joint Enacting Instrument of the Highland Sanitary Board of Commissioners and the Highland Water Works Board of Directors Accepting the Quote from McCann Industries for (1) Front End Loader and (1) Combination Backhoe in the Total Amount of \$245,000.00 as the Lowest Responsive and Responsible Quote. Director Tharp moved to approve Resolution No. 2023-10. Discussion ensued. Director Schroeder seconded. Upon a roll call vote, there were (4) affirmations, (1) abstention. The motion passed.

**SANITARY DISTRICT OF HIGHLAND
BOARD OF SANITARY COMMISSIONERS
RESOLUTION No. 2023-14**

**WATER WORKS DISTRICT OF HIGHLAND
BOARD OF WATER WORKS DIRECTORS
RESOLUTION No. 2023-10**

A JOINT ENACTING INSTRUMENT OF THE HIGHLAND SANITARY BOARD OF COMMISSIONERS AND THE HIGHLAND WATER WORKS BOARD OF DIRECTORS ACCEPTING THE QUOTE FROM MCCANN INDUSTRIES FOR (1) FRONT END LOADER AND (1) COMBINATION BACKHOE IN THE TOTAL AMOUNT OF \$245,000.00 AS THE LOWEST RESPONSIVE AND RESPONSIBLE QUOTE

Whereas, The Town of Highland, Department of Public Works, has determined a need to replace (1) Front End Loader and (1) Combination Backhoe in order to carry out its various responsibilities and had prepared specifications for equipment pursuant to that need; and

Whereas, The Public Works Director, pursuant to §3.05.050(D)(1), (6) and (7) of the HMC, serves as the Purchasing Agent for the Public Works Department, Highland Sanitary District and the Highland Water Works District; and

Whereas, The Purchasing Agent, pursuant to §3.05.060(H) of the HMC, expected that the purchase would be more than \$150,000.00 and invited quotes in accordance with §3.05.060(H) of the HMC, which included the trade-in of one John Deere 544L Front End Loader (DW544JZ606125) and (1) Case 580SM Combination Backhoe (S/N: 427982); and

Whereas, The following quotes were received:

	West Side Tractor Sales	Altorfer Cat	McCann Industries
Front End Loader			
Make/Model	John Deere 544P	Cat 930M	Case 621G
Base Price	\$199,870.00	\$213,000.00	\$190,000.00
Trade-in	(\$45,000.00)	(\$44,500.00)	(\$41,500.00)
Net Price	\$154,870.00	\$168,500.00	\$148,500.00
Combination Backhoe			
Make/Model	John Deere 320P	Cat 416-07	Case 580SV
Base Price	\$148,634.87	\$130,300.00	\$115,000.00
Trade-in	(\$20,000.00)	(\$19,500.00)	(\$18,500.00)
Net Price	\$128,634.87	\$110,800.00	\$96,500.00
Total	\$283,504.87	\$279,300.00	\$245,000.00

;and

Whereas, The equipment will be used to support the missions of the Sanitary District, and Water Works District, and

Whereas, It is prudent and in the best interest of the Highland Sanitary Board of Commissioners and Highland Water Works Board of Directors and the public at large, to support and share the purchase of the equipment, in equal amounts, and

Whereas, The Board of Sanitary Commissioners, pursuant to §3.05.030(E) of the HMC serves as purchasing agency for the Public Sanitation Department; and

Whereas, The Board of Water Works Directors, pursuant to §3.05.030(D) of the HMC serves as purchasing agency for the Highland Water Works; and

Whereas, The purchase price exceeds \$15,000.00 and, pursuant to §3.05.040(C) of the HMC requires the express approval of the purchasing agencies; and

Whereas, The purchase will be supported by the Sewer Improvement Fund and Water Improvement Fund and there are sufficient appropriations in order to support the purchase pursuant to §3.05.040(E); and

Whereas, The Board of Sanitary Commissioners, and the Water Works Board of Directors now desire to approve and authorize the Public Works Director to complete the purchase pursuant to the terms stated herein.

Now Therefore Be it Resolved by the Board of Sanitary Commissioners and the Board of Water Works Directors of the Town of Highland, Lake County, Indiana:

Section 1. That the quote of McCann Industries in the amount of Two Hundred Forty-five Thousand Dollars and no cents (\$245,000.00) for the purchase of (1) Front End Loader and (1) Combination Backhoe is hereby accepted as the lowest responsive and responsible quote;

Section 2. That the purchase shall be funded in equal shares (1/2) by the Highland Sanitary Board of Commissioners through the Sewer Improvement Fund and the Highland Water Works Board of Directors through the Water Improvement Fund;

Section 3. That, upon the approval of the Highland Sanitary Board of Commissioners and the Highland Water Works Board of Directors, the Public Works Director is hereby authorized to issue a purchase order to McCann Industries and to execute all documents necessary to implement the purchase thereof.

DULY, PASSED AND ADOPTED by the Highland Sanitary District, Board of Sanitary Commissioners, Lake County, Indiana this 18th day of July, 2023 having passed by a vote of __ in favor and __ opposed.

**HIGHLAND SANITARY DISTRICT
BY ITS BOARD OF COMMISSIONERS:**

Richard J. Garcia, President

Attest:

David Jones, Secretary

DULY ADOPTED AND RESOLVED by the Highland Water Works District, Board of Directors of Lake County, Indiana, this 22nd day of June, 2023. Having been passed by a vote of 4 in favor and 0 opposed.

**HIGHLAND WATER WORKS DISTRICT
BY ITS BOARD OF DIRECTORS:**

/s/George A. Smith, President

Attest:

/s/Richard E. Volbrecht, Jr., Secretary

3. Water Works District of Highland
Board of Directors
Resolution No. 2023-11

A Resolution Amending the 2023 Capital Project Budget of the Water Works to be Paid from its Water Works Improvement Fund. Director Tharp moved to approve Resolution No. 2023-11. Director Schroeder seconded. Upon a roll call vote, there were (4) affirmations and (1) negative. The motion passed.

**WATER WORKS DISTRICT OF HIGHLAND
BOARD OF WATER WORKS DIRECTORS
CAPITAL BUDGET RESOLUTION NO. 2023-11**

**A RESOLUTION AMENDING THE 2023 CAPITAL PROJECT BUDGET OF THE WATER WORKS TO BE PAID FROM ITS WATER
IMPROVEMENT FUND**

Whereas, The Highland Water Works is governed by its Board of Directors, pursuant to the provisions of IC 8-1.5-4 et seq.; and

Whereas, IC 8-1.5-4-4 specifically provides that the Board of Directors shall manage and control all works of the Water Works and may purchase, acquire, construct, reconstruct, operate, repair and maintain all water works; and

Whereas, The Board of Directors in performing its duties, may adopt resolutions, rules and by-laws that are necessary to carry out the provisions of IC 8-1.5-4 et seq. including repealing or amending them consistent with the Water Works Law; and

Whereas, The Board of Directors in performing its duties, now determines that passage and adoption of a Capital Budget Resolution amending the Capital Budget to be paid from funds of the Water Works to be necessary for the sound management and control of the Water Works and performing its duty to construct, reconstruct, repair, and maintain all water works.

Now, Therefore Be it Resolved by the Board of Directors of the Highland Water Works, Lake County, Indiana, as follows:

1. That for the Capital expenses as hereinafter identified of said Water Works, the following allowances for the identified sums of money are hereby fixed and ordered set apart for the purposes herein specified to be paid from Water Improvement Fund:

6105-0000-XXXXX	Front End Loader and Backhoe	\$122,500.00
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2. That the Municipal Fiscal Officer is instructed and authorized to assign such accounts and establish such financial reporting methodology as to permit the regular review of the Capital expenses herein identified as compared to the budgeted amounts and to otherwise carry out the objects and purposes of this resolution;
3. That the Superintendent of the Water Works is instructed and authorized to prepare accounts payable for projects identified herein in such a manner as to support and permit the regular review of the Capital expenses herein identified as compared to the budgeted amounts and to otherwise carry out the objects and purposes of this resolution;
4. That there shall be no capital expenditure for the identified projects in excess of the amounts fixed by this resolution without express action by the Board of Directors, revising the amount fixed and authorizing the additional allowance amount;
5. That this Resolution shall be effective immediately upon its passage and adoption by the Board of Directors and may be amended or repealed by subsequent resolution duly passed and adopted.

Duly Adopted, Resolved and Ordered by the Water Works Board of Directors of Highland, Lake County, Indiana, this 22nd day of June, 2023. Having been passed by a vote of 4 in favor and 1 opposed.

**HIGHLAND WATER WORKS DISTRICT
BY ITS BOARD OF DIRECTORS:**

/s/George A. Smith, President

Attest:

/s/Richard E. Volbrecht, Jr., Secretary

4. Water Works District of Highland
Board of Directors
Resolution No. 2023-12

A Resolution Approving a First Amendment to the Agreement between the Town of Highland Water Works Department, the Town of Dyer Utility Board, and the City of Hammond Water Works Department for the Wholesale Purchase of Potable Water. The matter was tabled by the Chair.

New Business: None.

Business from the Floor: None.

Comments from the Directors on any Item of Interest to the Directors: None.

Claims:

Per the docket in the amount of:

6101	Water Operating	\$371,911.26
6102	Water Works District	\$0.00
6104	Consumer Deposits	\$113.44
6105	Water Improvement	\$10,488.78
6108	Water Capital	\$0.00
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Total		\$382,513.48

Director Tharp moved to approve the claims per the June 22, 2023 docket in the amount of \$382,513.48. Director Schroeder seconded. Upon a voice vote, there were (5) affirmations and no negatives. The motion passed.

Next Meeting:

The next Plenary Meeting will be held in-person at Town Hall on Thursday, July 27, 2023 at 6:30 p.m.

ADJOURNMENT: With no other business to come before the Board of Water Works Directors, the meeting was adjourned.

Meeting Adjourned at 7:13 p.m.

Respectfully Submitted,

Kim Webb, Recording Secretary