

**ENROLLED MINUTES OF THE  
HIGHLAND WATERWORKS BOARD OF DIRECTORS  
THURSDAY, SEPTEMBER 26, 2019**

**Study Session.** The Highland Water Works Board of Directors convened in study session immediately before the Regular Meeting at 6:30 p.m. on Thursday, September 26, 2019 in the upper meeting chambers of the Highland Municipal Building, 3333 Ridge Road, Highland Indiana, in order to discuss the final agenda of the regular meeting.

**ROLL CALL:** Present on silent roll call were Directors Ed Dabrowski, George Georgeff, George A. Smith, Curt Schroeder, and Larry Kondrat. Also present were John Bach, Public Works Director; Mark Knesek, Operations Director; Derek Snyder, NIES Engineering; Michael Griffin, Clerk Treasurer; Bernie Zemen, Town Council; Rhett Tauber, Board Attorney; and Kim Webb, Recording Secretary.

1. Derek Snyder, Nies Engineering, updated the Board on the 5<sup>th</sup> Street Water Main Replacement Project – 100<sup>th</sup> Place to 98<sup>th</sup> Street.
2. Derek Snyder, Nies Engineering, updated the Board on the 81<sup>st</sup> Street Water Main Replacement Project – Indianapolis Boulevard to Sycamore Ave.
3. Derek Snyder, Nies Engineering, presented to the Board a Capital Improvement Project Planning List for future years 2020 to 2025.
4. Michael Griffin, Clerk Treasurer, discussed Resolution 2019-14 with the Board, a Resolution modifying and making a corrective adjustment to the Consumer Deposit Fund, related to the transition from the former RDS Software to the BSA Utility Software.
5. Michael Griffin, Clerk Treasurer, discussed Resolution 2019-15 with the Board, a Resolution authorizing a loan or transfer to the Town of Highland Public Works Department (Agency) pursuant to IC 8-1.5-3, sections 11 and 12 as well as sections 3.20.055 and 12.05.050 of the Highland Municipal Code.
6. John Bach, Public Works Director, discussed Resolution 2019-16 with the Board, a Resolution amending the 2019 Capital Project Budget of the Waterworks to be paid from its Waterworks Improvement Fund.

**Regular Meeting:** The Highland Water Works Board of Directors met in its Regular Session on Thursday, September 26, 2019 at 7:00 p.m. in the upper meeting chamber of the Highland Municipal Building, 3333 Ridge Road, Highland Indiana. President Dabrowski opened the meeting. The minutes were recorded by Kim Webb, Recording Secretary. The session was opened with the Pledge of Allegiance.

**ROLL CALL:** Present on roll call were Directors Ed Dabrowski, George Georgeff, George A. Smith, Curt Schroeder, and Larry Kondrat. A quorum was attained. Also present were John Bach, Public Works Director; Mark Knesek, Operations Director; Derek Snyder, NIES Engineering; Michael Griffin, Clerk Treasurer; Bernie Zemen, Town Council; Rhett Tauber, Board Attorney; and Kim Webb, Recording Secretary.

**MINUTES:** President Dabrowski asked if there were any corrections to the Minutes of the Regular Meeting of August 22, 2019 as prepared and posted. Director Smith moved to approve the minutes of the Regular Meeting on August 22, 2019. Director Kondrat seconded. On a vote *viva voce*, the motion passed.

**Special Orders:** None.

**Communications:** None.

**Unfinished Business and General Orders:**

1. An action to approve Pay Request No. 2 for the 5<sup>th</sup> Street Water Main Replacement Project – 100<sup>th</sup> Place to 98<sup>th</sup> Street in the amount of \$83,292.29 (\$87,676.10 less \$4,383.81 retainage) to Gatlin Plumbing & Heating, Inc. Director Smith moved to approve the Action. Director Schroeder seconded. Upon a roll call vote, there were (5) affirmations and no negatives. The motion passed.
2. An action to approve Pay Request No. 1 for the 81<sup>st</sup> Street Water Main Replacement Project – Indianapolis Boulevard to Sycamore Ave in the amount of \$200,682.75 (\$211,245.00 less \$10,562.25 retainage) to Gatlin Plumbing & Heating, Inc. Director Schroeder moved to approve the Action. Director Smith seconded. Upon a roll call vote, there were (5) affirmations and no negatives. The motion passed.
3. Highland Waterworks  
Board of Directors  
Resolution No. 2019-14

A Resolution Modifying and Making a Corrective Adjustment to the Consumer Deposit Fund, related to the Transition from the Former RDS Software to the BSA Utility Software. Director Kondrat moved to approve Resolution No. 2019-14. Director Georgeff seconded. Upon a roll call vote, there were (5) affirmations and no negatives. The motion passed.

**A Resolution Modifying and Making a Corrective Adjustment to the Consumer Deposit Fund, related to the Transition from the Former RDS Software to the BSA Utility Software.**

WHEREAS, The Town Council as Legislative Body of the Municipality passed an Ordinance adopting the provisions of IC 8-1.5-4 establishing a department of waterworks controlled by a board of directors;

WHEREAS, The aforementioned Chapter incorporates the provisions of IC 8-1.5-3-4 entitled *Powers and Duties*, making it applicable to departments of waterworks, indicating that for the purposes set forth in those statutes, the board of directors serves as both the governing board and the municipal legislative body; 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 determination, pursuant to Section 12.05.060 (A)(1) of the Highland Municipal Code;

WHEREAS, In June 2013 the Town of Highland began transitioning from its former software platform licensed by RDS, to the comprehensive software financial and utility applications licensed under BS&A Corporation, which has been on-going;

WHEREAS, The newer software platform employs dual entry, continuing impact structure, making the treatment of the data and the management of the several funds of the utility different than the former methods;

WHEREAS, The Clerk-Treasurer as fiscal officer of the executive departments of the municipality, including the municipal water utility, determined that while cash balances were aligning with bank records, the reporting structure of the **Consumer Deposit Agency Fund**, did not conform to usual financial reporting conventions;

WHEREAS, The Clerk-Treasurer as fiscal officer of the executive departments of the municipality, including the municipal water utility, engaged the assistance of Baker Tilly (formerly Umbaugh) to review the issue, and recommend a corrective action to align the financial reporting to the usual conventions; and,

WHEREAS, The Board of Directors of the Waterworks, is in possession of the recommendation, and now take lawful steps to make a correcting adjustment to the Consumer Deposit Fund,

NOW, THEREFORE, BE IT HEREBY RESOLVED BY the Waterworks Board of Directors of the Department of Waterworks of the Town of Highland as follows:

**Section 1.** That the Board of Directors of the Waterworks finds and determines the following:

(A) That in the course of employing the financial utility program, that an "override receipting credit" toggle was enabled mistakenly, that had the effect of crediting the consumer

deposit fund as a cash entry each time a refund of a customer's deposit was remitted owing to refunds or when applied to the final balance of a customer's bill;

(B) That in the course of employing the financial utility program, in the foregoing instance, each transaction should have credited a receivable, the effect of the forgoing was to create a double entry, with the receivable general ledger account not being offset;

(C) That a general ledger adjusting entry has been identified and a corresponding amount, that will correct the forgoing fund reporting issue for the Consumer Deposit Fund;

**Section 2.** That owing to the foregoing findings and determinations, the board hereby authorizes and directs:

(A) There shall be credited to the Waterworks **Consumer Deposit Fund** account 062-0000-00700 styled as CONSUMER DEPOSITS/REFUNDS a credit entry to the general ledger in the amount of \$10,383.53;

(B) There shall be debited to the Waterworks **Consumer Deposit Fund** account 062-0000-16000 styled as Accounts Receivable a debit entry to the general ledger in the amount of \$10,383.53;

(C) That the Utility Billing toggles in the set-up program shall be corrected so as to prevent any override of the receipting credit forthwith;

**Section 3.** That Board of Directors of Waterworks authorizes and instructs the municipal fiscal officer to take such steps to carry out the purposes of this resolution.

**Duly Passed and Adopted** by the Board of Directors of the Highland Water Works, Lake County, Indiana this 26<sup>th</sup> day of September 2019 by a vote of 5 in favor and 0 opposed.

**THE HIGHLAND WATER WORKS  
BY IT'S BOARD OF DIRECTORS:**

\_\_\_\_\_  
/s/ Edward Dabrowski, President

Attest:

\_\_\_\_\_  
/s/ George A Smith, Secretary

4. Highland WaterWorks  
Board of Directors  
Resolution No. 2019-15

A Resolution authorizing a loan or transfer to the Town of Highland Public Works Department (Agency) pursuant to IC 8-1.5-3, Sections 11 and 12 as well as Sections 3.20.055 and 12.05.050 of the Highland Municipal Code. Director Smith moved to

approve Resolution No. 2019-15. Director Georgeff seconded. Upon a roll call vote, there were (4) affirmations and (1) negative. The motion passed.

**HIGHLAND DEPARTMENT OF WATER WORKS  
WATER WORKS BOARD OF DIRECTORS  
RESOLUTION NO. 2019-15**

A Resolution Authorizing A Loan or Transfer to the Town of Highland Public Works Department (Agency) Pursuant to IC 8-1.5-3, Sections 11 and 12 as well as Sections 3.20.055 and 12.05.050 of the Highland Municipal Code

WHEREAS, The Town Council as Legislative Body of the Municipality passed an Ordinance adopting the provisions of IC 8-1.5-4 establishing a department of waterworks controlled by a board of directors;

WHEREAS, The aforementioned Chapter incorporates the provisions of I.C. 8-1.5-3-4 entitled *Powers and Duties*, making it applicable to departments of waterworks, indicating that for the purposes set forth in those statutes, the board of directors serves as both the governing board and the municipal legislative body;

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 determination;

WHEREAS, IC 8-1.5-3, Sections 11 and 12 provide that the board may by resolution lend money to the municipality or to another municipal utility, if the utility has on hand a surplus of cash exceeding by a least the amount loaned the sum of all amounts required to pay the indebtedness of the utility falling due during the current calendar year and the following year, the amount necessary to meet current expenses during the year and the amount necessary to pay for improvements contemplated to be made during the calendar year minus the estimated receipts during the calendar year, provided that a cash reserve fund has been established by ordinance passed by the legislative body;

WHEREAS, IC 8-1.5-3- 11(f) and Section 12.05.050 (D) of the Municipal Code further provide that a cash reserve fund, if authorized by ordinance, may be used to make loans to another utility owned by the same municipality, for periods not to exceed five (5) years, at any interest rate. The repayment of the loan and interest shall be returned to the cash reserve fund;

WHEREAS, The Town Council as the Works Board of the Town has communicated to the Board of Waterworks Directors that it desires to purchase certain real estate to support the relocation and to host a new public works facility and adjoining accessories and buildings; and,

WHEREAS, The Clerk-Treasurer has advised the Board of Waterworks Directors of Highland that there is sufficient money on deposit to the credit of the Waterworks Cash Reserve Fund that can be temporarily loaned to the Civil Town of Highland, Public Works Department (Agency) pursuant to and in satisfaction of the provisions of I.C. 8-1.5-3-11(f), IC 8-1.5-3-12 and Section 12.05.050 (D) of the Municipal Code;

Now, Therefore Be it Resolved by the Board of Directors of the Waterworks Department of the Town of Highland, Lake County, Indiana:

**Section 1.** That the Board of Directors of the Waterworks hereby finds, determines and declares the following:

(a) That there are surplus earnings on deposit to the credit of the Waterworks Cash Reserve Fund, as of 31 August 2019 identified to be in the amount of \$792,242.47;

(b) That the surplus represents those cash earnings remaining after provision has been made to take care of current obligations, including expenses of the operating and maintenance fund, the water improvement fund, and the bond and interest fund, whether or not it is a revenue bonds or special taxing district bonds and any other priority fund requirements that may be fixed by law;

(c) That the surplus earnings on deposit to the credit of the Waterworks Improvement Fund, identified to be in the amount of \$637,000.00, be now set aside and made available for use as principal in a loan;

**Section 2.** That the amount of Six hundred, thirty-seven thousand dollars (\$637,000) be loaned from the Waterworks Cash Reserve Fund to the Town of Highland, Public Works Department (Agency) for the purchase of certain real estate to support the relocation and to host a new public works facility, with the principal amount to be deposited with Corporation Capital Fund, with such loan to be evidenced by a loan warrant for the fund;

**Section 3.** That said loan shall bear interest at a rate of three percent (3.0%) per annum, calculated upon a 365 day basis, shall be an evidenced obligation of the municipality by its department of public works (agency), signed by the municipal executive;

**Section 4.** That said loans and interest be repaid to the Cash Reserve Fund of the Waterworks Department of the Town of Highland upon receipt of bond proceeds in the Corporation Capital Fund or from such other lawful resources of the Town, with such loans to be repaid no later than five (5) years from the date of the the passage and adoption of this resolution, on 26 September 2024.

**Section 5.** That the Clerk-Treasurer with the Town Attorney shall prepare the proper warrant and associated documents to support the loan and pursuant to Section 12.05.050 of the Highland Municipal Code.

**Duly Passed and Adopted** by the Board of Directors of the Highland Water Works, Lake County, Indiana this 26<sup>th</sup> day of September, 2019 by a vote of 4 in favor and 1 opposed.

**THE HIGHLAND WATER WORKS  
BY IT'S BOARD OF DIRECTORS:**

/s/ Edward Dabrowski, President

Attest:

/s/ George A. Smith, Secretary

5. Highland Waterworks  
Board of Directors  
Resolution No. 2019-16

A Resolution amending the 2019 Capital Project Budget of the Waterworks to be paid from its Waterworks Improvement Fund. Director Georgeff moved to approve Resolution No. 2019-16. 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 Directors  
Capital Budget Resolution No. 2019-16**

**A RESOLUTION AMENDING THE 2019 CAPITAL PROJECT BUDGET OF THE WATERWORKS TO  
BE PAID FROM ITS WATERWORKS IMPROVEMENT FUND**

**Whereas,** The Highland Waterworks 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 waterworks 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 Waterworks Law; and

**Whereas,** The Board of Directors in performing its duties, now determines that passage and adoption of a Capital Budget Resolution establishing a Capital Budget to be paid from funds of the Waterworks to be necessary for the sound management and control of the waterworks 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 Waterworks, Lake County, Indiana, as follows:

**Section 1.** That for the Capital expenses as hereinafter identified of said Waterworks, 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 Waterworks Improvement Fund:

<u>Equipment</u>	<u>\$13,798.00</u>
Total	\$13,798.00

**Section 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;

**Section 3.** That the Superintendent of the Waterworks 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;

**Section 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;

**Section 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 Waterworks Board of Directors of Highland, Lake County, Indiana, this 26<sup>th</sup> day of September 2019. Having been passed by a vote of 5 in favor and 0 opposed.

HIGHLAND WATERWORKS  
BY ITS BOARD OF DIRECTORS:

/s/ Ed Dabrowski, President

*Attest:*

/s/ George A. Smith, Secretary

**New Business:** None.

**Reports:**

1. Waterworks Superintendent – No Report.
2. Waterworks Attorney – No Report.
3. Waterworks Engineer – No Report.
4. Fire Department – No Report.

**Business from the Floor:** None.

**Claims:**

Per the docket in the amount of:

061	Water Works District	\$0.00
062	Consumer Deposits	\$59.60
064	Waterworks Operating	\$243,435.97
066	Water Improvements	\$510,029.07
068	Water Capital	\$3,551.84
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Total		\$757,076.48

Director Smith moved to approve the claims per the September 26, 2019 docket in the amount of \$757,076.48. Director Schroeder seconded. Upon a vote *viva voce*, the motion passed.

**Next Meeting:**

The next Public Meeting will be held on Thursday, October 24, 2019 at 7:00 p.m. following a regular study session at 6:30 p.m. at the Town Hall.

**ADJOURNMENT:** With no other business to come before the Board of Waterworks Directors, the meeting is adjourned.

Meeting Adjourned at 7:32 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Kim Webb", written in a cursive style.

Kim Webb, Recording Secretary