

Griffith Sanitary Board

July 21, 2022

Meeting Minutes

Meeting called to order: 1:30pm

Roll Call: Rick Ryfa, President
George Jerome, Vice President
Jim Hennes, Member

Also in attendance:
Andy Raab, Public Works Director
Jake Dammarell, BF&S
Sean Mikos, BF&S
Michelle Velez, Recording Secretary

Approval of Minutes: May 19, 2022

George Jerome motions to approve minutes. Jim Hennes seconds motion. All in favor. Motion carried.

Bills and Expenditures: \$

George Jerome motions to approve bills and expenditures. Jim Hennes seconds motion. All in favor. Motion carried.

New Business:

1. Implementation of EPA/DOJ Consent Decree-

Rick Ryfa- Griffith has agreed to begin various improvements which will get bigger and bigger as time goes on. We can fund it in the actual utility but as we get to 10-20 million potential costs, we will have to look at combination of either a rate increase, a bond, or a combination of both which would give the least amount effect on taxpayers. If we go for a bond, it could go under the tax cap provided that it doesn't hurt anything else. Not sure what is going to happen now because of Hammond's ability to build a plant or unwillingness to build a plant. We have asked Hammond to have a discussion with us because we have a dispute with the various components of the cost-of-service study.

2. Cost of Service Study results- Rick Ryfa- It's based on the actual cost for Hammond to operate the facility which we are generally in agreement with. There are two components: rate of return and capacity that they can receive from us. Right now, Griffith can send 5.5 million gallons to per day to Hammond. We could send more, with some adjustments in our plant, however, Hammond has never indicated to Griffith that they can accept more than that or that they are able to. Verbally, they said they can accept up to 15.5 million gallons possibly. It was requested for Hammond to send a

certified letter so that our engineers could review that, and we have not received any such communication. Where it stands right now, Griffith sent a letter to Hammond on June 30, 2022, indicating that we are not accepting the rate increases as presented and we requested to have immediate discussions with Hammond to resolve the two issues that we had spoken about.

3. **Required rate increase-** Rick Ryfa- Reedy Financial has done the rate study. We are waiting to plug in the final numbers based on what the final rate from Hammond will eventually be. At that point, we will have to do a rate increase quickly. We have absorbed the initial increase for several years during the interim rate without having to raise rates. It has drained down some of the surplus that we had. As we go forward, there will have to be a rate increase regardless of what the final numbers are. One, because Hammond's rate has increased dramatically, and two, we will need to come up with 10-20 million dollars to satisfy the EPA/DOJ Consent Decree.

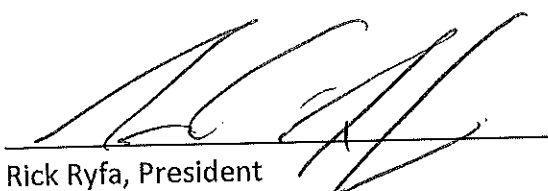
We will go forward with the rate increase based on the base rate and then we can have provisions put into the ordinance as whatever these are settled on and from there can go up penny to penny.

Rick Ryfa makes motion that requests that the financial consultants look at implementing a base rate at what we agreed at the base rate in cost of services study and looking at future increases dependent upon whatever the rate of return that Hammond sanitary district will agree to.

Pending Items:

No pending items.

Meeting adjourned 1:45PM.



Rick Ryfa, President

George Jerome, Vice President



Jim Hennes, Member
