

The special meeting of the Hammond Common Council of the City of Hammond, Lake County, Indiana was held on November 16, 2020 in the Hammond City Council Chambers.

Council President Dave Woerpel presided.

City Clerk Robert J. Golec facilitated.

PLEDGE OF ALLEGIANCE was recited by all.

Moment of Silence was observed.

Council President Woerpel - Just reminding everybody in the audience, this is a special meeting of the Hammond Common Council and I refer you to the agenda, where we will have the pledge, roll call, public hearing and then the consideration and then we will adjourn. So if you want to speak, speak during the public hearing.

ROLL CALL

PRESENT: Alexander, Spitale, Venecz, Kalwinski, Torres, Tyler, Emerson, Rakos, Woerpel

ABSENT: None

TOTAL: 9

PUBLIC HEARING

20-25 An Ordinance Amending the Schedule of Rates and Charges for Water Services Furnished by the Hammond Water Works Department
Sponsored by Janet Venecz and Dan Spitale

Mayor McDermott - Hello, Mr. President, how are you doing?

Council President Woerpel - Good evening Mayor. Good, how are you?

Mayor McDermott - Do you mind if I make an opening statement about the ordinance?

Council President Woerpel - No, this is a public hearing.

Mayor McDermott - Thanks, Councilman, it's good to see you all again. This is the second time we are having a public hearing on the water rate increase. Because the first hearing was not properly noticed and we wanted to make sure we did this the right way. I would like to remind the Council that the last time the City of Hammond raised water rates on any resident was in 1985. Since 1985 it has been set at \$.44 for a 1,000 gallons, which is the lowest water rate in the State of Indiana. Number one (1) lowest, I dare say the lowest in the United States, but I haven't done my research and I cannot say that. It's the lowest in Indiana by a long shot. We had the Indiana Utility Regulatory Commission conduct a study on the City of Hammond's Water Department a couple years back, they determined then it costs Hammond \$1.11 per 1,000 gallons, the Hammond Water Company to make a 1,000 gallons of water, since that time it's gone up closer to a \$1.20. So knowing that we only charge our residents \$.44 for a 1,000 gallons and the IURC, which is an independent Regulatory Committee, says it costs us closer to a \$1.20 to make a 1,000 gallons, we are losing close to \$.80, which is 2/3 of what we're

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PUBLIC HEARING cont.

Mayor McDermott cont. - charging for every 1,000 gallons we make. A lot of people confuse the Hammond Water Company with the City of Hammond. I'm here to set it straight. The City of Hammond and the Hammond Water Utility are completely separate. This rate increase is for the Hammond Water Utility. It's for infrastructure improvements to the Hammond Water Utility. So if we do infrastructure improvements below street, this is the money that we use to repair the water lines. If we need to do infrastructure improvements to our filtration plant, which is worth 100's of millions of dollars, this is where the money would come from. If we have to do improvements to our water towers around the City of Hammond, in fact, because we're picking up new customers in Illinois, we're gonna have to pay for another water tower in the near future, this is where the money would come from. Right now the water tower being repaired on Columbia Avenue is being financed by the City of Hammond. Why, because the Water Utility didn't have \$3.5 million to do the repair and we needed to do the repair because the water tank was rusting before our eyes. But we couldn't do it because the Water Utility doesn't have enough money. So the City of Hammond stepped forward and we financed that project and we're completing it right now, the City of Hammond. It's now supposed to work that way. These repairs are supposed to be done by the Water Utility. This rate increase will allow the Water Utility to use funds for the Capital Improvements to the filtration plant and the distribution system that are badly needed. I'd like to point out, we have a lot of customer communities in our audience and will be speaking, they'll be coming up and they'll be protesting and I'm not upset that they're here and I don't think they're showing they're upset by being here, they're doing their jobs. I agree with that. When you look at what this is going to cost my house, an average Hammond house, you're going to hear testimony that the average Hammond resident uses 3,500 gallons a month. The average Hammond resident using 3,500 gallons a month is gonna see an increase in their bill of about \$6 or \$7 a month. Which is, you know, I realize nobody wants to pay extra and I realize there's people out there that can't afford another \$6 or \$7 a month and I feel horrible for them. However, we can't keep on financing our utility the way we're doing right now. However, when you hear the customer communities come in here, the bill is a lot different for them. And I think we have to approach this smartly with our customers, because they're our customers and we like our customers. When you're talking about communities like Whiting, Dyer, Highland, Munster, Griffith, it's not \$6 or \$7 a month for an individual house you're talking about a big bill that that community is going to owe to the Hammond Water Utility. So the question is going to become, if we pass this rate increase are we going to work with our customers to try to bring them in and possibly avoid litigation, that's the next step. However, I would like to point out that for the average Hammond resident we're talking about \$6 to \$10 a month. I realize that's a lot of money to some people, but this is something that is badly needed, we'd needed to do it since 1985 and we have a proposal pending before the Hammond Council now. I have facts and figures from every community and I'm just going to save the facts and figures for each community for when they come up and speak and when they come up and speak and I'm gonna follow them up and point out. We're talking about millions of dollars here and I want to make sure that we understand that we're talking about millions of dollars here. And obviously if our customer communities are using millions of dollars to repair their infrastructure, and they are, and we are not improving our infrastructure here in Hammond. If Hammond has a major malfunction with our infrastructure... Let's say the filtration plant is inoperable, that's no good for anybody in this room, it's no good for anybody that relies on water, which that's all of us. That's no good for Highland, Dyer, Griffith, Whiting, Munster, it's no good for anybody. I think that everybody could agree, Hammond needs to do more infrastructure work and the only way to do that is raise rates so that we can make more money in the utility to do that. Because Whiting doesn't want us to go out either, just

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PUBLIC HEARING cont.

Mayor McDermott cont. - like we don't want Whiting to go out. So, anyway I think I want to finish off and point out one more thing. We have contracts with our customer communities, because, quite frankly, there's more people from our customer communities in City Hall right now, people at home can't appreciate that, there's more people from our customer communities in City Hall right now than Hammond residents. Because it's \$6 or \$7 for the average Hammond resident and it could be millions of dollars for some of the communities sitting in here. So if I was representing Dyer or Munster, I'd be here too. And I think it's right that they are here. I just want to point this out, we have contracts with these communities that we are going to follow to the word. We're not planning on cutting anybody off, we're not planning on magically inserting language, we're gonna follow our contracts. And maybe we could work with our customer communities to prevent litigation from happening but this is not a threat, this is us working with the Hammond Council right now and it pertains to our customer communities, because their rate is pegged to our Hammond residents pay. So if we raise the rate on Hammond residents, language automatically triggers in our customer communities contracts and that's why they're here. And they're concerned, and I don't blame them, I'd be concerned if I was in their shoes too. I just want the Hammond Council to know, we realize that there is some consternation with our customer communities and we're dealing with that right now. I think for us, we need to focus on what rate are we going to charge the Hammond residents. And then the fall out with our customer communities, I promise you I will work real hard with our customer communities to try to smooth this all out so that we all don't end up in Federal Court suing each other, it would be nice if we could work like neighbors. That's what we are trying to do. I've had great conversations already with the Town of Munster... I got meetings coming up with representatives of other communities as well, including Whiting, actually this week. I'm gonna go ahead and relinquish now, Mr. President, and I do reserve the right to come up and point out when a customer community testifies what the numbers are, how much we're talking about. So, thank you Mr. President.

Council President Woerpel - Thank you. I just want to remind everybody in the audience you all get a chance who want to speak, you don't have to sign in for this, so just be patient and we will get to you.

Shanna Levinson - Good evening, Council members. I'm the attorney for the Hammond Water Works Department. Thank you for letting me address you, I just wanted to reiterate, like the Mayor said, how important this rate increase is. To continue safe and effective treatment and distribution of water for the Hammond Water Works Department. As you know the independent rate study that was performed, showed that we needed to increase our flow rate to \$2.30 in order to provide successful maintenance and operation of the Water Department, \$2.30. We're asking that you accept the proposed incremental increases that are in the ordinance 20-25, to give users an opportunity to adjust to this change. Just a reminder as the Mayor pointed out, the average Hammond user is about 3,500 gallons per month, that means that their average flow rate water bill, right now, is a \$1.61. When the rates go up to a \$1.90, if the Council approves the same, that flow rate will go from \$1.61 to \$6.65. Even with the full amount of the \$2.30 that would happen in 2024 in accordance with this ordinance, the flow rate would be on the average consumer in Hammond, \$8.05. So it would go from a \$1.90 to \$8.05. I remind you again, these rates have not increased since 1985, this is long overdue. You will hear from our CEO, Mark McLaughlin, who will tell you and Jaime who will say the infrastructure is in desperate need of routine maintenance, some improvements in order to keep the water flowing to Hammond residents and beyond. I too would like to point out that our neighboring communities will come before you and argue that this rate

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PUBLIC HEARING cont.

Shanna Levinson cont. - increase is too substantial for them, but our rate increase is still way less than the market up that most of them charge their consumers. Their rates range from, I'm not certain on Highland, but anywhere from \$3.02 to \$3.13 per a thousand and we're only charging them our base rate that Hammond residents charge now. And they're not treating the water, they don't have nearly the infrastructure that we have and that we need to keep maintenance on. I also wanted to assure the Council that there was, in fact, proper notice for this hearing, pursuant to Indiana Code, notice of the hearing was mailed to all of the customers that the statute requires and it was published on both October 30 and November 6. The Clerk has confirmation of that and proof of publication, I also have it with me if you wish me to submit to you all tonight, I'm happy to do so. One last thing, as that I would ask and we would ask that based on current case law that represents that those rates are not subject to routine increases, absent the passage of a new ordinance. We do ask the council to modify its ordinance by striking the every last component, which is a 3% increase beyond 2024. So, you have the ability tonight to pass this ordinance as amended and we would ask that you do in fact pass the ordinance as amended to strike the 3% increase as beyond 2024. Thank you.

Robert Tweedle - Good evening, I'm Robert Tweedle on behalf of the Town of Highland. Thanks for the opportunity to speak to you this evening. I am here to object on the behalf of Highland to proposed ordinance 20-25, we feel that the proposed rates are discriminatory, unreasonable and unjust under Indiana Law. Moreover, notwithstanding the proposed modifications to the ordinance, that's before you this evening. If it's taken up as it's currently written, the automatic rate increase that is contained in the ordinance is illegal. Moreover, the Hammond Common Council and the Hammond Water Works Department lack the authority to approve the proposed rates pursuant to our agreement with Hammond. And finally, we do believe that Hammond's notice for the hearing this evening is defective. In addition to my oral objections I also would like to tenure to this body written remonstrances for the record then, I would like that the record reflect that. And Kevin, I don't know, if I can just give this to you? And that concludes our objection, thank you very much.

Councilwoman Venecz - Excuse me, Mr. Tweedle.

Robert Tweedle - Yes.

Councilwoman Venecz - What do you charge per 1,000 in Highland?

Robert Tweedle - \$1.61.

Councilwoman Venecz - Thank you, very much.

Mayor McDermott - Thanks, Mr. Tweedle. It's not entirely accurate what he answered. They charge in Highland, keep in mind now, in Highland we sell them water, let's just call it \$.50, it's like \$.48 per 1,000 gallons, ok. Highland charges all their resident's \$11.50 a month just to hook up to the system and then they charge you \$1.61 for each 1,000 gallons. So in the Town of Highland if they bought a 1,000, let's just say the regular Highland resident buys 1,000 gallons of water, which is ridiculous. Anybody that lives in the house is using five times amount, let's just say that though. Highland paid \$.50 for 1,000 gallons of water from

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Mayor McDermott cont. - Hammond and they charge their residents \$13.11, which is 1,400% market up. We also know how much water Highland uses every year, they use 104 million gallons a month, based on that they spend \$568,000 a year to the Hammond Water Department. 562,000 gallons a year and they sell that water to their residents for a net gain of \$4.2 million in Highland. To call our rates unfair, unjust and discriminatory is ridiculous, Mr. Tweedle, no offense. Your charging your resident's five (5) times what Hammond residents will pay if the rate increase happens. So, that \$4.2 million a year, I'd be up here arguing on behalf of the Town of Highland if I was their attorney also.

George Smith - Good evening, I'm currently serving as the President of the Highland Water Board. I respectfully disagree with the Mayor. I read the report for the State which does in fact indicate that the Hammond rates are the lowest in the State. I also read the report that you commissioned and there certainly does appear as though a rate increase may be warranted for the City of Hammond. I'm gonna tell you that the \$1.61 that we charge, is what we charge, just like Hammond, there's an administrative cost, just like Hammond, there's other costs that we put on our bill, the sewer cost, the hydrant cost, all those things go out in a single bill. But the water is in fact \$1.61 per 1,000. The current rate increase does not contemplate the nonresidential customer. The current rate increase does not contemplate, even in Hammond, your industrial base, it does not contemplate your commercial base, and so I would have to tell you that based on reading 20-25, it's arbitrary and capricious. And I would pray that the Council would consider an amendment, other than the amendment that your attorney advised. I would consider an amendment that allows Hammond and the Hammond Water Department to negotiate with the customer communities other than residential, to allow for some discussion as to what that rate might be. So, in effect, I do have to defer to your Mayor, but also at the same time I have to disagree with your Mayor. And I believe that litigation is expensive, litigation is probably forth coming without such an amendment and without such a resolution. So with that, I will bid you, God Bless you all, and thank you for allowing me to address this (?) body.

Council President Woerpel - Mr. Smith, if I may, do you happen to know when you guys rebuild streets and the water lines go in, who pays for that?

George Smith - The customer pays for that, but that's in a separate rate structure and the residential rate structure that you have according to the Mayor is contemplating all of these things, when in fact they should be in capital budgets or an improvement fund.

Council President Woerpel - My question is, if somebody was to get their street rebuilt, would it be outside the realm of the possibilities that every homeowner got a \$2,000 bill for that street being rebuilt?

George Smith - No, that's outside the realm of possibility.

Council President Woerpel - It is?

George Smith - Yeah, we would most likely do a bond issue. We would recover that through the period of the bond.

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PUBLIC HEARING cont.

Council President Woerpel - That was my question. When you said, the customer pays for that water line...

George Smith - Yes, the customer pays for everything. Just like when you go to Walmart you pay for the clerk and you pay for the backroom and you pay for everything. So yes, but to say that our rate is 1,400%, well the bill may be, but our rate is not. We do have to consider, just like you, you have to consider the administrative costs and just like you, you have to consider capital costs and improvement costs. So, but I'm not disagreeing that some type of residential rate increase for the City of Hammond residential customers, looks to me like it's probably warranted, but this particular ordinance leaves no room to negotiate with your neighbored communities as to what the proper rate should be. So, my suggestion is I would consider an amendment that would allow such negotiation to take place without litigation. Thank you.

Mayor McDermott - Thank you, sir. This is facts, Hammond charges \$3 a month to hook into our system for a typical resident, Highland charges \$11.50 per month, for overhead and stuff like that. I dare say we have a lot more overhead since we have a filtration plant, 24/7 staff that have to man that plant, we are responsible for all the maintenance, all the chemicals, and all the electricity and all the repairs and everything that goes into the system. Highland charge's four (4) times what Hammond charges just to hookup to the system. We charge \$.46 for 1,000 gallons and Highland charges their residents \$1.61 for 1,000 gallons, which is also four times what a Hammond resident pays. I don't dispute what the gentleman is saying, I appreciate his concerns, but the fact is, you know, we are doing all the work and then the communities are buying our cheap water and marking it up 1,000's percent and making thousands of dollars. Thank you.

David Wickland - I'm here representing the Town of Munster. The Town of Munster currently, this proposal, this proposed rate, would result in a 443% increase to the current rate, effective in only 67 days. Within the Town of Munster this represents nearly \$2 million in additional cost per year. I'd like to, in addition to my oral comments, submit a written remonstrance. With the appropriate rate for the safe and responsible management of the utility is indeed actually this high, certainly there must be a way to meet this obligation over time with more gradual increases. That's primarily what we're looking at, the shock of the increase all in one fell swoop. Thank you.

Councilwoman Venecz - What does Munster charge per 1,000 gallons?

Mayor McDermott - I agree with Mr. Wickland, quite frankly. We had a meeting, I'd like to point out, I met with Mr. Wickland and the Town Manager of Munster, I think it was a very productive meeting and I quite frankly agree with what he's saying. To hit our community customers with such a big bill, probably when most have already done their budgeting is not fair. And I started off saying that to the Council, that I think we need to be respectful of our neighbors in this regard. I think right now we're dealing with what rate are we going to charge Hammond residents. The reason we have our customers in here is their contracts are geared toward what our residents pay. So if we raise the rates Hammond residents pays, it affects every community in here. That's why they're here protesting and I appreciate that. Munster charges \$9.29 to hookup to the system and then they charge their residents \$3.13 for a 1,000 gallons. For a 1,000 gallons it cost a Munster resident \$12.40 for something that costs \$.50 to the Town of Munster, 600% markup. Munster uses 106 million gallons of water per

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Mayor McDermott cont. - month. They spend \$572,000 a year to the Hammond Water Utility and Munster nets for the Town of Munster for infrastructure improvements \$5.7 million a year. I agree with Mr. Wickland's statement though and this is something I plan to do, I want to meet with each of our customer communities, if the Hammond Council raises the rates, I want to meet without customer communities and try to come up with a resolution to avoid litigation. If we do go to court, I real strongly believe this will be just like the Chicago Heights case. If I need to remind you, a very similar thing happened between us and Chicago Heights. Chicago Heights sued the City of Hammond in Federal Court and the Judge read the contract and said you're charging your residents way more then what Hammond's charging you. How is that an unreasonable price? If it's \$1.90, how is it unreasonable for Hammond to charge Munster \$1.90 when they're charging their residents way more then that every month already? They know it's not an unreasonable price. They don't like the fact that it's hitting them now. I get that. It's not fair. That's something we need to work out. The Council and the Mayor, if you give me that power, I will work that out. But, I agree with Mr. Wickland and I agree with most of the people with what they say, it's not fair you're hitting us all at once, I get that, I get that. Thank you, Mr. Wickland.

Sherry Bradkey-McNeil - I'm here on behalf of the Town of Griffith. I'm just here for the record to join in the arguments of Attorney Tweedle with the Town of Highland. And I also agree with Attorney Wickland's statements. I also have a written remonstrance that I will be tendering at this time. Thank you very much. I appreciate your time.

Councilwoman Venecz - Ma'am, I'm sorry I didn't get your name? And what do you charge..

Sherry Bradkey-McNeil - I'll defer, I'm sure he has the exact numbers.

Councilwoman Venecz - And what do you charge per 1,000 gallons?

Mayor McDermott - Thanks, Councilwoman. We sell Town of Griffith 1,000 gallons, costs them \$.50, they sell it to their residents for \$13.80. That's \$10.05 to hookup to the system, plus \$3.78 per 1,000 gallons. Keep in mind, Hammond charges \$3 a month to hookup to the system and \$.46, ok. Town of Griffith uses 42 million gallons a month, they spend \$227,000 a year to the Hammond Water Utility, netting \$2.7 million a year. Interesting also about the Town of Griffith, they do not have a valid contract right now. We are operating month to month, basically, which is unprecedented. We are operating month to month with them. There's literally no protection for the Town of Griffith. So when this is all over with, if Griffith still wants to be a customer of Hammond Water, we need to come up with new deals with the Town of Griffith. They're in a special situation that our other customer communities are not in. I think we've been actually very good with our customer community in this case, because quite frankly, Griffith hasn't had a contract for all of 2020, and we're still suppling them water at ridiculously low rates. Thank you.

Jaime Prieto - Good evening everyone, I'm the Deputy Chief Executive Operator of Hammond Water Department. I've been at the Water Department now for about two, months, I've been with the City collectively a little bit over sixteen years in different departments. I do want to bring up and hope for your consideration of the water rate increase, especially for improvements and specifically for improvements. During these last couple

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Jaime Prieto cont. - of months at Water Department I've been, my objective is to be out on the field, see what these guys do. I'm not in an office. I'm in the truck with the guys. I'm shoveling dirt. I'm changing valves. I'm helping with our infrastructure that no one ever thinks about until you are actually hands deep in it. And I never thought about even working for the City for sixteen years prior. I hope you do take it into consideration, because we definitely need this extra revenue. A little bit of trivia for you guys, how old do you think the oldest running pipe that is still in existence and still in use is? Anyone?

Councilwoman Venecz - One hundred years.

Jaime Prieto - 1890, and it's still used, it's still operational, we don't know how long we're gonna have with that. And not only is it just a regular ten, twelve, inch pipe, this is what's called a transmission line. That not only feeds the City of Hammond and it's residents, but all the other towns that are represented here. So, this is something that is deeply needed. The other day I was just in Hessville riding around and looking at just the different hydrants right, a lot of different hydrants. Some of them are clearly marked, 1943, a hydrant that is still operational since 1943, guess what if that hydrant goes? If there's a fire we don't know if those mechanisms are going to be working properly. We hope so, we tested the pressure and that's why when you see a lot of our water department flushing systems and hydrants twice a year, we make sure they are operational for that purpose. So, thank you for letting everyone here speak, for myself. Any questions?

Councilwoman Venecz - Jaime, this pipe that's 1890? What happens if that failed?

Jaime Prieto - I think you could imagine what could happen and it's not a good thing. And it's not only for the residents, it's for every city that we feed.

Councilwoman Venecz - So it becomes a safety issue, a health issue?

Jaime Prieto - Absolutely!

Councilwoman Venecz - Ok, thank you.

Jaime Prieto - Thank you.

Councilman Tyler - Jaime, I have a question? Is there anticipation of what schedule...

Council President Woerpel - Councilman Tyler, could you speak up just a hair?

Councilman Tyler - Sorry, can you hear me?

Council President Woerpel - That's better.

PUBLIC HEARINGS cont.

Councilman Tyler - Is there a schedule, like an anticipation of what maintenance will be done over the next few years if this ordinance passes and if you all do receive this additional revenue?

Jaime Prieto - Yes, absolutely. We've been working with our superintendent in distribution, as well as Mark the C.E.O. as getting a capital improvement plan. Things that are really needed, you know, as soon as possible and working from there on out. So we are working on a plan, we do have, and the superintendent did have, a plan laid out with different projects that are definitely needed. But we are working on getting more on there as well.

Councilman Tyler - Ok, is it possible if we, as the City Council, get a copy of that schedule too?

Jaime Prieto - Absolutely.

Councilman Tyler - All right, thank you.

Jaime Prieto - No problem. Any other questions?

John Haynes, Clerk-Treasurer of Whiting, IN - I'm here to talk about a lot of numbers and it's gonna take me a little time here. But, just so Mayor doesn't have to come up and indicate how much we pay per a thousand gallons, we pay, our customers pay, \$3.02 period, per thousand. We don't have hook up charges. We don't have any of that other stuff. So let me get started. I was here last time and I just talked to you a little bit about what this would do to the City of Whiting if we had to pay \$1.90 per thousand gallons. And I talked to you and indicated what our 2019 bottom line was, it was \$30 thousand. So we don't make a lot of money on the water that we purchase from Hammond. And just to set the record straight, I think the Mayor said we had an 1100% mark-up. We don't have an 1100% mark-up. Our gross margin is 75%. Let me give you a little bit of my background, alright. I was a former director of audit for a large corporation in the Chicagoland area. I was there for 33½ years. I have an accounting degree, a BS accounting degree from Indiana University Kelly School of Business. I'm also a certified fraud examiner. I'm here to not only advocate for the City of Whiting but all the other communities, even Hammond residents, and even the City of Hammond. I received that report that was done by your financial advisors and I'd like to share a few facts based on that report. As with all good auditors, review financial information, there are some principles that apply for that review, consistency, accuracy, materiality, and of course reasonableness. Before I begin by little spiel on the financials, remember this number \$25.5 million dollars. It's a big number. I had the final rate report that you, hopefully, all received. I've looked at that report. I hope the Council had questions when they looked at that report, reviewed that report. I don't know if you talked to your financial advisor, but hopefully you had a lot of questions because I have a lot of questions. I'm not here to say that you don't need a rate increase. I know you need a rate increase. But if you increase that rate and the City of Whiting has to pay \$1.90, \$2.10, \$2.30, it's gonna be devastating for our customers. And I know the Mayor has just indicated that he'll work with us and I hope he will because when I'm done with my presentation you'll know what \$1.90, \$2.10 and \$2.30 will mean to a lot of customers. The rate that is proposed in the study has a lot of drawbacks, and I hope you have that in front of you. For one thing, it calculates a pilot, and that's normal. A pilot is payments in lieu of taxes since the utility doesn't pay any property taxes, you do the calculation. Okay, the calculation in that schedule had 1.2 million, I'm rounding, that was the calculation, that

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PUBLIC HEARINGS cont.

John Haynes cont. - was the maximum pilot. However, in the study the city is taking \$1.5 million, \$300 thousand more. But remember in that calculation, we have a thing called circuit breakers, alright, and the city only receives 70% of the money that they levy. The rest isn't paid by the taxpayer. So the pilot doesn't take into account that circuit breaker. If you took into account the circuit breaker, the pilot calculation that I came up with would be \$877 thousand. Considerably less than the \$1.2. Considerably less than \$1.5. And remember that \$1.5 is used to come up with a deficits that you need to raise for your Hammond taxpayers. That's an important number, alright. Because when you get down to the \$7.4 million, which is what you say the deficit is in that study, alright, that number is used in the numerator, alright, to calculate your tax rate of 230. But first let me discuss Exhibit H, which is in that study. Because this schedule, along with schedule N is very important because it drives the rate. The statement of revenue and expenses from operations and maintenance, debt service, debt service reserve annual requirements, capital improvements, working capital funding requirements, that's all in the expenses, and I agree there. But there is a mathematical error at the bottom. To calculate the amount of working capital funds. They divided by three instead of five, which is in the side of the calculation. And based on that calculation the working capital is overstated by \$278 thousand. Both the pilot and the working capital overstatement is approximately \$901 thousand, and remember that \$901 is part of the \$7.4 million that is the deficit in the calculation. The all important Exhibit N, metered rates. It's on page 21 of the study if you have it in front of you. This calculation should make every Hammond customer upset. This schedule, in laymen's terms is indicating that the Hammond customers are paying for all the revenue deficit. The math is very easy. It's a \$7.4 million in deficit, divided by the Hammond customer usage of 3,224,000 per thousand gallons. However, when they calculated the 230 rate, they only used the Hammond usage. Which typically is what you use in one of these studies because usually Hammond's unusual, because they sell a lot of water to other customers. A lot of them, it's all metered. If you just added the 3,365,000 gallons per hundred thousand gallons, the rate would drop to \$1.12. That's an interesting number. And the reason I say that is because I have a copy of the board meeting of the Hammond Water Works dated June 25, 2020. "There will be a thirty to forty five day study with the increase to possibly be a \$1.12 per thousand gallons". I believe the Common Council needs an explanation as to where did that number come from. And if you correct the pilot and the working capital error, that rate would jump down to 98.8¢ per thousand gallons. So what I'm saying is, it would be nice if you used the Indiana customer's usage also since their usage is more than the Hammond customer's usage. At least your Hammond payers would only pay .98¢ and if we had to pay .98¢, so be it. There's an exhibit in there that's very interesting, it's called Exhibit F. Page nine of the report. You can calculate each communities rate per thousand gallons. Pretty simple calculation. Again, it's just division. But what's so alarming to me when I saw that exhibit is there was two Illinois communities in Illinois that use pretty much, almost what we use. It's a little bit less. They are paying 17% of what we pay. Illinois customers paying 17% of what the City of Whiting pays. You can also see on that schedule that the City of Hammond retains \$7.2 million of the \$8.6 million paid by Chicago Heights. And that's because of their contract, the City of Hammond has a contract with the Hammond Water Works which the City of Hammond pays .46¢ per thousand gallons plus there's another charge for some infrastructure improvements that they had to make so that they could send water to Chicago Heights. Here is one of the most important things that the Council should understand. There is typically collateral damage when you change one thing, something else happens. In this case the City of Hammond has a contract with Chicago Heights and in that contract it says that the City of Hammond will pay the Hammond Water Works whatever the residents are paying. So, instead of paying, I think it's 51.4¢ now,

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John Hanynes cont. - maybe it's 52.4¢, I might be off a penny, the City of Hammond is gonna have to pay the Hammond Waterworks Department \$1.90, \$2.10, and \$2.30 if they don't change the contract. And of that \$7.2 million that you retained, it's gonna drop to \$3.7 in '21, \$4 million in '22, and \$4.5 million in '23. Based on the current usage by Chicago Heights. And I'm not sure if you're aware of that, Mayor, and you might be, and so I'm sure you're going to be renegotiating with the Hammond Works Department on that contract. Just keep in mind that if you pass this ordinance your Hammond customers are paying the entire deficit based on this study. Also, the Indiana customers, based on their 2000 billed usage, will pay \$7.7 million to the Water Works Department from \$1.7 million that they paid in 2019. A \$6 million increase. This is on top of the \$7.4 million for approximately \$5.9 million more than your Hammond customers will pay. In addition, based on the city's contract with the Hammond Water Works Department, you will pay an additional \$4.4 million. In the end, the Hammond Water Works increased revenue in 2023 will be \$16.3 million to fund a deficit of \$7.4, a surplus of \$8.9 million in 2023. The surplus for both '21 and '22 is estimated at \$16.6 million. If you add the '21, the '22 and the '23 surplus, it's \$25.5 million over the three years. That's if we have to pay the same rate as the Hammond customers. So, I would ask the Common Council not to take any action tonight but to digest what you have heard tonight from everyone. I believe that the Hammond taxpayers in the Indiana communities deserve answers to the study. I graciously thank you for the opportunity to address you tonight and for your valuable time. And I was handed this by our attorney and this is a letter that we want to make part of the record the same as all the other communities. Thank you.

Mayor McDermott - I didn't go to Kelly School and I'm not an accountant. I went to Notre Dame and I'm a lawyer. However, I do know two simple numbers. We sell Whiting water for .50¢ and they charge their residents \$3.02. Simple math, 500% markup? I apologize when I said over a thousand last meeting, I was wrong. I know that Whiting also buys 324 million gallons of water a year and at .50¢ per thousand gallons they pay to the Hammond Water Company \$162 thousand a year. And at \$3.02, which is what they charge their residents, they make \$816 thousand a year for \$600 plus net profit. I don't know about a lot of the numbers the Clerk threw at us. I appreciate he's a very smart man, I appreciate he's an Auditor, and I appreciate that he cares so much about Hammond residents. I do want to remind the Council that we have contracts with these communities we intend to follow through with. And if we could slow down the contracts in an effort to avoid litigation, we will. If we can't, if we have to go to court, I'll tell you what happened in Chicago Heights, the judge read the contract and said, "You charge your residents", in Whiting's case, "\$3.02, and Hammond wants to charge you \$1.90, and you say \$1.90 is unreasonable." That's what happened in Chicago Heights, and we won. And it was not fun and there was probably a few years of bad feelings between us and Chicago Heights, and then guess what, me and Mayor Gonzalez of Chicago Heights moved forward and made a new for \$2., that he's selling water all around Chicago right now. His residents pay over \$4 for a thousand gallons in Chicago Heights right now. \$1.90 for a thousand gallons in the Chicagoland area is not unreasonable at all. Let me go through what some of our competitors charge. I'm not talking about communities here, I'm talking about... let's go down to East Chicago, \$18.66 for five thousand gallons, these are all in five thousand gallon increments, I apologize, so it'll be \$1.84 in East Chicago. Indiana American Water, \$5.22 per thousand. In Crown Point, \$8.80 for a thousand gallons. IN Whiting, \$3.02 for a thousand gallons. In Griffith, \$3.78 for a thousand gallons. In Highland, \$1.61 for a thousand gallons. IN Munster \$3.13 for a thousand gallons. Hammond raises it to \$1.90, oh my God, the world is gonna end. WE charge our residents twice that but you can't move it at all Hammond. It's ridiculous.

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Tom DeGiulio, Dyer Town Manager - Dyer is not a direct customer of Hammond. We get our water through Highland. We pay the Highland rate plus a transmission fee. So the increase in the raw product from Hammond will obviously have a significant increase to Dyer's people. I think it's important to recognize that what we talk about, 44 or 52 or whatever the rates are, it's for the raw product to get from the filtration plant to our facility. We then have to have the same kind of infrastructure that you have in the City of Hammond. We don't have the filtration plant, I agree. WE have pumping stations, we have storage facilities, we have above ground ground storage, and we have miles of miles of mains. It's important. We were in the midst of both a rate study for our regular system as well as a selling a \$10 million bond issue to do multi-generational system-wide improvements in the water utility. So, the bond issue will be paid for by taxes. It replaces a smaller bond issue that will expire at the end of this year and continue on. But it's to pay for new transmission lines and distribution lines, as well as significant hydrant replacement so we don't have the problem that the Superintendent talked about earlier. We have hundreds of hydrants that need repairs and we're gonna take care of that. But we also have other stuff. In our normal rate base, we budget about a million dollars a year for local improvements. Now, it may pall by what the City of Hammond deals with, in terms of the size of their infrastructure. But for a community our size, a million dollars a year in local improvements is significant. I think the question was asked, what happens if a local water main is replaced with the street, I think was the example. Dyer has, when I do our capital projects, they coined the phrase called one big, which means you take everything underground and two of the three, one, two, or three of the utilities are replaced and above ground sidewalk to sidewalk is replaced. We do those on a fairly regular basis and we match them up with our PASER ratings for our street resurfacing taking the worst streets and going down and we take maybe a street that might be a four or five but the underground is shot, it gets moved up. So we use that combination of everything. I set a goal for myself when I got there in '16 was to try to eliminate all the PASER one ratings by next year. I'm gonna miss it by a year but I'm gonna get it. In the meantime we've been replacing significant amounts of water main storm sewers and sanitary lines and built into our rates structures. Our rate structures are a little bit on the high side but part of that is for circumstances, as I said, we're not a direct customer of Hammond so we already pay a retail price before we could even put the raw product into the system. So this impact is significant to us because it will be a direct tracker through. Mayor Tom will go through what we charge everybody and everything else. I don't have that information with me. I'll stipulate to the facts. But understand that we have customers and tacking onto the raw product, \$1.40, \$1.90, whatever it's gonna end up increasing is gonna be significant. This needs to be ... I agree with the Mayor, and what other people have said. We need to sit down and work this out over a period of time. The rates shouldn't have been kept this low since 1985. I know when we were talking about rates some time ago, we were being asked to pay for capital improvements throughout the water utility. I agree that Highland, Dyer, as our share of the water consumption in Dyer, 10%, 10½%, whatever it was, that's the share of the capital stuff we should pay for. We shouldn't pay for a local water main, that's part of the city's responsibility, not the customer cities. Anything to do with the distribution system down to the customer cities and the filtration plant should be spread out through all the customers. We've had these discussions back in '13 and '14, and I think it's important. Which the arrangements you've got with the outside communities is a god send. As Mayor McDermott, Sr. told me one time when I was in Munster to "go south and sell water". Kind of like "go west young man". But it's a good thing and it's provided water. There's no question that lake water is the golden goose and it is the resource and it is good for the communities to have this stuff. So I too have a letter that Kevin will find reads very similar to the other letters, except for my name. We hope that we could work this out. There's no question that all of us want to come to a reasonable solution to this problem and I think that just needs to have some discussions and work through it. So I thank you very much for your time. I hope you get home in time to watch the Bears.

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PUBLIC HEARINGS cont.

Mayor McDermott - I want to start off and say how much I love our neighbors. My stepmother lives in Dyer. It's a beautiful neighborhood. She doesn't want to pay more in water, I get it. I also agree that these rates should have been raised a long time ago. Last time we raised them was when Mayor McDermott, Sr. was mayor in 1985. And it's something I have to take responsibility for that we haven't had this discussion up until the seventeenth year I sat in city hall. That just shows you how tough the issue is, quite frankly, it's something that we haven't touched. And here we are. But I do want to say I agree with Mr. DeGiulio that they should have been raised a long time ago. I also agree with all of our customer communities that this is not fair to hit our customer communities all at once and if the Hammond Council does pass this rate increase my next order of business is to meet individually with each of our customer communities to work out an increase, a ramp up acceptable to our customer and acceptable to the Hammond Council. That's my next order of business. If we're forced to go to court, because it seems to me that some of our customer communities are more militant than others, quite frankly, and if three or four of them want to settle with us and one wants to sue us, then we'll go to court with the one. But if I could reach agreements that say in year one we'll ramp up to this, in year two we'll ramp up to this, year three we'll ramp up to this, in exchange for this slower pace you agree to forego litigation against the Hammond Water Company, God bless America if we could reach that deal. If we can't, once you take action, quite frankly, their contract says they pay what the Hammond resident pays and you guys are setting the rate of what the Hammond resident pays. But anyway, thank you, Mr. DeGiulio. It's good to see you sir.

Mark McLaughlin, CEO Hammond Water Works - I wanted to give you a little bit of background on the intent of the rate study. The rate study was done by Cender & Co. One of the most respected financial analysts in Northern Indiana. At the beginning of the rate study we had the option of changing our base rate, that's the \$3 a month that we charge you no matter how much water you use. If you use 10 thousand gallons that month or ten gallons that month, you will still pay that \$3.00. The initial recommendation was to raise that. I think the next lowest base rate might be \$9 or \$10 dollars. We're at \$3.00. But it was everyone's feeling that we wanted to protect the We have a number of low income people. We have a number of elderly people in Hammond. They would have felt that. Like the Mayor mentioned, we have 35 hundred gallons is the average use in Hammond. We have 24 thousand customers, 12 thousand use less water, 12 thousand use more water than 35 hundred. It's the people that use under 35 hundred gallons that we were trying to protect. Because those people might use 500 gallons a month. It might be a single person at home. So they'll pay the three dollars and instead of changing that to \$6 or \$8 dollars, we kept it at \$3.00 and they'll just pay an additional rate on the amount of water they use. So if they're very frugal with their water use and they stay at a thousand gallons a month. They'll pay the \$3.00, instead of paying .44¢ for that thousand gallons, they'll pay \$1.90. It will be \$1.50 increase in that month. I know, to some people that's a lot of money. But we do have to run this Water Department as an ongoing activity that provides ... it's a health and safety issue for everyone. When we didn't have the money to repair the water tower it, frankly, alarmed me. We have thirty five years of deferred maintenance that this rate is going to fund over the next twenty years. So, that was the reason we kept the base rate at \$3.00. If you use a lot of water, yes, it's dramatic increase. If you're a two thousand gallon, three thousand gallon, a month user, it will be the smallest increase we could feasibly arrange and still maintain the water system. We have four hundred miles of pipe that averages 85 years old. Just repair that pipe that is 85 years old in our system, no valves, no pumping stations, no filtration plant, just replacing the pipe would be over \$500 million. And that's money that will have to be spent over the next thirty or forty years. We should have been doing this for the last thirty five years. We haven't there will be a lot of work to do but I still believe that we have protected our low income people, our water users. The people who are frugal with water will not see much of an increase.

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Councilman Tyler - I have a question. Mark, can you talk a little bit about the program that you all have in place to help those residents whose water has been shut off throughout the year or are at risk of being shut off. I'm just trying to keep an eye on I know you're saying that you've done our part to protect those residents. If we already have a high number of those residents who are being shut off or at risk of being shut off then any increase would, of course, attribute to that, increase, that number. So I just wanted to make sure that we have the services and support in place to make sure that that doesn't happen.

Mr. McLaughlin - That's very important to us and we do ... we would like to do more. We have a number of programs in place to deal with that. It's a ... but we hope to do more to prevent any we don't want to see anybody ever shut off of water.

Councilwoman Alexander - I know Councilman Tyler was asking what (unclear). I think a little bit more specifically is the actual programs. Just out of curiosity, for those residents, because I know we're all (unclear) talked to do about some different residents regarding this rate increase and then with the fact that it's increasing over three years, so. What is in place to help out exactly?

Mr. McLaughlin - We work out payment programs. First we refer people to different agencies, Catholic Charities, North Township, a number of churches, but if all else fails we always offer a payment program that fits their budget.

Mayor McDermott - Keep in mind that when people aren't paying their water bill, it has a lot more to do with the sanitation bill and the Sanitary District bills than the water. We're talking about the water rate. Which is, I wanna say less than 20% of the entire bill is the portion we pay on water right now. I think it's actually lower than that. 10% of the entire bill right now, is the water portion. Which is the part we're talking about. So if somebody is not paying their "water bill" it's not because their water portion of their bill is so high. It's because they're having trouble paying the garbage, they're having trouble paying the Sanitary District. Obviously the water portion is 1/3 of the bill. But, you know, if people are having trouble paying their water bill, I mean, that's a bad situation to be in, obviously, but I mean, you have to pay your bills. We have to pay our bills. I can't call up, you know, our waste haulers and say, "Sorry, we can't pay this month." That just doesn't happen. We have to pay millions of dollars. We rely on the income stream from our residents help pay for the Sanitary District, the water rate, and the garbage. But keep in mind, when you're talking about the bill that your talking about, Councilwoman, it's all three portions. It's not the water portion. The water portion is 10% of the entire bill.

Councilwoman Alexander - Mayor, I do understand that it is all inclusive with everything and that the water portion is the 10%. But is we already have residents that maybe already be high, what is this actually going to do for them in totality even adding more of a burden on them especially now even in the midst of a pandemic.

Mayor McDermott - We all have burdens, Councilwoman, we all do. Owning a house is expensive. You know, hooking up your system to the water utility, sending garbage is expensive. You can't just hide from the fact that there's expenses that we need to cover. You know that as well as anybody because you look at our budget. I mean, we can't run a city based, you know, what 1% of the people in the city can't afford. If you run a city like that bad things will follow we have to run our city based on what it actually cost to do things, and on maintenance, and thing of that nature.

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Councilwoman Alexander - Yes, I do understand that. I'm not saying we don't need a rate increase so I don't want you to get me wrong. I'm saying when he mentioned the different items that we have, if they're already behind what is this also going to do for our residents? That's what I'm saying.

Mayor McDermott - Thank you, I appreciate your concern, Councilwoman. Of course, it's very concerning when somebody can't pay their bill and they get the disconnect notice and usually we get the call, the trustee gets a call, it's a bad situation. I agree. You know, obviously in a pandemic this is not ideal but, you know, here we are.

Kevin Smith, Corporate Council- Thank you. Mr. President and Council, you know, in listening to the Clerk-Treasurer from Whiting, who is an Auditor, reminds me of why I didn't become an Auditor. And that's no offense, because we need Auditors, the world needs Auditors too, right? But it's pretty dense, you know, when you look at all those numbers. And I think the points that he was making were interesting. But I said this last meeting, that you really wanna make sure you put things in context and I'm gonna do that in a second. But I wanted to just at least address a couple things. One, let's remember part of what the city council is taking a look at tonight is to give the Water Utility the independence, the financial independence, that they have not had for decades. This city and has for, since gaming came into the city's coffers, has underwritten all the water repairs of all those streets. So instead of that money being available to the Council, and to the City for other things that it could be used for. You name it, whatever each council person's issue is, that money could have been used for that. Instead, gaming money has paid for all the water utility improvements. The Water Utility needs to have financial independence. They need to be able to finance debt to make large improvements. They're not able to do that right now. They couldn't go out and sell a bond because they don't have a stream of income that they need. I think it's important also to point out the issue that the Treasurer from Whiting brought up about PILOT and about the agreements we have with Illinois. The great thing about the city is we don't have to call Whiting up and say, is it okay to have this agreement regarding the PILOT? Is it okay to have this agreement regarding our Illinois water revenue that is all gonna be done internally between the city and the Water Works, and it will be done fairly to the Water Works to allow them to have revenue and fairly to the city for them to have revenue, that's the goal. So let's talk about context, real quick, and I don't wanna be repetitive of my discussion last time, but it's important that we don't just look at this in the context of what's happening in Lake County, Indiana. Although important, and you can see the various charges that are being charged for in Lake County, Indiana. From the .44 cents that Hammond charges to the \$8.80 for that same thousand gallons that the residents of Crown Point have to deal with. But this is important, I pointed this out last time, but listen to this, Baker & Tilly did an independent rate study of all 368 utilities in the state of Indiana, it was done independently and was done by what's now called AIM it used to be called IACT, it's the cities and towns organization in the state. For a thousand gallons, it looked at 368 utilities, guess who is the least, .44 cents, City of Hammond. The most, the maximum, was \$22.40 for that same thousand gallons, and the average was \$6.96, the average through the State. That goes for poor communities, that goes for rich communities, that's the average of the state, to show you where we are and how far behind we are from where the average in the state of Indiana is. Base charge, that's that \$3 that Mark pointed out that is not being raised and is not suggested to be raised. The base charge in the 368 utilities, the lowest, \$3, guess who, Hammond. The maximum charge in the State is \$46.32. The average \$18.31. So again, I wanna make sure that the council understands the contextual aspect of this for the State is that the City of Hammond will continue to be responsible and continue to be very low as it relates way below average significantly below average from the other communities throughout the State. Thank You.

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Mary Ellen Slazyk- I guess I'm last on the list. I understand, Councilwoman Alexander, you're concerned about people getting the water turned off. I've been there before when I was 8 months pregnant with my youngest daughter the bill wasn't paid. I was not working and the water department come to shut off my water and I plot my big pregnant self on top of the pipe wouldn't let them shut it off. That bill did get paid later that day the only resources that people that can't pay their water bills... and it is a combined bill and it's not a small bill either. Salvation Army can possibly help, Saint Joe's in Downtown Hammond, they do a lot of good things down there. There's Greater Hammond might have some resources and there is also information number. I think it's 211 or something, they can call up and there is a place called Love Inc and several other places they can help people make contact with. Because I know what it's like. I literally sat on the pipe and they guy couldn't turn my water off. As you can imagine that picture of me being quite pregnant, to say the least. A lot of water related charges, not the water itself, but other charges gotta say they're related to water cause what happens with the water after we use it goes down the sewer. We're paying a lot on our property taxes. We're paying a lot on the water bill for sanitary. Those rates have gone up, of course, everybody's probably got their NIPSCO bill and NIPSCO was so kind enough to jack our rates up too and people are senior citizens on fixed incomes and it's not easy for them, because I'm in that boat right now. And I still have medical bills still coming in from my late husband and it's rough out there. A few dollars a month doesn't seem like much, but the senior citizens are only gonna get like a 1.3% raise just like \$1.30 per hundred basically, and of course, Medicare is gonna wipe that out. A lot of us don't know where to cut. I did have my home phone yanked, which I'm glad anyway because I was so tired of stupid solicitors calls from India in the middle of the night. But it's like where do you cut? I don't have cable. I pay \$10 a month for my internet. I got (unclear) internet and I got (unclear) computer too, it doesn't work half the time. But it's like, where we gonna cut? It's really hard for us, very hard, I'm in the boat a lot of people out there are. I personally do not get a pension. I was off too much cause I had kids with medical problems so I never accrued enough time. I almost got time in one place to get a pension, so I'm really depending on my social security check. It's very rough and that should be taken into consideration. Hammond doesn't have a program to help pay a bill. You don't pay your water bill, you're gonna get shut off and that's the bottom line. It's a business and there is no charity in it and I would think more than 1% of the residents of Hammond right now are having a hard time with their bill cause of this COVID and everything else is going on. The economy is taking a nose dive. Everything is crazy. There's a lot of people they're having a hard time paying their bills, not just a water bill, but everything else, you know, look at the long lines you see on TV, the people at food pantries. It's really sad out there, as for our water situation in Hammond maybe a little bit of an increase, but you got to take into consideration, I mean the City of Hammond is getting a lot of money in from the communities in Illinois. I know that money does go to the City, and the city gives the Water Department a piece of it and all the moneys I guess that's collected. From what I understand, I'm not an accountant or whatever like the gentleman from Whiting, he's good, but I really think something can be done. I don't think... I don't feel bad for the city having to fix the water tower. Okay, if you're getting a piece of the pie, you should help a little doing the dishes, that's the way to look at it. That's my take on it anyway. And seeing the numbers from the gentlemen from Whiting. By the way, my daughter is an accountant and financial analyst for a fortune 500 company and she does that number crunching and it drives the rest of us crazy. From what I see the numbers here, it doesn't have to go up as high as what is projected or expected or wanted, cause the profit margin is gonna be really high. I mean everybody's allowed to make a profit, you know, a little bit all these communities out here they're buying water from Hammond. They're allowed to make a little bit of a profit because they got infrastructure. They got to keep

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Mary Ellen Slazyk cont. - going to and I understand that. But I think this increase is a little bit out of hand, not a little bit out of hand, I think it's absolutely ridiculous. So you got to factor in all accounts over here the city does have revenue coming in from Illinois communities that's going right to the city and the Water Department gets a little cut. The Water Department does have money coming in and they might be operating on a deficit, maybe the city should give some more of that money to the Water Department. And I think the city should also fix the water tower and if something else goes wrong, you gotta fix it. You know, I mean I got stuff in my house that I gotta fix and I hate it but that's the way it goes, try replacing a water heater, they're not cheap. But I really think this increase is not warranted. It should be maybe just a little bit, but this is crazy. I mean it's like .44 cents and now it's going up to like two something, \$2.30 something. Oh, that's just way, way, way, too much. I think this needs to be looked over a lot better and I think something should be done about this and the people are in squeeze play and they don't need this and the communities, I'm sure, are going, "oh my gosh", because everybody's hurt because of COVID. Something better... I mean you gotta think of something better than this. Thank you.

Mayor McDermott- I appreciate her point of view as a Hammond resident. Nice to see her here. But I'd like to point out that I think we're unique when I say we, the City of Hammond has a program that's funded through gaming revenue that you just approved for the budget next year. We've been doing it every year for the last 17 years, we send a \$500 dollar check to all seniors that meet qualifying conditions. I imagine Miss Slazyk may be one of them that received the \$500 check. It's presumably for paying property taxes and paying for increase expenses like this proposed water rate increase. I can tell you that those \$500 checks are costly, cost a million dollars a year to run that program. We've been doing it every year and hopefully you know obviously with Miss Slazyk's home and the loss of her husband, God forbid, you know it's good to see you here, Miss Slazyk and as a Hammond resident and hopefully you're a part of that program, so that they can help you meet some of these higher expenses. Thank you for being here.

George Stoya- Yeah, I agree with Mary Ellen about the amount of the bump. What I'm leery about is the... nobody in Hammond, at least the citizens that I know, perhaps you guys on the Council, because it's all... we've only been aware of what goes on at the Water Department other than getting our water and paying our bill since maybe last May, when we came out from the jurisdiction of the IURC, something that I found and still find a very undermining move in terms of, for example, what's going on here. I do not believe that a \$1.90 is needed. I indeed I cite to a Water Departments minutes going back to, let's see here, June 25, 2020 where a study was commissioned, a 30 to 45 day study with the increase, to see if we could possibly go to a \$1.12 per thousand gallons, that looks more aspirational than anything else. So I don't know where this \$1.90 came from and I find very disturbing that no mention is made of how much the City of Hammond, being a wholesale seller, will they be paying a \$1.90 per thousand gallon like the other Cities and Towns or are they getting a pass on this, so, I mean, I'm looking at these articles dated October 15th, I believe it is from the Times, and the Mayor refers to the water situation as a diamond and I don't know if it's a diamond in the rough or a diamond that's polished. But I guess it depends on, you know, how much the City itself as a broker or a contractor, I guess, is selling water in addition. Our reliance over the... I don't know how many decades with IURC and the Office of Utility Consumer Counselor, I think that's what it is OUCC, we've never had to delve into this and this is normally left to the pros from Dover, you know, downstate, and all that where you have expert opinion. You have expertise

*Prepared by
Robert J. Golec
Hammond City Clerk*

PUBLIC HEARINGS cont.

George Stoya cont. - that was readily available to protect citizens. Now we're out here, you know, expected to somehow resist, interact critically, or otherwise somehow, I don't know some sort of campaign or plan or alternate position perspective as to the amount that's being raised. I find out what's been going... I'm asking what ... I'm asking myself what's been going on for the past 17 years as Mayor McDermott states. 17 years and who knows how long before that. And suddenly, wham, he wants to make it all due now. It's almost as if, you know, due to inaction, maybe neglect, mismanagement, suddenly, oh, , a necessity has risen. We're in a dire need, apparently, for infrastructure improvements upgrades, yada, yada,, and we need it now. But this necessity doesn't make for reasonability pursuant to the statue. I don't think so, that's what scares me. What scares is potential for ligation and we're gonna end up, perhaps, you know, back to some sort of compromise. And I just don't like the approach taken by the Mayor. I mean it's identical to what he did with Sanitary District he just started unilaterally laying out this is what I want and if you don't like it, well take it to court, you know I mean, it's the same thing and I'm leery of it I'm very leery of it and I wish I wasn't. And I'm not happy about it at all. I think \$1.90 is extensive. Granted, maybe it wont cost that much based on 5000 a month, but you know, that's that. Then there's another thing, is there any or any new bonds not contemplated. I haven't heard a word. I mean, you know a \$1.90 has gotta cover something, somebody there's money coming in. I can't believe all these communities, what is it, seven in Illinois, four or five in Indiana, that even at .44 cents there isn't enough money, and if you go to a \$1.12 that's 200% that's not gone be enough to cover all the financial needs. I'm sorry I don't buy it, and I don't like it, and you know it just doesn't add up to me. There's more than enough money and so I'm still not wondering how the \$1.90, and \$2.10, and \$2.30, is justified. We keep hearing the mantra in the City of Hammond how we're the lowest rate in the world as if that's a blank check invitation. Well, let's just start bumping, lets bump, and therefore all the benefits we get for living in the City of Hammond, in addition to the claw back against our so called 123 tax reform, are all going up in smoke. It cost you \$25 dollars to get an accident report. I just don't know how we the citizens are going to benefit from this. So I'm worried about the reason. I don't think the necessity, due to neglect and inaction over the years, especially the past 17 years, and now suddenly it's reasonable simply because it's so cheap I don't know these distinctions how they will play in accord with the court of law because it's one thing to talk in a sense of common sense. But once you start making these technical distinctions pursuant to the law and the criteria apply in the statues, especially when they use the term yeah, what's it in... I guess it's 8.1.53, section eight, and they talk about the city is allowed to raise the rates or the utilities allowed to raise the rates sufficient to pay for debt service upgrades in maintenance, yada, yada, and they can have a little bit of it, they can have a reasonable return on their revenue, a reasonable profit, but I don't know when you get start getting into that language and you start getting into what represents, I am not at all confident that if we are sued that Hammond will prevail. The Mayor, I think, put forward, I think he's gonna put forth a positive picture. But since he's the main advocate of this and the main advocate of this with the Sanitary District, I don't trust it. And I don't believe the City Council has done it's due diligence and if it has it certainly hasn't disclosed it in these meeting cause I did some due diligence. The Mayor was talking for example, there was a study done in 2017 and 2018, well I called the IURC twice, I talked to the OUCC, nobody knows of any such study that reveal a rate study, so the only study I found was by Carl Cender, which may have been adopted by someone else, I don't know. I called and there was no paperwork and so... and then with respect to the way he links it to the bond that was put out in 2017 for \$7.5 million, well when you read the transcript of Carl Cender's statement before the IURC it says we don't contemplate having to raise any money. Well then the next thing you know, is what 6 months, something like that, we're out from under the IURC and

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Robert J. Golec
Hammond City Clerk*

PUBLIC HEARINGS cont.

George Stoya - I'm wondering if there's a shell game going on. So I don't know, I'm impugning some not so necessary motives. Maybe I'm a little angry and I apologize, I don't know, I'm just speculating and I don't like what I'm speculating about. I don't have the confidence in it and that's what I'm worried about that we're gonna get stuck with a bunch of litigation bills. You know, half a million bucks, depending on how it breaks. If it breaks, you know, I'm hoping that you know cause I don't see the Mayor willing to compromise on the rates. He's only compromised on the schedule ramp up and I'm wondering why the mayor is advocating on behalf of the... leading the advocacy of this hype. It's the Water Department, they're an independent corporation. How is it that the city, I mean, what's the city in a sense got to do with this? They're an independent corporation and I haven't heard anything, I heard a little bit from Shana Levinson, the attorney, but you know where is Ed Karusa? Where is Lindy? Where are all these people? Let's hear it. But nothing, so I'm sorry, I just don't have the same confidence that many do about this and I'm sorry that I don't. So, that's my piece of mind. Thank you.

Mayor McDermott- I'd like to correct George. First off, the main advocate for the Hammond Sanitary District rate increase, George is too smart to say that publicly because he knows damn well the reason that the Sanitary District rates were raised had nothing to do with Mayor McDermott. Had to do with this thing called the Federal Government and mandates that come down from the Federal Government and I didn't realize that we were able to negotiate when the Federal Government, Department of Justice, is threatening to sue you over water we take from a lot of the communities in here right now, funny enough, and they say this is what you have to do. I guess we can say no, George, and you get to sit there in Whiting and not go to jail and I'm the one that has to face the Department of Justice. Why am I up here advocating? Because I'm the Mayor. That's why I'm up here advocating. I'm not the kind of guy that's gonna shirk off responsibility to one of my lawyers and have them come up here and take the arrows. This is what you elected me for. We have the cheapest water rate in the State of Indiana, according to AIM study that was done in May of 2019. If we raise our rates, like we're talking about, we will still be the cheapest in the State of Indiana, even if you raise the rates. I guess I don't yell loud enough so I'm gonna try George's way. I think it's extensive well, according to that study, we're gonna be the cheapest in the state of Indiana, even if we raise the rates we're way cheaper than anybody right now, so even though you feel that way, George, it doesn't mean just because you say it in a loud volume that it's actually true. Litigation bills are gonna follow, that's possible, litigation bills followed the Chicago Heights litigation and we spent money defending ourselves in court and we won as a result of spending litigation money. We end up with millions and millions of dollars extra every year. It's not an evil thing, litigation bills, oh my god, litigation bills are going to follow. Yeah, they probably will, George, and we will win. Oh it was real shady how we pulled out of the IURC, and they did it in 2018, they pulled out of the IURC and here we are. Did you realize that 85% of the Utilities in Indiana have withdrawn from the IURC, which is why we also withdrew from the IURC. We're literally one of the last utilities in the State of Indiana that had to go through this cumbersome process of the IURC. That's why we withdrew from the IURC. Then he took a dig at me insinuating that I'm a crappy Mayor, 17 years of inaction, 17 years of doing nothing, doesn't mean because we haven't been using the Water Department to pay for water infrastructure that there was no infrastructure going on. It was going on through casino gaming. It was going on through Councilman Woerpel 5th District gaming money, Councilman Torres 2nd District gaming money, were being spent on water projects that should have been spent by the Water Utility, but they couldn't, because they have no money. There's answer to all this, George, but just keep yelling, maybe the truth will come out eventually.

*Prepared by
Robert J. Golec
Hammond City Clerk*

PUBLIC HEARINGS cont.

George Stoya- Can I respond?

Council President Woerpel- No.

All letters of objection have been placed on file in the Hammond City Clerk’s Office and copies have been attached to the minutes.

CONSIDERATION

20-25 An Ordinance Amending the Schedule of Rates and Charges for Water Services Furnished by the Hammond Water Works Department

Councilwoman Venecz, supported by Councilman Spitale, moved for passage.

Councilwoman Venecz, supported by Councilman Rakos, moved to amend and delete the following language from the bottom of Exhibit A. I’d like to delete the words, “Meter rates will increase 3% annually on an annual basis effective January 1st, 2024", and that is deleting.

Councilwoman Venecz- Listening to all of the discussion this evening I would like say to our residents who are concerned about the increase, we have all been there with the pink envelope from the Water Department with the pink envelope from NIPSCO, and you need gas in the car to get to work, and you gotta pay the babysitter. We’ve all been there. This is not an exorbitant increase from 1985. I think we should... I personally am grateful that we haven’t had an increase since 1985. From my perspective, when, and I had heard this before, but when Jamie got up here and said that some of our infrastructure has an 1890 date on it. Let’s see who lives in a house that was built in 1890? And what kind of repairs have we had to make to that home. To me that 1890 date is very frightening because of the repercussions of a malfunction. We’re not gonna have to worry about paying a water bill because we won’t get any water. That becomes a matter of health and safety. This is not an easy decision. On one hand, it’s very difficult, on the other hand, it’s very easy. Because it’s been so long since we had an increase. But for our residents, they need to know that the City of Hammond Water Department is willing to work with you if you find yourself in a position that you cannot pay your bill. I know this for a fact sometimes we just have to bite the bullet and make a phone call if we find ourselves in that position. And that’s all that I have to say.

ROLL CALL VOTE (Amendment)

AYES: Alexander, Spitale, Venecz, Kalwinski, Torres, Tyler, Emerson, Rakos, Woerpel

NAYS: None

ABSENT: None

Motion carried

9/0/0

AMENDMENT ADOPTED

Councilman Tyler- We’ve heard a ton of information tonight and I don’t know about my colleagues, but I would just like a bit more time to crunch some numbers to speak with the Water Department and to speak with our legal department. So I would actually like to make a motion that we hold off the vote until our next scheduled meeting, which is next Monday, if possible.

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Hammond City Clerk*

CONSIDERATION cont.

Councilman Tyler, supported by Councilwoman Alexander, moved to postpone the vote until our next regularly scheduled meeting on Monday, November 23, 2020.

Council President Woerpel- Are you asking for it to be Tabled?

Councilman Tyler- Not Tabled, just postponed until Monday.

Council President Woerpel- The motion has been made and put on the floor and seconded. It's either gotta be made to Table or we're gonna... it's being considered tonight.

Councilman Tyler- I don't know if we need to check with Attorney Berger. But I think under Robert's Rule of Orders we have the power to postpone to a specific date instead of Tabling it all together.

Attorney Berger- There is a motion to postpone to a date definitely, which is my understanding of this Motion. So it's a proper Motion.

Council President Woerpel- Okay, the motion has been made to postpone 20-25 until next Monday.

ROLL CALL VOTE (Postpone Vote)

AYES: Alexander, Kalwinski, Tyler,

NAYS: Spitale, Venecz, Torres, Emerson, Rakos, Woerpel

ABSENT: None

Motion carried

3/6/0

MOTION FAILED

Councilwoman Kalwinski- I've been a councilman for 17 years and almost from the beginning of time in that chair I had been asking for help from the Water Department and Sanitary when reconstructing the ground on streets in the 1st District had that been in place that many years ago. I'm certain I would get twice as many streets done as I have gotten done before because of the savings of not having to use gaming dollars for underground work. So this increase, my understanding is that this increase will allow for infrastructure work as well as filtration plant work, as well as transmission lines and pump stations, all of which are in terrible need and I continue to have those needs underground in the streets in the 1st District, as there are some of the oldest streets there in the city. So I welcome the potential to have more dollars coming into Water Department to be used by them, their dollars, for infrastructure work throughout the city and I can see the need for expansion for city water services and filtration plant improvements and potentially a new filtration plant if needed. I don't know how we can improve the bonding capacity of the Water Department. I think we have to do an increase to be able to put forward those things in motion. So I just wanted to give some perspective from all my years in office that I welcome not having to use as many gaming dollars for underground work and that revenue will come in through the Water Department to do those improvements so that when we do the improvements on top of the streets that they will not be busted up immediately because they need infrastructure work. Thank you.

Councilman Tyler- I wanna echo Councilman Kalwinski's comments regarding understanding the need for the increase and I think a lot of people have expressed their thoughts around the fact that it's been over 30 years that

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Robert J. Golec
Hammond City Clerk*

CONSIDERATION cont.

Councilman Tyler cont. - we haven't had an increase. Even if we had been keeping up with inflation, we wouldn't be in this situation right now. And so I definitely understand the need for infrastructure repairs is something we've been talking about for a while, now and I know this year giving COVID and all the set backs that we've had regarding our gaming funds, and having to put things on pause. I definitely understand the need for the increase but I would be remiss if I didn't share that I've heard from a good amount of my residents that they are fearful for the increase and I understand that given COVID a lot of people have been laid off, people have tried to find or had to find part-time work that's paying minimum wage and so they've had to make cuts and this is definitely an area that I've advocated that if we could slow down the total increase and I would be behind that. I understand that we have to get out in front of these repairs. So I do understand that money has to come from somewhere. But with that being said, I really wish we could have come to some understanding as a Council of slowing this down so that it wouldn't hit some residents as hard as it might. Even if it, you know even if somebody like me who can afford the increase but I know that there are people in my District that can't. And whether we agree with that or not, whether we want to place blame on the situations that some people find themselves in, like that's not my place and I don't think that's other residents place or other council members place, but it's just the fact that's something that we have to deal with and so I do understand that the Mayor has called out that he is willing to place more resources within the Water Department to figure out ways that we can have more supports that we can have more supports for our families who are finding hard times and being placed on hardships when it comes to their water bills. And so I'm looking forward to working with him and the rest of the City Council, and the Water Department to figure out what we can do to support those families because no matter what we are going to see more and more families have those issues. I understand the increase and I also understand outside of what we're voting on tonight that other communities will be hit with this too. As someone who was elected by residents within the 3rd District, those are the people that I'm responsible to those are the people that put me in office and that will hold me accountable and that's why I initially wanted to postpone this vote until next Monday, to do some more research to dive more into some of the numbers and statistics that we heard tonight, but seeing that we won't do so, I'm ready to vote with my peers and see where this lands. Thank you.

Mayor McDermott- Hearing from Councilwoman Alexander and Councilman Tyler about the same issue and, you know, I think there's a lot of merit in what they're bringing up. The Hammond Water Board is composed of 5 members appointed by the mayor. They have to be appointed in a bipartisan fashion, but they're ultimately, you know, they're appointed by the Mayor and then it runs on it's own from there. They hire their own C.E.O. and I do plan to speak with each of the 5 appointees that I have and have them report back to the Hammond Council very soon before the rate increase goes into effect, if it's approved, about actions we could take to follow up on these recommendations coming from Councilwoman Alexander and Councilman Tyler about some type of program that could help the homeowners that are hit hard by this rate increase and can't afford the pay increase. So I will have the C.E.O. of the Hammond Water Company report back to the Council before the end of the year with the new plan to try to in fact... working with Councilwoman Alexander and Councilman Tyler to try to work together and come up with some type of program that's even better than the one we have now. Maybe there's some type of loss account, some type of aid, that we can render in situations like that. But I think it's a great recommendation and obviously, you know, for people in Hammond that find themselves down and out. They're having trouble paying their water bill. I'm sure they're also having trouble paying their NIPSCO

*Prepared by
Robert J. Golec
Hammond City Clerk*

CONSIDERATION cont.

Mayor McDermott cont. -bills, and their property tax bill, and things of that nature. But if we could provide a little bit of relief on the water side, I think that's something we should try to do, especially in light of what we're going through as a Country and the magnitude of the jump. So I think both of them bring up a good point and I promise you that Mark McLaughlin, who's here listening to me now, will report back before the end of the year on a program that we can implement and have the Hammond Water Company to help with that. If that's okay with you too. Thank you.

Councilwoman Alexander- Thank you, Mayor, for those comments. It will definitely be noted and appreciated. And that's the one thing we're trying to do, we're just trying to look out for our residents. They did elect us and for me it's at large. And I'm hearing from different residents across the spectrum and making sure their needs are totally met when we're talking about increases. Yes, we can say it's a cup of coffee, but maybe they can't afford that Starbucks coffee already. So looking into those different things and different plans. We're not saying that the infrastructure does not need to be done. Half of the stuff is just as or either older than us, or when the rate increase when we talk about the rate increase, it's only a little bit younger than us with that rate increase, it's only a little bit younger than us with that rate increase that happen, so we know it needs to happen. We, I know for me, I wish it would have happened sooner than now, but it does make it extremely hard to vote tonight knowing what it's going to do. But also like Janet Venecz said, we're teeter tottering. We know that it's gonna be a struggle but at the same time it's an easy but hard vote because we know that infrastructure needs to be done in our City to make sure things don't go wrong.

Mayor McDermott- You have my word. I have a lot of homework assignments if this ordinance passes. I have to meet with all the customer communities and hopefully come up with some type of ramp up resolution that's satisfactory to both parties and I commit to our customer communities right now that we will follow the contract and we will try to negotiate acceptable terms to both parties and I promise Councilwoman Alexander and Councilman Tyler I'm going to work with the Hammond Water Company to come up with a better system for the residents that are having trouble paying their bills. I think your concerns are well warranted.

Council President Woerpel- Mayor, just a quick question. As far as contracts go, of any kind, that's some executive...

Mayor McDermott- Also, Councilman, I appreciate you asking, these are decades long contracts. You know 20 year, 30 year contracts, and you know, so, they're hard to break. In fact, if you, I know most people in here are familiar, we had a major disagreement when it came to waste water with a lot of the same communities that are in here right now and it ended up in court and we get that these are long term contracts, obviously, if you're gonna hook up water to a community, it can't be a year to year thing, outside of Griffith, Griffith does not have an active contract with the Hammond Water Company and quite frankly, they could walk if they get a better offer for water from another source, they could literally walk away with no breach of agreement with the City of Hammond right now, so. But I think the Councilwoman and the Councilman's concerns are well warranted. It's obviously very important to them and regardless of how the vote turns out tonight, I plan to follow that up with the Hammond Water Company in the next couple of weeks. Thank you.

*Prepared by
Robert J. Golec
Hammond City Clerk*



TOWN OF DYER

Town Council Office

One Town Square

Dyer, Indiana 46311

Phone (219) 865-6108

Fax (219) 865-4233

November 16, 2020

VIA HAND DELIVERY

HAMMOND COMMON COUNCIL
5925 Calumet Avenue
Hammond, IN 46320

HAMMOND WATER WORKS DEPARTMENT
6505 Columbia Avenue
Hammond, IN 46320

Re: Objection to Ordinance 20-25 Amending the Schedule of Rates and Charges for
Water Services furnished by the Hammond Water Works Department (the "HWWD")

To Whom It May Concern:

I write on behalf of the Town of Dyer, Indiana ("Dyer") to provide the City of Hammond ("Hammond") and HWWD with notice that Dyer objects to proposed Ordinance 20-25 and requests that the Hammond Common Council refrain from adopting it after the November 16, 2020 Public Hearing on Ordinance 20-25. Dyer contends that the rate increases contained in proposed Ordinance 20-25 are discriminatory, unreasonable, and unjust under Indiana law, that the automatic increase contained therein is illegal, and that Hammond and HWWD lack the authority to approve such rates pursuant to HWWD's agreement with Dyer. Additionally, Dyer objects to proposed Ordinance 20-25 because the Hammond Common Council lacks the authority to approve such rate increases, and because HWWD has failed to properly provide notice concerning the November 16, 2020 Public Hearing in accordance with Ind. Code § 5-3-1-4.

Dyer intends to challenge the validity of proposed Ordinance 20-25 and the rate increases established therein should the proposed Ordinance be approved after the November 16, 2020 Public Hearing despite these objections.

Should you wish to discuss this matter further please feel free to contact me directly.

Very truly yours,

Tom DeGiulio
Town Manager

council@townofdyer.com

Steve Kramer, Member

Mary Tanis, President

Alan Brooks, Vice President

Robert Starkey, Member

Eric Schultz, Member



November 16, 2020

VIA HAND DELIVERY

DAVE WOERPEL, PRESIDENT
HAMMOND COMMON COUNCIL
5925 Calumet Avenue
Hammond, IN 46320

SHARON DANIELS, PRESIDENT
HAMMOND WATER WORKS DEPARTMENT
6505 Columbia Avenue
Hammond, IN 46320

Re: Objection to Ordinance 20-25 Amending the Schedule of Rates and Charges for Water Services furnished by the Hammond Water Works Department (the "HWWD")

Dear Presidents Woerpel and Daniels:

I write on behalf of the City of Whiting, Indiana ("Whiting") to provide the City of Hammond ("Hammond") and HWWD with notice that Whiting objects to proposed Ordinance 20-25 and requests that the Hammond Common Council refrain from adopting it after the November 16, 2020 Public Hearing on Ordinance 20-25. Whiting contends that the rate increases contained in proposed Ordinance 20-25 are discriminatory, unreasonable, and unjust under Indiana law, that the automatic increase contained therein is illegal, and that Hammond and HWWD lack the authority to approve such rates pursuant to HWWD's agreement with Whiting. Additionally, Whiting objects to proposed Ordinance 20-25 because the Hammond Common Council lacks the authority to approve such rate increases, and because HWWD has failed to properly provide notice concerning the November 16, 2020 Public Hearing in accordance with Ind. Code § 5-3-1-4.

Whiting intends to challenge the validity of proposed Ordinance 20-25 and the rate increases established therein should the proposed Ordinance be approved after the November 16, 2020 Public Hearing despite these objections.

Should you wish to discuss this matter further please feel free to contact me directly.

Sincerely,

Denise L. Sejna
Whiting City Attorney

City of Whiting

1443 119th Street • P.O. Box 591 • Whiting, Indiana 46394 • tel. 219.659.7700 • fax. 219.473.4452

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November 16, 2020

VIA HAND DELIVERY

HAMMOND COMMON COUNCIL
5925 Calumet Avenue
Hammond, IN 46320

HAMMOND WATER WORKS DEPARTMENT
6505 Columbia Avenue
Hammond, IN 46320

Re: Objection to Ordinance 20-25 Amending the Schedule of Rates and Charges for
Water Services furnished by the Hammond Water Works Department (the "HWWD")

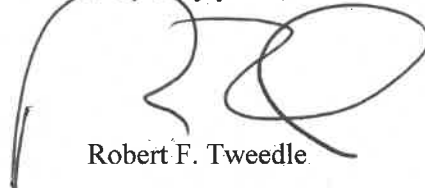
To Whom It May Concern:

I write on behalf of the Town of Highland, Indiana ("Highland") to provide the City of Hammond ("Hammond") and HWWD with notice that Highland objects to proposed Ordinance 20-25 and requests that the Hammond Common Council refrain from adopting it after the November 16, 2020 Public Hearing on Ordinance 20-25. Highland contends that the rate increases contained in proposed Ordinance 20-25 are discriminatory, unreasonable, and unjust under Indiana law, that the automatic increase contained therein is illegal, and that Hammond and HWWD lack the authority to approve such rates pursuant to HWWD's agreement with Highland. Additionally, Highland objects to proposed Ordinance 20-25 because the Hammond Common Council lacks the authority to approve such rate increases, and because HWWD has failed to properly provide notice concerning the November 16, 2020 Public Hearing in accordance with Ind. Code § 5-3-1-4.

Highland intends to challenge the validity of proposed Ordinance 20-25 and the rate increases established therein should the proposed Ordinance be approved after the November 16, 2020 Public Hearing despite these objections.

Should you wish to discuss this matter further please feel free to contact me directly.

Very truly yours,



Robert F. Tweedle



KOPKA PINKUS DOLIN PC
9801 Connecticut Drive, Crown Point, IN 46307
Phone: (219) 794-1888 Fax: (219) 794-1892

Sheri Bradtke McNeil
SBMcNeil@kopkalaw.com

VIA HAND DELIVERY

HAMMOND COMMON COUNCIL
5925 Calumet Avenue
Hammond, IN 46320

HAMMOND WATER WORKS DEPARTMENT
6505 Columbia Avenue
Hammond, IN 46320

Re: Objection to Ordinance 20-25 Amending the Schedule of Rates and Charges for Water Services furnished by the Hammond Water Works Department (the "HWWD")

To Whom It May Concern:

I write on behalf of the Town of Griffith, Indiana ("Griffith") to provide the City of Hammond ("Hammond") and HWWD with notice that Griffith objects to proposed Ordinance 20-25 and requests that the Hammond Common Council refrain from adopting it after the November 16, 2020 Public Hearing on Ordinance 20-25. Griffith contends that the rate increases contained in proposed Ordinance 20-25 are discriminatory, unreasonable, and unjust under Indiana law, that the automatic increase contained therein is illegal, and that Hammond and HWWD lack the authority to approve such rates pursuant to HWWD's agreement with Griffith. Additionally, Griffith objects to proposed Ordinance 20-25 because the Hammond Common Council lacks the authority to approve such rate increases, and because HWWD has failed to properly provide notice concerning the November 16, 2020 Public Hearing in accordance with Ind. Code § 5-3-1-4.

Griffith intends to challenge the validity of proposed Ordinance 20-25 and the rate increases established therein should the proposed Ordinance be approved after the November 16, 2020 Public Hearing despite these objections.

Should you wish to discuss this matter further please feel free to contact me directly.

Very truly yours,

Kopka Pinkus Dolin PC

/s/ Sheri Bradtke McNeil

Sheri Bradtke McNeil

SBM/sj



November 16, 2020

VIA HAND DELIVERY

HAMMOND COMMON COUNCIL
5925 Calumet Avenue
Hammond, IN 46320

HAMMOND WATER WORKS DEPARTMENT
6505 Columbia Avenue
Hammond, IN 46320

Re: Objection to Ordinance 20-25 Amending the Schedule of Rates and Charges for Water Services furnished by the Hammond Water Works Department (the "HWWD")

To Whom It May Concern:

I write on behalf of the Town of Munster, Indiana ("Munster") to provide the City of Hammond ("Hammond") and HWWD with notice that Munster objects to proposed Ordinance 20-25 and requests that the Hammond Common Council refrain from adopting it after the November 16, 2020 Public Hearing on Ordinance 20-25. Munster contends that the rate increases contained in proposed Ordinance 20-25 are discriminatory, unreasonable, and unjust under Indiana law, that the automatic increase contained therein is illegal, and that Hammond and HWWD lack the authority to approve such rates pursuant to HWWD's agreement with Munster. Additionally, Munster objects to proposed Ordinance 20-25 because the Hammond Common Council lacks the authority to approve such rate increases, and because HWWD has failed to properly provide notice concerning the November 16, 2020 Public Hearing in accordance with Ind. Code § 5-3-1-4.

Munster intends to challenge the validity of proposed Ordinance 20-25 and the rate increases established therein should the proposed Ordinance be approved after the November 16, 2020 Public Hearing despite these objections.

Should you wish to discuss this matter further please feel free to contact me directly.

Very truly yours,

CONSIDERATION cont.

ROLL CALL VOTE (passage)

AYES: Alexander, Spitale, Venecz, Kalwinski, Torres, Tyler, Emerson, Rakos, Woerpel

NAYS : None

ABSENT: None

Motion carried

9/0/0

ORDINANCE NO. 9486 PASSED


Councilwoman Venecz, supported by Councilman Spitale, moved to adjourn.

AYES: ALL

ATTEST:



Dave Woerpel, President
Hammond Common Council



Robert J. Golec, City Clerk

Time: 7:55 p.m.