

CITY OF HOBART SANITARY DISTRICT BOARD OF COMMISSIONERS

Resolution No. 2016-03

A Resolution Approving Proposed True-Up for Operating and Maintenance Expenses and Capital Projects Contributions with the Gary Sanitary District for the year 2014

WHEREAS, the Board of Commissioners (“Board”) of the City of Hobart Sanitary District (“District”) has been informed that, after extensive negotiations with the Gary Sanitary District (“GSD”), a proposal acceptable to GSD and the District for the true-up of 2014 charges for operations and maintenance (“O&M”) and capital projects contribution from the District has been reached, subject to the approval of the Board and the GSD Board of Commissioners; and

WHEREAS, “true-up” is the process of determining final reconciliation and adjustment of payments made to GSD in 2014 for wastewater disposal in light of actual costs of O&M and capital projects applicable to the District through its customer community agreement with GSD. Such process is mandated by the Agreement and United States Environmental Protection Agency (“USEPA”) regulation; and

WHEREAS, the District’s financial consultants, H.J. Umbaugh & Associates Certified Public Accountants, LLP have advised that the true-up for O&M as tentatively agreed will require the District to pay an additional sum of \$120,735.00. This amount is only \$8,514.00 in excess of the District’s true-up proposal made for 2014 to GSD. GSD made no true-up request for additional payments for capital projects for 2014; and

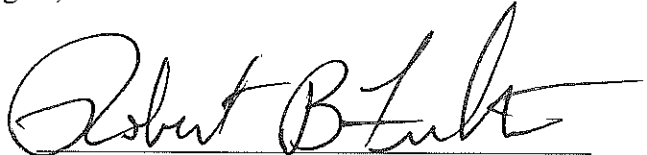
WHEREAS, the District has raised concerns concerning GSD’s allocation of insurance expenses to HSD, and the Board desires to assert acceptance of the above stated true-up amount subject to the right of the District to raise objections to insurance expense allocations in future true-ups, it being the intention of the District that its action on the 2014 True-Up not be deemed a bar or waiver of its right to challenge such allocations in the future; and

WHEREAS, the Board now desires to approve the true-up proposal for 2014 as stated above and authorize payment of the amount required through this Resolution.

THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Hobart Storm Water Management Department that:

The Board hereby approves the 2014 True-Up proposal with GSD in the amount of \$120,735.00, and authorizes that such sum be paid to GSD in full and final settlement of all amounts due and to become due to GSD from the District for 2014; Provided that, such payment shall not act as a bar or waiver of the District’s right to challenge the allocation of insurance expenses or any other expenses in future true-ups.

ALL OF WHICH is adopted as the Resolution of the Board of Commissioners of the City of Hobart Sanitary District on this 10th day of August, 2016.


ROBERT J. FULTON, President

ATTEST: 
PHIL GRALIK, P.E., Secretary