

**REGULAR MEETING, BOARD OF SANITARY DISTRICT COMMISSIONERS
WEDNESDAY, FEBRUARY 25, 2009 – 1:00 P.M. – 1100 E. EIGHTH STREET**

The meeting was called to order at 1:00 p.m. in the Board Room of the Administration Building, 1100 E. Eighth Street, by the President of the Board, Boyd W. Phelps.

Commissioners present for the meeting were Judith A. Paul, Boyd W. Phelps, Linda G. Simmons and Ronald J. Strauss. Commissioner J. Jeffrey Jones, Ph.D. was absent.

Staff Members present for the meeting were:

Alan J. Walus, General Manager
Daniel R. Olson, Plant Superintendent
Michael A. Hoffman, Collection System Superintendent
James L. Kintzele, Sr., Refuse Superintendent
Doretha M. Sanders, Administrative Director
Tina M. Tabisz, Administrative Assistant
William J. Nelson, Jr., Attorney

Also present for the meeting were:

John Schaefer, City Controller
Tom Cipares, General Insurance Services
John Doyle, John A. Doyle & Associates
Jim Maurer, Haas & Associates
Adam McAlpine, Haas & Associates
Mike Edinger, Woodruff & Sons
Sandra Stine, 602 W. Garfield Street
Joyce Barr, 1909 Elston Street
Laurie Wink, News-Dispatch
Andre Steele, ALCO TV

Mr. Phelps entertained a motion in reference to the minutes of the Organizational and Regular Meeting of January 28, 2009.

Ms. Paul made a motion to approve the minutes, as submitted– seconded by Ms. Simmons. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

In reference to the Financial Status of the District, City Controller John Schaefer distributed the financial reports for the year ending December 31, 2008. He advised that District's actual profit for the year was \$575,000 after taking into account depreciation and transfers compared to \$676,000 the year before. Therefore, the District is down approximately \$101,000 in the Utility Operations.

Mr. Schaefer referred to the tax funds on the financial report advising the Board that the numbers were adjusted because the 2007 taxes were collected in 2008. Additionally, we are still owed most of our property taxes for 2008. As a result of that, the City had to

loan funds to the Sanitary District which will be paid back once the tax funds are received.

Mr. Phelps asked if there were any comments or questions by the Board. There were none.

Mr. Schaefer then distributed the financial statements for January 2009 explaining that these numbers are not complete because the depreciation has not yet been calculated for 2009. Adjustments will be made at a later time. Additionally, the budget balances in the tax funds do not take into account funds from 2008 being encumbered to 2009.

Mr. Schaefer advised that, for the Utility Operations, there is a \$112,000 profit for January compared to \$227,000 last year in January. Therefore, there is a difference of approximately \$114,000 less than last year. He noted that most of this is timing.

Mr. Phelps asked if there were any questions or comments by the Board. There were none.

Mr. Phelps deviated from the agenda somewhat asking Mr. Walus to present the IT Network Management matter while Mr. Schaefer is still at the table.

Mr. Walus advised that, earlier this week, he distributed to the Board and Legal Counsel information regarding a Letter of Understanding for IT Network Management and that Mr. Schaefer was involved with the initial request.

Mr. Walus advised that the handout included a summary of events that led to this point explaining that it began with a request from the City to see if, on a temporary basis, the Sanitary District would have any capability to provide IT network management services for the City.

Mr. Walus explained that Item 1 of the handout summarized that, in the past, the City used a consultant to troubleshoot and manage their computer network. In January, they looked to see if they could use a different approach if the Sanitary District could provide two levels of services. The bulk of the services would be basic troubleshooting; and secondly a higher level of supervisory services to provide long range planning and management of the basic troubleshooting.

Item 2 of the handout summarized that, in response to the City's request, Mr. Walus submitted a Letter of Understanding to the Board of Public Works & Safety on February 17th. The proposal submitted to the Board of Works was based on internal meetings with District staff whereby we decided that we could prepare a plan to provide those services.

Mr. Walus explained that the offer to the City is for the District to provide services of a Network Technician to provide the entry level network management on a three-quarter full-time basis, which would also be supplemented by the work of the District's current IT Manager Andy Matanic on a one-quarter full-time basis.

Mr. Walus explained that, if we were to move forward with the proposal, it would require the District to hire, on a temporary basis, a full-time Network Technician that would theoretically work three-quarters of the time at City Hall and one-quarter of the time here at the Sanitary District. Mr. Matanic would then potentially spend one-quarter of his time managing that individual as well as providing services for the City for long range planning. In exchange for the Sanitary District providing those services, the City would pay the District a monthly fee to cover those personnel costs.

Mr. Walus advised that documentation of the potential hourly rates along with the different benefits was evaluated to determine a monthly cost for the potential Network Technician, as well as the actual costs of Mr. Matanic currently, and translating them to the appropriate percentages of the monthly costs of three-quarters of the monthly cost of the Network Technician and one-quarter of the monthly cost for Mr. Matanic.

Mr. Walus advised that this monthly payment would come from the Board of Works, essentially as a contractual services arrangement to the District.

Mr. Walus advised that the Board of Works was in favor of this proposal. This would give the City some time throughout the next few months in 2009 to plan ahead for 2010 and see what options they may want to pursue. The City could revert back to an outside consultant doing the work, enter into another arrangement with the Sanitary District or look at a full-time staff member for the City to perform these services.

However, in an effort to provide better services and efficiencies right now, we thought that this temporary arrangement for the rest of the year would benefit the City. We already have the talent in-house with Mr. Matanic as our IT Manager to fill the main supervisory role.

To move forward on this matter, if the Board wishes, Mr. Walus provided a proposal which includes a job description for a Network Technician as well as a way to post the notice to seek applicants and how they would be rated.

Mr. Walus explained that, if we were to get to the point of implementation, any potential applicant that we would be looking at to fill this role would be made aware up front that this is a temporary position only for the remainder of this year, at which point, that job would no longer be active. This is not to say that things may not change between now and the end of the year. However, all we are considering right now is to hire a full-time entry level network technician on a temporary basis to work three-quarters of the time at City Hall and one-quarter of the time at the District.

Mr. Walus explained that the benefit of having the network technician part-time at the Sanitary District is to relieve some of the workload on Mr. Matanic since he is a department of one. He is performing multiple tasks including long range planning for conversion to a GIS-based system (Geographical Information System) for the Collection System as well as daily troubleshooting.

Therefore, by having a network technician here part-time would relieve some of Mr. Matanic's duties which would then result in a bigger benefit from Mr. Matanic's work by using more of his time on some of the higher level network management.

Mr. Walus then explained that Item 3 of the handout indicates that the District management team recommends that the Board approve the Letter of Understanding with the Board of Work as well as a proposed job description for a Network Technician.

Mr. Walus explained that the proposed job description was prepared using a job description from a Sanitary District in California that has very detailed job descriptions. We also received a job description from the Michigan City Area School System, which has been doing this type of work for several years. Therefore, there was some input from the School System as well as input from Mr. Matanic to put together this job description.

Mr. Walus then advised that the last two pages of the handout has a sample weighted rating. This is a rating system that Mr. Phelps has used as City Engineer, which is an INDOT (Indiana Department of Transportation) rating form to evaluate consultants. Mr. Walus explained that the District has used weighted rating scales before. Traditionally, we would use a rating scale of zero to five.

Mr. Walus explained that INDOT uses negative numbers with their rating scale. Therefore, as they identify particular criteria, the type of experience is identified and, if the firm/individual meets the criteria, this would be rated as a zero indicating that requirements are met. If the requirements are exceeded, then a one or a two is given. If there is insufficient experience, the rating would be with negative numbers. Using this rating scale, a firm/individual with insufficient resources or experiences would be separated out with negative rating numbers.

Therefore, using this form by taking into account the specific requirements in the proposed Network Technician job description, five key categories were identified that we would be looking for in applicants. The categories are Experience and Education, Certification, Knowledge of Active Directory, Demonstrated Qualifications, and Network Management. Each of these categories has identification of what meets, exceeds or is deficient in the requirements.

Mr. Walus explained that, if we move forward to advertise and by working with WorkOne and City Personnel Director Shelley Dunleavy to get the word out that we are looking for

applicants for a network technician position, those interested individuals would contact the Sanitary District. They would be given a job application, the job description and the rating criteria that will be used to evaluate their skills and the applicability of their skills in this position.

Mr. Walus advised that a schedule has been prepared, if the Board is interested in moving forward, to begin this process rather quickly by seeking applicants over a two week period. We believe that we can get to a point of narrowing down the final applicants by the end of March.

Mr. Walus advised that the agreement with the Board of Works contains a start date of March 1st to begin supplying these services. To do so, we would rely on Mr. Matanic to perform both the troubleshooting and the supervisory management services. In fact, Mr. Matanic has begun some of that work and it is working out rather well so far.

Mr. Walus explained that we tentatively wanted to try out part of the implementation to make sure that it would work and make sense. So far, we believe it is a good way to meld the two different networks of the Sanitary District and City of Michigan City, as well as other departments, and we can use Mr. Matanic's expertise to bring everyone together for more efficiency.

Mr. Walus noted that Mr. Schaefer is here from the Board of Works' point of view and he began this process.

Mr. Schaefer stated that, as Mr. Walus mentioned, the City is currently using a consulting firm out of Merrillville to manage the City's network and to perform all of the troubleshooting and it has gotten quite expensive. The City pays quite a significant hourly rate for the consulting firm beginning with the travel from Merrillville to do some things that are very, very minor.

Mr. Schaefer explained that his original idea was that the City would hire a part-time person that would be the technician that Mr. Walus described just to handle the little things. However, his concern with that was how to find a qualified person hired on a part-time basis and leave the network management with the consultants in Merrillville. This would lead to a possible problem with communications. He would much rather have had an in-house person.

Mr. Schaefer explained that, after discussions with Mr. Walus, it was determined that the District has a talented staff member who could take on some duties with the City if some of his duties were relieved at the District. At that point, a full-time technician could then be hired and probably be able to get someone more qualified. Mr. Schaefer believes that it is a win-win situation.

Mr. Schaefer commented that we could try this for the rest of the year and he hopes that it works out and it continues.

Mr. Phelps commented that he can attest to the fact that he has already seen Mr. Matanic's work in the Planning & Engineering Department. There was a situation where no one could fix the printer. Mr. Matanic came in and, after one hour, the printer was fixed and running. Mr. Matanic is an amazing person.

Mr. Schaefer stated that he believes that this is just a different way of looking at things. Mr. Matanic has more common sense and looks at "what is the simplest thing that can be wrong" when the consultants would come in and say "what's the most expensive thing that can be wrong".

Mr. Phelps asked if there were any questions by the Board.

Ms. Paul commented that this seems to be a great idea.

Mr. Phelps then entertained to proceed on the plan and approve the Letter of Understanding with the Board of Public Works & Safety as presented.

Ms. Paul made such a motion – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Mr. Schaefer thanked the Board and advised that he would keep the Board posted on how well this works.

Mr. Walus then asked if the Board would consider approval of the Network Technician job description, which would allow the District to be able to begin advertising the position to seek applications.

Mr. Phelps entertained a motion on the matter.

Mr. Strauss made a motion to approve the Network Technician job description.

Mr. Strauss then commented that the job description seemed to be a long, detailed description which may be a handicap. Mr. Walus stated that this is true but that, with that detail, it helps identify the type of work we are looking for, which is where the weighted ranking sheet comes in. We may be hard-pressed to find a candidate that has all of the criteria that we are looking for but we will seek to get the best person using that weighted rating scale.

Motion was seconded by Ms. Paul.

There being no further discussion or comment on the matter, motion carried 4 – 0 in favor.

Mr. Phelps read the financial status of the District as follows:

**FINANCIAL STATUS – SANITARY DISTRICT
February 20, 2009**

OPERATION & MAINTENANCE FUND #6201	\$498,661.87
SEWAGE WORKS SINKING FUND #6207	\$965,051.86
SEWAGE WORKS IMPROVEMENT FUND #6208	\$155,371.63

Mr. Phelps then recognized Tom Cipares of General Insurance Services (GIS) to report on the insurance renewal update.

Mr. Cipares advised that the Board packets included the renewal proposals from Hylant Administrative Services, who places the insurance coverage through Argonaut Insurance as the carrier for the package coverage that provides the property insurance, equipment breakdown, contractor's equipment, general liability, automobile liability, public official's liability, excess liability, and employment practices liability. This is simply referred to as the package policy in this particular case.

Mr. Cipares explained that the renewal offer from Argonaut is using the same rate levels. Therefore, the rate that they use for the property, general liability or the inland marine has remained the same as the expiring rate. The bottom line premium is up 5% because the exposure basis has increased by 5%.

Mr. Cipares explained that there are three additional autos this year, the total values of all vehicles have increased by 14%, the buildings and contents values were increased by 3% and the contractor's equipment coverage is 17% greater this year than last year. Therefore, the net effect of that is a 5% increase in the package policy.

Mr. Cipares advised that the design of the coverage and the deductibles remains unchanged. There are no changes at all to the package policy itself.

Mr. Cipares advised that he would be happy to answer any questions on this policy that the Board may have before he moves on to the workers' compensation coverage.

Mr. Phelps asked if there were any questions for Mr. Cipares. There were none.

Mr. Cipares then explained that GIS made submissions on the District's behalf to the Accident Fund Insurance Company as well as to Argonaut (the package carrier) as well as entertaining a renewal proposal from the Indiana Public Employer's Plan (IPEP).

Mr. Cipares reminded the Board that, at his visit at last month's meeting, the indication was that the Experience Modification Factor was going to be 1.61. However, once the rating bureau published it, it was actually published at 1.62.

Mr. Cipares explained that IPEP has continued to apply a 25% schedule credit to the pricing and the base rates have changed a little bit to the District's favor. Mr. Cipares has outlined the net base rates are for 2009 compared to the three prior years.

Mr. Phelps commented that it is quite a bit of difference. Mr. Cipares agreed.

Mr. Cipares explained that, one of the things that has helped the Refuse rate, in particular on a state-wide basis, is that many municipalities have been utilizing the toter concept. This is helping to reduce injuries on a state-wide basis.

Mr. Cipares added that the District has just begun this toter system and he is hopeful that the District will experience the reduction locally so that the loss history will improve as time goes on, as it should.

Mr. Cipares then pointed out the dollar costs for each of the categories of the Sewage Plant, Clerical, Sewer Cleaning Operations and the Refuse Garbage Hauling. In spite of the fact that the Experience Modification Factor crept up by three points this year, the net number is down slightly from the prior year and down considerably from two years ago.

Mr. Cipares added that both Accident Fund Insurance Company and Argonaut declined to quote at this time. They are watching the Refuse Department's toter operation for possible future quotes. However, both companies commented that IPEP is giving the District a very competitively priced program.

Mr. Cipares added that there are many municipalities that place their workers' compensation coverage with IPEP. Not all, but many do.

Mr. Phelps commented that the quote is quite a drop in premiums. Mr. Cipares agreed.

Mr. Phelps asked again about the package policy proposal. Mr. Cipares pointed out that there is a slight increase of 5% because of the exposure basis increasing. The rate structure and approach is still the same.

Mr. Cipares pointed out the fact that the District has been with Argonaut for five years, if you include 2009, and the District has a 39% loss ratio with Argonaut. However, in

2008, the District had a 99% loss ratio. Therefore, it really has worked to the District's benefit to have some good years of history with the carrier and they are looking past what occurred in 2008. They know that this is not normal.

Mr. Phelps asked if there were any questions or comments by the Board. There were none.

Mr. Phelps commented that he believes that Mr. Cipares has done a very good job for the District on the proposals. Mr. Cipares appreciated the comment.

Mr. Phelps then entertained a motion to accept and approve the proposed premiums for the package policy and the workers' compensation policy, as submitted.

Ms. Simmons made such a motion – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Public Comment

Mr. Phelps called for any public comment.

Sandy Stine introduced herself explaining that she purchased a home at 602 W. Garfield Street. She explained that, at the time, there was a Nova system in the house. She stated that she was rather naïve in thinking that there was not much trouble there. However, there are two sumps in the house and there is a lot of groundwater and the pumps run 24 hours a day, 7 days a week.

Ms. Stine stated that, if her electricity goes out, she is going to be in a "swimming pool". She wondered if there is some way that the City could help her get rid of some of the groundwater.

Mr. Phelps asked Mr. Walus to address the matter.

Mr. Walus stated that groundwater is a variable natural resource that goes up and down based on many different weather and environmental components.

Mr. Walus advised that one of the things that we have been looking at is USGS (U.S. Geological Society) and a real-time groundwater monitoring well near Wanatah. In the last three weeks or so, we have observed that the groundwater is at a depth of approximately 6 to 8 feet deep below the surface. After we had the big snow melt and some rain later, the groundwater level went as high as approximately 2 feet below the surface and it stayed at approximately 3 to 3.5 feet below the surface.

Ms. Stine asked if there is no way that anything can be done about all of the water and asked if the District will not even look into it. Mr. Walus explained that the District can look into it but, as far as options to do anything to artificially lower the groundwater table

is somewhat involved and tricky. We have to be careful that groundwater is not drawn down too quickly resulting in structural shifting of building foundations.

Ms. Stine commented that water has been there for a while because the neighbor across the alley from her, on the west side, has a water line in his basement. She stated that he rents that house out so he doesn't really care if there is water down there.

Ms. Stine stated that she doesn't know about anybody further down, but her neighbor to the east of her has had problems in his basement as well. It is not just her.

Mr. Phelps asked how long this has been going on. Ms. Stine stated that she brought the house in April 2008. However, the walls were painted downstairs and she was a little naïve. She fell in love with the house but she had no idea that she was going to have this kind of a problem. She stated that two pumps just run "24-7".

Mr. Phelps asked if there have been any problems in that area recently. Mr. Walus doesn't recall any calls from that neighborhood.

Mr. Walus stated that he has talked to another individual on Welnetz Road near Roeske Avenue stating that they have had their sump pumps going 24 hours a day for the last three weeks as well.

Ms. Stine stated that this has not just been for three weeks; it has been since she bought the house.

Mr. Walus stated that the District has looked back to records as far back as 2004. Some years the groundwater table would be much lower where the sump pumps may not have to work. This is just a function of how much rain and snow we get in a particular amount of time. Looking at the monitoring well in Wanatah, the level can fluctuate very rapidly.

Mr. Walus explained that, when we had the snow melt, the level went from approximately 6 or 7 feet deep to less than 2 feet deep in a matter of approximately 12 hours. Therefore, the groundwater can move rapidly and stay there.

Ms. Stine asked if rain makes the groundwater higher. Mr. Phelps advised that it does. Additionally, the amount of snow that we have had has really surcharged the groundwater as well.

Ms. Stine commented that she feels like she has emptied Trail Creek.

Ms. Stine again stated that she would like somebody to look into the problem to see if there is anything that can possibly be done for her.

Mr. Phelps asked for clarification that we have not received complaints from this area received.

Ms. Stine interjected that she has heard her neighbors say that they have complained and nobody will do anything about it. That is why they would not come with her to the meeting.

Mr. Phelps explained that he is specifically speaking about calls that come in to the District. Calls are logged in as they are received.

Mr. Walus indicated that we could have Collection System Superintendent Mike Hoffman take a look at the matter. However, we are somewhat limited in what options that we can do.

Mr. Walus explained that a key thing that we can look at is the proximity of the nearest storm sewer. If there is anything that we can do to try and drain groundwater into a storm sewer, we can have Mr. Hoffman look into it. Ms. Stine stated that she would appreciate it.

Ms. Stine then thanked the Board for their time. Mr. Phelps thanked Ms. Stine for her comments.

Mr. Phelps asked if there was any further public comment. There was none.

The following status reports were given:

John Doyle of John A. Doyle & Associates reported on the following projects:

Freyer Ditch/Gardena Street Storm Drainage Improvement Project

Mr. Doyle advised that the weather has been a little bit better lately and the contractor has been able to work. All of the main line pipe is basically in on the north/south run, which is between Greenwood Avenue to Gardena Street, with the exception of approximately the south 50 feet or so. This should be completed within the next week as well as the structure at the corner.

Mr. Doyle advised that he was out in the area earlier today and they are having some difficulty with groundwater as the previous resident stated.

Mr. Doyle advised that the project is moving along and should be doing better now that the weather is better. The project should be wrapping up in the next month or so, with the exception of the grass seed and normal restoration.

Mr. Doyle then submitted Pay Request #3 from Woodruff & Sons, in the amount of \$42,300.00, and recommended approval of same.

Mr. Phelps entertained a motion on the matter.

Ms. Paul made a motion to approve Pay Request #3 of Woodruff & Sons, in the amount of \$42,300.00, as submitted – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Mr. Phelps thanked Mr. Doyle for his report.

Adam McAlpine and Jim Maurer of Haas & Associates reported on the following projects:

Pine School Sewer

Mr. McAlpine advised that all of the sanitary sewer lines and manholes should be installed by the end of this week, weather permitting. Right now, the contractor is doing their work on the south side of County Road 1675 near the entrance to Pine School.

The next phase of work will be the construction of the lift station at the northeast corner of County Line Road and U.S. Highway 20 adjacent to the truck stop. That work should take place in the next couple of weeks. The pumps are on order and should be delivered at the end of March.

Mr. Phelps asked if there were any questions by the Board. There were none.

Mr. Phelps thanked Mr. McAlpine for his report.

Lafayette/Barker Project

Mr. Walus reported that Christopher Burke Engineering is not in attendance today. However, he wanted to present to the Board the drawings that they submitted on the project, explaining that there are two sets of drawings.

The first set is for the tunnel storm sewer interceptor itself. There is an overview of the project on the prints. There are five potential tunnel shafts for the project. We start out with a tunnel shaft near the intersection of Eighth Street and Michigan Boulevard. We are proposing, from that tunnel shaft, to tunnel under Michigan Boulevard, under Eighth Street to the Eighth and Lafayette Streets intersection, at which point a left hand turn will be made heading south on Lafayette Street to the third tunnel shaft, which would be just north of Eleventh Street near the South Shore Railroad tracks. From that tunnel shaft, we would tunnel under the South Shore Railroad tracks on Eleventh Street toward just north of Elston Middle School, north of Detroit Street and south of Tremont Street. We are seeking a bid alternate to continue tunneling further south on Lafayette Street to just south of Madison Street.

The main goal with the tunnel process is to get past the railroad tracks on Eleventh Street. Therefore, the main bid goes to the tunnel shaft just north of Detroit and we would seek an alternate to continue the tunnel to Madison Street.

Mr. Walus explained that a large cost of the tunneling project is the mobilization of all of the equipment and staff so we are really interested to see the additional cost to do this last leg of the tunnel. If they have to mobilize to get all of the equipment here, we will try to tunnel as far as we can with the financial resources available to us.

Mr. Walus stated that the remainder of the drawings include detour routes during the different stages of construction, which has been reviewed with Mr. Phelps as City Engineer. Additionally, the plan and profiles are included in the prints.

Mr. Walus explained that the deepest part is just north of Tremont Street with the bottom of the tunnel being approximately 35 feet below ground. If we are able to extend the tunnel all the way to Madison Street, we will be just a little over 20 feet deep at that point. This should provide a sense of the depth that will be involved during the tunnel project.

Mr. Walus stated that these prints will be the design package going out to the contractors that are interested to bid.

Mr. Walus explained that there are different utilities at grade. We have storm sewers, a water line, or a catch basin drain. Therefore, for each of the five tunnel shafts that we are proposing to build, we have investigated what utilities need to be re-routed in order to put the tunnel shaft in there.

Therefore, we will have a separate package that will go basically to sewer contractors, through the public bid process, to actually bid on relocating the utilities only at these five tunnel shafts. This way, we can place a contract with a typical sewer contractor to perform the work of the relocation. Then, when the tunnel contractor comes in, they will begin placing their shafts and move the project in sequence.

Mr. Walus stated that the specification book was also submitted with a 90% complete stage. The District will also be meeting with Burke Engineering and Brierley Associates to resolve some final comments and then we will be ready to have 100% drawings ready to go.

Mr. Walus then asked for the Board's approval of the proposed bid schedule for the project. For the tunnel project itself, he would like to give the contractors approximately six weeks to bid the project. There are many documents that they will need to review such as the geotechnical baseline report, the depth of the tunnel, groundwater locations and those type of things.

Mr. Walus is proposing to have the first advertised notice in the newspaper on or about March 11, 2009 with a second public advertising on or about March 18, 2009 and then receipt of bids due at the April 22, 2009 regular Board Meeting.

This tentative schedule gives us a week or so to finalize the construction prints and have the first advertisement on March 11, 2009, which is six weeks prior to April 22, 2009.

Mr. Phelps asked about bonding. Mr. Walus advised that bonding would come once we know what the bid numbers are. He explained that this is to just get the bids. We haven't established a firm schedule for award and financing yet. Our main goal was to identify the advertisement dates to seek the bids.

Mr. Walus also explained that he is working with City Planner John Pugh and the Redevelopment Director to work with their bond counsel to establish the financing.

Mr. Phelps asked what the bond counsel is looking at for a timetable. Mr. Walus advised that he has not obtained a firm timetable yet on the sale of the bonds.

Mr. Phelps asked if these would be general obligation bonds. Mr. Walus advised that they would be TIF (Tax Increment Financing) bonds through the Redevelopment Commission.

Mr. Phelps asked Attorney Nelson if this would make them general obligation or revenue bonds. Attorney Nelson stated that he was unsure at this point.

Mr. Phelps commented that it normally takes approximately 120 days for a revenue bond. He asked how long the bids can be held. Mr. Walus stated that these are items that are being worked into the specifications.

Mr. Walus commented that the bonds seemed to sell quite quickly on the 400 North Project. However, this was before the recent economic changes.

Mr. Walus stated that this proposed schedule gets us to having bids on hand on April 22nd which can then be shared with the Redevelopment Commission.

Mr. Phelps made a motion to accept the dates submitted by Mr. Walus, subject to financing – seconded by Ms. Paul. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

The following departmental status reports were given:

Al Walus

In reference to the Ohio/Southwind Sewer Infrastructure Improvements Project, Mr. Walus distributed a brief summary of sewer rehabilitation using a Cured-In-Place Pipe (CIPP) process.

Mr. Walus advised that the District is working with Haas & Associates to locate and build a new lift station on Ohio Street south of Highway 20. However, we have also been looking at the sanitary sewer pipe that is under U.S. Highway 20 at Ohio Street, which is a corrugated metal pipe. There is some corrosion of that line that has been observed.

Mr. Walus explained that the District has been working with American Structurepoint to put together specifications and repair recommendations in order to seek quotes for repairing the pipe under Highway 20 without having to dig up the intersection, or, if INDOT did not give us the approval to open trench across Highway 20, we would have to jack and bore under the highway. It would be a very expensive endeavor to jack and bore to place a new casing under Highway 20 and re-route our new sewers through the new pipe.

Therefore, we thought it would be more cost effective to try a CIPP rehab. This was done successfully during the Franklin Street project a few years ago when Franklin Street was rebuilt.

There were some lengths of sanitary sewer pipe on Franklin Street that were rehabbed with CIPP.

Mr. Walus stated that he wanted to bring this before the Board today. The District will be working with Structurepoint, not through the formal bid process, but through seeking quotes from three different vendors. Those quotes will be due at 1:00 p.m. on March 25th, which is the regular meeting in March.

Therefore, using the specifications put together by Structurepoint to rehab the corrugated metal pipe under Highway 20, we will seek quotes to be able to present to the Board at the March 25th meeting.

Once we are able to open those quotes and determine the monetary value of the cost to perform this rehab, we can then go before the Board of Public Works & Safety and enter into a Letter of Understanding for funding of that construction for the Ohio Street Improvements.

Mr. Walus stated that this is the first step in getting into the ground and performing some improvements on Ohio Street.

Mr. Walus further advised that the District has also been meeting with Haas & Associates on almost a weekly basis to review the design for the new proposed lift station on Ohio Street.

Mr. Walus explained that we had another meeting this week and we are pretty much in agreement now with the service territory and flows to finish design on the lift station.

Therefore, Mr. Walus asked the Board for approval to advertise for bid on that project on or about March 25th, which is the day of our next Board Meeting.

Mr. Walus explained that we still have a bit more work to do on final locations of all of the different infrastructure. We have talked with various property owners to obtain easements; that process is moving along.

Mr. Walus advised that we also have to image the drawings to get them to IDEM for all of the necessary permits. However, rather than wait until the meeting on the March 25th to ask for authorization to advertise after that, we are going to work as aggressively as we can to be ready to potentially advertise for bids on March 25th. We can then advertise the second time a week later, on or about April 1st, and then have bids due at April 22nd meeting. This puts us on a schedule to get both the Lafayette/Barker bids and the Ohio Street bids submitted to the Board or April 22nd.

Mr. Walus advised that the wage scale meetings have been held for both of those projects and the wage scales have been determined.

In reference to the Trail Creek Watershed, Mr. Walus advised that Mayor Oberlie invited Dr. Julie Kinzelman, of Racine, Wisconsin, to come to Michigan City on February 4th and 5th for two days of meetings.

There were some meetings held with some of our partners at IDEM, DNR, La Porte County Board of Health and District staff members to discuss some of the detailed technical work and some of the published papers that she has issued that might impact our beach.

There was also a public meeting held on the night of February 4th, which was the day of the big lake effect snow storm so it was rather difficult to get around. However, Dr. Kinzelman did visit and provide some very good information.

As a result of those two days of meetings, the Park Department is working with the Port Authority regarding joint efforts that they are reviewing for beach management. These efforts are matters such as feeding of the birds at the beach, which could contribute to beach E.coli, beach grooming practices and litter pickup. These are some of the things that we learned from Dr. Kinzelman that we should be looking to address locally.

The Park Department and Port Authority will be working in concert to see what can be implemented before the start of the 2009 beach season that can be easily done in an effort to try to improve the beach conditions.

Mr. Walus advised that there was also a summit meeting between IDEM, the Board of Health, Sanitary District, City and Park Department on testing the beaches this summer. That work is also progressing. Therefore, many of the different agencies that have some level of jurisdiction over the beach are working together to get ready for the 2009 beach season.

Mr. Phelps asked if there were any questions for Mr. Walus. There were none.

Mr. Phelps thanked Mr. Walus for his report.

Dan Olson

Mr. Olson advised that, during the month of January, we met all the conditions of our permit including treating all of the wastewater that entered into the plant. There were no CSO events. The reports have been mailed to the State.

Mr. Olson distributed a handout explaining that, on a quarterly basis, he supplies somewhat of an operational summary. The handout was the end of the year summary that compared 2008 to 2007. This basically shows a "snapshot" of what happened at the treatment plant.

Mr. Olson explained that there is not a lot of change from 2007 nor is there a lot of change every year, except perhaps, that this year we had a little bit more gallons treated and septage received was down. However, the efficiencies of the plant are fairly consistent. They may fluctuate a couple of tenths of a percentage point here and there.

Mr. Olson advised that the District now has 40 lift stations, 33 of which have been converted to Mission telemetry. There are still eight on AT&T alarm circuits, one of which has both systems (Ohio Street) until we can do something with the lift station. We anticipate converting the rest of them this year to Mission telemetry, which has been very helpful in determining I&I (Inflow and Infiltration) patterns or early warning on pump failures.

Mr. Olson stated that the Board could review the report at their leisure.

Mr. Phelps commented that his brief review of the days of precipitation in the different quarters is very interesting between 2008 versus 2007. Mr. Olson agreed and explained that Mr. Walus has added a quadrant quarter chart that displays this data graphically.

Mr. Olson stated that it was very interesting that the third quarters for both 2007 and 2008 were the high periods of rainfall, since one always thinks that spring is the high period of rain. Mr. Phelps agreed.

Mr. Phelps asked what the projection is of something being done about the lift station in Gateway Park near Blocksom. He stated that there is a lift station (4th Street Lift Station) right in the middle of it. Mr. Walus advised that the District has worked with Haas & Associates to do some survey work of underground utilities, which information has been provided to Weaver Boos, who is the consultant to Lohan Anderson.

Mr. Walus explained that this is a lift station that requires work. We have not moved forward too quickly with identifying what that work would be until we get a better sense from the Redevelopment Commission of what other activities may be occurring.

Mr. Walus believed that there is a very good possibility that it may be relocated to some extent or somehow rebuilt. However, on the lift stations to be rebuilt, we have not moved too quickly to identify how to do it due to not knowing what some of the redevelopment components may be.

Mr. Olson added that one of the options reviewed is to move it north of U.S. Highway 12.

Mr. Phelps commented that this is a very old lift station that possibly goes back to the 1930s.

Mr. Phelps thanked Mr. Olson for his report.

Mike Hoffman

In reference to the Safety Report for the Wastewater Division of the Sanitary District (WWTP, Administration and Collection System), Mr. Hoffman advised that there were no reported injuries and no lost time.

In reference to the Safety Report for the Refuse Department, Mr. Hoffman advised that the really good news is that there was one reported injury and no lost time and no employees on long-term disability.

Ms. Paul commented that this may be because of the toters.

In reference to the Davis Drive drainage, Mr. Hoffman advised that we have the plans on the project.

In reference to the Tulip Tree Drive drainage, Mr. Hoffman advised that we have the plans on the project.

In reference to the Turner Court drainage, Mr. Hoffman advised that there is a sanitary sewer that is going in that will affect this project. Therefore, perhaps our Turner Court Project will depend a bit on what ends up in the roadway and how we may have to shift the drywells from one side to another.

In reference to MS4, Mr. Hoffman advised that the Advisory Committee is working on the annual report.

The MS4 Coordinator is reviewing plans and inspecting sites for compliance. The second annual statewide MS4 Conference is being planned for April to bring together the MS4 personnel for education and information.

MS4 Coordinator Rick Brown is preparing an educational seminar for La Porte County and Michigan City contractors to bring them current on the rules on MS4 sites. While not ignoring the on-going education of contractors and those effected by the program, the program has been in place for several years and enforcement of the various parts of the regulations will become more formal in the second permit cycle.

Mr. Hoffman advised that the February meeting of the Advisory Committee was held here at the Sanitary District, we participated in a webinar on MS4 software. Potentially, all of the five entities will participate in feeding into a computer program. A program has not been decided on yet, however, this was part of the meeting.

Mr. Phelps thanked Mr. Hoffman for his report.

Jim Kintzele

Mr. Kintzele advised that he has great news for January in reference to tonnage. The compacted tonnage was reduced by 337 tons and there was a reduction of 35 tons in the loose trash.

Mr. Kintzele attributed this to a couple of things such as the bad snow weather that we experienced, which generated less garbage. However, he believes the biggest factor is the start of the new recycling toters.

Mr. Kintzele commented that he noticed that they are really being used a lot more and everyone that uses them helps the Refuse Department.

Mr. Kintzele stated that he would be able to have a better idea by June of where the department will be with tonnage. However, if it continues this way, it will be great. Mr. Kintzele then advised that he has received notification from the Solid Waste District that we will no longer be able to get wood chips from Westville for distribution for everybody. If there are projects for the City or the School System, they will honor those requests. However, they have advised that they cannot afford to distribute the chips to all requests anymore because of the cost of generating the chips.

Mr. Kintzele advised that there will be no problem with the compost.

Mr. Phelps asked if the chips come from the Prison in Westville. Mr. Kintzele advised that this is correct.

Mr. Kintzele explained that they are using the wood from a factory and the price is high. The only thing that the Prison has as revenue is the wood chips to help them break even.

Mr. Kintzele then advised that, while he was gone, Mr. Walus spoke with Central Maintenance Superintendent Charlie Cate, and Mayor Oberlie approved \$150,000 in capital improvement funds for another truck for the Refuse Department.

Mr. Kintzele explained that he spoke with Mr. Cate and found that there is one truck available that is a 2008 vehicle with 12,000 miles of use as a demonstration unit for sales. This vehicle is equipped with a lifter for the large trash bins which the Refuse Department does not have now. This would, in no way, interfere with the assisted loaders that we currently utilize. In other words, we would still be able to use that truck as an assisted loader as well as in areas that we may have to place a dumpster or pick up full dumpsters. Mr. Kintzele stated that this would give us another angle that could also be used.

Mr. Kintzele explained that we are currently under contract for the dumpsters at some of the apartment areas. However, for new places, we could put our own dumpsters in.

Mr. Kintzele stated that, to the best of his knowledge, there is no need for a bid on this vehicle. He stated that this truck is available right now and the other trucks would take six months to obtain.

Mr. Kintzele advised that the cost is approximately \$15,000 less than a 2009 vehicle with the same warranty.

Mr. Kintzele requested permission to proceed with the purchase of this vehicle from Pyramid.

Mr. Phelps asked how many miles are on the vehicle. Mr. Kintzele stated that there are 12,000 miles on the vehicle.

Mr. Phelps then asked the total cost of the vehicle. Mr. Kintzele stated that it is \$140,000.

Mr. Phelps asked if this vehicle loads in the front or in the rear. Mr. Kintzele advised that it loads in the rear. He explained that it also includes the assisted loaders that go on the vehicles.

Mr. Kintzele stated that the unit that they have for dumpsters is an approximately \$13,000 asset to the vehicle.

Mr. Phelps asked how the dumpster is picked up from the back of the vehicle. Mr. Kintzele stated that there is plenty of room because it is for medium-sized dumpsters.

Mr. Kintzele stated that, in case of an emergency, it would be great to have this feature.

Mr. Phelps clarified that Mr. Kintzele has the approval to proceed on getting a truck for this year from the City. Mr. Kintzele stated that this is correct and that there is an amount of \$150,000 that has been approved.

Attorney Nelson requested that, if the Board takes action on this matter now, Mr. Kintzele meet with him later today or tomorrow to review the matter. Additionally, that any Board action be subject to legal review to make sure that there is not a bid required.

Mr. Phelps entertained a motion on the matter.

Ms. Simmons made a motion to proceed with the purchase of the 2008 vehicle mentioned, contingent upon review by Attorney Nelson – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Mr. Kintzele then submitted the written annual report of Refuse Inspector Connie Adams and suggested that the Board take time to read it because Mr. Adams is doing a very good job.

Mr. Kintzele explained that, instead of having complaints of having garbage cans out front, we now have complaints about the recycling bins being out front. However, our ordinance does not cover that.

Mr. Kintzele then contacted Councilman Phil Jankowski to get the ordinance changed to include recycling bins so that there is the same 24-hour time limit before and after scheduled pickups. This would allow for the City to enforce this as well as regular trash bins.

Mr. Kintzele stated that there was a good test of these bins this winter.

Mr. Phelps thanked Mr. Kintzele for his report.

Attorney Bill Nelson

Attorney Nelson advised that there are 11 delinquent accounts to be recorded as liens, in the total amount of \$740.83, which requires Board action.

Mr. Phelps entertained a motion on the matter.

Mr. Strauss made a motion to approve the delinquent accounts to be recorded as liens, in the total amount of \$740.83 as submitted – seconded by Ms. Paul. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Attorney Nelson then submitted five liens to be released due to satisfaction of the liens, in the total amount of \$426.39 and advised Board action was necessary.

Mr. Phelps entertained a motion on the matter.

Ms. Simmons made a motion to approve the five Releases of Lien, in the total amount of \$426.39, as submitted – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Attorney Nelson then advised that there are no bad debts to write off for this month. Mr. Phelps entertained a motion to approve and allow Revenue and Tax Levy claims for payment.

Ms. Paul made such a motion – seconded by Mr. Strauss. No discussion or comments on the motion. Motion carried 4 – 0 in favor.

Mr. Phelps then entertained a motion to approve and allow claims for the Board of Public Works & Safety.

Ms. Simmons made such a motion – seconded by Ms. Paul. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Old Business

There was none.

New Business

Mr. Walus advised that the Commissioners were sent a copy of the updated Combined Sewer Overflow Operational Plan (CSOOP).

Mr. Walus explained that the cover letter and beginning of the report discusses our permit requirements to have an operational plan as well as to update it annually.

Mr. Walus explained that the last major update that was done was last summer in July 2008. There were significant changes at that time so we wanted to get it to IDEM to give them a chance to review it and see what potential items they may want us to change. Their comments came back that the report was in good standing.

In order to do our annual update that was due in February, we worked in January to obtain operational data from 2008 for the annual report update. Now that we received

feedback from IDEM that the report is consistent with their standards, Mr. Walus thought it should be sent to the Commissioners for their review.

There is nothing in particular that needs to be addressed in detail today, rather it is just part of a requirement of our NPDES Permit to have a CSOOP which will then be updated annually.

The sections and appendices were arranged so that each year, we can replace the previous year's operational data to improve the ease of future updates.

Mr. Walus took the opportunity to thank Dan Olson and Mike Hoffman and their staff for doing great work on the report.

Mr. Walus then advised that the second item of new business is that a letter was received yesterday from a local resident. Ruth Stevens of 710 Hobart Street sent in a copy of a magazine article that speaks to some of the recycling aspects that Mr. Kintzele spoke about.

Ms. Stevens just wanted to make us aware of other programs around the country that encourage recycling. She highlighted the Recycle Bank Program that is based out of New York City where they actually provide benefits to households that recycle more than others. It appears to be working there.

Mr. Walus advised that this article was sent to Clay Turner at the Solid Waste District because they are the appropriate jurisdiction that handles recycling.

The next regular monthly meeting of the Board of Sanitary District Commissioners –
March 25, 2009 – 1:00 p.m. - 1100 E. Eighth Street

There being no further business to come before the Board at this time, on motion duly made and seconded, the meeting then adjourned.

 / J. Jeffrey Jones /
J. Jeffrey Jones, Ph.D., Vice-President