

REGULAR MEETING, BOARD OF SANITARY DISTRICT COMMISSIONERS
WEDNESDAY, APRIL 28, 2010 – 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 J. Jeffrey Jones, Ph.D., Judith A. Paul, Boyd W. Phelps, Linda G. Simmons and Ronald J. Strauss.

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., Legal Counsel

Also present for the meeting were:

John Schaefer, City Controller
Ron Meer, Third Ward City Councilman
John Doyle, John A. Doyle & Associates
Warren Thiede, Haas & Associates
Mike Edinger, Woodruff & Sons
Ryan Miller, D&M Excavating
Dale Cooper, 311 Tryon Street
Matt Field, News-Dispatch
Andre Steele, ALCO TV

In reference to the quotations for the proposed Ohio Street Culvert Replacement, Mr. Walus advised that quotes have been received from Woodruff & Sons and D&M Excavating, Inc.

Mr. Walus opened and read the quotes as follows:

Woodruff & Sons	\$55,952.00
D&M Excavating, Inc.	\$58,080.88

Mr. Walus explained that this work is for the replacement of the culvert pipe underneath Ohio Street located just south of Highway 20. It is a 60 inch diameter corrugated metal culvert pipe which was installed many decades ago. Mr. Walus further explained that Ohio Street, in that area, is designated as a truck route.

Mr. Walus advised that the District worked with Haas & Associates to put together a design for this replacement work.

Mr. Walus advised that the District will be looking to award the work to the lowest quoter and he will address this matter later in the meeting during his regular report.

Mr. Phelps entertained a motion in reference to the minutes of the Regular Meeting of March 24, 2010 and the Special Meeting of March 31, 2010.

Ms. Simmons made a motion to approve the minutes of the Regular Meeting of March 24, 2010 and the Special Meeting of March 31, 2010, as submitted– seconded by Ms. Paul. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

In reference to the Financial Report, Mr. Schaefer distributed the financial reports for March to the Board and advised that utility operations, after adding back in depreciation, is showing a profit of approximately \$150,000 compared to approximately \$312,000 at the same time last year. Therefore, we are down approximately \$162,000 from last year at this time. Mr. Schaefer explained that this could be attributed to timing of expenses and those kinds of things.

Mr. Schaefer stated that we are still waiting for a resolution regarding the tax funds; in the meantime, there is still approximately \$1.4 million that the District still owes the City. Once the tax revenues start to flow in, this will be repaid.

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

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

**FINANCIAL STATUS – SANITARY DISTRICT
March 24, 2010**

OPERATION & MAINTENANCE FUND #6201	\$572,195.77
SEWAGE WORKS SINKING FUND #6207	\$1,001,032.15
SEWAGE WORKS IMPROVEMENT FUND #6208	\$267,739.66

Public Comment

Mr. Phelps called for public comment. There was none.

The following status reports were given:

Dave McCormick of McCormick Engineering reported on the following project:

Michigan City Golf Course Channel Daylighting Project

Mr. McCormick submitted Pay Request #2 of D&M Excavating in the amount of \$108,292.41 and recommended approval of same.

Mr. Phelps asked the total contract cost. Mr. Walus approximated it to be \$198,000.

Mr. Phelps entertained a motion on the matter.

Ms. Paul made a motion to approve Pay Request #2 of D&M Excavating, in the amount of \$108,292.41, as submitted – seconded by Dr. Jones. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

Mr. Walus updated the Commissioners on the project advising that he and Mr. McCormick have been meeting weekly on-site with the contractor and golf course staff. The project has been moving along very well.

Through the daylighting of the pipe just north of the 8th tee on the golf course, there is a steep slope. As some grading of that area was done, there was water observed seeping out of the hill, which is a natural process in some areas.

Mr. Walus advised that he and Mr. McCormick, working with D&M Excavating, developed a strategy to install what is known as chimney drains. These would be like a French drain in the side of the hill, which basically consists of some stone in a line where the water can seep through the stone with a drain pipe diverting that water to our new stream.

Mr. Walus explained that we wanted to consider that option because we did not want the side of the hill to slough off and fill in the new stream that was built. Therefore, by installing these chimney drains, the water that is flowing below the surface and that would normally pop out of the side of the hill will be intercepted by the rock structures and the drain pipes will take it to the stream. This will then result in a much longer stability of those slopes in the long run. We have received a quoted price from D&M Excavating to perform that work.

Mr. Walus further explained that the contract with D&M Excavating originally included a provision for the contractor to install erosion control blankets and seeding. As we are now installing trees in the project area with the City Forester, we decided that we did not want to trample over the erosion blankets that would have been installed by D&M.

However, since the contractor already purchased the erosion blankets and seed, we are proposing to pay D&M for that material purchase. D&M will then turn over the materials

to the District and, as the tree planting is completed, District staff will put the erosion blanket down and seed it, similar to what was done on the Warnke Road Project.

Mr. Walus advised that a work change directive has already been issued to allow D&M to proceed with the chimney drain work because time was of the essence to complete the project. Therefore, there will be a change order presented at the next Board Meeting that then takes the work change directive by District staff to amend the contract with a change order.

Mr. Walus explained that there is an approximate \$18,000 deduct from the project cost by installing the erosion control blankets by our own staff as well as an approximate \$12,000 to \$14,000 in additional cost to install the chimney drains. This will ultimately result in a change order to reduce the cost of the project.

Mr. Walus advised that the completion date of the project has already been extended, via the work change directive, to account for the additional work.

Mr. Walus commented that the golf course staff has been very good to work with as well so their help is also appreciated.

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

Dr. Jones asked about the completion date. Mr. McCormick indicated that the completion date is next Friday (May 7th) so they are close.

Dr. Jones noted that he was concerned that it would be done before the height of the season.

Mr. McCormick explained that, often times, you can discover some of the issues with the soils ahead of time with the soil borings. However, a soil boring is just a spot check. On this project, a little bit of everything was found so, if soil borings had been taken, they would have to have been in very tight spacing.

Mr. Walus added that the main work left for the contractor is for the sub-contractor, Rieth-Riley, to do paving on four of the five new culverts that were installed. This work is scheduled within the week.

Mr. McCormick also distributed copies of the work change directive for the Board to review before the next meeting in case there are any questions.

Mr. McCormick added that the project is going very well over all.

Mr. Phelps thanked Mr. McCormick for his report.

Warren Thiede of Haas & Associates reported on the following project:

Wabash/Washington Project, Phase 2B

Mr. Thiede submitted Final Pay Request #11, which releases all retainage to Woodruff & Sons for the close-out of this project.

Mr. Thiede explained that he was waiting on final as-builts from the contractor which have been received and submitted to the Sanitary District. He recommended approval of the pay request.

Mr. Phelps entertained a motion on the matter.

Mr. Strauss made a motion to approve Final Pay Request #11 of Woodruff & Sons, in the amount of \$2,000, as submitted – seconded by Dr. Jones and Ms. Paul. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

Mr. Phelps thanked Mr. Thiede for his report.

The following departmental status reports were given:

Al Walus

In reference to the Lafayette/Barker Storm Sewer Interceptor Project, Mr. Walus advised that the Board packets included the proposal for construction observation services.

Mr. Walus advised that the Redevelopment Commission has completed all of their action to receive the financing through the North TIF (Tax Increment Financing). In discussions with bond counsel for the Redevelopment Commission, they are days away from having the final sale of the bond.

Mr. Walus advised that the proposal from Christopher Burke Engineering is to provide on-site construction observation for the tunnel project with resident inspection services and has a not-to-exceed price of \$473,000, which is for the on-site engineer to inspect all aspects of the tunnel engineering.

Additionally, before we get started with the project, there are some very important and critical project submittals from the tunnel contractor regarding their shafts and some of their tunnel boring equipment. Therefore, this contract involves reviewing all of the shop drawings, approval of same and providing on-site testing, as needed.

Mr. Walus advised that he has shared this proposal with Attorney Nelson and Mr. Phelps. We are currently reviewing some of the language regarding indemnification and the hope is to have that resolved shortly.

However, in order to move forward with the anticipated sale of the bond within the next week, Mr. Walus asked that the Board consider approval of the proposal for construction observation services with Christopher B. Burke Engineering subject to final legal review by our attorney.

Additionally, if the Board would decide to approve the contract, that they also authorize the President and Secretary to sign and execute the contract once the sale of the bond is complete by the Redevelopment Commission bond counsel.

Mr. Phelps entertained a motion on the matter.

Dr. Jones made a motion to approve the proposal of Christopher B. Burke Engineering contingent upon to review and approval by legal counsel – seconded by Ms. Paul. No discussion or comment. Motion carried 5 – 0 in favor.

Mr. Walus then advised that one of the reasons that we sought this proposal from Christopher B. Burke Engineering is because they provided very similar services for tunnel construction in Indianapolis as well as other locations. We are very excited to get their expertise to help us on this critical project. It is very specialized work and we need some very good consulting engineering assistance to monitor the project as we go forward.

Mr. Walus then advised that, in addition to the Burke contract, he also has the two construction contracts, which he then distributed to the Commissioners.

Mr. Walus explained that the first contract is for the proposed work for utility relocation. He reminded the Board that the District received bids for this work approximately one year ago. At that time, Woodruff & Sons was the apparent low bidder for utility relocation work that is required to be done before the tunnel contractor can begin building the shafts.

Mr. Walus gave the example of installing a shaft at the intersection of Eighth and Lafayette Streets, there are underground utilities such as storm sewers, water lines, and other lines at the surface that need to be relocated before the tunnel contractor can come in and do that work.

Mr. Walus advised that, working with Burke Engineering, we had a separate bid package for just relocating utilities near the shaft circle.

Mr. Walus explained that the tunnel contractor's expertise is building tunnels and we saw no efficiency in having the tunnel contractor relocate a storm, water, or sanitary sewer line here or there. Therefore, all of the surface utility relocation work was put into a separate bid package, and based on the bid analysis, Woodruff & Sons was the low bidder.

Mr. Walus further advised that the contract documents included a draft form of the EJCDC (Engineers Joint Contract Documents Committee) as a suggested form of agreement.

Mr. Walus explained that the Board gave Mr. Walus authority in December 2009 to go to Christopher Burke Engineering for taking the draft form of agreement and preparing the proposed actual construction contract that he distributed today based on the actual bid pricing of Woodruff & Sons.

Mr. Walus directed the Board to page 2 of the contract showing the base bid of the items that the contractor was asked to bid on in their bid price, from the site mobilization and demobilization, the traffic control, pavement removal, etc. Page 3 continues with additional items on the different storm sewer and water main relocation work that is necessary. The total bid price to get from Shaft A to Shaft C is \$111,055.

Mr. Walus advised that what we have done based on the Board's direction in December, which was to be in position to award the contract once the sale of the bond was complete. Therefore, he has the final documents for Woodruff & Sons.

Mr. Walus recommended that the Board consider approving this construction contract with Woodruff & Sons for the Lafayette/Barker Storm Sewer Project Interceptor Utility Relocation Work in the amount of \$111,055.00.

Additionally, if the Board so chooses to approve, that the Board President and Secretary be authorized to execute and sign the contract once we have confirmation that the bonds are sold.

Mr. Phelps entertained a motion on the matter.

Dr. Jones made a motion to approve the contract with Woodruff & Sons, in the amount of \$111,055.00, subject to the successful sale of the bonds, as submitted – seconded by Ms. Simmons.

Dr. Jones commented that the list of work to be performed includes a reference to cut and capping of existing water mains, however, he did not see anything about relocation of those water mains. He presumed that there will be some sort of temporary relocation to bypass those mains.

Mr. Walus explained that we are working with the Water Department on some aspect of this because the Water Department staff may actually be doing some work as well. This gets us in there to be able to put the tunnel shaft in and, once it is gone, it may be in the SuperExcavator's work to come and re-establish that when we are done.

Mr. Walus explained that this utility relocation work is what has to be done to clear an envelope to start boring down for the tunnel shafts. Then, some final work once the shafts are removed may be done by the Water Department or possibly SuperExcavator.

Dr. Jones asked what the existing water customers will be doing while this work is being done. Mr. Phelps explained that they will have access on either side of the water mains that will be capped. Mr. Walus added that there are feeds from different sides so that there is only a need to cap it in this particular case and does not require a full relocation for the duration of the project.

There being no further questions or comments regarding this matter, motion carried 5 – 0 in favor.

Mr. Walus then distributed the actual contract for the tunnel construction explaining that the bid specifications included the suggested form of agreement for the Lafayette/Barker Storm Sewer Interceptor Project.

Again, based on the Board's direction at the December 2009 meeting, we went to Burke Engineering and asked them to prepare the construction documents in anticipation of the bond sale.

Mr. Walus directed the Board's attention to page 2 of the contract documents that reference the work items that the tunnel contractor will be performing such as mobilization and demobilization, traffic control, etc. Page 3 continues with getting into the construction of the different shafts, A, B and C, where they will be digging down to get to the tunnel area. Item 11 is the actual installation of the pressurized safe tunnel itself. Mr. Walus advised that the total price for the tunnel project is \$7,041,089.00.

Mr. Walus stated that, similar to what we did with Woodruff & Sons, he would ask the Board to consider approval of the construction contract between the Sanitary District of Michigan City and Super Excavators for the Lafayette/Barker Storm Sewer Interceptor Project in the amount of \$7,041,089.00, subject to the sale of the bonds, as well as authorization for the President and Secretary to execute the contract once verification of the bond sale is received.

Mr. Phelps entertained a motion on the matter.

Ms. Simmons made a motion to approve the contract with Super Excavators, in the amount of \$7,041,089.00, subject to the successful sale of the bonds, as submitted – seconded by Mr. Strauss. No discussion or comment on the matter, motion carried 5 – 0 in favor.

Mr. Walus advised that one key aspect of the next step of this project involves submittal of the shop drawings from Super Excavators to Brierley Associates for approval of the design of the tunnel shaft and actual tunnel itself. This will take several weeks.

Therefore, as this process is going on, the District will work with Woodruff & Sons on the utility relocation. As we can predict a point several weeks into the future when Super Excavators wants to begin the tunneling, we will back that off a few weeks to then have Woodruff & Sons begin to perform some of the surface utility relocation.

Mr. Walus explained that, possibly four to six weeks before we see actual construction activity on the project, we will work with our contractors and the media to advise when the actual construction will take place.

Mr. Walus advised that there is a little bit of overhead communication line rework that is occurring on Eighth Street near Lafayette Street in anticipation of the work. Therefore, there may be some minor activities going on with some of the communication wires at Eighth and Lafayette Streets. However, this will be the extent of it for now until we receive the final schedule when Super Excavators wants to begin their work.

In reference to the Tulip Tree Drive Drainage Report, Mr. Walus advised that the Board packets included an update.

Mr. Walus reminded the Board that, similar to what we did today with opening bids on the Ohio Street Culvert Replacement, we had received quotes last fall for the Tulip Tree Drainage Improvement and Woodruff & Sons was the low quoter at the time.

Mr. Walus explained that the Tulip Tree Drive is a dead-end road equivalent of approximately two city blocks. Approximately half way down the road, there is a low point in the road and there is a culvert under the roadway that takes drainage from the south side to the north side. There is a large drainage area all the way from the Indiana Highway 212 intersection with Michigan Boulevard that drains some open fields and drains through the culvert under Tulip Tree Drive. Additionally, when we get heavy rains, there is a lot of stormwater runoff that goes through the culvert under Tulip Tree Drive.

Mr. Walus advised that he has been working with Dave McCormick of McCormick Engineering, who analyzed the total acreage and different subsystems that drain into the area to come up with some flow calculations.

Mr. Walus explained that the second page of the handout shows a picture of the existing position of the inlet as it goes under Tulip Tree Drive. The entire drainage area from Highway 212 and Michigan Boulevard drains through this culvert pipe. There are also some trees in the area and we get leaves and different types of debris going through the ditch.

Mr. Walus explained that, in an effort to keep the culvert open, there were some bars put across the culvert at some point and there is some silt built up. There is actually an 18 inch pipe under the roadway. However, as can be seen in the photos, the inlet is considerably constricted.

Therefore, part of the problem is that we get increased stormwater flow through the culvert during heavy rains, the inlet is constricted which results in water backing up and begins to stand at the level of the roadway, which then ultimately blocks it, which is why we wanted to increase the size of the culvert pipe.

Mr. Walus then referenced a drawing that displays the existing situation with the current 18 inch pipe under Tulip Tree Drive. He explained that we will demolish the 18 inch pipe and replace it with a new 24 inch diameter pipe with new curb inlets.

Mr. Phelps asked if the trees in the photo will be removed. Mr. Walus advised that there are three trees that will be removed on the south side of Tulip Tree Drive, which should also help us in providing a good inlet on the south side of the road.

Mr. Walus advised that NIPSCO is currently mobilizing to move a natural gas supply line under Tulip Tree Drive to get it out of the way so that Woodruff & Sons can take the existing pipe out and install the new pipe at the correct elevations to complete the work.

Mr. Walus advised that Woodruff & Sons will be having their subcontractor to perform the tree demolition to get ready for this work.

Mr. Walus also advised that the Board packets included a copy of the flyer that the District puts on the doors of residents in the area to let them know there is going to be some construction occurring.

Mr. Walus explained that, during the day while Woodruff & Sons is removing the old pipe and installing the new pipe, there will be some intermittent closures of the street. However, by the end of the day the street will be reopened so that all residents in the project area can get to and from their home throughout the evening.

Mr. Walus commented that Woodruff & Sons is usually very good at working with local residents to minimize any aggravation with them so we are looking forward to completing that project.

Dr. Jones asked the direction of the photos taken in the packet information. Mr. Walus explained that it is south looking north on the inlet side.

Mr. Walus explained some of the challenges we have had in this area. During rain events, we have to send District staff out there to remove leaves and debris from the upstream culvert. However, the new design has a larger pre-cast concrete structure

with bar grates over it to act as trash rack. Therefore, as leaves come in, they will rise to the top of the water being pushed on the trash rack and the water can still flow underneath. We may have some periodic maintenance to remove leaves but it will not be during storm events when there is a lot of water going through there.

In reference to the Trail Creek Watershed, Mr. Walus advised that the Board packets included information on four different items: 1) Beach Testing Grant; 2) Notice of job posting for BMT (Beach Monitoring Technician); 3) Job description for BMT; and 4) 2010 Work schedule for BMT.

Mr. Walus explained that, traditionally every year, IDEM has the responsibility to solicit proposals to do testing of water on beaches in our area, either along Lake Michigan or at some public beaches in La Porte. IDEM solicits proposals over the winter to perform beach testing.

Traditionally, the La Porte County Health Department did *E.coli* testing during beach season in Washington Park. In discussions with IDEM, they have asked for a combination of the Michigan City Park Department and the Sanitary District of Michigan City to submit a proposal to do beach testing in Michigan City for the 2010 beach season. They have asked that we include beach testing during the summer season seven days a week.

Mr. Walus explained that testing was only done three days a week last year, which was what the grant called for last year.

Moving forward, IDEM wanted to take a bigger approach and do seven day a week testing here in the Washington Park beach at seven different locations. There are three locations in Washington Park, three in Sheridan Beach and one more at Stop 7 in the Sheridan Beach area.

Mr. Walus explained that Plant Superintendent Dan Olson looked at what it would take for us to hire interns over the summer to then have them go to Washington Park Beach every morning, seven days a week, during beach season to obtain samples to bring back to our Lab to test for *E.coli*, which numbers can then be put on the internet so that the Park Staff in Washington Park can make a determination to leave the beach open, post an advisory or close the beach.

Mr. Walus advised that Mr. Olson worked closely with Shannon Eason and Jan Orlich of the Park Department to put together a proposal. IDEM then awarded the grant to the Michigan City Park Department to do beach testing. The Sanitary District is acting basically as a sub-contractor to the Park Department for that effort.

In the proposal, Mr. Olson calculated the cost it would take us to hire two interns for the summer and to have materials to perform the work.

IDEM will pay the Park Department up to \$35,837.08 to have seven days a week *E.coli* beach testing in the seven areas previously discussed. The Park Department would then pay the District as their sub-contractor to have the interns to perform this work.

Mr. Phelps asked if the District lab staff will do the testing. Mr. Walus explained that the interns will be trained to do that work.

Mr. Walus then explained that funding provides for the purchase of an autoclave, water incubator, as well as other items needed and the City has specific tasks.

Mr. Walus then referenced the Notice of Job Position Opening for Beach Monitoring Technician included in the packet and explained that the two interns that we are looking for will report directly to the Lab Supervisor and consists of a base pay rate of \$12.00 per hour. Since there is seven day a week testing required, there will be work schedules for the interns working five days on and two days off with staggered schedules. Therefore, one intern will work Friday through Tuesday and one will work Wednesday through Sunday, with both interns working both Saturday and Sunday through the summer and have staggered two days off during the week.

Mr. Walus explained that the job description has been disseminated through the staff at PNC to try to get some students with some biology background to apply to do this work.

Mr. Walus advised that individuals interested have been asked to submit their resumes to us by the end of this week so that we can then go through the applications. We want to get the interns on board pretty soon so that we can do the training and do some dry-runs prior to the start of the beach test season.

Mr. Walus advised that whatever cost to the District will be reimbursed through the grant provider.

IDEM approached the City to see if we could do a different way for beach testing this year. They thought to use our expertise in the lab and our beach is much closer to the Washington Park Beach than the La Porte County Health Department offices and the La Porte County Health Department still has responsibility for testing beaches in La Porte and other areas so this seemed to be a good fit.

Mr. Walus just wanted to give the Board an update that the Park Department was successful in getting the contract from IDEM and we will be a subcontractor to provide the testing.

Mr. Walus added that the District will not be making any decisions about openings or closings or beach advisory, it will be all within the purview of the Park Department.

Mr. Walus then advised that he has been able to update some information on the 6201 Operating Fund budget for this year. He then distributed handouts to the Board explaining that the first handout is typically the budget document provided to the Board regarding our 6201 Operating Fund.

Mr. Walus reminded the Board that the 6201 Operating Fund is used to pay for all of our collection services, plant activities, business office staff, monitoring and plant maintenance work and is funded through our user rates. Therefore, if a customer uses water and discharges that water into our sewers, they pay the District a monthly fee.

Mr. Walus explained that, typically what we have done in the past, we have provided this update to the Board to provide a forecast for our revenue and expenditures on a yearly basis.

With our last rate increase taking effect in 2005, we now have five years of actual data based on actual revenue resulting from that rate increase as well as the expense history for the same five years.

The first page of the handout is typically what is given to the Board every year to show our budget for the upcoming year. This first page also includes the 2009 budget that was shared with the Board in October 2008 as well as the 2010 budget. Mr. Walus explained that we basically kept the same amount for the 2010 budget that was in the 2009 budget with not really many changes.

Mr. Walus explained that we did observe that the actual income from user rates in 2009 was approximately \$6,084,000. If you look back in prior years, the user rates remain pretty steady with \$6.1 million in 2005, \$6.05 million in 2006, \$6.2 million in 2007, \$6.3 million in 2008 and approximately \$6.1 million in 2009. Therefore, the amount generated from user rates in the 2010 budget was reduced to \$6.1 million to reflect our actual revenue from last year.

The total amount of revenue expected for 2010 is \$6,227,000 results in an approximate one percent decrease from our budget from last year. Again, we wanted to reflect that, in the current economic conditions, we did have a little bit less revenue from user rates in 2009 so that our revenue has been reduced by one percent.

Mr. Walus then explained that first page also includes the different expenses. Therefore, if all of the personnel expenses are added, the total is approximately \$2.948 million, which is almost identical to 2009. We have had two retirements in the Collection System, which resulted in a reduction in personnel costs.

Therefore, as we look at our budget for 2010, we have reduced each of the items a little bit to account for the fact that we expected one percent less in anticipated revenue.

Our final total projected expenses after transfers for the 2010 budget are \$6,158,339. We are proposing to reduce expenses in 2010 by approximately two percent to give us a little cushion depending on how the actual revenue comes in.

Basically, our 2010 budget is very similar to 2009 in many ways and this is the typical overall summary we would provide to the Commissioners as part of that process.

Mr. Walus then explained that page 2 of the handout is a detailed printout of each of the separate revenue sources. Similarly, pages 3 through 5 are detailed printouts of each of the expenses.

Mr. Walus then referenced a 9-page handout which goes into even more detail than the executive summary, explaining that these pages detail each of the revenues and expenses broken out by each cost center; which can then show exactly what was changed from a budget prospective in 2010 compared to 2009.

Mr. Walus explained that the reason that some of the items were changed is to account for trending, either downward or upward, in certain things.

Mr. Walus gave the example of land application expenses. We have been obtaining dryer and dryer solids to land apply so that some of the costs can be reduced. However, on the other side, ferric chemical costs have increased so we have adjusted our budget to reflect the increase.

Mr. Walus advised that this was provided to the Board for informational purposes so that he can then ask the Board, potentially at the May meeting, for approval of the 2010 budget forecast.

Mr. Phelps thanked Mr. Walus for his report.

Dan Olson

Mr. Olson advised that there were no violations of the permit during the month of March, nor were there any CSO events. Additionally, there were no overflows at the plant and there was one overflow in the Collection System.

Mr. Phelps asked about the overflow. Mr. Olson advised that the overflow was at 113 Tall Timbers Court.

Mr. Olson then distributed a handout advising that he wanted to give a very brief update on the IOSHA (Indiana Occupational Safety & Health Administration) in January. He reported that there were safety orders and item numbers, as follows:

Safety Order #1, Item 1 – The floor in the workroom was not maintained.
Mr. Olson explained that this is the Filter Building where there is algae

growth because there was water going across the floor. He advised that this has been abated and was abated prior to March 11th.

Safety Order #1 – Items 2A & 2B are related – Process safety information did not conform to regulations. Mr. Olson explained that this has been abated and is part of the process safety management plan so it will be submitted on or before May 28th, which is what the due date is for all of those items.

Mr. Phelps commented that this is about the chlorine and so forth. Mr. Olson agreed stating that it has to do with setting up a process safety management plan for chlorination, de-chlorination and the whole process.

Safety Order #1, Item 3 – There was no initial Process Hazard Analysis (PHA). Mr. Olson advised that we are working on this. We have a team of four members and are approximately 70% complete on an extremely lengthy and intensive process where they go through the entire disinfection system and work out each of the steps and procedures that we need to have. Those are all complete.

What are the possible things that can go wrong. That is complete. Now they are looking at those items and developing recommendations and identifying the potential impacts of those items on, not only employees, but the public at large.

The PHA will be completed and is also a part of the safety management plan so that whole thing will fall together pretty fast.

Safety Order #1, Item 4 – No written operating procedures. Mr. Olson advised that those have been abated. Those were developed by the process analysis team.

Safety Order#1, Item 5 – Initial training operating process while providing an overview of process and operating procedures. Mr. Olson advised that this is approximately 50% complete. He stated that he marked it at 50% because we are sending all of our maintenance staff who are responsible for changing the tanks when they need to be changed to a supplier training session to be held on May 14th.

Mr. Olson advised that all of those personnel have attended that safety training in the past. All operators who are certified have had to prove their proficiency in safety with chlorination and de-chlorination through state testing. Therefore, 50% may be a little bit conservative and we may even be closer than that.

Safety Order #1, Item 6 – No written procedures for ongoing mechanical integrity of process equipment. Mr. Olson advised that he marked this 50% complete. However, in reality, every year prior to the startup of the system, we have a contractor come up and inspect our system and go through it with a fine tooth comb and we replace any components that need replacing. So the system is looked at annually. We also look at it as we are doing the process.

Safety Order #1, Item 7 – No written procedures to manage changes. Mr. Olson advised that it is 95% complete and is mostly written. It is just a matter of putting it into the process safety management plan.

Safety Order #1, Item 8 – No emergency plan for the entire plant. Mr. Olson advised that, in reality, there is an emergency plan for the entire plant that was written in the 1980's and since then has been updated to include not only chlorination and de-chlorination, but also for severe storms such as tornados. It is just a matter of incorporating that now into the plan.

Item #1, Item 9A & 9B are related – 9A is no written certification in the workplace. Mr. Olson advised that hazard assessment was performed. It was informally performed by Mr. Olson in January and posted at the chlorination and de-chlorination storage facility. As a result of that analysis, a personal protective equipment policy was also posted at that facility.

Therefore, before the chlorination system, this item was abated and was reported to IOSHA.

Safety Order #2, Items 1, 2, 3 & 4 – Mr. Olson advised that these were all abated and reported to IOSHA in March.

Item 1 – Workplace not kept clean. Mr. Olson explained that this was the blower building where oils were changed on preventive maintenance and they left some oil dry on the floor. This was cleaned up the next day after inspection.

Item 2 – The exit not clearly marked in the de-watering building. Mr. Olson advised that all exits, not only in the de-watering building, but anywhere in the entire plant that were never marked for whatever reason have been marked. Therefore, all exits are now marked.

Item 3 – No alarm system. Mr. Olson advised that this was specifically a fire alarm system in the de-watering building. He explained that it is

debatable whether you would ever have a fire over there but we did put a fire alarm system into that building.

Item 4 – Material unsecured, sliding, or collapsed in the Collection System Garage mezzanine. Mr. Olson advised that this has all been abated by the Collection System staff.

Mr. Phelps asked if the process safety management plan and the PHA are large reports. Mr. Olson advised that anything listed here are part of the process safety management plan.

Mr. Olson clarified that the PHA is a component of the process safety management plan and it is, by far, the largest component of the plan. It is the one where you analyze the chemistry of the compounds, the material safety data sheet (MSDS) and all of its components, analyze what the procedures are that occur in the process and the hazards that could occur under those procedures, and then you analyze how those hazards can be minimized or eliminated through mechanical, engineering means or by human factors.

Mr. Olson explained that this is all compiled into a “what if” analysis, which is where we are right now. After that is done, then the team which consists of four people will then make recommendations. Those recommendations will then have to be acted upon by management of the District and the whole thing will then be put into a final report.

Mr. Strauss asked if there are representatives of each area on the team. Mr. Olson advised that the team consists of an operator, a maintenance person, the Assistant Superintendent, and Mr. Olson.

Mr. Olson explained that he has experience in more than one plant using chlorination and de-chlorination. His Assistant Superintendent has experience in changing out tanks here with many years of experience that way. The maintenance person has experience as an operator here as well as a maintenance person that changes out tanks and has done so for several years. The operator has been an operator not only here but also at least two other plants that Mr. Olson is aware of and at all of those plants chlorination and de-chlorination was used. Therefore, they all bring to the table not only experiences here at this plant but experiences at other plants where they can use that information to come up with the best product possible.

Mr. Olson advised that all of the team members have been participating actively, they have all contributed to whatever we have compiled already, and he is very happy and pleased with the direction we are going.

Dr. Jones commented that, in reference to the emergency plan for the entire plant, Mr. Olson stated that chlorination and de-chlorination has been covered, weather events have been covered but that he could not recall the third item. Dr. Jones asked if it is anything about intrusion or terrorism or anything like that. Mr. Olson said that it was not and it has unfortunately just slipped his mind at this time.

Dr. Jones asked if Mr. Olson would let the Commissioners know what that component is, either by phone or e-mail. Mr. Olson advised that he would do so.

Dr. Jones then summarized that, of the 15 items that were pointed out in the safety order, 11 have been abated and the remaining 4 are between 50% and 95% complete. Mr. Olson advised that this is correct.

As Mr. Olson was leaving the table, he remembered that the final item is fire. Dr. Jones stated that it makes perfect sense.

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 or lost time injuries in the last month. This is the first month with no lost time injuries.

In reference to the Safety Report for the Refuse Department, Mr. Hoffman advised that there was one reported injury resulting in nine days of lost time in the last month. This employee has returned to work and is currently on light duty. The Refuse Department had gone eight months without a lost time injury so this is their first lost time injury in nine months.

Mr. Hoffman advised that he has been in contact with our new workers' compensation insurance third party administrator, CMI. The Board voted at last month's meeting to become self-insured and we have a third party administrator.

Mr. Hoffman advised that Janet Dobryden, the Loss Control Specialist for CMI, will be here to meet with us and assess our needs and provide us with the programs and training that we might need. That meeting is scheduled for May 10th.

Mr. Hoffman explained that, because the City has been doing this as well, Ms. Dobryden has already met representatives from the City and is already fulfilling this function for them.

Dr. Jones asked, without getting overly specific, if the Refuse injury was a lifting injury. Mr. Kintzele interjected advising that it was and explained that it was with an unauthorized container.

Dr. Jones asked if it was a container that our equipment cannot lift. Mr. Kintzele indicated that this is correct.

Mr. Phelps commented that maybe the container was filled with concrete or something like that. Mr. Kintzele speculated that it probably had dirt in the bottom. Dr. Jones added that possible water was in it as well. Mr. Kintzele agreed.

In reference to drainage projects, Mr. Hoffman advised that Mr. Walus already addressed the Tulip Tree Drive Project which is due to begin shortly.

Mr. Hoffman then advised that catch basin work has been done in the 600 block of Pearl Street and the 100 block of Trunk Court. Additional catch basin work is due to begin shortly in the 400 block of Porter Street and at Holliday Street and Calumet Avenue.

In reference to MS4, Mr. Hoffman reported the MS4 Coordinator is reviewing plans and inspecting sites for compliance.

Mr. Hoffman advised that he attended the third annual MS4 Meeting in Anderson on April 22nd. The keynote speaker was from the U.S. EPA Region 5 and informed the approximately 270 attendees of new effluent guidelines in proposed national rulemaking. Perhaps the most controversial issue will be the total suspended solids testing requirement as a measure of cleaning efficiency. The rules are not final on the federal level and then they have to be adopted into the state program. It is not anticipated that the rules will be in effect for several years.

Currently sites are required to install Best Management Practices (BMP's), but there are no testing requirements. Therefore, once you install what people most commonly see as the silt fence, once you put the BMP in place, what then leaves the property is expected to be better than if you didn't have the BMP in place. The new proposed rulemaking will require testing to a certain level.

Mr. Hoffman explained that this is a very large leap in the MS4 Program.

Other topics at the meeting were program reviews, a program success panel where five or six people discussed the best things they have working out in their programs, as well as a panel on post-construction initiatives.

Post-construction initiatives will be the next large item in the MS4 world as we continue down the road of implementing all of the six minimum controls. Currently emphasis is on the first four but the fifth and sixth will eventually get the same attention.

The Advisory group continues to meet and work on submittals for the next permit cycle. We have gone through one five-year permit and we are beginning the second permit cycle in the program.

Mr. Phelps thanked Mr. Hoffman for his report.

Jim Kintzele

Mr. Kintzele advised that we have had the toter system in effect for a year and a half now and he has some good news.

Mr. Kintzele explained that his department has been repairing the toters as handles and lids are broken. He purchased the tool kits so that the toters can be repaired on-site instead of having to bring them in for repair.

However, there were approximately 35 toters that were unrepairable and Mr. Kintzele has been looking for a way that we can recycle them rather than putting them into a landfill.

Mr. Kintzele advised that he contacted the original supplier who came out to look at what they expected to be a large number of bad toters, but were surprised that there were only 35 out of 12,000 units in a year and a half time. This is also good evidence of the durability of the containers.

Mr. Kintzele explained that, when the supplier gets a full load from other places and our location, they will make a determination if any of those were due to flaws in their design or materials. The supplier has indicated that it averages out to approximately 50%. We then will be getting more containers to replace those and then we will be recycling the ones we cannot use anymore.

Mr. Kintzele advised that our experience, with the units we have left, indicate that we should not have to worry about additional units for the next three to five years.

In reference to tonnage, Mr. Kintzele reported that there has been a reduction of 102 ton for the first three months of the year. He explained that this is a bit lower than what we have had before, but he believes that people are using the recycling more than they ever did before.

Mr. Kintzele advised that we are now in our last week of Spring Cleanup and we have not been behind for the entire period. He explained that they are usually a half or full

day behind and sometimes even three or four days behind schedule. However, we have been up-to-date every day and still making special pickups in other areas.

Mr. Kintzele advised that, once Spring Cleanup is complete, he is going to analyze the tonnage figures for each area. If there is an area that has a larger amount of tonnage than an area that has very little tonnage, he will try to re-map the collection points so that they balance out better. He explained that the heavy and light areas have been consistent over the years.

Mr. Kintzele anticipates having a report at the next meeting to discuss suggestions with the Board on how to improve the program.

Mr. Kintzele stated that he received terrific cooperation from the Sanitary District and Street Department in order to get the job done.

In reference to the previously reported lifting injury, Dr. Jones commented that the only thing we do not have toters for is yard waste. Mr. Kintzele stated that we are currently picking up yard waste with the regular trash. However, the compost pickup will begin next week.

Mr. Kintzele explained that the compost pickup will be allowed in old garbage cans or biodegradable bags and that should all be put out in front, not in the alleys.

Mr. Kintzele commented that he received his waste management magazine today showing that many cities and towns are doing what we have been doing for five years with composting.

Mr. Phelps thanked Mr. Kintzele for his report.

Attorney Bill Nelson

Attorney Nelson submitted 13 delinquent accounts to be recorded as liens, in the total amount of \$1,514.45 which requires Board action.

Mr. Phelps entertained a motion on the matter.

Ms. Paul made a motion to approve the delinquent accounts to be recorded as liens in the total amount of \$1,514.45, as submitted – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

Attorney Nelson then submitted 10 liens to be released due to satisfaction of the liens, in the total amount of \$864.88 and advised Board action was necessary.

Mr. Phelps entertained a motion on the matter.

Mr. Strauss made a motion to approve the 10 Releases of Lien, in the total amount of \$864.88, as submitted – seconded by Dr. Jones. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

Attorney Nelson advised that there were no debts to be declared as uncollectible.

Mr. Phelps entertained a motion to approve and allow Revenue and Tax Levy claims for payment.

Ms. Simmons made such a motion – seconded by Mr. Strauss. No discussion or comments on the motion. Motion carried 5 – 0 in favor.

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

Mr. Strauss made such a motion – seconded by Dr. Jones. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

Old Business

Mr. Walus advised that the last item we have on the Palatek Project is acceptance of the as-builts from Haas & Associates, who have reviewed them.

Mr. Walus explained that there is an area of pipe sleeve under Highway 20 that is a very flat slope. Haas & Associates have inspected that area and are recommending that we accept this system.

Haas & Associates has asked that we go back to the contractor to seek an extension of the performance guarantee. This is typically a two-year guarantee but Haas & Associates has recommended that we ask for that to be extended to four years.

Mr. Walus advised that he has been working with Attorney Nelson and HRP Construction to revise the contract to change from a two-year to a four-year warranty. Attorney Nelson has all of those documents and we are ready to present that to the Board today.

Attorney Nelson advised that he has been working with the attorney out of Indianapolis that represents HRP Construction since last fall to finally come to terms in order to get this thing wrapped up.

Attorney Nelson explained that this resolution would be that HRP would provide additional warranty and allows a very liberal determination by the District, during a four-year period, to determine whether or not it wants to reject the project based upon excessive, unusual or unordinary maintenance that we require due to the level of this line.

Attorney Nelson advised that he was finally able, as of this morning, to be able to get the final approval from HRP's attorney as to this language modification and contract amendment.

Attorney Nelson stated that he is very pleased we finally got to this point and glad he was able to do so even as late as this morning to get this to the Board today under Old Business.

Attorney Nelson presented to the Board for consideration, an amendment to the agreement previously entered into on June 25, 2008, and incorporate that agreement but modify it to provide this extra protection for the District. This is an actual contract amendment so it will require Board action.

Mr. Phelps entertained a motion on the matter.

Dr. Jones made a motion to approve the amendment to the agreement with HRP Construction, as submitted – seconded by Ms. Simmons.

Dr. Jones clarified that this additional warranty is only for that piece of pipe and not the entire length. Attorney Nelson agreed advising that it extends the warranty in the particular section identified in the amendment document.

Mr. Strauss asked Mr. Walus what this means for performance of the line. Mr. Walus advised that this will act as an insurance policy for the District.

Mr. Walus explained that, when we began the design, the existing sanitary sewer in that area is rather shallow and there are existing utilities on the south side of Highway 20. Therefore, it was a very challenging design for Haas & Associates to be able to design a jack and bore under Highway 20 from the south to the north side of the road to reach a very shallow pipe and miss the utilities.

However, there was some flexibility in the construction of the jack and bore work. The soil conditions under Highway 20 in that area are variable. Therefore, as you are trying to push a large pipe under Highway 20, anytime you may hit a varying soil condition or rock, it could push that jack and bore up or down.

Mr. Walus explained that, going into the construction project, we knew that it would be a difficult design as well as difficult construction because other jack and bores in that area had to be abandoned in place and we wanted to do it one time.

The jack and bore that HRP did achieve allowed for the construction of our sewer pipe at a slope that would allow for the drainage.

Mr. Walus further explained that, in looking at the as-builts, Haas & Associates suggested that we approach HRP to request consideration extension of the warranty for another two years just as an insurance policy. They have agreed to do so.

Mr. Walus advised that we have checked the line a couple of times and it appears to be operating okay. However, just to be prudent, we felt we would seek the extended warranty and HRP was agreeable to that.

Mr. Strauss asked if Mr. Walus is expecting any problems. Mr. Walus stated that we are not.

Attorney Nelson advised that the additional item that he failed to mention that is noted in the amendment is that HRP will continue to have a bond in place during this warranty time as well. Therefore, there is some additional financial protection through the bond that would not otherwise be in place throughout the extended warranty period.

Attorney Nelson explained that it took a while to get here obviously because we are asking them to commit quite a bit here to this. At the same time, the time it took to get to this negotiated state was quite helpful because it gave Mr. Walus and his team an opportunity to further monitor this to see if many problems had occurred between the fall, when Attorney Nelson started this, and today.

Attorney Nelson stated that, all in all, he is quite pleased with where we are at right now.

There being no further question or comment on the matter, motion carried 5 – 0 in favor.

Attorney Nelson advised that, after the Board signs the amendment today, he will return the signed copies to HRP's attorney in Indianapolis. He will then obtain HRP's signature and Attorney Nelson will get the fully signed copies back for the District's files. He presumes that HRP will then, through the engineers, submit their final pay request possibly next month.

Mr. Walus then advised that we currently have one of our wastewater treatment plant operators off of work on leave of absence. Mr. Walus asked the Board to consider one more extension of that leave for two months. The employee has been working with his doctors to determine a final status and he is also looking at other options

Mr. Walus believed that we are close to a resolution on this matter and is therefore asking for a two-month extension of the unpaid medical leave.

Mr. Phelps entertained a motion on the matter.

Dr. Jones made a motion to extend the leave of absence for two months – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

New Business

Mr. Walus advised that Administrative Director Doretha Sanders will speak to a Conflict of Interest Statement for District employee Charles Sparkman who runs a sewer maintenance cleaning business on a part-time basis.

Ms. Sanders asked for the Board's approval of the Conflict of Interest Statement because Mr. Sparkman would potentially gain from the Sanitary District on small sewer jobs that we may hire him for.

Attorney Nelson recalled that Mr. Sparkman has been involved with this previously and this is the annual renewal of his conflict of interest statement. Ms. Sanders agreed.

Mr. Phelps entertained a motion on the matter.

Dr. Jones made a motion to approve the annual Conflict of Interest Statement for Charles E. Sparkman, Sr. – seconded by Ms. Paul. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

Mr. Walus then advised, based on the quotes opened today for the Ohio Street Culvert Replacement, Woodruff & Sons is the low quoter in the amount of \$55,952.00.

Mr. Walus advised that this is one of the projects that we wanted to use #8201 Stormwater budget funds for this stormwater drainage improvement on Ohio Street. The Tulip Tree Drive Project that was discussed earlier in the meeting is also coming out of the #8201 Stormwater Fund.

Based on Woodruff & Sons being the low quoter of the two quotes received today, Mr. Walus recommended that the Board award the Ohio Street West Culvert Replacement to Woodruff & Sons in the amount of \$55,952.00 to be paid out of our tax supported #8201 Stormwater Operating Fund.

Mr. Phelps entertained a motion on the matter.

Ms. Simmons made a motion to approve the quote of Woodruff & Sons, in the amount of \$55,952.00, as submitted – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

Mr. Phelps advised that he would like to read a short statement that is a position statement for the Board and did so, as follows:

“Our priorities are to correct any safety problems and to do everything necessary to assure that the issues do not develop again.”

“With that in mind, the District staff continues to work with IOSHA to address corrective actions and to review procedures that may need to be developed or amended.”

“We look forward to IOSHA’s return visit and participating in their safety program. We will review what occurred, why it occurred, and why it wasn’t identified and corrected earlier.”

The next regular monthly meeting of the Board of Sanitary District Commissioners –
May 26, 2010 – 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.

Linda G. Simmons, Secretary