

REGULAR MEETING, BOARD OF SANITARY DISTRICT COMMISSIONERS
WEDNESDAY, MAY 26, 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., Boyd W. Phelps, and Ronald J. Strauss. Commissioner Linda G. Simmons entered the meeting while in session and Commissioner Judith A. Paul 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., Legal Counsel

Also present for the meeting were:

Ron Meer, Third Ward City Councilman (Left before meeting began)
John Doyle, John A. Doyle & Associates
Tim Haas, Haas & Associates
Jim Maurer, Haas & Associates
Dave McCormick, McCormick Engineering
Mike Edinger, Woodruff & Sons
Brian Whitcomb, Woodruff & Sons
Ryan Miller, D&M Excavating
Matt Field, News-Dispatch
Andre Steele, ALCO TV

Mr. Phelps entertained a motion in reference to the minutes of the Regular Meeting of April 28, 2010.

Dr. Jones made a motion to approve the minutes of the Regular Meeting of April 28, 2010, as submitted— seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 3 – 0 in favor.

In reference to the Financial Report, City Controller John Schaefer was not available due to a schedule conflict.

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

**FINANCIAL STATUS – SANITARY DISTRICT
May 26, 2010**

OPERATION & MAINTENANCE FUND #6201	\$359,868.80
SEWAGE WORKS SINKING FUND #6207	\$1,087,196.70
SEWAGE WORKS IMPROVEMENT FUND #6208	\$308,091.45

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 reminded the Board that the need for Work Change Directive #1 was discussed at the last Board meeting.

(Ms. Simmons entered the meeting at this point.)

Mr. McCormick explained that one issue was installing drainage on the hill slope due to unforeseen seepage. Another item was the elimination of the asphalt base material in lieu of providing more surface repairs across the golf course to allow them to have surface asphalt in many more areas by eliminating the base course. The third item was the elimination of the erosion control blanket on the project. The decision was made to seed and put the erosion control blankets down outside the contract.

The erosion control blankets were delivered today and the permanent seeding and forms mix is being put down by the City Forrester. Therefore, by utilizing some of the city forces, there will be some internal savings seen.

Mr. Phelps asked for clarification on the cart path changes. Mr. McCormick explained that the golf course staff wanted to pave some additional areas.

For example, there is an area right when you go into the golf course that they wanted a small parking area paved and not have the contract increase in price. This was achieved by offsetting base with more surface course. The base course plus the surface course in place was “over kill” from their standpoint compared to what they currently have.

Mr. Walus explained that the first document in the Board packets under Mr. McCormick's reports is Change Order #1, which Mr. McCormick prepared after providing Work Change Directive #1 last month.

Mr. McCormick explained that the change order comes from the fact that, after the substantial completion walk-through happened, there was a severe rainfall event. The golf course work held up very well overall. However, the soil in some areas was still unprotected because the seeding is going on right now. Therefore, there is some risk anytime there are exposed sites.

Mr. McCormick explained that there were two areas after the final substantial completion walk-through, where there was erosion damage that needed repair. Additionally, there was one area in particular where the event showed quite a bit of water coming through so it was "beefed up" quite a bit in comparison to the original design.

Mr. McCormick advised that some glacial stone was added which is equivalent to the chimney drains.

Mr. McCormick then advised that the other issue on Change Order #2 is going to be the adjustment of final quantities.

Mr. Phelps clarified that the chimney drains are a new product. Mr. McCormick agreed.

Attorney Nelson asked for clarification stating that the agenda refers to Change Order #1 and #2. He asked if both of those items are both in Change Order #1 before the Board. Mr. McCormick explained that the work change directive is what he just discussed. However, the change order is required because there is an actual change in price.

Mr. Walus clarified that there are two different change orders. Mr. McCormick agreed.

Mr. McCormick then submitted Change Order #1, which is the overall issue of earth work. This was due to the fact that the materials found on the site were extremely variable in nature and there was not adequate material suitable to build a car path within the material coming from the excavation operation.

Mr. McCormick advised that Mr. Walus was able to secure some sandy material from the Washington Park cleanup operation, so this was basically recycling material that would otherwise just been stockpiled. Therefore, this was a good cost savings measure. However, there was still an additional handling charge.

Mr. McCormick explained that there was an increase overall to deal with all of the embankments. This amounted to a cost increase of \$3,464.00 due to handling charges.

Mr. McCormick then advised that the second topic deals with permanent seeding. As he stated before, a decision was made to have the seeding operations outside the terms of the contract. However, the seed had already been ordered.

Mr. McCormick explained that the charge for the actual placement of the seed was removed from the contract and the District received the actual seed material. However it was not installed.

Mr. McCormick explained that the unit price of the seeding mix was changed to reflect the decrease in cost associated with replacement of the seed. This resulted in a credit of \$904.00.

Mr. McCormick then advised that the third item on the change order is the erosion control blanket. Because this will be installed by the city forces, the quantity on these items was reduced from 9,992 estimated square yards to a quantity of zero. Therefore, this results in a net decrease in contract of \$18,002.16.

Mr. McCormick advised that the fourth issue was the matter of the chimney drains. There were several areas that had non-point seepage; seepage from very large areas. This was not a situation where there was a broken tile or something along those lines. It is an area where water was seeping out of the edge of the hill and would, in turn, make it very difficult for the golf course to maintain.

Mr. McCormick suggested that chimney drains be installed, which consists basically of a large pile of rip-rap and is submerged into the embankment and allows that water that is coming toward that rip-rap to be collected and discharged into the stream without eroding the hill slope. This resulted in a payment increase of \$12,407.00.

Mr. McCormick then advised that the final issue on Change Order #1 deals with the asphalt paving. For the purpose of the change order, HMA (Hot Mix Asphalt) Base, Type B, which is the sub-course, was planned to be four inches. This was offset, meaning that the total dollar amounts associated with that pad were eliminated and put into the surface course to give the golf course as much flexibility as possible for surface asphalt.

Therefore, there is now an increase in two-inch HMA surface and an associated decrease in HMA base. The quantity change then results in an increase of surface from 130 tons to 330 tons and the base then goes from 260 tons to zero tons. In terms of the change order, this is a net zero sum. There is no change overall contract amount but rather a change in quantities from one type of asphalt to another.

Mr. McCormick explained that, because the golf course staff wanted to do this, we felt it was fully prudent to approve a change in the substantial completion date of April 15th to May 7th and the final completion date from May 14th to May 26th, which would be today.

Mr. McCormick stated that there were other reasons to change the date also such as the unforeseen chimney drains issue.

Mr. McCormick advised that he also provided a summary of how these changes affect the overall project costs, advising that Topics 1 through 5 ultimately result in a reduction in the total contract estimate of \$2,972.16. Additionally, it does result in summary of changing the planned contract Substantial Completion Date from April 15, 2010 to May 7, 2010 and the Final Completion Date from May 14, 2010 to May 26, 2010.

Mr. McCormick recommended approval of Change Order #1.

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

Dr. Jones made a motion to approve Change Order #1, of D&M Excavating, as submitted – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Dr. Jones commented that he has been out at the golf course and has taken an up close and personal look at the new topography. He stated that it is a very nice job and it is going to add to the ecological balance in the area as well as an aesthetically nice enhancement to the golf course.

Mr. McCormick added that City Forrester Frank Seilheimer has done a wonderful job of installing trees out there. Dr. Jones agreed.

Mr. McCormick then submitted Change Order #2, explaining that there were severe storms between May 11th and May 13th, including a portion of the May 13th event exceeding 0.8 inches of precipitation within a 25 minute period. This is relatively severe, especially for an area that hasn't been protected with erosion control blanket or seeding yet. However, those operations are actually happening as we speak.

Mr. McCormick explained that the seeding is going down this week and should be completed by next week. This is the last real step in the project.

Subsequent to this Substantial Completion walk-through, the corrective measures that we directed D&M Excavating to undertake were to install additional glacial stone in certain areas along the slopes to bring this material in. This was done under Change Directive #2.

Mr. McCormick explained that these two areas will be better for the long-term project and the stability of those areas. Mr. McCormick stated that he felt very comfortable with the unit increased cost of \$3,000 for that particular eroded slope repair. This is very similar to the glacial stone.

Mr. McCormick then advised that the second item on the change order reflects taking the final quantities from the estimated quantities to the final quantities.

Mr. McCormick explained that Change Order #1 increased the HMA Surface B, Type 2 2-inches up to 330 ton to offset base. The final quantity was actually under that at 300.21 tons. Therefore, this is just the difference between the estimated and final quantities and would reflect a decrease in \$3,253.07 as a reflection of the under-run on that particular quantity of 29.79 ton.

The second item was relative to the glacial stone outfall protection. The planned estimated quantity was 160 ton and 158 ton was actually used. This is a minor difference but it reflects a decrease in the amount of \$217.76.

Mr. McCormick stated that there is no change in the schedule relative to those items and the total difference on the change order is a decrease of \$470.83. He recommended approval of the change order.

Mr. Phelps asked the final bottom line of the project. Mr. McCormick advised that the new contract amount becomes \$195,101.

Mr. Phelps entertained a motion on the matter.

Mr. Strauss made a motion to approve Change Order #2 of D&M Excavating, as submitted – seconded by Dr. Jones. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Mr. McCormick then advised that the next item for completeness is to provide a Certificate of Substantial Completion on the project.

Mr. McCormick explained that a walk-through of the site was done on May 6, 2010 and D&M Excavating was provided a list of punch list items on May 7th that needed to be done in order to complete the field work associated with the job.

Mr. McCormick explained that the punch list items basically involved reworking the soil on the extremities of the project. There are two different sides: a north site and a south site. This is just to clean up some areas on the very far end of the north site and then on both ends of the south site, as well as a small area on the glacial stone outfall on the downstream side of one of the culverts to redirect the flow to the center of the aggregate.

Mr. McCormick advised that D&M Excavating was directed to perform this work and they called last week indicating that all items relative to Work Change Directive #1 and Work Change Directive #2 were completed.

Mr. McCormick reported that a walk-through of the site was done on May 24th and he found that the punch list items had been completed along with the work change directive items.

Mr. McCormick advised that the contractor has reached Substantial Completion in accordance with the terms and provisions of the contract documents.

Mr. McCormick advised that he was waiting on the as-builts, which were due today, and the contractor provided them immediately prior to this meeting. He advised that he has not had a chance to review them yet.

Mr. McCormick submitted Pay Request #3 of D&M Excavating in the amount of \$61,461.62 and recommended approval of same.

Mr. McCormick explained that the total adjusted contract amount after Change Order #1 and #2 goes from the estimated amount of \$198,544.00 to \$195,101.01. The amount earned to date in the field is \$195,101.01 because the field work is complete. There has been \$123,884.34 made in previous payments.

Because all of the field work is complete, Mr. McCormick is suggesting that the total retainage be reduced to 5%, which then brings the retainage to \$9,755.05. Therefore, the net payment amount would be \$61,461.62.

Mr. McCormick explained that the outstanding item was the as-builts, which he now has in his possession as of today. He has not yet had a chance to review them.

Mr. McCormick suggested that the net payment amount be approved and he will then come back again next month after reviewing the as-builts to close out the project.

Mr. Phelps entertained a motion on the matter.

Ms. Simmons made a motion to approve Pay Request #3 of D&M Excavating, in the amount of \$61,461.62, as submitted – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Mr. Phelps thanked Mr. McCormick for his report.

Jim Maurer of Haas & Associates reported on the following project:

Ohio Street Lift Station Sanitary Sewer & Sanitary Sewer Replacement Project

Mr. Maurer submitted Pay Request #7, which is to cover the cost of Change Order #2, which he also submitted for the Board's approval.

Mr. Maurer explained that Change Order #2 has many items with three lump sum items and the remainder of the items is time and material cost items.

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

Mr. Maurer advised that the total amount of Change Order #2 is \$39,605.04 and he recommended approval of same.

Mr. Phelps entertained a motion on the matter.

Dr. Jones made a motion to approve Change Order #2 of Woodruff & Sons, in the amount of \$39,605.04, as submitted – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Mr. Maurer advised that Pay Request #7 is for the cost of Change Order #2, in the amount of \$39,605.04. He explained that the retainage is kept at the current level of \$39,617.45.

Mr. Maurer explained that the Change Order #2 work is done except for Item #2, which will be done next week. He explained that it is the ground cover around the lift station.

Mr. Maurer considered it appropriate to recommend payment of Change Order #2 since the work is all done except for the one item that will be done next week.

Mr. Maurer also advised that there will be a final change order to adjust the original bid item quantities and costs for as-bid to as-built amounts. At that time, there will also be a pay request to recommend final release of project retainage. Therefore, this doesn't wrap up the project paperwork yet.

Mr. Phelps asked if the contractor has the ground cover. Mr. Maurer advised that the material was received today. However, he was told that the contractor decided to wait until next week to plant it so that there will not be a long weekend in which it cannot be watered and maintained.

Mr. Phelps commented that there is still retainage to protect the taxpayers.

Attorney Nelson commented that, in the interim if the Board is more comfortable, it could approve the pay request subject to release of the check, upon the engineer's notification that the work is complete.

Mr. Phelps entertained a motion to approve Pay Request #7 of Woodruff & Sons, in the amount of \$39,605.04, subject to the check being released upon verification from the engineer that Item #2 of Change Order #2 is complete.

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

Mr. Phelps thanked Mr. Maurer for his report.

Mr. Phelps asked Mr. Maurer about the product that is to be used as ground cover. Mr. Maurer stated that the no maintenance ground cover is *Viola labradorica*, which is green all year and flowers in the spring and is no maintenance.

Mr. Maurer commented that there needed to be a good looking ground cover because of the fence out there. He stated that Mr. Walus suggested that fence that is out there and it really looks nice. The Board agreed.

The following departmental status reports were given:

Al Walus

In reference to the Lafayette/Barker Storm Sewer Interceptor Project, Mr. Walus advised that the Sanitary District has been informed that the \$8 million TIF (Tax Increment Financing) bonds for the project were sold and the sale has been closed. Therefore, the money has been received by the Redevelopment Authority.

Mr. Walus distributed a document that he received from Baker & Daniels, the bond counsel for the Redevelopment Commission and the Redevelopment Authority.

Mr. Walus advised that the Sanitary District and the Redevelopment Boards of Commissioners entered into a Letter of Agreement earlier whereby the Sanitary District will construct the first part of the Lafayette/Barker Tunnel.

After the Sanitary District reviews contractor and engineering claims, they would then be submitted to the Redevelopment Commission for payment. Their financial commitment to the project is \$8 million.

Once the TIF bond sale was complete, Baker & Daniels put together this Agency Agreement that has already been signed by the Redevelopment Authority.

Mr. Walus directed the Board to Page 4 of the Agency Agreement briefly referencing Section 10, as follows:

The Sanitary District, on behalf of the Authority, shall be responsible for processing all contractor claims for payment, consistent with the following procedure. The Sanitary District shall:

- (a) obtain a completed Application and Certificate for a Payment (which we typically do on projects) executed by the project architect or engineer; and

- (b) certify, in a Certificate for Payment signed by its officers (the Sanitary District Board), that the work represented by the request for payment has been satisfactorily completed.
- (c) submit, on behalf of the Authority, directly to the Trustee who holds the TIF bond money.

Mr. Walus explained that, in a typical project that the District has done with the Board of Public Works & Safety or the Redevelopment Commission in the past, the Sanitary District Board would approve claims which would then be sent to the other public entities and they would process the claims for payment.

Mr. Walus explained that this streamlines the process where, if the Board were to approve this agreement, we would continue to do the same thing we do; when we are done with it, we would send it directly to the Trustee, instead of the Board of Works or Redevelopment Commission, and the Trustee then makes the payment directly to the contractor or engineer.

Mr. Walus advised that he has given Attorney Nelson the chance to review the agreement.

Mr. Walus recommended that the Board consider approval of the agreement pending final review by our legal counsel.

Mr. Walus advised that we do not anticipate claims until the next meeting regardless, so we have time to approve this. However, he asked that the Board consider approving the agreement contingent upon final legal review.

Mr. Phelps entertained a motion on the matter.

Mr. Strauss made a motion to approve the Agency Agreement, as submitted, contingent upon final legal review – seconded by Dr. Jones.

Dr. Jones asked if the Trustee is a local bank or a bond bank. Mr. Walus advised that he will provide the information to the Board.

Mr. Walus advised that he does not think that it is a local bank; however the bond financing entity is looking to reinvest some of the funds potentially with some local banks. Therefore, there may be an opportunity for local banks to get involved.

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

Mr. Walus then advised that the engineers have finalized the attachments to the contract. The Board has previously approved the contract so it has been sent to the contractor, Super Excavators. Once the contractor signs the contract, it will go back to the engineer and then be forwarded to the Board President and Secretary for their signatures, which will complete execution of the contract.

Mr. Walus anticipated a pre-construction meeting in mid-June with construction likely to begin on the tunnel project in July. Therefore, after the preconstruction meeting in mid-June, we will have different schedules from both the utility relocation contractor, Woodruff & Sons, and the tunnel excavator, Super Excavators, after which the information will be shared with the Board as well as advising the public of potential road closures once the project starts.

Dr. Jones asked the estimated time of completion. Mr. Walus explained that most of the tunneling should be done probably in a 6-month period and there is some final work at grade to put things back. At this point, we are anticipating 9-12 months for final completion.

Dr. Jones commented that there probably would not be repaving until next spring. Mr. Walus advised that this is correct.

Mr. Walus advised that, once all of the details have been received from the contractor, he will share the information with the Board.

Mr. Phelps asked about the construction contracts. Mr. Walus explained that those have been approved by the Board and they are at Super Excavators. As soon as they are signed, they will be brought back to the Board for signature.

Mr. Walus continued his report as follows:

Administrative Director Doretha Sanders issued letters to the District's different consultants for continuing services and the responses from the consultants have been included in the Board packets.

Mr. Walus summarized as follows:

McCormick Engineering – 0% increase – Second year in a row

John A. Doyle & Associates – 0% increase – Second year in a row

Haas & Associates – Nearly all of the same rates with the exception of two small changes: Level III Technician increased from \$75 to \$80 per hour and Level I Technician increased from \$55 to \$60 per hour.

Burke Engineering – 0% increase – Second year in a row

Mr. Walus explained that there have been some changes with McMahon Associates, American Structurepoint, and Cender & Company.

Mr. Walus recommended that the Board approve the rates, as submitted, by McCormick Engineering, Doyle & Associates, Haas & Associates and Burke Engineering, which reflect 0% increase for the most part.

Mr. Walus can then bring back summaries of the remaining consultants to the Board at next month's meeting.

Mr. Phelps entertained a motion on the matter.

Dr. Jones made a motion to approve the proposals for continued engineering services of McCormick Engineering, John A. Doyle & Associates, Haas & Associates and Christopher B. Burke Engineering, as submitted – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Mr. Phelps thanked Mr. Walus for his report.

Dan Olson

Mr. Olson advised that he is pleased to report that there were no violations of the permit during the month of April, nor were there any CSO events.

Mr. Olson advised that there is a planned maintenance activity ongoing today in the wastewater treatment plant.

He explained that, the way we shut off flow to one of the secondary clarifiers is to put in a weir plate that blocks off the flow to the inlet box to that particular clarifier. Four clarifiers are fed off of a common aerated channel. There is another weir plate underneath that the weir plate slips right over. Additionally, there were some repairs last year to some on the other side of the plant.

There is one on Clarifier #5 that was starting to come off and we had some other repairs that we were doing simultaneously. Unfortunately, those parts did not come in yet. Therefore, we decided that, with the warm weather and lack of rainfall so far this week, this was a golden opportunity to try to complete those repairs.

Yesterday afternoon at 2:00 p.m., the flow to the plant was shut down by placing a temporary stop gate on the flow to the west aeration tanks which was necessary in order to make these repairs. The flow was then reinstated to the plant but at a reduced capacity; instead of being able to take a peak flow of 15 MGD we have a peak flow of 7.5 MGD coming into the plant. Everything over the 7.5 MGD is diverted to the storm basins for storage and will be returned to the plant after the project is done.

Mr. Olson advised that he is pleased to report that, so far, this project is going very well. He explained that there was one that was bad and there were four on the bank. Because, under the Master Plan, that aeration bank will be used extensively for treatment while they build the aerated biological filter on the east bank, we felt that it was good to take a preventative measure at this point and replace all of the weirs rather than having to go back a couple of months later when another breaks off.

Mr. Olson advised that he is pleased to report that three of them have already been replaced and we are working toward getting the fourth one replaced today as well.

We still have, as of the beginning of this meeting, sufficient storage capacity in the storm basin so that we won't have an overflow from the basin.

As a result of this activity, and in accordance with Indiana rules and regulations, we had applied to the State of Indiana for their reaction and permission to proceed with this planned bypass, which they approved.

Mr. Olson advised that he just wanted to bring this to the Board's attention that this is happening today. It is going very well.

We have learned from past experiences where we used pumps to lower the level in the aeration tanks and the pump discharge came out of the manhole. Everything has been secured this time and everything is going very well.

Mr. Phelps asked how long it would take, in an emergency situation, to get the plant right back to normal operation. Mr. Olson anticipated that it would take approximately a maximum of 20 minutes.

Mr. Olson then reported that, on May 11th, the Process Hazard Analysis team completed their report. This assesses the hazards of chlorine and sulfur dioxide and goes through a "what if" checklist to determine what types of things can go wrong. The "what if" checklist was then evaluated for the potential impact inside and outside of the plant and recommendations were made in the report.

Mr. Olson advised that this forms the backbone of the Process Safety Management Plan, which he is pleased to report is done and is being sent to IOSHA today. Therefore, this abates that last item on the January inspection and compliance report.

Mr. Olson advised that there will be copies of this document to the Board but he wanted to get it off to IOSHA first.

Mr. Phelps commented that there was to be a crew to check out chlorine training. Mr. Olson advised that all of the maintenance personnel, who are the ones who have the

responsibility of changing tanks, attended the gas supplier training on safety and use of emergency repair kits on May 14th.

Mr. Phelps then asked about a report about changing a tank of sulfur dioxide or chlorine and something about a washer. He stated that he is bringing this up is because he would like Mr. Olson to explain exactly what happened because, in reference to another episode like that, certain people said there was a fire and everything else. The Fire Chief was asked about it but the Fire Chief stated there wasn't any fire.

Mr. Phelps stated that there is just so much false information that is going on in this community and to this Board and he is getting upset with it so he would like Mr. Olson to explain exactly what happened.

Mr. Olson explained that there is a 35 watt heater that fits over the drip tube from the chlorine or sulfur dioxide. The purpose of this tube is to catch any liquid chemical that may escape.

We always take off of the gas valve rather than the liquid valve. However, theoretically if the tank has been turned a lot, especially in transfer, there is a very slight chance that some liquid chemical could escape when you first open up the gas valve.

The purpose of the drip tube is to then collect that liquid and you use the 35 watt heater to heat the contents in that tube so that it then evaporates back into a gaseous state.

Mr. Olson explained that there are immediate connections of the yolk, the drip tube and then the vacuum regulator. Those are all mechanical connections that are screwed into each other and the total distance is only a few inches.

Mr. Olson explained that, when we were setting up the chlorine tanks for the initial startup of this year, we noticed that one of the heaters had failed and it failed with a flare. That flare was observed on the extension cord that we use to plug it into the wall. It is just a 110 volt type heater that is very small.

Mr. Olson advised that we called up our supplier of chlorine and de-chlorination equipment to have a heater shipped overnight to the District. We then purchased a properly sized extension cord from a local vendor. We took the old extension cord and cut it up as we should because we don't want anybody using it. Additionally, the old heater was unfortunately discarded before Mr. Olson could see it.

Because we were just at a startup point, we already had a one ton container of chlorine to be used, which would last about five days. Therefore, we had enough time to get the second heater, which would have been used when switching over to the second container. However, we did not set it in a position where it would automatically switch

until we received the replacement heater and everything was fine. There was no fire, the heater just shorted out.

Mr. Olson explained that it is a small heater and there was no chance that there would be enough heat to cause danger or anything like that in that building.

Mr. Olson then advised that we did an initial hazard assessment before the disinfection season started and, based on that assessment, we developed a Personal Protective Equipment Policy for that building.

Mr. Olson explained that the policy states that the person who is actually connecting or disconnecting the tank will wear goggles and a face shield. Additionally, another person will be standing at the doorway equipped with a self-contained breathing apparatus (SCBA) ready to go in case there is a leak and they can go in to retrieve the employee or do what they have to do. This is what we have been doing all year.

Mr. Olson advised that, when the individual was hooking up a chlorine tank, he had to put a brand new lead washer on the nut so as to get the proper seal between the nut and the actual valve seat on the chlorine tank. Unfortunately, whether he did not get it properly seated, or it shifted as he was moving the yolk and attaching it, is hard to tell because he has been doing it for years.

The standard operating procedure is to crack the valve on the container just long enough to pressurize a little bit and then use an ammonia solution which then creates a white smoky cloud in the presence of chlorine or sulfur dioxide. This is an easy way to detect it even if it is not at the threshold of being able to smell it.

Mr. Olson explained that the individual cracked the valve, heard a hiss and turned it off and did exactly what he was supposed to do; vacate the room at that point. The valve is shut and there is no danger of any further chlorine leak other than this miniscule amount.

The individual vacated the room. We waited for the oxygen sensors, which had been calibrated prior to the season, to go back down to zero and then we went back in there, removed the yolk, reseated a brand new washer again because that first one was slightly defective and the connection was made and it was fine.

Mr. Phelps asked if the alarm went off. Mr. Olson advised that the alarm did not go off, which was of concern to everybody.

Mr. Olson advised that we then had Edwards Service come out for the intercom system. We spent quite a bit of time getting those two coordinated. It turned out that there was an interface board that just wasn't working.

Mr. Olson advised that the interface board was replaced and we then had Edwards go through the system by setting the alarms off without actually having a gas leak. The alarms were all tested and everything was ready to go.

Mr. Olson then advised that we had to change the tanks again this week. He explained that we keep our inventory low now and the change needed this time was sulfur dioxide. The exact same thing happened again where the lead washer was kept so that he could examine it. It was determined that the washer had just come off of its seat.

Mr. Olson stated that he examined the lead washer and it was found that it had just come off of its seat and it had been tightened down on top of it.

Mr. Olson advised that, in this instance, every alarm worked. The alarm outside the building worked and the intercom alarm that said that there was a chemical emergency or condition stayed on until the sensors went back down below the threshold level and we were able to clear the alarm.

Mr. Olson stated that these people have been using these safety policies and have been trained all along. We feel that, by sitting down as a team and working out these conditions in a safety practice, we have improved a little bit because there is always room for improvement.

Mr. Olson also stated that this new Personal Protection Policy that we have been following has ensured that everybody has it in the forefront of their mind at all times as to what they are dealing with and we feel everything worked fine.

Mr. Olson stated that he did an investigation of both of those instances. He did not feel that there was any negligence on the part of any employee. It was just the fact that it happens and things just happen. He stated that the employees were trained well, they knew how to respond to it well, and nobody got hurt.

Mr. Phelps stated that he appreciated Mr. Olson's comments.

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

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 was one reported injury with no lost time in the last month. This is month two with no lost time injuries.

In reference to the Safety Report for the Refuse Department, Mr. Hoffman advised that there was one reported injury and no lost time in the last month. This is the first month with no lost time injuries.

Mr. Hoffman advised that Janet Dobryden, the loss control representative of our workers' compensation coverage, was in and spoke with him briefly. Mr. Hoffman explained to her what it is that we do in the treatment plant and the collection system. It was more of an initial meeting on what potentially she could offer.

Mr. Hoffman advised that Ms. Dobryden will be back to tour the collection system and the treatment plant as part of her ongoing service to us as the Third Party Administrator (TPA) of our workers' compensation insurance.

Mr. Hoffman advised that we had a good initial meeting and Ms. Dobryden had some ideas on the status of some of our programs and thought she could be of benefit to us.

In reference to the Tulip Tree Drive Project, Mr. Hoffman advised that the pipe is already in the ground on that stormwater project.

Mr. Hoffman advised that, after that project is complete, the culvert under Ohio Street by the Cookie Factory is going to be replaced from the culvert to the concrete pipe. This will probably result in the closing of Ohio Street for a reasonably short period of time while that work is being done.

Mr. Hoffman then advised that we had to get a permit to close a lane of traffic in the 400 block of West Highway 20. He explained that there was a bad casting in a manhole. We had an eastbound lane closed for three days while the new ring and cover set up in the concrete. This traffic has been since reopened for approximately one week.

Mr. Hoffman then commented that, if anyone has been traveling along Greenwood Avenue today, there is a closure in the 1600 block of Greenwood Avenue. The contractor is excavating and repairing a sewer main that we discovered and videotaped yesterday. It was believed that it required further investigation by excavation, which is being done today.

In reference to MS4, Mr. Hoffman reported the MS4 Coordinator is reviewing plans and inspecting sites for compliance. The advisory group continues to meet and work on submittals for the next permit cycle.

Projects requiring MS4 permitting are usually identified by the design or project engineer and are obtained directly. The building permit review by the Sanitary District identifies those projects not identified earlier and requires both MS4 and stormwater permits before construction.

Mr. Hoffman explained that we have two sets of people looking at projects; if it gets by the first set of people, it should hopefully be caught by the second set. Therefore, all projects requiring either stormwater or MS4 we hope are being caught and being required to obtain the correct permits.

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

Mr. Phelps thanked Mr. Hoffman for his report.

Jim Kintzele

Mr. Kintzele distributed a copy of the 2010 Spring Cleanup Report to the Board which included a breakdown of the tonnage collected in each of the designated areas.

Mr. Kintzele commented that it has gotten to the point that we can almost predict the tonnage for Spring Cleanup in each area because it is so close. He attributes the differences to the different areas outside of Michigan City that the Refuse Department is required to pick up.

Mr. Kintzele explained that the tonnage was reduced from last year by 32 ton. He advised that the biggest discrepancy from one area to the other is approximately 25 ton.

Mr. Kintzele advised that, at this point, no changes be made and to continue with what we are currently doing.

In reference to tonnage, there has been an increase of 22 ton of compacted refuse and 4 ton of the loose refuse, for a total decrease of 90 ton from the same time last year. He stated that he is at about the break-even point. He pointed out, however, that there have been additional houses added to the pickups with an additional 150 to 200 stops for pickup.

Mr. Kintzele commented that, although we are gaining with recycling, we are also picking up at more stops.

Mr. Kintzele then advised that he has one employee retiring on Monday (May 31st). Mr. Kintzele advised that he has gone through the job posting and has selected a person from the Municipal Airport who will be begin working for the Refuse Department as soon as he passes all of the required testing. Hopefully he will be starting work next week.

In reference to the Waste Management contract, Mr. Walus advised that the Board packets include a copy of the 2003 contract with Waste Management.

Mr. Walus explained that, in 2003, the District was taking all of their waste to the Johnson's Disposal Waste Transfer Station, and they were then bought out by Waste Management.

Mr. Walus explained that Mr. Kintzele likes to have a schedule of tipping fees under contract several years into the future.

Therefore, in 2003, Waste Management provided a summary to the District, which was then approved by the Board. That agreement included the contracted tipping fees for the years 2006 through June 2010. This gave Mr. Kintzele a look several years into the future as to what his budget would be for tipping fees because it is a large part of his budget.

Mr. Walus advised that the Board packets also included Waste Management Contract #2, which consists of the 2008 Agreement Extension.

Mr. Walus explained that, in 2008, we were approximately half way through our agreement extension with Waste Management. Mr. Kintzele then went back to Waste Management asking that they provide a quote for a contract extension into the future so that we can somewhat maintain our five-year outlook. In September 2008, the Board approved an extension to that agreement for the years of 2011 through 2013.

As we have now progressed to 2010, Mr. Kintzele has a concern of trying to add a couple of more years to that contract.

Therefore, the next part of the packet information is the 2010 Proposal for Agreement Extension.

Again, Mr. Kintzele went to Waste Management who provided a quote to the District. However, instead of providing a quote for an additional two years of tipping fee coverage, they went back and revised the rates that we currently have on contract with them for 2011 through 2013 along with providing rates through June 2015.

Mr. Walus then advised that the packet also includes an historical summary of tipping fees. This was done in a spreadsheet chart displaying the rates for the original 6-year contract with Waste Management, which averaged a little over a 3% increase per year over that time frame.

Mr. Walus then explained that the District's alternate proposal from Johnson's Transfer Station contract came into play in 2001 which resulted in a 12% decrease in our tipping fees from 2000 to 2001. Then, based on our contract with Johnson, we again had an approximate 3% increase over those several years.

Mr. Walus stated that it was interesting to note that the tipping fees in 2005 were still less than what we were paying six years earlier in 1999. Therefore, going to Johnson's Transfer Station saved considerable money for Mr. Kintzele in the Refuse Department.

Mr. Walus then advised that, as Johnson sold to Waste Management, we have the Waste Management contract that was approved by the Board in 2003 that covered the years 2006 through 2010. Through that period, we averaged an approximate 4.5% increase through that time.

The Board then approved an extension in 2008 for the three years of 2011 through 2013, which represented almost a 6% increase from 2010 to 2013.

When Mr. Kintzele went back to Waste Management recently, we now have the proposed new 2010 extension. Mr. Walus explained that the red line on the graph shows the current tipping fees for 2011 through 2013 are now proposed to be reduced by 4.3%, 6.1% and 5.9% for those three years.

Therefore, based on our annual tonnage of approximately 17,000 tons, we would save approximately \$25,000 in 2011 and approximately \$37,000 in 2012 and 2013 if the Board would choose to accept the proposed contract extension.

Therefore, in looking at the spreadsheet, Waste Management's proposed increase from 2010 to 2013 has been somewhat extended out over an additional 2-year period. The District then gets the benefit of reduced tipping fees for 2011 through 2015, which will help Mr. Kintzele's budget.

Mr. Walus explained that the spreadsheet included a contextual reference that indicated that the total 2009 Refuse Department expenses were approximately \$2.5 million. Of that \$2.5 million, approximately 36% was related to salaries and wages, approximately \$900,000, and Mr. Kintzele's second highest expense are the landfill charges summarized on the page as well. Last year, the Refuse Department paid approximately \$435,000 in landfill charges which amounts to approximately 17% of the total budget.

Since the landfill charges are such a large part of the Refuse Department budget, Mr. Kintzele takes great pains trying to minimize the risk in wild fluctuations which then could disrupt other aspects of the budget.

Mr. Walus stated that Mr. Kintzele has always worked to try to minimize future risk by limiting huge swings up or down. Therefore, we believe that this is a very good proposal from Waste Management.

Mr. Walus advised that Attorney Nelson went back to our 2008 agreement and prepared an entirely new contract so that there would not be two different contracts in place.

Attorney Nelson just duplicated the 2008 contract and added a paragraph that said that the previous 2008 contract is null and void if the proposed 2010 contract is approved. Attorney Nelson submitted the proposed contract with Waste Management advising that the thing to keep in mind is that this is unlike any other extension that Mr. Kintzele has negotiated previously. In the past when we negotiated extensions, they were simply extensions for years that had not been contracted for.

Attorney Nelson explained that Mr. Kintzele was able to negotiate that Waste Management's agreement to reduce the fees involved for 2011, 2012 and 2013 despite the fact that they already had a contract for a much higher amount per year. So it is an amazing accomplishment to be able to renegotiate a terms that you are already under contract for and get those numbers reduced as he did.

This is unlike any other contract extension that has been presented to the Board in that, not only does it look forward but it changes the three years the District is already under contract for and results in a rather substantial savings.

Dr. Jones commented that it is \$100,000 in three years. Attorney Nelson agreed reiterating that it was three years that was already contracted away. These years have now been pulled back in under this new contract proposal and the terms were renegotiated. Therefore, it is a pretty unusual extension before the Board today.

Mr. Kintzele commented that he believes that the most important part of it is that we will know what our expenses will be so we know where we are at. He stated that it has worked very well and he has complete faith in Waste Management and he guesses that they have faith in him as well.

Mr. Walus added that this remains an exclusive contract as it is now. One benefit to Waste Management is that they get two additional years of our waste stream into their waste transfer station. Therefore, it also helps solidify their numbers moving forward.

The trade-off for Waste Management to get two additional years from the Sanitary District is the immediate reduced pricing for 2011 through 2013.

Attorney Nelson joked that the only downside for Mr. Kintzele is that the Board is going to expect him to come back and renegotiate all of his contracts.

Mr. Phelps entertained a motion on the matter.

Dr. Jones made a motion to approve the contract extension with Waste Management, as submitted – seconded by Ms. Simmons. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Mr. Phelps thanked Mr. Kintzele for his report.

Attorney Bill Nelson

Attorney Nelson submitted 15 delinquent accounts to be recorded as liens, in the total amount of \$1,681.37 which requires Board action.

Mr. Phelps entertained a motion on the matter.

Ms. Simmons made a motion to approve the delinquent accounts to be recorded as liens in the total amount of \$1,681.37, as submitted – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Attorney Nelson then submitted 11 liens to be released due to satisfaction of the liens, in the total amount of \$1,765.56 and advised Board action was necessary.

Mr. Phelps entertained a motion on the matter.

Dr. Jones made a motion to approve the 11 Releases of Lien, in the total amount of 1,765.56, as submitted – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

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

Attorney Nelson then submitted an Affidavit of Correction on a prior lien that requires approval in order to change the name of the title owner. He explained that this is on a prior lien recorded on a Washington Street property and it was a lien in the amount of \$87.95. This is simply to correct the previously recorded lien.

Attorney Nelson advised that, because a lien is being modified, it does require Board action.

Mr. Phelps entertained a motion on the matter.

Ms. Simmons made a motion to approve the Affidavit of Correction, as submitted – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

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 4 – 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 Ms. Simmons. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Old Business

Mr. Walus advised that there was an employee that had been off on medical leave and that employee has decided to retire. He is in the process of executing all of his retirement papers.

Mr. Walus explained that, through this process, a temporary operator was hired several months ago. That person went through the probationary period and has been a permanent employee for some time now so he will remain filling in that role of the wastewater treatment plant operator who has since retired.

New Business

Mr. Walus advised, on a sad note, that one of our Collection System employees, Tom Brown, did pass away of natural causes since the last meeting. He wanted to forward that information to the Board.

The next regular monthly meeting of the Board of Sanitary District Commissioners –
June 23, 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.

/ Ronald J. Strauss /
Ronald J. Strauss, Secretary