

REGULAR MEETING, BOARD OF SANITARY DISTRICT COMMISSIONERS
WEDNESDAY, JULY 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, J. Jeffrey Jones, Ph.D.

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

Staff Members present for the meeting were:

Alan J. Walus, General Manager
Milorad (Mike) Milatovic, Interim Plant Superintendent
Michael A. Hoffman, Collection System Superintendent
James L. Kintzele, Sr., Refuse Superintendent
Tina M. Tabisz, Administrative Assistant
William J. Nelson, Jr., Legal Counsel

Also present for the meeting were:

John Doyle, John A. Doyle & Associates
Jeremy Morris, Christopher B. Burke Engineering
Mike Edinger, Woodruff & Sons
Matt Field, News-Dispatch
Andre Steele, ALCO TV

Dr. Jones entertained a motion in reference to approval of minutes.

Mr. Phelps made a motion to approve the minutes of the Regular Meeting of June 23, 2010 and the Special Meeting of July 6, 2010, as submitted– seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

In reference to the Financial Report, Mr. Walus advised that City Controller John Schaefer will not be attending today's meeting.

Mr. Walus then advised that the District is in the process of preparing the tax levy budgets, which would be the Refuse Department budget and the Stormwater Operating budget, along with the District's Revenue Operation & Maintenance budget, for 2011.

Mr. Walus explained that the plan is to bring the tax levy budgets as well as all the O&M budget for 2011 to the Board at next month's meeting in August along with a recommended financial plan to fund the District's five year capital plan.

Dr. Jones read the financial status of the District as follows:

**FINANCIAL STATUS – SANITARY DISTRICT
July 28, 2010**

OPERATION & MAINTENANCE FUND #6201	\$368,539.25
SEWAGE WORKS SINKING FUND #6207	\$806,095.95
SEWAGE WORKS IMPROVEMENT FUND #6208	\$287,750.15

Public Comment

Dr. Jones called for public comment. There was none.

The following status reports were given:

Jeremy Morris of Christopher Burke Engineering reporting on the following project:

Lafayette/Barker Storm Sewer Interceptor and Tunnel Projects

Mr. Walus asked Mr. Morris to provide a brief summary of his experience on other tunnel projects.

Mr. Morris advised that Christopher Burke Engineering, including himself, have been working on several tunnel projects within the State of Indiana over the last ten years. He explained that they recently completed a tunnel project in Lafayette, Indiana and, before that they were working on a larger shallow tunnel in Indianapolis. Additionally, Christopher Burke Engineering has performed design and construction observation services.

Mr. Morris advised that he manages a team of inspectors and resident engineers, performing primarily wastewater and tunnel construction projects.

Mr. Morris asked if there were any questions from the Board. There were none.

Mr. Morris then continued his report on the project, referring to a monthly report that he distributed which provides a little bit of the progress to-date.

Mr. Morris briefly summarized the report, as follows:

Notice to Proceed was issued at the end of June for the project.

Woodruff & Sons is the contractor to perform the Utility Relocation Project to make room for the construction of the tunnel shafts and have finished the utility relocation work in the vicinity of Shafts A, B & C, which are all three shafts for the project.

Super Excavators' subcontractor, Gillen, has completed driving sheet piles for Shafts A and B and is currently working at Shaft C. Mr. Morris explained that Shaft A is located

just east of Michigan Boulevard on Eighth Street, Shaft B is somewhat at the bend of the proposed tunnel alignment and is located at Lafayette and Eighth Street and the tunnel then continues south down Lafayette Street to just north of Eleventh Street, which is where Shaft C is located.

The sheet piling for Shafts A and B is finished and the subcontractor is currently working in the vicinity of Eleventh Street driving the sheet pilings for Shaft C.

The M.C. Water Department has assisted with a couple of private water service connections that were in conflict with Shafts B and C.

NIPSCO has cut power to two existing light poles, one at Eighth & Lafayette Streets and one at Eleventh & Lafayette Streets. Both of these power lines were in conflict with construction activities associated with driving some of the sheet piles and some of the dewatering that is to be performed in this area.

Super Excavators' electricians have performed all of the necessary work for NIPSCO to complete their power drops. There will be power service for the contractor to operate their utilities and the micro-tunneling machine at each of the shaft locations. These will be fenced-off and they have a power supply that will be inside the fence.

The planned activities for the next month are as follows:

Gillen is scheduled to complete the sheet pile driving for Shaft C. In fact, it will probably be complete this week or very soon after.

Super Excavators will begin excavation within the top portions of the shafts and then they will begin installing a reinforced concrete ring beam, which is basically to support the mechanism for the sheet piles as they work their way down. Depending on the depth of the shaft, there will be one or two of these rings within the shaft itself as they begin excavation.

Super Excavators' subcontractor, Kelly Dewatering, will be working to install dewatering wells around each of the shafts. There are four dewatering wells that will help bring the groundwater down and allow the construction activities at the bottom of the shaft and the mining activities when they get to that point.

Earth Exploration, another subcontractor of Super Excavators, will also be installing some geotechnical instrumentation around the shafts, which will allow the contractor and the engineer to monitor any movement that is occurring or anything unusual that is occurring immediately adjacent to shafts such as the shaft starting to move as they excavate or if the surface around the shaft is moving in some way, shape or form.

Earth Exploration has also performed some precondition surveys on properties located in the vicinity of the shafts where work has begun. Additionally, they will perform that

precondition survey along properties along the tunnel alignment as well over the next month.

Mr. Morris pointed out that the monthly report also included a couple of pictures, as follows:

Storm sewer relocation work at Shaft B (Eighth & Lafayette Streets), which is the work being performed by Woodruff & Sons. There was a need to relocate some storm and sanitary sewers away from the footprint so that Super Excavators would be able to drop the work shafts for the tunnel portion of the project.

Sheet pile installation at Shafts A and B, which display the interlocking sheet piles. The sheet piles are driven in with a vibratory unit instead of having to use the large diesel hammering which is overly violent. Although the vibration does get loud, it does drive the sheets in quite effortlessly in the sandy soils that we have.

Mr. Morris then submitted Pay Request #1 of Super Excavators in the amount of \$896,157.00 for the Tunnel Project and Pay Request #1 of Woodruff & Sons in the amount of \$60,739.11 for the Utility Relocation Project.

Mr. Walus explained that the Board packets included the documentation with Christopher Burke Engineering's review of both pay requests.

Mr. Walus advised that the first item in the packets was the review by Jason Sluzas, the Resident Engineer on the project regarding Pay Request #1 of Super Excavators indicating that the total amount of work completed-to-date and certified was \$995,730.00. Therefore, this amount less the 10% retainage leaves Super Excavators an amount due on Pay Request #1 of \$896,157.00. Mr. Walus asked the Board's consideration and approval of the pay request.

Dr. Jones asked for a description of micro-tunneling and what it encompasses. Mr. Morris advised that there is an overlap of techniques in the industry explaining that there is micro-tunneling and traditional tunneling and those terms somewhat overlap now.

Mr. Morris explained that micro-tunneling used to be considered 36 inch diameter or less. However, now those micro-tunnel-type applications are now going up in excess of the 6.5 to 9 feet diameters we have here in this project.

Mr. Morris explained that micro-tunneling is basically a remote-controlled machine from the surface compared to a traditional man operated and driven machine that is underground.

Mr. Morris explained that a more accurate term for this application is pipe-jacking. He explained that the machine is essentially put in front of a string of pipe. The machine goes in and the pipe pushes the machine along. Another pipe is then put in and it again

pushes the machine forward. The machine is then steered from the surface from a control box by an operator who is actually sitting in the control box. The laborers are doing nothing more than extending utilities for the controls of the machine as the pipe is inserted behind the machine. Therefore, all of the thrust that is making the machine move forward is coming from the pipe behind it.

Dr. Jones asked if there are remote video capabilities. Mr. Morris explained that they do not have remote out in front of the head of the machine since this is a pressurized-face application. However, they do have a camera set up where they can see a target that is set up on the back inside and that is how they steer.

Additionally, they have a laser set up similar to what you would have in an open-cut pipe installation. On the back of the launch shaft, there would be a laser or guidance system setup which hits a target that is set up on the machine. Sometimes there is a camera set up to view that or sometimes there is an electronic feed that is going up to the control box, which tells the operator at every moment in time where the machine is sitting in relation to where it should be sitting.

Dr. Jones thanked Mr. Morris for the explanation commenting that somehow the 78 inch diameter and the micro term did not jibe for him.

Dr. Jones entertained a motion on the matter.

Mr. Phelps made a motion to approve Pay Request #1 of Super Excavators, in the amount of \$896,157.00, as submitted – seconded by Ms. Simmons.

Mr. Strauss expressed his confusion about Pay Request #1 being in the amount of \$60,739. Dr. Jones pointed out that the packet was out of order and that there are two pay requests marked as #1. This other one will be taken up next. Mr. Strauss understood.

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

Dr. Jones then entertained a motion to approve Pay Request #1 of Woodruff & Sons, in the amount of \$60,739.11, as submitted.

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

Mr. Walus then advised that Mayor Chuck Oberlie has submitted a request to the City Council for consideration of an additional appropriations ordinance in the amount of \$2.5 million for the purpose of extending the tunnel shaft on this project from Shaft C to Shaft D, which was originally bid as part of the work.

Mr. Walus explained that there was a Utilities Committee Meeting yesterday evening regarding this matter. The first reading on this additional appropriations ordinance has already been held. The second reading will be held next, with a potential third reading and passage at the second Council meeting in August.

Mr. Walus advised that Super Excavators advised us that, if we were able to get a definitive answer on whether or not the additional appropriations ordinance is approved by the end of August, they would then be able to order the material and keep going with the project and not have a large impact on the schedule.

Mr. Walus explained that we are working with the Mayor's Office and City Council on this matter and we should have information on the status of this matter by the next Board meeting.

Mr. Walus stated that we thank the Mayor and the City Council for considering this matter for this project.

Dr. Jones thanked Mr. Walus as well as Mr. Morris for his report.

The following departmental status reports were given:

AI Walus

Mr. Walus advised that he is reviewing security needs with staff with respect to security cameras, which should be completed next month.

Mr. Walus then advised that there was an overflow in the area of B&E Marina along Trail Creek early in the morning of Saturday, July 24th, which was reported to IDEM. This overflow was related to the rain and storm at that time.

Mr. Walus advised that it is our goal to eliminate these overflows and staff has been evaluating options to reduce wet weather impacts on the associated sewer system as well as implementing possible structural changes that would improve hydraulic flow through that area. Those investigations remain ongoing and the Board will be provided with further updates at future meetings.

Dr. Jones asked if Mr. Walus had any idea what our most local rain gauge showed in that area that day. Mr. Walus believed that approximately 2 inches were recorded at the treatment plant. Additionally, we had some rain gauges around town in the 3 to 3.5 inch range. At the most intense part of the storm, we had anywhere from 1.5 to 2 inches in a two-hour period. It is during that intense part of the storm when we experienced the overflow along the B&E Marina area.

Dr. Jones asked if there were any further questions by the Board. There were none.

Dr. Jones thanked Mr. Walus for his report.

Mike Milatovic

Mr. Milatovic advised that a bypass of the Filter Building was experienced on June 26th, which is a compliance consequence, but had no violation consequence as it occurred.

Mr. Milatovic then advised that there were no violations during the month of June.

Mr. Milatovic explained that the Filter Building incident was an exercise in determining the new system that was installed for detection of any bypass.

Mr. Phelps asked for clarification that this bypass was deliberate. Mr. Milatovic advised that it was done at that request of the IDEM Inspector.

Dr. Jones thanked Mr. Milatovic for his report.

Mike Hoffman

Mr. Hoffman advised that Janet Dobryden of CMI (Citizens Management Insurance), the Third Party Administrator of our new workers' compensation insurance, was at the Sanitary District on July 13th for most of the day. She conducted safety training on Lock Out/Tag Out and Confined Space Entry for Maintenance personnel in the morning and Confined Space Training for the Collection System in the afternoon. Therefore, we are already doing the education with our new compensation carrier.

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 two reported and two lost time injuries in the last month. However, both employees have since returned to work.

In reference to the Safety Report for the Refuse Department, Mr. Hoffman advised that there were no reported or lost time injuries in the last month. This is the third month with no lost time injuries.

Mr. Hoffman advised that there were a total of four overflow/bypass/spill/basement backups in the month of June, three of which were related to rain events and one was an illicit connection, which was corrected shortly after it was found.

Mr. Hoffman explained that the correction of the illicit connection was already in the works when it was found. We had assumed that the house was on a septic system and it turned out that it was not on a septic system. However, since we had already had planned the correction, the connection was made in a couple of weeks. As soon as the illicit connection was discovered, the homeowner immediately went to a holding tank mode and, as soon as the District found out, there was no additional discharge into the storm sewer. This was taken care of very quickly.

Mr. Hoffman advised that all of these issues were reported to IDEM and are included in the plant Monthly Report of Operations.

In reference to drainage projects, Mr. Hoffman advised that the City Engineer is working on the Earl Road/Bolka Avenue drywell and this has been discussed several times.

Mr. Hoffman also advised that the District is manually cutting the grass swale area between Henry Street and the CSX tracks. We tried to use the boom mower but the area is just too wet.

Dr. Jones asked how often Mr. Hoffman anticipates that this will have to be done. Mr. Hoffman stated that, with the extraordinary amount of rain we have had this year, there is quite a bit of vegetation. However, in a dryer year, it may only be a couple of times a year.

Mr. Hoffman explained that it would not take long to cut if we were able to get mechanized equipment in the area. However, it is slow going when it has to be done by hand.

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.

The MS4 Coordinator continues to plan and schedule good housekeeping training for the municipal departments.

The MS4 Coordinator was also involved in an MS4 display at the County Fair answering questions and providing handouts.

Dr. Jones asked if there were any questions by the Board.

Ms. Simmons requested that an update be given regarding Striebel Pond. She stated that she is aware of compliments that are given about the maintenance and so on. However, with some of the other issues that have been seen lately with the heavy rains that have been experienced, she asked if everything is functioning at the facility.

Mr. Walus advised that it is a system that really does not require any specific action to work. It is based on gravity and restrictor plates that force flow into the basin and then drains naturally out to the discharge outlets.

Mr. Walus explained that, if we get heavy rains, the ditch will back up into the basin and then will flow out.

Mr. Walus further explained that, periodically, we will look at potential tree limb accumulation on the grate where the restrictor plate is and this will be cleaned out from time to time. The other maintenance that is done is periodic grass cutting and emptying trash bins. However, from an operational standpoint, this facility operates by itself.

Ms. Simmons commented that Village Green, then, is not experiencing some of the problems that they have seen prior to the District putting in the facility. Mr. Walus agreed.

Mr. Walus pointed out the problems that they would have potentially been exposed to if we did not have the flood control basin at the time of the storm of September 2008 that was rated at a 1 in 100% chance storm. He explained that they would potentially have seen the overflowing of Striebel Arm Ditch into the neighborhoods at that time.

Mr. Walus stated that, for rain events like we had this past weekend, traditionally that should not have overflowed the ditch. However, if there was additional flow coming into the ditch, it would have flowed into the flood control basin. Therefore, the impact on Forest Manor and Village Green primarily would be evident when you get closer to the 100-year rain event.

Ms. Simmons then commented that there were some trees that needed to be replaced and asked if this has been resolved. Mr. Walus advised that the final warranty work was completed by Tonn & Blank.

Mr. Walus advised that he would check with the City Forester to see what his thoughts are regarding the status of the trees at this point. If there are some trees that might not have made it, we can possibly work with some of the tree stock we currently have at Hitchcock.

Ms. Simmons thanked Mr. Walus for his response.

Dr. Jones thanked Mr. Hoffman for his report.

Jim Kintzele

Dr. Jones commented to Mr. Kintzele that the toter system is apparently working well based on the good safety report previously given.

Mr. Kintzele agreed but noted that he recently attended a Coffee with the Mayor meeting and is now receiving requests for the Refuse Department to wash the toters for the residents. However, the ordinance calls for the homeowner to maintain the trash bins.

Mr. Kintzele advised that, with the loss of his Assistant Superintendent and the replacement of that position with the Working Foreman that is working out quite well, there was a take-home truck that is now not needed.

Mr. Kintzele explained that he looked into finding someone else who might need it so that it could be removed from the Refuse Department's insurance. He found that the Central Maintenance Department advised that they could convert this truck into a truck for Animal Control, which also was needed.

Mr. Kintzele further advised that the Refuse Department will be putting GPS (Global Positioning System) units on all of the garbage and dump trucks which will result in a cost of approximately \$17,000.

Mr. Kintzele explained that this system will assist in dispatching trucks to new calls for pickup by displaying which truck is closer to the pickup location. Additionally, it gives the department better control over where the vehicles are located, how long they are there and gives the department a better handle on the departmental operations.

Mr. Kintzele then advised that Central Maintenance would be willing to contribute \$10,000 toward the cost of these units as well as the installation of the units in exchange for the unused truck. Mr. Kintzele explained that the trade-in value of this truck is \$10,385.

Mr. Kintzele advised that this exchange was reviewed by Mr. Walus and legal counsel, who indicated that the best way to handle the situation is to treat this as a sale that is purchased by the Central Maintenance Department and, in lieu of payment, the Refuse Department would get the \$10,000 credit toward the GPS units.

Mr. Kintzele asked that the Board consider approval to transfer ownership of the truck to the Central Maintenance Department in return for the \$10,000 credit plus installation of the GPS units.

Mr. Walus explained that the proposal, prepared by Mr. Kintzele and reviewed verbally with Attorney Nelson, is the recommendation to the Board of Commissioners to consider selling Refuse Truck #2, which is a 2005 Chevrolet Silverado, VIN #1GCHK23U65F890628, for a sale price to Central Maintenance of \$10,000. This \$10,000 will be in the form of their contribution toward the purchase of the GPS equipment to be installed on the Refuse Department trucks. The estimated cost of the GPS units for the 20 trucks is \$16,493. Mr. Kintzele will then provide the balance of the \$6,493 through his budgetary means.

Dr. Jones entertained a motion on the matter.

Mr. Phelps made a motion to sell Refuse Truck #2, VIN #1GCHK23U65F890628, to the Central Maintenance Department in exchange for a \$10,000 credit toward the purchase and installation of GPS units for refuse vehicles, as requested – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

In reference to tonnage, Mr. Kintzele reported that the compacted trash has a reduction of 22.14 ton and the loose trash has a reduction of 30.65 ton. Therefore we have a total of 52.79 ton reduction for the first six months of this year.

Mr. Kintzele pointed out that this is not going down as Mr. Kintzele had hoped it would be. However, since we went to the toters, many businesses that had small dumpsters

found out that the toters were available to them as property owners. Therefore, the department has added more areas. Therefore, instead of having 12,000 stops, there are now approximately 13,000 stops. However, the numbers are still staying low and the department is holding its own by still having a reduction.

Mr. Kintzele advised that the Department is doing quite well and only need one compactor truck.

Dr. Jones asked about Mr. Kintzele's previous statement about people who may be replacing small dumpsters with presumably multiple toters. Mr. Kintzele advised that they are being replaced with two toters.

Dr. Jones then asked if two is the maximum allowed. Mr. Kintzele explained that two toters is the equivalent to six garbage cans.

Mr. Kintzele further explained that there are many small businesses that only need two toters and, since they are on the tax rolls, they are entitled to the service. Dr. Jones understood.

Dr. Jones asked if there were any questions for Mr. Kintzele. There were none.

Dr. Jones thanked Mr. Kintzele for his report.

Attorney Bill Nelson

Attorney Nelson submitted 4 delinquent accounts to be recorded as liens, in the total amount of \$602.37 which requires Board action.

Dr. Jones 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 \$602.37, as submitted – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Attorney Nelson then submitted 14 liens to be released due to satisfaction of the liens, in the total amount of \$3,993.66 and advised Board action was necessary.

Dr. Jones entertained a motion on the matter.

Mr. Strauss made a motion to approve the 14 Releases of Lien, in the total amount of \$3,993.66, as submitted – seconded by Ms. Simmons. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Attorney Nelson advised that there were three bad debts to be declared as uncollectible, totaling \$576.01, and Board action was required. Attorney Nelson explained that each of these was based upon liens that were attempted to be recorded.

However, it was learned that the title had transferred prior to the recording of lien. The liens were not valid and, therefore, these are now bad debts.

Dr. Jones entertained a motion on the matter.

Mr. Phelps made a motion to declare the three accounts as uncollectable bad debts, as submitted – seconded by Ms. Simmons. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Dr. Jones 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. Walus interjected that there are no claims to be approved for the Board of Public Works & Safety.

Mr. Walus then advised that, with the approval of pay requests approved on the Lafayette/Barker Project, we do have a claim form to be reviewed and considered for approval for claims to be paid by the Michigan City Redevelopment Authority.

Mr. Walus explained that this claim form was prepared and submitted to the District by Baker & Daniels, the bond counsel, and this form, if approved by the Commissioners, will be sent directly to the bank holding the funds on the project for payments to be distributed directly to the contractors.

Mr. Walus explained that, along with the Super Excavators Pay Request #1 and Woodruff & Sons Pay Request #1, there are also some engineering invoices. Therefore, the total cost of Pay Request #1 to the Redevelopment Authority on Schedule A is a total of \$1,047,254.32.

Dr. Jones clarified that these funds are the proceeds of the bond sale that are being held by the Trustee. Mr. Walus advised that this is correct.

Dr. Jones then entertained a motion to approve and allow the Redevelopment Authority claims.

Mr. Phelps asked if the Redevelopment Authority has to approve these claims as well. Mr. Walus advised that they do not. Mr. Walus explained that the Sanitary District Board of Commissioners previously entered into an agreement with the Redevelopment Authority that established the process with this claim submittal.

In that case, Mr. Phelps made a motion to approve the claims, as submitted - seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Mr. Walus reminded the Board that there were some discussions in past meetings about the fact that, when the bonds were sold, there was a main bank that took those funds. Umbaugh & Associates then put out a request to local banks for short-term CDs (Certificates of Deposit) to invest the money.

Mr. Walus advised that this was all handled by the Redevelopment Authority. As Mr. Walus understands from Umbaugh & Associates, Fifth Third Bank had the highest interest rates, so some of the funds are now with Fifth Third Bank in short-term CDs.

Old Business

There was none

New Business

There was none.

The next regular monthly meeting of the Board of Sanitary District Commissioners –
August 25, 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