

REGULAR MEETING, BOARD OF SANITARY DISTRICT COMMISSIONERS
WEDNESDAY, SEPTEMBER 23, 2009 – 1:00 P.M. – 1100 E. EIGHTH STREET

The Regular 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 and Ronald J. Strauss. Commissioner Ronald J. Strauss entered later in the meeting and Commissioner Linda G. Simmons 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

Attorney William J. Nelson, Jr., Legal Counsel

Also present for the meeting:

John Schaefer, City Controller

John Doyle, John A. Doyle & Associates

Jim Maurer, Haas & Associates

Mike Edinger, Woodruff & Sons

Andre Steele, ALCO-TV

In reference to the Financial Report, City Controller John Schaefer advised that the Operating Fund has a profit so far this year of approximately \$565,000 after adding in depreciation, compared to a profit of approximately \$203,000 at the same time last year. Therefore, the District is approximately \$362,000 ahead.

Mr. Schaefer also advised that we are all still waiting for property taxes and to see what kind of a solution will happen with this issue.

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

Mr. Schaefer then advised that, as part of the 2010 Tax Levy budget, there is a need to reduce a couple of appropriations in the Refuse Fund. He explained that this needs to be acted upon before proceeding with budget approvals.

Mr. Schaefer explained that, in preparing for the 2010 budget, there are excess appropriations in the 2009 budget in the Refuse Fund. He further explained that there are excess appropriations in the diesel fuel and gasoline accounts.

Mr. Schaefer advised that we will be able to reduce those appropriations in the 2009 budget, freeing up funds to carry into the 2010 budget.

Mr. Schaefer advised that the 2009 diesel fuel budget is \$198,000 but, as of today, there has been approximately \$46,000 of that spent. Additionally, the 2009 gasoline budget is \$27,500 and there has been approximately \$6,900 spent so far this year.

Mr. Schaefer stated that we budgeted high for fuel for 2009 because not knowing what was going to happen with fuel prices, which fortunately stayed low.

Mr. Schaefer proposed and recommended the following resolution:

BEFORE THE BOARD)
OF COMMISSIONERS OF THE)
SANITARY DISTRICT OF) RESOLUTION NO. 1268-09
MICHIGAN CITY, INDIANA)

RESOLUTION TO REDUCE REFUSE FUND APPROPRIATIONS

WHEREAS, appropriations exist in the 2009 Refuse Fund Budget of the Sanitary District of Michigan City that will not be expended in the year 2009; and

WHEREAS, the balances in these appropriations may be used to fund the 2010 Refuse Fund Budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Sanitary District of the City of Michigan City, La Porte County, State of Indiana, that the following appropriated funds in the 2009 Refuse Fund Budget are hereby reduced and the funds are restored to unappropriated balance:

<u>Sanitary District Refuse Fund #8203</u>		
Reduce:	02 422.025, Diesel Fuel	\$75,000.00
	02 422.021, Gasoline	<u>\$ 9,000.00</u>
	TOTAL	\$84,000.00

ADOPTED this 23rd day of September, 2009 by the Board of Commissioners of the Sanitary District of Michigan City, Indiana.

Mr. Phelps entertained a motion on the matter.

Ms. Paul made a motion to approve the resolution, as submitted – seconded by Dr. Jones. No discussion or comment on the matter. Motion carried 3 – 0 in favor.

Mr. Phelps asked if proofs of publication have been received in reference to the Public Hearing for the 2010 Tax Levy Budgets. Attorney Nelson advised that there was

advertising on August 14th, August 21st, September 12th and September 19th, 2009 in the Michigan City News-Dispatch.

Mr. Phelps stated that a public hearing was held on August 26th and there were no remonstrances and called for a motion for adoption of the tax levy budgets.

Mr. Schaefer interjected stating that there is a public hearing necessary today as well, explaining that the 2010 budget has been re-advertised to include an amount for a potential shortfall appeal. Mr. Schaefer stated that this was done on the advice of the DLGF (Department of Local Government & Finance).

Mr. Schaefer further explained that the La Porte County Auditor is going back to 2007 and plans to use different assessed valuation numbers than what the La Porte County Assessor had certified. However, the DLGF will not let the Auditor adjust the rates accordingly to fund the tax levies. Therefore, the Sanitary District could experience a shortfall of approximately \$470,000, as he calculates it, for 2007.

Mr. Schaefer advised that, in order to recoup this amount, we may have to file a shortfall appeal with the DLGF, by the end of this year, to add that to our 2010 tax levy.

Mr. Schaefer is hoping that it does not come to this and that smarter heads will prevail. He explained that there are lawsuits pending and, if we can get the County Auditor to use the AV (Assessed Valuation) numbers that were certified by the Assessor and the previous Auditor, this will not be necessary.

Mr. Schaefer explained that if, however, it comes down to it, the revised budget has to have been advertised, which is why it was advertised with the additional amount. Additionally, a public hearing needs to be held for the shortfall amount only.

Mr. Phelps asked where the figures are. Mr. Schaefer advised that it should be in the new advertisement.

Mr. Schaefer asked if the proof of publication has been received, further commenting that they are probably not back yet. Attorney Nelson advised that they have not been received but we have the actual four dates that the publication ran in the newspaper.

Mr. Schaefer commented that he should have brought a copy of the actual advertisement, however, the ad was exactly the same as the first one that was published except for the additional \$500,000 amount in a separate column for appeals. He explained that this was included in the event that it is necessary.

Mr. Schaefer advised that we now need to have a formal public hearing to see if anyone objects to the shortfall appeal potential.

Mr. Phelps asked if we will have to have a separate public hearing. Mr. Schaefer explained that there will have to be one for that specific dollar amount.

Mr. Phelps asked if the public hearing is to be held now or in the future. Mr. Schaefer explained that it needs to be today and that the public hearing was advertised for today's meeting.

Mr. Phelps explained his confusion is because he has not seen the second publication. Attorney Nelson explained that this is just the public hearing section so that there will be plenty of time for the Board to review those before formal action.

Attorney Nelson stated that the advertisement was for the public to have an opportunity to speak on that matter.

Mr. Phelps opened the Public Hearing asking if there was anyone from the public who wished to speak. There were no comments or remonstrances.

Mr. Phelps then closed the Public Hearing.

Mr. Phelps asked when the \$500,000 amount was published. Mr. Schaefer advised that the publication was on September 12th and 19th, 2009, which was the re-advertisement to include that amount.

Mr. Phelps then called for a motion on the tax levy budgets.

Dr. Jones made a motion to approve the 2010 Tax Levy budgets, as submitted – seconded by Ms. Paul.

Mr. Walus recapped and summarized that we did have the original budget, working with Mr. Schaefer and Assistant City Controller Yvonne Hoffmaster through the Controller's Office, and the regular Sanitary District tax levy budgets were advertised in the newspaper on August 14th and August 21st, 2009. We then had our typical public hearing on those advertised budgets on the morning of Wednesday, August 26th, 2009 at 9:00 a.m., wherein a special meeting occurred to hold the public hearing.

Mr. Walus then explained that, traditionally, the next step would then be to bring the budgets to the Board for final adoption. After the public hearing was held on August 26th, certain circumstances beyond our control occurred that led Mr. Schaefer to determine it best that we re-advertise those budgets again to include the potential \$500,000 shortfall appeal.

Mr. Walus advised that, through the Controller's Office, the revised budget was published again on September 12th and September 19th indicating that the District would hold another public hearing today on the newly published budgets. This is why the agenda includes a public hearing for the 2010 Tax Levy Budgets, based on the second budgets that were advertised on September 12th and 19th.

Mr. Schaefer stated that, while it is confusing, this was all done after a couple of lengthy conversations with officials at the DLGF. This is what they suggested be done.

Mr. Phelps asked when Mr. Schaefer thought that this whole matter will be straightened out. Mr. Schaefer joked that he hopes that he is still alive when it gets straightened out. Mr. Phelps agreed.

Mr. Schaefer added that, every time he thinks that there is progress moving forward, we now go back to 2007 calculations.

Mr. Phelps stated that he doesn't understand the argument within the County itself, commenting that it is affecting many other entities. Mr. Schaefer agreed.

Mr. Walus asked Mr. Schaefer if we are looking to adopt the budgets today and asked if there is a statutory requirement for the Board to approve the budget by a certain date. Mr. Schaefer advised that the budgets have to be adopted by September 30th, which is why we scheduled the adoption for today.

There being no further questions or comments on the matter, motion carried 3 – 0 in favor.

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

Mr. Phelps thanked Mr. Schaefer for his report.

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

**FINANCIAL STATUS – SANITARY DISTRICT
September 14, 2009**

OPERATION & MAINTENANCE FUND #6201	\$418,300.34
SEWAGE WORKS SINKING FUND #6207	\$1,197,987.81
SEWAGE WORKS IMPROVEMENT FUND #6208	\$68,580.13

Mr. Phelps entertained a motion in reference to the minutes of the Regular Meeting of August 19, 2009, the Executive Session Meeting of August 19, 2009 and the Special Meeting of August 26, 2009.

Ms. Paul made a motion to approve the minutes of the Regular Meeting of August 19, 2009, the Executive Session Meeting of August 19, 2009 and the Special Meeting of August 26, 2009, as submitted– seconded by Dr. Jones. No discussion or comment on the matter. Motion carried 3 – 0 in favor.

Public Comment

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

The following status reports were given:

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

Meer Road/U.S. Highway 12 Sanitary Sewer Extension

Mr. Walus advised that, in the past, the Board had entered into an agreement with a developer on County Road 1000 North, a bit east of Meer Road (County Road 600 West), where the District has a sanitary sewer lift station located at El Portal and Wild Rose Drive and a gravity line in that area.

Mr. Walus advised that the developer met with the Sanitary District to discuss the possibility of extending a gravity line under the railroad tracks and under Highway 12 to get to the southeast corner of Meer Road and Highway 12.

Mr. Walus advised that, in the past, Mr. Doyle had completed survey work, detailed engineering, and the drawings for this work. Therefore, we are trying to look forward and get ready to try to obtain some prices for that project.

Mr. Walus then explained that one item still open is to try to obtain a permit from the railroad to perform jack and bore construction under the railroad. He explained that Mr. Doyle has had some conversations in the past with the railroad and we have talked to IDEM, who has offered their assistance to talk to the railroad as well in an effort to move this process along.

Therefore, Mr. Doyle was asked to attend today's meeting to provide a brief update on conversations with the railroad as well as requesting consent from the Board to meet with the developer to try to establish a schedule to get prices for this work.

Mr. Phelps asked if there was someone else at one time over the last couple of years looking into this matter. Mr. Walus explained that this is the same project but it has been on hold for the railroad.

Mr. Walus explained that the thought was to bring the matter back to the Board today to give Mr. Doyle a chance to provide an update as well as ask for the Board's consent to develop a schedule to get prices.

Mr. Phelps clarified that this would also include obtaining highway permits. Mr. Doyle stated that this is correct.

Mr. Doyle advised that drawings were submitted to the railroad last year, approximately in March or April. He explained that a telephone call back from the railroad was received in June 2008 from a gentleman by the name of Dennis Walsh, who indicated that what was submitted appeared to be okay.

After Mr. Walus called Mr. Doyle a couple of days ago, Mr. Doyle contacted Mr. Walsh and then talked to him this morning. Mr. Walsh familiarized himself with the project because he had only partial memory of what had taken place in the past but he needed to review his files.

Mr. Doyle advised that Mr. Walsh talked very favorably about what we want to do and what submissions have already been made.

Mr. Doyle believes that it is just a matter of Mr. Walsh updating his files and proceeding with whatever we have to do as far as the railroad is concerned. Again, it did not appear to Mr. Doyle that there were any big problems.

With respect to Highway 12, Mr. Doyle advised that he has not submitted anything to INDOT yet. However, he can certainly proceed if the Board so desires.

Mr. Doyle explained that he has not written any specifications for the project yet but he does have it designed quite well and it can be prepared for bidding quickly if the Board also desires.

Mr. Phelps asked where payment is coming from on this project. Mr. Walus explained that it is from the developer who is looking to establish a subdivision on 1000 North.

Mr. Walus stated that the next step would be for him and Mr. Doyle to meet with the developer, provide an update on the status of the drawings, the railroad and INDOT permits and to work out a schedule to obtain prices.

Mr. Phelps recalled that the District was going to pay for the engineering and the developer was going to pay for the construction. Mr. Walus stated that this is correct, pointing out that most of the engineering is complete.

Mr. Walus stated that, with the state of the economy, we were hoping to go out for bids sometime soon just to see if we could obtain good pricing and then meet with the developer to see how that would work with his schedule. The Board agreed

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

Mr. Phelps thanked Mr. Doyle for his report.

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

Ohio Street Lift Station-Sanitary Sewer and Force Main Replacement

Mr. Maurer advised that all of the sewers and force mains have been installed and tested downstream of the lift station. The lift station should be started up at the end of this week or early next week.

Once the lift station is running, the sewer on Ohio Street can be installed and approximately 1,300 feet of sewer can be re-routed to the new lift station as well as the sewers on Crestwood and Southwind Drives can be re-routed to this new lift station as well.

Mr. Maurer advised that the project should be in full swing again, hopefully as soon as next week.

Mr. Maurer submitted Pay Request #3 of Woodruff & Sons and recommended approval of same. He advised that this pay request represents the work completed to date. Additionally, this will bring the total expenditure to date to 53.6% of the total estimated project cost.

Mr. Phelps entertained a motion on the matter.

Ms. Paul made a motion to approve Pay Request #3 of Woodruff & Sons, in the amount of \$100,209.24, as submitted – seconded by Dr. Jones. No discussion or comment on the matter. Motion carried 3 – 0 in favor.

Mr. Phelps asked Mr. Maurer about an estimated completion date. Mr. Maurer advised that substantial completion is supposed to be the end of October, which means the sewers are installed and functioning.

Mr. Phelps stated that he is asking because the City would like to pave this area. Mr. Maurer believed that this should still be possible in early November.

Mr. Phelps thanked Mr. Maurer for his report.

The following departmental status reports were given:

Al Walus

In reference to the Trail Creek Watershed, Mr. Walus submitted a packet of information to the Board.

Mr. Walus explained that, in prior meetings, he has reviewed the funding opportunities through the Great Lakes Restoration Initiative Program through various federal funding sources. He wanted to share, with the Board, the documents that we are working with to participate in this program.

Mr. Walus reviewed the packet of information as follows:

Section 1 contains the Provisional Federal Funding spreadsheet for Fiscal Year 2010 only for Great Lakes Restoration Initiative.

The EPA has looked to several different federal agencies such as the US Coast Guard, NOAA (National Oceanic & Atmospheric Administration), Army Corps of Engineers, Fish & Wildlife Service, etc., and the different programs that they have additional funding for in 2010 to address Great Lakes Initiatives in five categories: Toxic Substances and Areas of Concern; Invasive Species; Nearshore Health and Nonpoint Source Pollution; Habitat and Wildlife Protection and Restoration; and Accountability, Monitoring, Evaluation, Communication, and Partnerships.

The spreadsheet gives a snapshot of percentages of total funding going to those five different categories as well as percentages of what federal agency department will be issuing those funds.

Section 2 gets into more detail by taking the spreadsheet contained in Section 1 and expands upon exactly what each initiative is trying to do, the funding they have for it, as well as contact individuals to speak with at EPA, US Department of Agriculture, etc.

(Mr. Strauss entered the meeting at this point.)

Section 3 is very similar but has a somewhat different format and is more of a Microsoft Access Database. Again, the projects are categorized based on the five areas that they have identified. This includes the federal agency, a narrative description of what they want to achieve and the funding level.

We are then challenged to review the projects identified in the Trail Creek Watershed Management Plan for implementation and select the projects that we want to do that speak to nonpoint source pollution reduction or near shore stream bank restoration and then find the particular agency, category and funding sources to see what different options we have available.

They are starting to issue documents that explain timelines and there may be some grant opportunities coming up in October as well as several months down the road.

The Trail Creek Watershed Management Committee has been reviewing the documents to see which of these might apply to projects here in Michigan City, after which we will be filling out grant applications to apply for funding.

Some of these grants have no match required and others have a match as described in the text. If there are match requirements, we will try to satisfy those matches with in-kind services from staff in an effort to keep our out-of-pocket expenses down as much as possible.

Additionally, we are looking to partner with other entities such as Save the Dunes, the IDNR, and IDEM to make sure that we have the correct focus on some of the different projects.

Section 4 of the packet is a key section that speaks to an overall outline for how the EPA looks to improve the Great Lakes and, more importantly, specific measures to do so.

Therefore, if we are going to do a fish passage project somewhere within the Trail Creek Watershed, we need to identify how many miles of stream-reach that we will allow fish to be able to access that they do not currently.

One of the measures of the outcome of these programs is that, in 2010, they want to achieve 100 additional miles of migration of native species through waterways because of fish passage projects.

As we identify something like a sediment reduction project, we have to calculate the volume of sediment reduction and perform pre- and post-testing to verify that we are getting the results that we said we want to achieve.

There is a significant level of funding in the order of approximately \$400,000,000. However, it is all based on the identification of specific outcomes that the money will result in the improvement of water quality, which is what many of the awards will be based upon; projects that are ready to go that can benefit the Great Lakes Watershed.

Mr. Walus stated that he provided somewhat of a verbal summary of the programs last month and this packet now contains all of the documents from the EPA that describes how this will all work.

Mr. Phelps asked if Mr. Walus has any idea of any initiative that the Watershed Committee would be interested in. Mr. Walus advised that they are looking at projects in several different areas.

Mr. Walus explained that one area that they are concerned about is the headwaters of Trail Creek where there is livestock that has free access to the stream, which then results in degradation of the bank for more erosion and sediment in the creek. Additionally, the waste of the livestock increases *E.coli* loading. Therefore, we are trying to work with property owners upstream who would be willing to do some restoration projects.

Mr. Walus advised that there is a dam on the golf course so they are looking into creating a fish passage project there to allow fish another two miles of stream access if they can overcome that dam. We are reviewing to possibly do some alternates on the Michigan Boulevard stormwater drainage, by obtaining some grant funding to perform some BMP's (Best Management Practices) to reduce urban stormwater pollution. These are the different categories that are being reviewed.

The Committee is looking throughout the watershed for rural and urban matters to see what can be done. They are working with many different partners and, within the next several months hope to have some news of some successes.

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

In reference to the Lafayette/Barker Storm Sewer Interceptor Project, Mr. Walus advised that Super Excavators had extended their bid price through September.

Mr. Walus advised that Super Excavators is still completing a project in another community and have indicated that they would be willing to extend their bid price most likely for another couple of months.

Mr. Walus is also working with the City Administration to try to finalize some funding to be able to perform as much of this project as possible. There is the potential of \$8,000,000 in funding by working with the Redevelopment Commission. Therefore, we are working with the Administration to resolve the final funding levels so that we can be in a position to bring this matter back to the Board.

Mr. Walus advised that he has worked with Super Excavators to see if they will be willing to extend their price for another couple of months in an attempt to finalize the funding on this project.

In reference to the agreement between the Sanitary District of Michigan City and the Springfield Regional Sewer District (SRSD), Mr. Walus advised that he currently has copies of the two permits that the SRSD needed to obtain.

The first permit that the SRSD received was the permit from IDEM to construct the U.S. Highway 20 Corridor Sewer District Project for the SRSD. This was approved by IDEM on August 3rd, 2009 and the Sanitary District received a copy on August 20th, 2009.

Mr. Walus also received, via e-mail on August 28th, 2009, a letter from Radtke & Associates that included an attachment of the approved right-of-way permit from INDOT containing an electronic signature along the side. The e-mail indicates that the fully signed permit is on file in the INDOT District office.

Therefore, the SRSD has their IDEM and INDOT permits and they are currently installing the four inch pressure line along Highway 20.

Mr. Walus presented two copies of the original agreement with the exhibits that include the map of the project area as well as the rate structure, which is the same rate structure that we used for the Indian Springs Project.

Mr. Walus explained that, at the last meeting, the Board approved the agreement pending receipt of permits from SRSD. Therefore, since the Sanitary District has copies of those permits, he requested the Board execute the agreements today.

Mr. Phelps commented that a motion is not required. Attorney Nelson agreed stating that the Board has already conditionally approved the agreement and those conditions have been met. Therefore, the execution of the agreement can occur.

Mr. Walus advised that the Sanitary District will deliver both of the executed originals to the SRSD so that they can execute both originals as well. One original will then be returned to the Sanitary District to be recorded and kept on file at the Sanitary District.

The Board executed the documents accordingly.

In reference to the Tulip Tree Drive Drainage Improvements, Mr. Walus advised that quotes have been received and are being reviewed by District staff. Additionally, we are working with the City Administration in an effort to identify funding for this project. He will report back to the Board on this matter at a future meeting.

Mr. Walus then distributed a copy of some Minor Fund Transfers in Storm Fund #8201, as follows:

<u>DECREASE:</u>	
8201 0000 03 431.002, Engineering Services	\$25,411.24
<u>INCREASE:</u>	
8201 0000 03 431.005, Other Professional Services	\$1,650.00
8201 0000 03 436.002, Repair & Maint. – Equipment	\$3,247.50
8201 0000 03 439.011, Contractual Services	<u>\$20,513.74</u>
Total	\$25,411.24

Mr. Walus explained that we had some funds available in the Engineering Services line item within the 2009 budget that were transferred into the above-referenced line items to “zero out” these accounts. When this minor transfer is completed, we will have a small amount of funding left in the Fund #8201 budget; \$171.05.

Mr. Walus further explained that, with the different budget changes within the last couple of years, this fund has seen smaller and smaller funding allocations. Therefore, we believed it best to maximize the way that we can utilize these funds in Contractual Services to build small storm sewers, install new inlets or repair existing inlets.

Mr. Walus advised that Collection System Superintendent Mike Hoffman and his staff are prioritizing what work remains to be needed. Therefore, as we receive funding in 2010, we can prioritize what different types of things that we want to do and, potentially, work with the City to obtain additional funding in order to perform some medium-sized projects.

Mr. Phelps asked the budget for this fund for 2010. Mr. Walus advised that the budget estimate for 2010 is \$140,000.

Mr. Phelps then asked what the budget for this fund was for 2009. Mr. Walus advised that it was \$150,000.

Mr. Phelps pointed out that we will then actually end up with less funding for next year. Mr. Walus agreed.

Mr. Phelps asked if this matter requires Board action. Mr. Walus advised that it is just a notification to the Board.

Mr. Walus explained that if the funds were being transferred to different categories, a resolution for a major fund transfer would then be necessary.

Mr. Phelps asked Mr. Walus to bring the Board up-to-date on the documentation that he is working on with reference to the Council Utility Committee.

Mr. Walus explained that there are four to six bullet items of information that the Michigan City Common Council Utilities Committee requested and explained that staff is putting together a response to the request for information.

Mr. Walus anticipated that this response should be completed by tomorrow and will be ready to send out.

Mr. Phelps requested that the Board receive a copy. Mr. Walus advised that he will send a copy to each of the Commissioners, the three members of the Utility Committee and to the President of the Council. Mr. Phelps asked that a copy be sent to the Mayor as well.

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

Mr. Phelps thanked Mr. Walus for his report.

Dan Olson

Mr. Olson advised that there were no CSO events or violations of the permit during the month of August.

Mr. Phelps asked if there were any questions. 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 and no lost time in the last month. This is the third month with no lost time.

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

In reference to Drainage Projects, Mr. Hoffman advised that the District is involved with the sewer installation in the Coolspring Avenue Project, furnishing drawings and performing multiple locates of existing sewer lines.

Mr. Hoffman advised that he attends the construction project/progress meetings as well as responds to on-going contractor engineer calls during the construction.

Mr. Hoffman explained that a significant portion of this project involves new storm sewers.

Mr. Hoffman also advised that the District is working on several pilot erosion repair projects in the City. We are coordinating efforts with the City Engineer and our consulting engineer.

Mr. Hoffman explained that we have several areas of roadway that have experienced some erosion and we are working toward the best way to solve this problem and possibly trying new things.

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

Part 1 - Program Review and Facility Inspections, and Part 2 - Evaluation of Plan Reviews and Site Visits, have been completed by IDEM staff and the MS4 Coordinator and the Advisory Board representatives. We are awaiting the results of those audits.

Mr. Hoffman then advised that MS4 sponsored two HazMat training sessions in September for municipal employees, in both La Porte and Michigan City, which were presented by Jeff Hamilton, the La Porte County HazMat Coordinator.

Mr. Phelps thanked Mr. Hoffman for his report.

Jim Kintzele

Mr. Kintzele advised that their newest truck has been put in service and, currently, the fleet of trucks and equipment in the Refuse Department is probably the best it has ever been.

Mr. Kintzele advised that he will be working on obtaining a grant for a replacement for the compost truck, which is approximately 12 years old. He explained that one-half of the cost of this truck was paid by the State through a grant. Therefore, hopefully we can work on something similar next year.

Mr. Kintzele advised that the compacted and loose trash that is hauled to the Kingsbury transfer station has been reduced by 1,123 tons so far this year, which averages out to a reduction of approximately 140 ton per month. Mr. Kintzele hoped that the reduction will continue this way.

Mr. Walus advised that he met with Mr. Kintzele this morning regarding a potential equipment need.

Mr. Walus explained that, several years ago, Mr. Kintzele had a pickup truck that needed to be replaced. When Mr. Kintzele obtained his current vehicle, his old truck was transferred to Refuse Inspector Connie Adams for his use. It has now been in use for several years, pointing out that it was originally purchased used (15 years ago) and the department has received quite a bit of service life out of it.

Mr. Walus advised that Mr. Kintzele has some funds remaining in the 2009 Refuse budget for equipment purchases. Therefore, Mr. Walus asked for the Board's consent to allow Mr. Kintzele to work with Central Maintenance Superintendent Charlie Cate on a cost effective proposal to bring back to the Board for a potential replacement for that truck.

Mr. Walus explained that we can work with the QPA (Quantity Purchasing Agreement) through the State or with local vendors. We can then bring some proposals back to the Board next month if there are no objections.

Mr. Kintzele advised that he is going to ask Mr. Cate to prepare two proposals; one with a straight purchase and one with a trade-in.

Mr. Walus added that this matter has been reviewed with City Controller John Schaefer, who had no objections.

There were no objections by the Board.

Mr. Phelps thanked Mr. Kintzele for his report.

Attorney Nelson

Attorney Nelson advised, in an effort to bring the Board up to speed and in the loop on an issue that has started and will probably be a topic of conversation as time moves on, that the Terrace Acres Mobile Home Park developers and owners are interested in expanding their operations on the west end of the area of Highway 20 to the point that land acquisition has been accomplished for part of that plan.

Attorney Nelson advised that the developers have chosen to try to go the route of establishing a conservancy district in the area that would encompass this development, particularly the new part. The old part is apparently not part of this conservancy district.

Attorney Nelson advised that they have gone as far as filing with the Circuit Court in La Porte. A petition to establish a conservancy district has not yet been completed. They are in the preliminary stages of the statutory process before they can ask the Court to finally grant that petition.

As part of this process, Terrace Acres, through their representative, has made contact not only with the Sanitary District but with the Water Department as well, asking for information, cooperation and documentation as far as capacity information at this stage.

Attorney Nelson explained that they are asking whether or not there is sufficient capacity to meet the needs of this area.

At this stage, there is still information that has been requested by the District. Attorney Nelson explained that he and Mr. Walus have been involved with this, together with Water Superintendent Randy Russell and Water Department Counsel Jerry Winski, and they have all met with counsel for the Prairie Lakes Conservancy District (PLCD) and their representative in a meeting a few weeks ago.

Attorney Nelson advised that, before the District can even determine capacity abilities at this stage, there is some additional engineering information that just this week was requested from the representatives of PLCD. As soon as Attorney Nelson receives this information, it will be forwarded to Mr. Walus. Mr. Walus and his staff can then review this information and make those determinations.

Right now, all that is being asked is whether we have the capacity to handle their flow, which we do not know at this time. Once we receive this information, a determination can be made.

Attorney Nelson advised that we made it very clear that, just because we indicate or do not indicate that flow can be handled, doesn't mean we do not have other issues to work through as they may choose to move forward with their conservancy district.

This is where the matter is at right now and all that has been accomplished is the meetings and the request for verification simply as to whether there is sufficient capacity to handle the flow needs.

Attorney Nelson explained that, as those determinations are made, again simply saying the capacity can be handled does not indicate an agreement to their plans. Those issues will have to be worked through as this matter moves forward.

Attorney Nelson explained that he just wanted to advise the Board of the matter so that they are aware that these conversations have been taking place and, it appears, will continue to do so.

Attorney Nelson advised that he will report back to the Board as more information is available. He added that he and or Mr. Walus would be happy to answer any questions the Board might have at this point.

Dr. Jones asked the developer's motivation to establish a conservancy district that is already being served in many ways. He questioned if it is strictly for expansion and perhaps a means of funding. Attorney Nelson stated that it would be hard to speak for the developer and they would have to speak to that matter as far as their official determination as to why they chose to proceed with this route.

Attorney Nelson commented that he is sure that what they plan to put into the ground is going to be quite expensive. Additionally, he is sure that is part of their overall plan to help fund the work.

Dr. Jones presumed that it would be a bonding issue or something like that. Attorney Nelson commented that he didn't know if it is going to be bonding as much as it is going to be a recoupment from their users over time. However, he is unsure how the developer is planning to fund the initial installation of their work.

Attorney Nelson advised that he has not had those conversations so that we are quite removed from that right now. However, he believes that it is a funding issue and is probably the driving factor for their desire to form a conservancy district.

Attorney Nelson explained that part of the conversations in the initial stages have been "why this route" and "are there other ways that could accomplish the same goal for you without the conservancy district".

Attorney Nelson advised that both Mr. Walus and Mr. Russell have expressed concerns with the developer's plans for a conservancy district. Attorney Nelson does not believe those concerns are gone. He thinks that these are still valid issues and will be discussed as this matter moves forward.

Attorney Nelson advised again that there have been no commitments made by the Sanitary District.

Attorney Nelson explained that even a letter of capacity, if it is issued, is not a commitment to participate in the plans or how they may want to organize this and connect. These are all conversations for another day.

Attorney Nelson advised that the first hurdle is determining what their anticipated flow data is so that Mr. Walus and his staff can analyze it to determine whether or not a capacity letter can be issued.

Attorney Nelson asked if this helped answer Dr. Jones' question. Dr. Jones commented that apparently everyone is wondering why they are proceeding this way.

Dr. Jones stated that it just seemed an unusual route for them to use. Mr. Phelps agreed.

Attorney Nelson advised that if any of the Commissioners have more questions along the way or want to participate in any way if any time in the future meetings are scheduled, please let him know and he will be happy to provide the time and location of those meetings.

Mr. Walus added that, at some point, we may have representatives appear before the Board as well. At this point, we are trying to go through some of the preliminary information to see what the next steps will be.

Attorney Nelson asked if there were any other questions by the Board on this matter. There were none.

Attorney Nelson advised that there are twelve delinquent accounts to be recorded as liens, in the total amount of \$912.75, which requires Board action.

Mr. Phelps entertained a motion on the matter.

Dr. Jones made a motion to approve the delinquent accounts to be recorded as liens, in the total amount of \$912.75 as submitted – seconded by Ms. Paul. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Attorney Nelson then submitted seven liens to be released due to satisfaction of the liens, in the total amount of \$1,024.92 and advised Board action is necessary.

Mr. Phelps entertained a motion on the matter.

Ms. Paul made a motion to approve the Releases of Lien, in the total amount of \$1,024.92, as submitted – seconded by Dr. Jones. No discussion or comment on the matter. Motion carried 4 – 0 in favor.

Attorney Nelson then advised that there are four accounts to declare as bad debts this month totaling \$827.33 (\$426.51, \$146.10, \$107.91 and \$146.81). He explained that these bad debts are related to bankruptcies and/or foreclosures and transfers of title prior to recording liens. Attorney Nelson advised that the bad debts require formal action.

Mr. Phelps entertained a motion on the matter.

Mr. Strauss made a motion to allow and write off the bad debts totaling \$827.33 as uncollectible – seconded by Ms. Paul. 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. Paul made such a motion – seconded by Dr. Jones. No discussion or comments on the motion. Motion carried 4 – 0 in favor.

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

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

New Business

There was none.

Old Business

There was none.

The next regular monthly meeting of the Board of Sanitary District Commissioners –
October 28, 2009 – 1:00 p.m. - 1100 E. Eighth Street

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

Linda G. Simmons, Secretary