

**REGULAR MEETING, BOARD OF SANITARY DISTRICT COMMISSIONERS**  
**WEDNESDAY, DECEMBER 16, 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, PhD, Judith A. Paul, Boyd W. Phelps, Linda G. Simmons, and Ronald J. Strauss.

Staff Members present for the meeting were:

Alan J. Walus, General Manager  
Daniel R. Olson, Plant Superintendent  
Michael A. Hoffman, Collection System Superintendent  
James L. Kintzele, Sr., Refuse Superintendent  
Doretha M. Sanders, Administrative Director  
Andrew W. Matanic, IT Manager  
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  
Randy Durham, M.C. Golf Course  
John Pavy, Haas & Associates  
Dave McCormick, McCormick Engineering  
Tracy McCormick, McCormick Engineering  
Don Voogt, McMahan Associates  
Mike Edinger, Woodruff & Sons  
Ryan Miller, D&M Excavating  
John Hullinger, HRP Construction  
John Milner, H&G Underground Utilities  
Tom Estrem, J.F. New  
Laurie Wink, News-Dispatch  
Andre Steele, ALCO-TV

In reference to the receipt of bids for the Meer Road/U.S. Highway 12 Sanitary Sewer Extension Project, Attorney Nelson advised that we have received proof of publication verifying publication in the Michigan City News-Dispatch on November 27, 2009 and December 4, 2009.

John Doyle of John A. Doyle & Associates opened and read aloud the bids, as follows:

H&G Underground Utilities	\$362,647.20
La Porte, IN - Additional cost if tunneling boring machine	\$174,895.00
Item #7 price alone	\$304,687.00
Total of initial price plus tunnel boring machine, if required	\$537,542.20

Mr. Doyle briefly explained that documentation was received back from the Railroad on Monday, December 14<sup>th</sup>. The Railroad requested that the pipe be installed in a different way than what is normally done.

Mr. Doyle explained that these casings have been installed many times without going through this type of a situation. However, they are asking for this practice, at least at this stage of the game. This is the bulk of Addendum #2 that was to be considered in the bid.

Mr. Doyle believed that this contractor's bid was based on the initial and normally accepted procedures and would cost \$362,647.20. However, if the contractor has to use this other arrangement to put the pipe in, it would be an additional cost of \$174,895.

Ms. Paul asked, if the contractor is adding this cost for Addendum #2, were there any charges for the initial pipe to be done in a different way that would be deducted out of the bid. Mr. Doyle stated that there would be no deduction.

Mr. Doyle continued with the bid opening, as follows:

Woodruff & Sons Michigan City, IN	\$349,215.00 No additional charge noted
HRP Construction South Bend, IN	\$729,520.00 No additional charge noted
D&M Excavating Michigan City, IN	\$301,308.00 No additional charge noted

Mr. Phelps then opened and read the Engineer's Estimate which was \$433,200.00.

Mr. Phelps advised that the bids would be taken under advisement for tabulations by the engineer and review by legal counsel.

In reference to the receipt of bids for the Municipal Golf Course Channel Daylighting Project, Attorney Nelson advised that we have received proof of publication verifying publication in the Michigan City News-Dispatch on December 2, 2009 and December 9, 2009.

Dave and Tracy McCormick of McCormick Engineering opened and read the bids aloud as follows:

De Boer Egolf Corporation No bid included in package, verified by Attorney Nelson  
Portage, IN No internal audit included in bid package

Attorney Nelson asked if there was anyone present from this company. There was not.

Mr. Phelps interjected asking that City Controller John Schaefer be allowed to make the Financial Status report so that he can go back to work. Mr. McCormick and Attorney Nelson agreed.

In reference to the Financial Report, Mr. Schaefer advised that the utility operations, after adding back depreciation, is showing a profit of \$886,000 compared to \$547,000 at the same time last year. Therefore, we are ahead of last year this time by approximately \$339,000.

Mr. Schaefer advised that there have been some tax funds received, but not enough to bring everything up to date. Mr. Schaefer anticipates receiving some more tax funds in March 2010 since there are tax payments due in March. However, everything is about where he expected to be as far as cash.

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

Mr. Schaefer advised that he prepared a resolution for consideration that would authorize him to file a property tax shortfall appeal with the Department of Local Government Finance. He advised that the Redevelopment Commission passed a similar resolution on Monday (December 14<sup>th</sup>) and the City Council passed their resolution last night (December 15<sup>th</sup>) for the City of Michigan City.

Mr. Schaefer reminded the Board of the discussion a couple of months ago about taking legal action against the County Auditor in an effort to avoid a shortfall appeal. He explained that this process is taking longer than was hoped and the shortfall appeal has to be filed by December 30<sup>th</sup> and has to be accompanied by a resolution of this Board approving that filing.

Mr. Schaefer explained that the shortfall appeal would certainly not be granted until all of the other tax matters have been settled. Therefore, if it turns out that the lawsuit works out in our favor and we are made whole, we would then withdraw this appeal.

Mr. Schaefer further explained that, if something happens that we do not get everything that we wanted, we would modify the dollar amount as a reduction.

Mr. Schaefer advised that this procedure is necessary as a protection at this point because something has to be on file by December 30<sup>th</sup> or we will lose the chance to do something.

Dr. Jones added that the School Board also passed a similar resolution last night (December 15<sup>th</sup>).

Mr. Schaefer then submitted the following proposed Resolution:

BEFORE THE BOARD )  
OF COMMISSIONERS OF THE )  
SANITARY DISTRICT OF ) RESOLUTION NO. \_\_\_\_\_  
MICHIGAN CITY, INDIANA )

**RESOLUTION APPROVING THE FILING OF A PROPERTY TAX LEVY APPEAL**

*WHEREAS, the Sanitary District of Michigan City is expected to experience a shortfall in its property tax revenues for the budget year 2007 in the amount of \$512,819; and*

*WHEREAS, the anticipated shortfall is the result of a decision by the La Porte County Auditor to ignore 2006 assessed values that were approved by the Indiana Department of Local Government Finance (DLGF) and instead use assessed values from 2005 when billing for 2006 pay 2007 property taxes; and*

*WHEREAS, the Sanitary District of Michigan City received a maximum levy calculation and budget order issued by the DLGF for budget year 2007 that was based on 2006 assessed values and the City expended funds in accordance with that order; and*

*WHEREAS, the actions of the County Auditor will require that the District refund the shortfall amount two years after it received and expended its 2007 property tax revenues unless the District receives relief from the DLGF; and*

*WHEREAS, State law (IC 6-1.1-18.5-16) allows taxing units to appeal to the DLGF for relief when a property tax shortfall is caused by erroneous assessed valuations; and*

*WHEREAS, a property tax shortfall of this magnitude will require the District to drastically cut its workforce and the services provided to its citizens.*

*NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Sanitary District of the City of Michigan City, La Porte County, State of Indiana, approves the filing of a petition with the Department of Local Government Finance to increase the District's 2010 property tax levy in the amount of the anticipated property tax shortfall for the tax year 2006 pay 2007 resulting from the actions of the DLGF and La Porte County Auditor and authorizes the Mayor and Controller to proceed with the filing and prosecution of such petition.*

*ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2009 by the Board of Commissioners of the Sanitary District of Michigan City, Indiana.*

Mr. Phelps entertained a motion on the matter.

Dr. Jones made a motion to approve the Resolution, as presented – seconded by Ms. Simmons and Mr. Strauss.

Dr. Jones asked the bottom line appeal amount. Mr. Schaefer advised that the amount is \$512,819.00, which is his closest guess of a shortfall.

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

Mr. Phelps thanked Mr. Schaefer for his report.

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

**FINANCIAL STATUS – SANITARY DISTRICT  
December 11, 2009**

<b>OPERATION &amp; MAINTENANCE FUND #6201</b>	<b>\$470,608.92</b>
<b>SEWAGE WORKS SINKING FUND #6207</b>	<b>\$1,284,756.05</b>
<b>SEWAGE WORKS IMPROVEMENT FUND #6208</b>	<b>\$76,115.71</b>

Mr. Phelps asked Mr. McCormick to continue opening the bids for the Municipal Golf Course Channel Daylighting Project.

Mr. McCormick opened the remaining bids and read them aloud, as follows:

Gough, Inc. Merrillville, IN	\$233,071.60
Woodruff & Sons, Inc. Michigan City, IN 46360	\$294,926.00
HRP Construction South Bend, IN	\$227,800.00
D&M Excavating, Inc. Michigan City, IN	\$198,544.00
J.F. New Walkerton, IN	\$334,698.00

Mr. Phelps opened and read the Engineer's Estimate which was \$236,665.00.

Mr. Phelps advised that the bids would be taken under advisement for tabulations by the engineer and review by legal counsel.

### **Commendations**

Mr. Walus advised that, typically at the end of the year in previous years past, the District has awarded commendations for outstanding service.

Mr. Walus stated that Ms. Paul is the longest serving Commissioner at this time and asked her to come to the front to present the commendation.

Mr. Walus explained that the first award was the Distinguished Service Award. He advised that this individual has had a distinguished career at the Sanitary District, beginning service at the District on October 7, 1970. She has now begun her 40<sup>th</sup> year of service at the District. She has faithfully and diligently provided outstanding leadership to the District, serving as a guiding light for the District over a span approaching over five decades.

To affirm our deepest appreciation for Doretha's unselfish and dedicated effort, we present to her the Distinguished Service Award of 2009, which is signed by Mayor Charles Oberlie, Board President Boyd W. Phelps and General Manager Al Walus.

Ms. Paul then presented Administrative Director Doretha Sanders the Distinguished Service Award. Ms. Sanders thanked the Board.

Mr. Walus then advised that there was one other award, which is the Outstanding Performance Award.

Mr. Walus read from the award, as follows:

*"As the Sanitary District's IT Manager, Andy Matanic was approached early in 2009 for input regarding adding management of the City of Michigan City's IT network to the duties of the District's IT staff.*

*As is his nature, Andy embraced this challenge and prepared a vision and a plan that resulted in the expansion of the District IT staff and lead to the highest quality, most responsive, most effective IT services that the City of Michigan City has ever experienced.*

*For these significant accomplishments, we are proud to present Andy with the Outstanding Performance Award of 2009."*

Ms. Paul presented IT Manager Andy Matanic with his award. Mr. Matanic thanked the Board.

Mr. Phelps entertained a motion in reference to the minutes of the Regular Meeting of November 18, 2009.

Mr. Strauss made a motion to approve the minutes of the Regular Meeting of November 18, 2009, as submitted— seconded by Dr. Jones. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

**Public Comment**

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

The following status reports were given:

John Pavy of Haas & Associates reported on the following projects:

**Ohio Street Lift Station-Sanitary Sewer and Force Main Replacement**

Mr. Pavy submitted Change Order #1, which includes a deduction in accordance with some of the paving work that the City of Michigan City performed. He recommended approval of same.

Mr. Pavy explained that the original contract price was \$798,298. This deduction change order reduces the contract amount by \$5,949, resulting in a total contract price of \$792,349 at this point.

Mr. Pavy advised that, since the City of Michigan City was already doing some paving in that area, some of the trench paving was deducted from this portion of the project.

Mr. Phelps entertained a motion on the matter.

Ms. Paul made motion to approve Change Order #1 of Woodruff & Sons, in the deduction amount of \$5,949, as submitted – seconded by Ms. Simmons. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

Mr. Pavy then submitted Pay Request #6 of Woodruff & Sons and recommended approval of same.

Mr. Phelps asked if this is a final pay request. Mr. Pavy advised that this is not a final pay request.

Mr. Pavy explained that there is still a special planting around the lift station that will not be able to be done until spring as well as some punch list items to complete. However, everything else is in service and working.

Mr. Walus added that, as Mr. Pavy identified on the pay application review transmittal, this payment represents 99.6% of the total original contract amount expended to date.

Mr. Phelps entertained a motion on the matter.

Ms. Paul made a motion to approve Pay Request #6 of Woodruff & Sons, in the amount of \$105,986.93, as submitted – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

Mr. Phelps thanked Mr. Pavy for his report.

Mr. Phelps then asked Mr. Doyle to come back to the table to address the addendum to the Meer Road/U.S. Highway 12 Sanitary Sewer Extension Project.

Mr. Doyle advised that he has been in contact with the Railroad for an extended period of time when the first permit application was submitted in April 2008. However, it was not acted upon until recently.

Mr. Doyle explained that, once he was actually able to contact the Railroad approximately four to five months ago, they began to again work on trying to obtain a permit from them.

Mr. Doyle then advised that, when he came into his office on Monday morning, December 14<sup>th</sup>, there was a list of things that the Railroad wanted included in the application that basically were not part of the original set of specifications for the job. Primarily it was the use of a closed-faced boring system in order to install this casing pipe in the ground.

Mr. Doyle explained that this moves the project from the realm of being a normal jack and bore to a micro-tunneling situation, which also considerably increases the basic cost of the job.

In addition to the micro-tunneling, the Railroad wanted monitoring of the rails for the de-watering aspect of the project. They wanted the monitoring of the rails for several hundred feet of the rails on a periodic basis at least once every shift change. Mr. Doyle explained that this monitoring would consist of elevation of the rail and alignment of the rail in case of subsidence of the ground below it because of the operation of trying to install the casings under the railroad. Subsequently, this changed the cost of the job considerably.

Mr. Doyle advised that the Railroad also asked for a heavier wall carrier pipe, which we did not include in the specifications. The initial specification was a Class 52 ductile iron pipe, which probably has approximately less than ½ inch wall to a Class 56, which is probably somewhat larger than a ½ inch thickness larger. It would carry more pressure even though this is a gravity sewer.

Mr. Doyle advised that all of those inclusions were given to his office at a late date, which is what he attributes to the variations in bid costs for the project.

Mr. Doyle felt that he would like to sit down with the contractors to make sure that, even though they have acknowledged the addendums, they do recognize this situation.

Attorney Nelson asked if this was Addendum #2 of the project bid packets. Mr. Doyle advised that this is correct.

Attorney Nelson asked if Addendum #1 has anything to do with what Mr. Doyle just spoke about. Mr. Doyle stated that Addendum #1 was concerning the wage scale.

Attorney Nelson stated that one of the contractors did not submit acknowledgement of Addendum #2 and commented this then has the potential of being a rather substantial issue based upon the increased price Mr. Doyle just described being a part of Addendum #2. Mr. Doyle agreed with Attorney Nelson's comments if the contractor did, in fact, not take that information into consideration.

Mr. Doyle added that he has an acknowledgement that the contractor e-mailed back to Mr. Doyle's office that was not part of today's package.

Attorney Nelson clarified that what Mr. Doyle is saying is that, as the engineer, Mr. Doyle does know that the contractor picked up Addendum #2 and acknowledged it to Mr. Doyle's office, but that they just did not submit it in the sealed bid package opened today. Mr. Doyle advised that this is correct.

Attorney Nelson commented that he noted that only one of the four bidders submitted an alternate number. Mr. Doyle agreed.

Attorney Nelson then asked if Mr. Doyle expected, as the engineer, that he would see alternate numbers from all of the contractors. Mr. Doyle advised that he did. As a matter of fact, Mr. Doyle advised that he is surprised that he did not see alternate numbers from everyone.

Mr. Doyle advised that he does, however, feel that the bid of HRP Construction is their actual bid based on the adjusted project requirement, because of a conversation he had with them and their acknowledgement of Addendum #2.

Mr. Phelps asked when the Railroad received Mr. Doyle's plans. Mr. Doyle advised that the Railroad received the plans of what we wanted to do in April 2008. Mr. Doyle explained that there were no changes made with the railroad since that point in time.

Mr. Phelps commented that this is an awfully long time for the Railroad to sit on the plans before commenting.

Mr. Doyle then advised that there is still a right-of-way issue with the Railroad that Attorney Nelson will have to address.

Mr. Strauss then asked about Mr. Doyle's reference to the original proposal that included the normal way construction (piping under the railroad) and the Railroad has asked for somewhat of an extra item. Mr. Doyle clarified that the Railroad is asking for more of a different method.

Mr. Strauss questioned if there are regulations and rules from a national railroad organization or association that set standards. Mr. Doyle advised that there are set standards, explaining that each railroad basically adopts those standards and add what they also want to those standards.

Mr. Doyle advised that, within ½ mile of this site, we previously put in two casings under the same railroad within the last five years and had no problems with the regular specifications. Mr. Phelps pointed out that this previous installation was also after the rules came in.

Mr. Doyle commented that part of the problem with this project might be that we are 19 feet underneath the railroad, in a sandy soil condition and wet with approximately 12 to 14 feet of water at this point. Mr. Doyle believed that the Railroad's concern is that the sand will flow back into the pipe and cause a collapse of the rail.

Mr. Doyle added that the reasoning for the monitoring is that, if it is checked two or three times a day at least, they will be able to catch it before it goes too far.

Mr. Strauss commented that the reason for this is that this project is a bit different than the other projects. Mr. Doyle advised that the other projects were not quite as deep.

Mr. Phelps pointed out that there is still a water issue. Mr. Doyle agreed.

Mr. Doyle stated that it is unfortunate that he was not able to get these additional requirements out sooner to the contractors because it placed an entirely different light on the job.

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

Dr. Jones clarified that when the Railroad is talking about monitoring, they are really talking about periodic inspections. Mr. Doyle advised that this is correct.

Mr. Doyle explained that the Railroad has a requirement that elevations will be taken on the rails initially (vertically and horizontally) and then, at least at every shift change, take the elevations again to make sure that the rails have not shifted. Of course, there are tolerances that they have established that the rails can move a little but not a lot.

Mr. Phelps thanked Mr. Doyle for his comments.

The following departmental status reports were given:

**Al Walus**

Mr. Walus advised that the Board packets included the recommendation for the salaries for 2010. He explained that the recommendation is taking the same approach the City did, in that there are no raise increases from 2009 to 2010. Therefore, he recommends adopting the same salary resolution as was approved by the Board last year for 2009.

Mr. Walus advised, however, that there is one small change in Section 8 with respect to Sanitary District staff paid on a salary basis rather than an hourly basis.

Mr. Walus explained that the District has established annual salaries for non-hourly employees. Traditionally, the annual salary is divided by 26 pay periods. However, 2010 is an unusual year where there are 27 pay periods.

Therefore, the proposed salary resolution included, in Section 8, the same language the City did whereby the annual salary is divided by the 27 pay periods. Therefore, the annual salaries have not changed and none of the hourly rates are changing. The only change is to reflect for annual salaries being divided by 27 pay periods rather than 26.

Mr. Walus recommended the following proposed Salary Order Resolution for 2010, as follows:

**BEFORE THE BOARD OF** )  
**COMMISSIONERS OF THE** ) **RESOLUTION NO. \_\_\_\_\_**  
**SANITARY DISTRICT OF** )  
**MICHIGAN CITY, INDIANA** )

**RESOLUTION FOR SALARIES FOR YEAR 2010  
 OF THE SANITARY DISTRICT OF MICHIGAN CITY**

**WHEREAS**, the Board of Commissioners of the Sanitary District of Michigan City must fix the salaries for the employees of the Sanitary District of Michigan City;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Sanitary District of Michigan City that:

**Section 1.** The salaries of the employees of the Sanitary District of Michigan City shall be for 2010 as follows:

<u>Position</u>	<u>2010 Annual</u>	<u>2010 Biweekly</u>
<b>Administration/Business Office:</b>		
General Manager	\$76,102.04	1 @ \$2,818.70 26 @ \$2,818.59
From Oper. & Maint. Fund:	\$68,102.04	
From Refuse Dept. 8203 Fund:	\$5,000.00	
From Storm Oper. 8201 Fund:	\$3,000.00	
Administrative Director	\$51,397.00	1 @ \$1,903.66 26 @ \$1,903.59
IT Manager	\$22.93/hr.	
Administrative Assistant	\$20.97/hr.	
Bookkeeper	\$19.18/hr.	

<i>Customer Account Representative</i>	\$17.00/hr.
<i>Receptionist/Dispatcher</i>	\$16.59/hr.

**Collection System:**

<i>Collection Superintendent</i>	\$51,397.00	1 @ \$1,903.66 26 @ \$1903.59
<i>Field Operations Supervisor</i>	\$23.08/hr.	
<i>Collection System Foreman</i>	\$20.97/hr.	
<i>Pollution Prevention Coordinator</i>	\$20.97/hr.	
<i>Coll. Maint. II / Heavy Equip. Operator</i>	\$17.43/hr.	
<i>Collection Maintenance II</i>	\$16.06/hr.	
<i>Collection Maintenance I</i>	\$15.29/hr.	
<i>Laborer II</i>	\$14.96/hr.	
<i>Laborer I</i>	\$13.12/hr.	

**Plant:**

<i>Plant Superintendent</i>	\$62,137.95	1 @ \$2,301.55 26 @ \$2,301.40
<i>Assistant Plant Superintendent</i>	\$23.08/hr.	
<i>Plant Operator II</i>	\$17.33/hr.	
<i>Plant Filter Press Operator</i>	\$17.32/hr.	
<i>Plant Operator II</i>	\$15.53/hr.	
<i>Maintenance Mechanic II</i>	\$20.05/hr.	
<i>Maintenance Mechanic I</i>	\$19.20/hr.	
<i>Lab Supervisor</i>	\$20.97/hr.	
<i>Chemist</i>	\$19.57/hr.	
<i>Laboratory Technician II</i>	\$18.13/hr.	
<i>Laboratory Technician I</i>	\$15.53/hr.	

**Refuse Department:**

<i>Superintendent</i>	\$51,397.00	1 @ \$1,903.66 26 @ \$1,903.59
<i>Assistant Superintendent</i>	\$20.75/hr.	
<i>Refuse Inspector</i>	\$16.06/hr.	
<i>Driver/Utility</i>	\$16.06/hr.	
<i>Driver/Leader</i>	\$16.06/hr.	
<i>Driver</i>	\$16.06/hr.	
<i>Loader</i>	\$15.30/hr.	
<i>Janitor</i>	\$13.61/hr.	

**Section 2.** *The fringe benefits program provided by the Sanitary District of Michigan City for its employees includes vacation pay, participation in the public retirement program known as PERF, and sick leave, as defined in the Personnel Policies Handbook for the Sanitary District of Michigan City.*

**Section 3.** *The fringe benefit program is further defined as providing a longevity program for Sanitary District employees who have worked three (3) or more years continuously in a full-time capacity, the financial increment being \$450 for each three (3) years of full-time service with a maximum to be paid of \$3,600; and further defined as providing a vacation bonus program of 1% of the employee's previous year's gross pay, and increasing to 2% of the employee's previous year's gross pay for Sanitary District employees who have worked five (5) or more years continuously in a full-time capacity and increasing to 3% of the employee's previous year's gross pay for Sanitary District employees who have worked ten (10) or more years continuously in a full-time capacity.*

**Section 4.** *The fringe benefit program also includes a Retiree Health Insurance Benefit as follows:*

- A. *Eligibility: Available to Sanitary District employees having at least twenty (20) years of service and who are over the age of 55 and not yet 65 years of age.*
- B. *Scope: If an eligible employee pursuant to 4.A qualifies for and decides to retire, the Retiree Health Insurance Benefit allows the individual to remain on the Sanitary District's health insurance plan, provided that the individual contributes one-third (1/3) of the COBRA health insurance premium; the Sanitary District will contribute the remaining two-thirds (2/3) of the monthly COBRA health insurance premium.*
- C. *Exclusion: If an eligible Retiree Health Insurance Benefit participant gains employment with another employer who offers insurance, the Sanitary District retiree would have to take their new employer's insurance and they would be temporarily ineligible for the District's Retiree Health Insurance Benefit plan. If this new insurance would be lost for some reason before the age of 65, the retiree would have the opportunity to participate again in the District's Retiree Health Insurance Benefit plan.*

**Section 5.** *All employee positions included in the "Collection System Department" designation in Section 1, all employee positions included in the "Plant Department" designation in Section 1, and all employee positions included in the "Refuse Department" designation shall be provided with a clothing allowance of not to exceed \$500 for each employee. All employee positions included in the "Administration/Business Office Department" designation shall be provided with a clothing allowance of not to exceed \$250 for each employee. The clothing allowance program will be administered by the Refuse Superintendent for all Refuse Department employees and by the Administrative Director for all others. The program will provide employees with an opportunity for input as to desired uniform components, for purchase*

*by the Sanitary District with delivery of the uniform components from the Sanitary District to the employees involved in this clothing allowance program.*

**Section 6.** *Employees whose job description requires certification shall receive additional hourly compensation of \$0.35 per hour for each level of certification received and verified through the appropriate entity, up to a maximum of four (4) levels of certification.*

**Section 7.** *Employees defined as Plant Operator I/II, Plant Belt Filter Press Operator may be required to work various shifts to staff the Wastewater Treatment Plant around the clock and, thus shall receive Shift Differential Compensation of an additional \$0.25 per hour for the 2nd Shift (3:00 p.m. to 11:00 p.m.) and an additional \$0.30 per hour for the 3rd Shift (11:00 p.m. to 7:00 a.m.).*

**Section 8.** *All salaries are annual and shall be paid in equal amounts on a bi-weekly basis over the number of bi-weekly periods in the calendar year. Set salaries are in effect for all payrolls issued in the calendar year governed by this resolution. When the salary is not evenly divisible by 26 (or 27 when applicable), the first payroll of the year will be adjusted with the remaining payrolls made at the bi-weekly rate.*

*Approved by the Board of Commissioners this \_\_\_\_\_ day of \_\_\_\_\_, 2009.*

Mr. Phelps commented that the Board is certainly not very happy about it but it seems like the only thing that they can do as far as sticking to what the City has started themselves and hope this next year is going to be better. He apologized to the employees because the District has good employees.

Mr. Phelps entertained a motion on the matter.

Dr. Jones made a motion to approve the Salary Resolution for 2010, as submitted – seconded by Ms. Paul. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

In reference to the Trail Creek Watershed, Mr. Walus distributed a handout which speaks to a joint project with the Michigan City Area School System.

Mr. Walus explained that Jane Larson (MCAS) submitted a Coastal Zone Management (CZM) Grant Application and she was successful in going through the pre-proposal phase of the CZM process. He explained that Ms. Larson was requested to submit a final proposal to the CZM Program for an outdoor science classroom at Michigan City High School.

Mr. Walus explained that the grant involves funds for the Michigan City High School Science Department staff to work with some outside consultants to develop curriculum whereby students from the high school can have outdoor curriculum activities at the

high school. Fortunately for this program, the Michigan City Area Schools owns some 61.9 acres of forest area immediately south of the high school campus.

Mr. Walus referenced an area on the map on the handout distinguished by a white-dashed line. Those lines represent approximately where trails have been cut through the forest for a high school cross-country course.

Mr. Walus advised that the plan is to take advantage of those trails and use that as part of the outdoor science curriculum.

Mr. Walus advised that different components have been defined on a preliminary basis as far as an instructional pavilion near the center of the course. There will be potentially some ravine stabilization projects, nesting boxes, wildlife brush piles, vernal pool study area, a rock pile for snake studies, animal tracking plot, arboretum, and wildlife food plots.

Additionally, a wireless camera system is proposed for tracking animal movements at night. That system would send wireless video within an approximate two mile radius so students, in their classroom, could actually observe animals in the forest.

There is a house with a barn that could be used as a remote laboratory with some computers and some desk space. There is also a proposal for a weather station and a pond study area.

Mr. Walus advised that Page 2 of the handout shows some of the extremely unique terrain and topography of the site. There are three different ravine systems within the 61.9 acres that we believe will provide a tremendous opportunity for the students to study all different types of ecosystems and work on some projects to help stabilize some of those ravines.

Mr. Walus advised that the last page provides photographic summaries of the existing conditions of the trails; some of the ravines and pools in the area; and the area where the house and building are where there is some lawn area to develop a planting bed and arboretum.

Mr. Walus advised that there is a pond on the site. He advised that, while they were out there doing their inspection, there was a heron that was at the pond that flew off.

Mr. Walus explained that the goal is to have students available to see wildlife in that environment and perform their studies.

Mr. Phelps commented that this proposal is fantastic.

Mr. Walus stated that they believe that they made a strong case and believe that they have a good chance to obtain funding through the CZM Program. He explained that the

funding would be available next summer so that the planning activities would begin next fall.

Mr. Walus pointed out that the great thing is that the property is there and part of the School System, as well as the trails. The curriculum just needs to be defined and then they can begin to use those areas.

Mr. Walus advised that other high schools can be invited to the area to participate in some of these activities as well as middle school students. This fits with the goal of CZM to have increased public access to some of these key environmental areas.

Mr. Phelps asked if this is being considered for a grant now. Mr. Walus advised that this is currently under consideration and has made it through Phase 1. Mr. Walus explained that all of the proposals that completed Phase 1 are going through the final evaluation and we should hear soon if we are successful.

Dr. Jones asked the amount of the grant request. Mr. Walus advised that the grant request is \$100,000 with at least half of that for instructional time for the teachers to develop the outdoor curriculum.

Mr. Walus stated that he is very grateful for the School System staff that was willing to work with us to help develop some of these great environmental educational activities.

Mr. Walus then distributed a handout reminding the Board that the Sanitary District has been working on the Lafayette/Barker Storm Sewer Interceptor Project. Over the years, we have developed a strategy in conjunction with the Redevelopment Commission of Michigan City to be able to utilize the Northside Tax Increment Financing District (NTIFD) bonds to fund construction of the Lafayette/Barker Tunnel.

Mr. Walus advised that the Redevelopment Commission invited their financial consultants, Umbaugh & Associates, to their meeting Monday night (December 14<sup>th</sup>) so that they could provide the latest up-to-date information to the Commissioners.

Mr. Walus explained that there was concern on the Commissioners' part regarding some of the uncertainties currently in La Porte County with the status of tax bills and assessments.

Mr. Walus advised that, in addition to the Lafayette/Barker Project, the Redevelopment Commission has several other important projects that they want to achieve.

Therefore, Umbaugh & Associates provided, to the satisfaction of the Redevelopment Commission, a way forward that allows approximately \$825,000 a year from the NTIFD to repay the Redevelopment Commission's Lafayette/Barker Project Lease Rental Bond Series 2009 and still provide a positive cash flow to the Redevelopment Commission to support some of the other high priority projects that they have going on.

Umbaugh & Associates provided the detailed summary to the Redevelopment Commission Monday night. Mr. Walus was also placed on the agenda to provide an update of the engineering activities on the project. Randy Rompola of Baker & Daniels was also there to discuss some of the items that would have to happen moving forward in the issuance of the bonds.

Mr. Walus advised that the Redevelopment Commission approved, by a 5-0 unanimous vote, to enter into a Letter of Understanding with the Sanitary District whereby the Redevelopment Commission will provide up to \$8 million in funding to build the Lafayette/Barker Project.

Mr. Walus explained that, with the bids that we have in hand from April 2009, Super Excavators has extended holding their bid price through December 23, 2009 to give us the opportunity to complete some of our discussions with the Redevelopment Commission.

Mr. Walus, therefore, requested the Board's consideration and approval of the Letter of Understanding between the Redevelopment Commission and the Sanitary District of Michigan City, whereby the Redevelopment Commission will provide up to \$8 million in funding for the Lafayette/Barker Tunnel Project.

Mr. Walus explained that, with that amount of funding, we would be able to construct the tunnel from Shaft A, near Eighth Street and Michigan Boulevard, to Shaft C, which is just north of the South Shore railroad tracks. This would also provide money for engineering inspection services and contingency money as well.

Mr. Phelps asked if we have a letter from the tentative contractor for the project. Mr. Walus explained that Super Excavators was the lowest apparent bidder and they have provided letters holding their bid price through December 23<sup>rd</sup>. Therefore, we have a valid bid from Super Excavators.

Mr. Phelps asked about Woodruff & Sons. Mr. Walus advised that he has talked to Woodruff & Sons verbally and they have also extended their desire to hold their bid price. They are checking with some of their material suppliers. Therefore, they have agreed to hold their labor prices from the April 2009 bid.

Mr. Walus explained that, if the Board were to approve the Letter of Understanding today, he would then request approval by the Board to allow our engineering consultants, Christopher Burke Engineering, to begin preparing the actual contract documents to bring back to the Board at the January 27, 2010 meeting.

Mr. Phelps entertained a motion on the matter.

Dr. Jones made a motion to approve the Letter of Understanding between the Sanitary District of Michigan City and the Michigan City Redevelopment Commission Regarding the Construction of the Northside Lafayette/Barker Sewer Interceptor Project, as

submitted – seconded by Ms. Simmons. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

Mr. Walus thanked the Board and advised that he will work with Burke Engineering and Attorney Nelson's office to begin preparing the contract documents to bring back to the Board on January 27, 2010.

Mr. Walus advised that the next step for the Redevelopment Commission is to have a meeting in mid-January, at which point they will be considering a final resolution to approve a negotiated sale of the bonds. If that resolution is approved in January, the bond sale will most likely be negotiated in March. After that, the contractors would begin excavating the tunnel shaft in the start of the project with the actual tunnel boring machine arriving on-site in Michigan City most likely in April. Within that timeframe, we will be obtaining submittals from Super Excavators on their tunnel boring equipment to be reviewed by the engineer and approved before they even start.

Mr. Walus then advised that, on Friday, November 21<sup>st</sup>, Plant Superintendent Dan Olson and Mr. Walus had a site inspection from an Indiana Department of Labor IOSHA (Indiana Occupational Safety & Health Administration) staff member.

The IOSHA inspector informed Mr. Olson and Mr. Walus that, on Wednesday, November 18<sup>th</sup> at 2:01 p.m., they received an anonymous complaint regarding some guardrail hand railing in the area of the primary clarifiers as well as some debris on the shop floor in the Maintenance Shop. Therefore, the IOSHA inspector came to the District and met with Mr. Olson and Mr. Walus on Friday, November 21<sup>st</sup>.

Mr. Walus advised that he, Mr. Olson and the IOSHA inspector looked at those two items. Once the inspector left, Mr. Olson ordered the plant staff to clean up the shop area and this has been completed. Additionally, Mr. Olson and Assistant Plant Superintendent Randy Hocutt met with a local fabricator to order and have parts fabricated to reinforce the handrails.

We received the necessary parts and brackets were received from the fabricator on December 12<sup>th</sup> in order to reinforce the handrails. That reinforcement was completed Monday, December 14<sup>th</sup>.

Via mail on December 10<sup>th</sup>, the District received the report of the inspector from the November 21<sup>st</sup> on-site visit. In that report, the inspector provided two safety orders in response to the original anonymous complaint on the guardrails and the debris.

The first safety order was noted as a serious safety order in that the railing in question was not capable of withstanding a load of at least 200 pounds applied in any direction. The District was given an abatement compliance date of January 12, 2010. However, this abatement was completed December 14<sup>th</sup> in advance of the January 12<sup>th</sup> abatement date.

The second safety order was noted as a non-serious item and the District was given an abatement compliance date of January 12, 2010, as well. This item has also been completed.

Both of those items have been abated and Mr. Olson is preparing the documentation to send back to the Department of Labor verifying our compliance with those safety orders.

Mr. Walus reminded the Board that Mr. Cipares of General Insurance Services appeared before the Board last month and presented the Indiana Public Employers' Plan (IPEP) Safety Award to the Sanitary District for 2008. This was awarded by IPEP to the Sanitary District based on the loss ratio of our workers' compensation insurance. This represented the second year in a row that the District received the IPEP Safety Award.

Mr. Walus advised that, at our bi-monthly safety meeting tomorrow with our workers, we are going to thank our staff for helping us achieve the safety award with our workers' compensation insurance carrier and focus on a couple of things going forward such as the personal responsibility of all employees to maintain clean work areas and report safety items to staff.

Mr. Phelps asked how often an employee would be walking down the catwalks at the primary clarifiers. Mr. Olson explained that there is a stairway leading up to the primary clarifiers and advised that staff would probably be at the site several times during each shift.

Mr. Phelps stated that the guardrails are typical old iron pipe commenting that the tank dates back quite a while. Mr. Olson thought that they have been there probably since the 1950s.

Mr. Phelps agreed and thought possibly even the late 1940s. He commented that you can tell that the tank is old by looking at the condition of the concrete. He added that iron pipe would no longer be used in new construction.

Mr. Walus added that this is also a part of the plant that we plan to abandon as part of the Master Plan that we are currently working on. However, in the interim, we do want to keep it safe, so brackets were installed to meet the safety requirements for the handrails.

Mr. Phelps thanked Mr. Walus for his report.

### **Dan Olson**

Mr. Olson advised that there were no violations of the permit during the month of November. There was a CSO event that occurred on October 30<sup>th</sup> in connection with a storm that he reported to the Board at last month's meeting. Mr. Olson explained that the CSO event lasted until 4:00 a.m. on November 1<sup>st</sup> so that we technically had an

overflow that occurred on November 1<sup>st</sup> but it was just a trickle going over the weirs. He advised that this will be reported to the State.

Mr. Olson advised that there was an overflow that occurred within the treatment plant on November 23<sup>rd</sup>, which was approximately 300 gallons of liquid material and some grease that came out of the scum pit for the primary clarifiers.

Mr. Olson advised that there was another overflow that occurred on December 3<sup>rd</sup> which was a discharge pipe from the east aeration tanks that was discharging into the headworks. The discharge pipe was jammed in between the ladder that goes down into the pit and the wall of the pit itself. The discharge pipe worked itself loose and was discovered by the Operator and put back in immediately. However, there was mixed liquor that entered onto the ground. This tank was being emptied due to an emergency repair that was required on Secondary Clarifier #2.

Mr. Olson explained that all of the treatment plant comes in and goes to the primary clarifiers, the primary effluent discharges into a box that splits and distributes that material plus the return sludge to two separate banks of aeration tanks in the middle of the plant (east and west banks). Four secondary clarifiers are fed by the east bank and four secondary clarifiers are fed by the west bank.

Mr. Olson reminded the Board that we had an emergency repair to the west aeration tank in August. At that time, we had to cut the flow to the plant in half and send the rest to the storm basin. That repair took place during the day shift which is our highest flow period. At that time, we cut the flow back to 7.5 MGD, which is half of our peak hourly flow, and had no problems at all with what was happening at the primary clarifiers or at the rest of the plant.

Mr. Olson explained that, on the evening of November 8<sup>th</sup>, the operators noticed that the sludge blanket on Secondary Clarifier #2 had started to rise. In order to prevent that sludge blanket from carrying over and blinding the sand filters, they were attempting to put in a stop gate. The stop gate is an aluminum plate that fits over the weir that controls the flow to the secondary clarifier.

When the operators did that, the weir broke away from its concrete seat and created a situation where Clarifier #2 was experiencing more flow than the other clarifiers on the east bank.

A maintenance crew was called out and they put a temporary plywood stop in the weir area and were able to shut off most of the flow to the clarifier. They were not able to shut it all off because there are aeration manifolds in the distribution channel that feeds all of those clarifiers so that they would not be able to get a tight fit up against the wall.

This meant that there was no way to completely shut off the flow to Clarifier #2 in case there was also a problem with the return sludge pump and, if the temporary plywood

stop would have somehow dislodged, we would have had an imbalance of flows on those clarifiers. Therefore, the repair had to be done as soon as possible.

We contacted Larson Danielson the next day and a representative was sent to the District. Then, on the third day, we actually dropped the level of the east aeration tanks and the clarifier so that an inspection could be made of not only what had to be done to Clarifier #2, but to all of the rest of the clarifiers on that bank.

It was determined that Clarifier #2 definitely had to be repaired and Clarifier #3 had some serious flaws in the concrete. If there was time depending on when the repair was made, we were going to have the contractor repair that right then because the two clarifiers are right next to each other.

The plan of action was to cut off half of the flow to the aeration tanks as we did in August by putting in a plywood plank. This was done at approximately 12:45 p.m. on November 23<sup>rd</sup>. This would then lower the level in the aeration tank so that the aerated channel would be relatively dry and we also had the return sludge pumps on the east clarifiers running so that those influent boxes to the clarifiers would drain as well to allow the crew to get in to make the repair. The contractor was to come out at 7:00 a.m. the next day.

Unfortunately, at approximately 6:00 p.m. on November 23<sup>rd</sup>, the shift operator noticed that the level in the primary clarifiers had risen to the point where the water was flowing into the device that is normally tipped to remove floating scum off of the clarifiers and then flowing into the scum box. The operator saw that the level in the scum box was very high.

The operator then called out a maintenance crew and, by the time the maintenance crew arrived, the liquid had risen to the point where it started to overflow and this is where we experienced the 300 gallons of overflow. The plywood stop was pulled that went to the east aeration tanks and we aborted the maintenance operation for the next day.

We re-grouped and contacted McMahon Associates because we wanted to get an opinion of what the flows were that we could send to one bank of aeration tanks. McMahon Associates looked at it and advised that it should be 12 MGD and there must be a bottleneck somewhere.

Unfortunately, on the west aeration tanks, one of the clarifier blankets started to come up because it was being fed an inordinate amount of flow and the sludge blanket came up. The operator made an adjustment in the return sludge pumping for that and, in trying to correct the problem by doing so, actually exacerbated the situation so that there was more return sludge being added. Consequently, the combination of return sludge and primary flow exceeded 12 MGD to the point where it eventually raised the level in the primary clarifiers and filled up the scum box.

To avoid this happening for the eventual repair, which still had to be done, we decided that we would make use of the dry diurnal pattern in influent flows and again shut off half of the plant at approximately 2:00 p.m., using the time between that time and midnight to lower the levels in the aeration tanks and clarifiers, but only concentrate on the one clarifier that absolutely had to be repaired rather than all four of them.

Larson Danielson was very cooperative and sent their crew in at 12:00 midnight. Everything went according to plan. The contractor completed the repair on Clarifier #2 weir plate within three hours and the call was made to continue to begin working on Clarifier #3.

Unfortunately, due to unforeseen circumstances, the pump discharge did come out and did spill on the ground.

Mr. Olson advised that he is happy to report that we were able to get both repairs done and the contractor did an excellent job on it. Therefore, we probably won't have any problems like that in the future.

Mr. Olson then reported that the District has received its new NPDES Permit. All of the appeal processes are over and the new permit is effective on January 1, 2010.

Mr. Olson advised that the one major change in the permit is that all of the metals on the effluent have been reduced in monitoring from once each month to once each quarter, based on our compliance record.

Mr. Olson advised that the other major item is that, unlike many communities in Indiana, we seem to be able to meet the mercury standard even though it is extremely stringent for Great Lakes dischargers. However, we were successful in reducing the monitoring for mercury from once every two months to twice a year. We continue to meet the 1.3 nanogram limit, which is equivalent to one thousandth of a drop of water in an Olympic-sized swimming pool. He commented that we are quite pleased with that.

Mr. Olson then invited Don Voogt of McMahon Associates to come forward, explaining that Mr. Voogt has completed the preliminary design report for the Master Plan.

Mr. Voogt advised that he has not prepared a formal presentation for today's meeting. He reminded the Board that McMahon Associates completed a Master Plan for the treatment plant back in 2008. Since that time, they have embarked on taking the recommended concept of that plan and flushing it out into more detail in a preliminary design effort.

Mr. Voogt advised that, in reviewing the Master Plan, there was quite a bit of vagueness and this is a highly technical plant. Therefore, they wanted to take the matter to the next level and do a preliminary design on the Master Plan.

Mr. Voogt advised that the Design Summary Report has been provided to the Board.

Mr. Voogt displayed an enlarged copy of one of the figures contained within the report as well as a set of the preliminary design plans for the represented improvements.

Mr. Voogt explained that the modifications and additions project includes a pretty fundamental change in the type of operation that is currently being used at the District. In a nut shell, it converts all of the final clarifiers to primary clarifiers, at which point the current primary clarifiers are abandoned before they abandon themselves.

Mr. Voogt explained that the District currently has two sets of aeration basins. One set will be abandoned and the other will be demolished. At that point, an entire new secondary treatment process will be built, which is called a biologically active filter or biological aerated filter system, which is a very efficient small footprint innovative treatment technology. Mr. Voogt pointed out that this system takes up so little room that it can actually be doubled in the existing location.

Mr. Voogt explained that this system consists of biological filters, bio-disc filters, ultraviolet (UV) disinfection and intermediate pumping that takes place there as well.

Mr. Walus asked what the MGD flow would be through the new proposed secondary treatment. Mr. Voogt advised that it would be 21.4 MGD, of which 2.9 MGD is recycled within it, so it is more like 18.5 MGD net.

Mr. Walus commented that we are currently rated for 12 MGD dry weather flow and 15 MGD wet weather flow. He asked if we would potentially go up to 18 MGD during wet weather if so desired. Mr. Olson stated that this is correct.

Mr. Olson explained that we currently accept 15 MGD through the plant during a storm event that still periodically results in overflows from the storm basins. The advantage of the new system, however, would be that we anticipate that the number of discharges from a CSO would decrease substantially by increasing a mere 3 MGD. Additionally, the availability of volume of the tank increases for storms and we would hope that this would pay dividends in the amount of CSO we have except for the most severe storms. Mr. Olson believes that this is a very big advantage.

Mr. Olson advised that the other advantage, as Mr. Voogt pointed out, we will be able to double the capacity of the plant in the future. This will help considering the potential pressures from the County wanting the District to accept additional flows from surrounding communities that really do not currently have sewage treatment and the District's attempt to try to reserve capacity for the additional flows. Additionally, this would be done without increasing the footprint of the current plant.

Mr. Phelps clarified that the plan is also to provide more areas for expansion in the distant future if necessary. Mr. Olson advised that there will be some expansion built in within the current new plan, potentially doubling the flow.

Mr. Walus pointed out that we could potentially double the flow through the plant in a future footprint of what we are currently using. Mr. Phelps agreed commenting that

there would also be a gain on the west side of the plant. Mr. Olson further clarified that we would be using re-aeration at the west side of the plant in order to meet the permit requirements.

Mr. Phelps asked about the chlorine contact tanks. Mr. Olson explained that the chlorine contact tanks would be entirely eliminated, as well as the sand filter building.

Mr. Olson stated, however, that there have been some preliminary discussions about using the sand filter building as a maintenance facility. Mr. Voogt agreed adding that there was even a flow plan developed at one time. Mr. Phelps commented that the building itself is still sound.

Mr. Phelps stated that it is a very interesting plan. Mr. Voogt stated that he would like to provide a tour of this type of facility in his area (Neenah, Wisconsin).

Mr. Olson explained that, originally discussion was held about using one of the current aeration banks for aerobic digestion and not use the existing digesters at all. However, it is unsure how fast expansion will be needed. Additionally, aerobic digestion is tricky in the cold weather. Mr. Voogt agreed and added that it is 100% energy consumption.

Mr. Olson advised that they decided to take another look at the current digesters to generate some gas and use the gas rather than buying NIPSCO gas. This is exactly what McMahon Associates came up with.

Mr. Voogt explained that they believe that there is enough tank capacity there to convert all of three current digesters to primary digesters with sufficient mixing and heating as well as to produce the methane gas necessary, resulting in an approximate savings of \$500,000 per year.

Mr. Olson advised that there are some current minor things where our influent comes in, explaining that if it stays below 36 MGD for the instantaneous flow rate all of it goes through the headworks of the plant. However, if it exceeds that amount, it is actually bypassed directly into the storm basin building and then into the second chamber. Therefore, during large storms, you can conceivably have the diurnal basin not completely full but still be putting flow into the second basin. This has happened in the past.

Mr. Olson explained that we would rather fill the diurnal basin first and then cascading over to the next basin and then to the final basin. Therefore, this will be converted over to correct the situation.

Mr. Phelps asked if there will be a bar screen there as well. Mr. Olson advised that the bar screen will be replaced since it has outlived its useful lifespan.

Mr. Olson advised that discussion has also been held about adding a second belt press explaining that there is additional sludge production projected and we have always

gotten by with having one belt press. However, he also reminded the Board that it was necessary to bring in a temporary belt press earlier this year due to a complete rebuild of our current belt press.

Mr. Olson also explained that there is room in the building for an additional belt press because the building was originally designed that way. This way, we are also covered for any contingencies in the future. We are trying to make this expandable, not only for future flows, but we are also trying to make it a little more fail safe.

Mr. Olson stated that he is very excited about this plan commenting that getting away from chlorine and dechlorination is the right move. In fact, for many years, the State has been pushing to get away from those because of the potential to create chloral-hydrocarbons that could be in the stream. Mr. Phelps agreed pointing out the dangers of chlorine as well as corrosion.

Mr. Olson advised that he personally worked at a treatment plant that used UV disinfection and it absolutely works great.

Mr. Walus commented that McMahon Associates has performed treatment plant designs throughout the Midwest. Mr. Voogt pointed out that McMahon Associates recently celebrated its 100<sup>th</sup> anniversary.

Mr. Walus asked, if the District is successful in implementing the plan as the McMahon staff has lain out, how Mr. Voogt would rate the level of our proposed processes as far as utilizing efficient current technology compared to what other treatment plants are doing across the Midwest. Mr. Voogt answered that this is at the top for the portion currently being discussed.

Mr. Voogt pointed out that there are some higher-tech versions of anaerobic digestion and those are spelled out a bit in their preliminary report. These can potentially achieve higher volumes of solids destruction and produce Class A biosolids for direct consumption by gardeners, farmers, etc. Mr. Voogt pointed out, however, that the problem with these systems is that they are almost all odor producers and the District is not in a good vicinity to have an odorous operation. This is seen as the biggest drawback.

Mr. Voogt stated that there are some of these operations in the area of his company such as an autothermic aerobic digestion system and temperature phase anaerobic digestion systems. He explained that these systems are higher in cost and have different degrees of difficulty to operate, as well as more odor potential.

Mr. Voogt explained that it was his assessment that converting over the current tankage over to a more efficient anaerobic digestion system of the traditional flavor is the proper thing to do in a neighborhood setting.

Mr. Olson added that he and Mr. Voogt discussed the solids handling explaining that District staff is used to using traditional digestion processes and it will be nothing new to learn. More importantly, however, it was stressed to McMahon Associates that we need a plant that is easy to operate and maintain and doesn't cost that much more to operate so that the users get the same "bang for their buck". McMahon Associates have been very receptive to this request.

Mr. Voogt stated that McMahon has many clients that come to them that want to jump on the green bandwagon in an effort to make energy and sell it. Mr. Voogt stated that McMahon never shies away from those challenges so there are different plants where they have put in things like micro-turbines and things like that. However, he is yet to have one that he feels successful about, explaining that quite often you spend an additional \$2 Million and you have a white elephant sitting there that never runs.

Mr. Voogt explained that sometimes you want it to happen so bad that you overestimate your gas production and how clean the gas would be, and underestimate what it would take to condition the gas to heat up your engine. When you have a goal that you are so focused on, you can distort your assumptions to get there. Mr. Phelps agreed.

Mr. Voogt stated that he really tried to stay away from that here because he has been doing this too long.

Mr. Voogt stated that if you would get an operation like the proposal going and then, five years down the road, Mr. Olson says that the operation is so efficient that there is so much excess gas, then you could look at putting in a micro-turbine or something to sell electricity. However, he would not invest in it at this time. He suggested getting the District to energy-neutral first.

Mr. Olson advised that the efficiency and energy savings on this plant would be seen by being able to utilize the gas from the digesters rather than buying NIPSCO gas.

Mr. Olson advised that the other thing is that we will be getting rid of many blowers. Even though these units still have blowers they will be much more power efficient than the old inefficient blowers. Mr. Voogt added that the new blowers would be on variable power consumption to match the dissolved oxygen requirements exactly with no excess energy for mixing or anything like that. He stated that it is a great system.

Mr. Voogt stated that he is anxious to get the final design and get going on it.

Mr. Olson then advised that the Board packets included a copy of the memorandum that Mr. Voogt prepared with projected final engineering costs for biddable plans and specifications in order to move forward.

Mr. Walus advised that, as part of the original plan, McMahon presented an overall cost estimate of different components and plans with some dollars for engineering and contingency.

As a result of the latest work they have done, they have been able to zero in on engineering costs and refined the equipment costs.

Mr. Walus explained that the District is working with Cender & Associates to take all of the required costs of the Master Plan construction along with the engineering proposal we have now to prepare a long term financial plan that we anticipate having completed in the first quarter of 2010.

Mr. Walus advised that we plan to bring different options before the Board to try to acquire the funds we need to start the engineering process and put us on the financial road to build it once this is done.

Mr. Phelps commented that the District needs a full program that we can follow through on.

Mr. Olson advised that the District suggested that Mr. Voogt prepare a formal proposal for the Board's consideration that will probably be presented to the Board next month, which can then be addressed at that time.

Mr. Phelps commented that it all has to "walk down the street together".

Mr. Walus added that it has been some time since we have invited Mr. Voogt down to present an update to the Board so we felt that this is a good time to do so since the preliminary report is completed.

Mr. Phelps stated that Mr. Voogt's report is very interesting and he did a good job. He added that he understood about 50% of the report since it is a new process but it was very interesting.

Mr. Walus asked Mr. Phelps to share his story about the District's digester. Mr. Phelps explained that he inspected the concrete base of the digester when it was built in approximately 1952. He explained that he has been associated with the Sanitary District ever since 1952 in one form or another.

Mr. Phelps added that he cannot remember which digester it was, however he remembers that it was cold when it was done and the concrete was poured at night just to keep the actual sloping base of the digester going.

Mr. Phelps thanked Mr. Voogt and Mr. Olson for their reports.

**Mike Hoffman**

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

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

Mr. Hoffman commented that the safety award that the District received and Mr. Walus discussed this and last month is pointing these things out quite well.

In reference to drainage projects, Mr. Hoffman advised that the weather and funding at the end of the year has stopped most of the small projects and they will pick up again in the spring when weather, funding and asphalt is again available.

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

The Advisory Committee is awaiting the results of the fall IDEM audit of the MS4 Program. Additional program changes may result from the audit.

Each building permit application is evaluated for the stormwater retention ordinance as well.

Mr. Phelps thanked Mr. Hoffman for his report.

**Jim Kintzele**

Mr. Kintzele advised that there has been a reduction of 1,556 tons for the first 11 months of the year. After he receives the figures from December, he will have a full report of the last 14 years, which is when they began keeping track of the tonnage figures. He is confident that it will show between an 8% and 10% reduction.

Mr. Kintzele advised that the Refuse Department will begin servicing the Hidden Shores and Long Beach Cove areas at the beginning of 2010. These areas are connected to sanitary sewers and entitled to refuse pickup, resulting in the addition of 71 new pickups.

Mr. Kintzele also advised that there will be an additional 30 pickups added on Cleveland Avenue (Rittenhouse Senior Living Facility) that the Refuse Department will be servicing. Trash bins are being distributed on request because some of the facility is not yet occupied.

In reference to the holiday schedule, Mr. Kintzele advised that the crews will be working on Christmas Eve and New Year's Eve Thursdays, they will be off on Christmas Day and New Year's Day Fridays, and working on each of the following Saturdays to pick up the Friday routes.

Mr. Phelps thanked Mr. Kintzele for his report.

**Attorney Nelson**

Attorney Nelson advised that he has submitted a letter to the Board advising that, should the Board so choose to retain his firm for legal services for 2010, the rates will remain unchanged.

Attorney Nelson stated that this is the third or fourth year that their rates have remained unchanged. In keeping with the economy and the District's employees continuing to not receive increases, his firm's rates will remain the same as well.

Mr. Phelps stated that this is great and, with that, he doesn't see how the Board can do anything else but to retain the firm for the next year.

Attorney Nelson then advised that Lamar Companies currently have an advertising on some property owned by the District. He explained that the Lamar Companies sent a letter to Mr. Walus in November asking for some renegotiation.

Attorney Nelson advised that he will work with Mr. Walus and communicate with Lamar to work through the issues that they want to discuss. If there is anything that requires Board action, Attorney Nelson will bring it back to the Board.

Attorney Nelson advised that there are 12 delinquent accounts to be recorded as liens, in the total amount of \$1,638.29, 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 \$1,638.29 as submitted – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

Attorney Nelson then submitted 11 liens to be released due to satisfaction of the liens, in the total amount of \$2,026.93 and advised Board action is necessary.

Mr. Phelps entertained a motion on the matter.

Mr. Strauss made a motion to approve the Releases of Lien, in the total amount of \$2,026.93, as submitted – seconded by Dr. Jones. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

Attorney Nelson then advised that there are no bad debts to declare this month.

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

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

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

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

**Old Business**

There was none.

**New Business**

Mr. Phelps entertained a motion regarding Legal Counsel for the Sanitary District for 2010.

Ms. Simmons made a motion to retain the law firm of Braje, Nelson & Janes – seconded by Dr. Jones. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

Attorney Nelson thanked the Board for the confidence in his office.

Dr. Jones added that, although the Board greatly appreciates the retention of the rates, it is not all about money. It is about confidence in the abilities and, if that were not the case, it wouldn't matter how much the Board is paying. Dr. Jones believes that this is the part that we should focus on in this renewal.

Attorney Nelson appreciated Dr. Jones' comments.

Mr. Phelps added that it is good working with Attorney Nelson. The Board agreed.

Attorney Nelson thanked the Board for the vote of confidence.

Mr. Phelps then entertained a motion regarding the General Manager for the Sanitary District for 2010.

Dr. Jones made a motion to retain Al Walus as General Manager – seconded by Ms. Simmons. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

Mr. Phelps stated that it is good to have Mr. Walus aboard again. Mr. Walus appreciated Mr. Phelps' comments.

Mr. Walus advised that the Board packets included the monthly meeting schedule for the Board of Commissioners for 2010 advising that this schedule reflects that the meetings will be held on the fourth Wednesday of each month, with the exceptions of the meetings in November and December, which are set one week earlier due to the Thanksgiving and Christmas holidays.

Mr. Walus then informed the Board that the District has an employee that has been on medical leave under FMLA due to a serious illness since September 20, 2009, when his short-term disability benefits expired.

The employee is unable to return to work at this time and is currently under doctor's care with a regimen of treatment.

The District has received information from the employee's physician that the employee should continue to remain off work until a scheduled appointment on January 8, 2010, at which time the condition will be re-evaluated. The physician will then supply further information to the District regarding the employee's condition.

Mr. Walus requested that the Board grant this employee a Leave of Absence for medical reasons for a two month period, after which time the employee, physician and District will have a better idea of the employee's condition and prognosis.

Mr. Walus advised that this employee has been employed with the District a very long time, so it is staff's recommendation to seek Board approval for a two month Leave of Absence for medical reasons, at which time we will bring the matter back to the Board for, hopefully, a final resolution.

Mr. Phelps entertained a motion on the matter.

Dr. Jones made a motion to approve a two-month Leave of Absence, as requested – seconded by Mr. Strauss. No discussion or comment on the matter. Motion carried 5 – 0 in favor.

In reference to this matter, Mr. Walus advised that Mr. Olson has been able to temporarily fill that position by reassigning some of his maintenance staff to perform the operator duties and this has been going on for some time.

In order to maintain full staffing in the Maintenance Department, Mr. Olson has requested approval from Mr. Walus for a temporary Operator I position to be filled until the work status of this absent employee is resolved.

Mr. Walus explained that the District did recently advertise in the News-Dispatch and received 48 applications for this position and Mr. Olson has reviewed the applications.

Mr. Walus advised that three of the 48 applicants have wastewater treatment experience. Those three individuals have been contacted and Mr. Olson will be interviewing them to determine their experience level and capabilities compared to the job description that they were provided when they applied.

Mr. Walus advised that our intent is to hopefully find an individual, within that pool of applicants, who best meets those requirements and potentially offer a temporary full time position for six months to be able to provide enough staff to operate the treatment

plant. During this time, the final resolution with the employee on medical leave will be resolved and we would either end the employment with the temporary employee or possibly convert the temporary staff person, if they perform adequately, to a full time position.

Mr. Walus explained that we are trying to work through the illness issues with a long time employee and Mr. Olson put together a very effective way to work through it, and this is our next step.

Mr. Walus then advised that he has learned, through a very highly respected confidential source, that one of our Commissioners was recently honored.

Mr. Walus then asked various staff members to come forward with some envelopes addressed to each Commissioner.

Mr. Walus explained that it has been reported that Dr. Jones was recently honored at Indiana University South Bend with a personalized Christmas ornament. Therefore, we would like to present to the Commissioners, as well as Attorney Nelson, a small token of appreciation from staff. We did not want to be outdone by the staff at IUSB.

As the Commissioners opened their envelopes, Mr. Walus explained that we have personalized Christmas ornaments with the Sanitary District logo on one side and a photograph of the Board on the other side.

Mr. Phelps commented that it is very clever and thanked Mr. Walus.

Dr. Jones commented that he wanted to say what he said when receiving the ornament at IUSB, "I better not see this on EBay when I get home."

The Board thanked the staff.

There will be an organizational meeting of the Board of Sanitary District Commissioners  
**January 27, 2010 – 12:55 p.m. – Election of Officers**

The next regular monthly meeting of the Board of Sanitary District Commissioners –  
**January 27, 2010 – 1:00 p.m. - 1100 E. Eighth Street**

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

/ Linda G. Simmons/  
Linda G. Simmons, Secretary