EAST CHICAGO WATERWAY MANAGEMENT DISTRICT
BOARD OF DIRECTORS MEETING

Transcript of the meeting of the East Chicago Waterway Management District had on the 20th day of March, 2013, at 5:10 p.m., at the East Chicago City Annex Building, 4444 Railroad Avenue, East Chicago, Indiana.

APPEARANCES:

MR. JOHN FEKETE, Board President

MR. ERNEST JONES, Board Vice-President

MR. JOHN BAKOTA, Board Member

MR. RAY LOPEZ, Board Member

MR. HENRY RODRIGUEZ, Board Member

MS. ELLEN GREGORY, Board Attorney

MR. FERNANDO TREVINO, Executive Director

MR. TIM ANDERSON, Clifton Larson Allen

MR. MIKE NGUYEN, U.S. Army Corps of Engineers

MR. DAVID ALONZO, BMO Harris Bank

TRANSCRIBED BY: Mary L. Slafindor

SLAFINDOR COURT REPORTING
315 South Court Street
Crown Point, IN 46307
Telephone: 219-662-4060
Facsimile: 219-662-2529

MR. FEKETE: I'd like to call to order the March 20th meeting of the East Chicago Waterway Management District. The time is 5:10.

Before we go to the roll call, I would like to make mention of the fact that this past week we were informed of the passing of Steve Zabroski. Many of you know Steve, and he's been a long-time attendee of this particular meeting. And his presence will be sorely missed. And we've always appreciated his very straightforward reporting, and he's always done a good job on keeping the public informed of the activities of this particular group. So again, I just wanted to make mention of that fact.

For those of you who may not have seen any particulars, we have a copy of *The Times*, so after the meeting you can take a quick look at it.

Call to order. Ernie Jones?

MR. JONES: Here.

MR. FEKETE: John Bakota?

MR. BAKOTA: Here.

MR. FEKETE: Henry Rodriguez?

MR. RODRIGUEZ: Here.

MR. FEKETE: Ray Lopez?

MR. LOPEZ: Here.

MR. FEKETE: John Fekete, here.

Mike Ebert? Rich Gomez? We have a quorum.

The consulting report, Mr. Trevino.

MR. TREVINO: Yes, Fernando Trevino with FMT Consulting. Like to start off with reviewing the contents of your board packet.

You have the board minutes for the February 20th, 2013 board meeting.

You have the financial statements from Clifton Larson dated February 28th, 2013. The claim docket for approval consideration, March 20th, 2013.

You have Special Waste Profile Recertification, along with a letter from Arcadis dated March 6th, 2013. And the profile recertification is dated and signed by me March 13th, 2013.

You have in your board packet Resolution 2013-2A. It's an amended resolution regarding the Jeorse Park Beach Modeling Study. And that's on the agenda for consideration.

You have in your packet manifest sheets for -- there should be 15 of them -- for roll off boxes on the south tank farm for my signature and review.

You have a notice of change of agency coordinator. And the names on the form is John

Fekete, as president of the board, and Fernando Trevino, and it's got me listed as the executive director. And that's for approval and for signature.

You have in your packet an insurance proposal. It's dated March 19th, 2013, and it's titled Acuity Property Quotation, Customer Copy. That's on the agenda for approval consideration.

You have in your packet a 3-way contract between the Waterway Management District, Ellen Gregory and Mirko Blesich, which his company is Municipal Real Estate Advisors. As I mentioned, that's on the agenda for approval consideration.

You have a summary of the 2013 user fee collections to date, along with the deposit memos and receipts.

You have information from Boyce (phonetics) regarding software, and I'll elaborate on that in a second.

You have in your packet a March 12th, 2013 from Union Tank Car regarding the parcels of property they're claiming they no longer own. So we'll be following up on that.

You have a Citizens Bank statement dated 2-28-2013. There's 2, one ending in 608, the other ending in 616, same date.

1 You have a BMO Harris Bank
2 Facilities Trust Report dated March 18th, 2013. Harris
3 brokerage account statement for account ending in 534
4 for the month of February, 2013. You have in your
5 packet BMO Bank account statement for account ending in
6 712, and ending in 761 for the month of February, 2013.
7 You have a notice from Partners for
8 Clean Air annual luncheon meeting, which will occur on
9 April 18th at the Lost Marsh.
10 You have an Arcadis report dated
11 February 26th and February 28th. And one is for the
12 recovery for the month of September, 2012, and the other
13 is for October, 2012.
14 You have a memo from the Department
15 of the Army dated March 15th, 2013, from Colonel
16 Drummond. And you have the monthly report to the board
17 from the Army Corps dated March 20th, 2013.
18 And Attorney Ellen Gregory's report
19 dated March 20th, 2013. That concludes the items in
20 your board packet.
21 On an update on a couple items. At
22 the last meeting, the board approved the first reading
23 on a resolution for Jeorse Park Modeling Study. After
24 further discussion, it was decided that it would be a
25 good idea to amend it. So on the agenda today is an

amended resolution, and it will be the first reading under the amended resolution.

I mentioned you have a spreadsheet in your packet summarizing the 2013 collections.

Ellen and I met with Mr. Randy Vale yesterday regarding insurance. There's a proposal on property coverage for up to $25,000 in your packet. And that's on the agenda for approval.

The Great Lakes Legacy Act. I completed a draft application that was sent to the EPA on March 1st, 2013 for their review. Mr. Scott Ireland has responded that they will be looking at it and getting comments back to us.

The business cards for the board were ordered and handed out.

I attended the city's lakefront development public meeting last week. Other ongoing regular meetings include the canal oil response, the dredging project meetings and the BP biweekly meetings.

Ellen has sent a copy of the user fee appeal form to the Indiana Public Records Commission for their review and approval. I'll let her elaborate on that during her report to the board.

The Indy Boulevard parkway improvement meeting was held last week, Thursday. The

Corps will be reviewing some options and costs as a result of that meeting.

We've been doing a self-assessment of our user fee collection process. Some of the opportunities to improve our process include finding a software that will better manage all the data that is collected through the user fees, so in the event that information is needed on the user fees, whether it's a parcel number or the collection status, it will be a lot easier to access that type of information. So Mr. Tim Anderson and I have been working on that on some software availabilities.

Finance committee meeting was held yesterday. Some of the things we discussed was the strategic planning process. I'll be talking to a consultant and getting a proposal from him on what it would take to provide those services to the District. We discussed a direction of future maturing CDs, and Mr. Alonzo can elaborate on that during his report. We talked about the hiring of a real estate consultant. And as I mentioned, that's on your agenda, and it's a 3-way contract between the District, Attorney Ellen Gregory and Municipal Real Estate Advisors. We've used Mr. Mirko Blesich in the past and he's done a good job. And we also talked about the user fee management

software.

I mentioned the air quality meeting on April 18th. I did ask if that invitation was open to the board members, and the answer was yes. So if anyone's interested in that, you either go online and register, or you can let me know and I can register for you.

We have a conference call meeting tomorrow, Ellen and I, with the attorney general's office regarding establishing collection process for companies who are past due on user fees.

Manifests. As I mentioned, I signed the profile on behalf of the District, and a copy of that is in your packet. And I'll be doing a site visit tomorrow as part of signing of the 15 manifests that are in your packet. And that will probably happen sometime after 2:00 p.m. I don't know if any board member is interested in joining me, you're welcome to. And that concludes my report.

MR. FEKETE: Any questions for Mr. Trevino?

(NO RESPONSE).

MR. FEKETE: Thank you very much. Approval of the board meeting notes for our last meeting dated February 20th. Entertain a motion.

MR. JONES: I move to accept.

MR. BAKOTA: Second.

MR. FEKETE: All in favor signify by saying aye.

THE BOARD: (Collective "aye").

MR. FEKETE: Any objections, abstentions?

(NO RESPONSE).

MR. FEKETE: Motion approved. Accounting consultant report, Mr. Anderson.

MR. ANDERSON: Tim Anderson, Clifton Larson Allen. You have a copy of our report. This is for the 2 months ended February 28th. The first page with numbers on it shows that through February, we've received $309,000, which is made up of $236,000 from the trust; that was our budget transfer. And we've collected $72,647 in user fees to date. And then you can see our disbursements. Legal, engineering, accounting, all of those good things we pay for. So there's been an increase in our cash accounts since January of $262,000. Balance at the beginning was 1.2 million, and now we have 1.5 million between the operating account and the user fee account.

The next page with numbers on it is just a summary of those 2 accounts. And we break out

the interest by month and the cash disbursements. We did transfer money from our user fee account to the operating checking account for the user fee portion of our budget, which is the 122. And that's how the balance in the accounts fall out. There's 404 in our operating, and a million 1 in our user fee account.

The last page -- and I tried to make this as big as I could. I don't know what I'll do as the months go by, but for now it's good. You can see the budget, which is what you guys passed for '13. We get to add to that budget the things that weren't paid by December 31st but attributable to last year. So our total appropriation is the 451,000, and then each month we pay our bills down. So you have this available budget left, and what that available budget left is, is the balance of our checking account. So there's 404,000 left of our 2013 budget. And we break it down by line so that we can keep track of how much budget we have left when we cut checks.

Any questions?

(NO RESPONSE).

MR. ANDERSON: Thank you.

MR. FEKETE: Accounts payable voucher. We have it in our packet. I'll entertain a motion to approve the accounts payable.

MR. LOPEZ: I motion to approve.

MR. JONES: Second.

MR. FEKETE: We'll have a roll call vote. Ernie Jones?

MR. JONES: Yes.

MR. FEKETE: John Bakota?

MR. BAKOTA: Yes.

MR. FEKETE: Henry Rodriguez?

MR. RODRIGUEZ: Yes.

MR. FEKETE: Ray Lopez?

MR. LOPEZ: Yes.

MR. FEKETE: John Fekete, I vote yes. Mike Ebert? Rich Gomez? Motion to approve the accounts payable voucher is positive.

Next on the agenda is the resolution on the Jeorse Beach Modeling Study. Upon further review and discussion, we amended the resolution that was approved last month, and amended it by including basically the language to include that we would be agreeing to pay $40,000 pending the approval of the Indiana Department of Natural Resources on the project. They are actually the state sponsored agency that will be putting up the other half, so we wanted to make sure that there was a linkage between our contribution and theirs as well.

So I will entertain a motion to approve the resolution.

MR. LOPEZ: Does that include the amendment?

MR. RODRIGUEZ: Make a motion to approve the amended resolution.

MR. BAKOTA: Second.

MR. FEKETE: Ernie Jones?

MR. JONES: Yes.

MR. FEKETE: John Bakota?

MR. BAKOTA: Yes.

MR. FEKETE: Henry Rodriguez?

MR. RODRIGUEZ: Yes.

MR. FEKETE: Ray Lopez?

MR. LOPEZ: Yes.

MR. FEKETE: John Fekete, I vote yes. Mike Ebert? Rich Gomez? Motion is approved.

MR. TREVINO: Just a question of clarification. Should this resolution be with today's date and signed today, or should it wait for the second?

MS. GREGORY: I think it should be signed today as a first reading of the resolution.

MR. FEKETE: The next item on the agenda is the approval for Mr. Trevino to sign the 15 disposal manifests. I'll entertain a motion.

MR. RODRIGUEZ: So moved.

MR. FEKETE: Do I have a second?

MR. JONES: Second.

MR. FEKETE: We have a motion to approve and a second. I'll have a roll call vote on this as well. Ernie Jones?

MR. JONES: Yes.

MR. FEKETE: John Bakota?

MR. BAKOTA: Yes.

MR. FEKETE: Henry Rodriguez?

MR. RODRIGUEZ: Yes.

MR. FEKETE: Ray Lopez?

MR. LOPEZ: Yes.

MR. FEKETE: John Fekete, I vote yes. Mike Ebert? Rich Gomez?

MR. TREVINO: Can I ask a question, Mr. Fekete?

MR. FEKETE: Yeah.

MR. TREVINO: I put that on the agenda for approval because we've recently entered into an agreement with BP to take part in this. And I'm wondering, there's going to be more manifests in the future to sign. What's the pleasure of the board? Should I bring that every time it comes for signature to the board, or can I sign --

MR. FEKETE: Well, you're not going to be doing 15 at one time, are you?

MR. TREVINO: No.

MR. FEKETE: I wouldn't think so. So we'll just include it as part of our normal routine reporting and we can just approve it.

MR. TREVINO: So I'll put it on the agenda in the future.

MR. FEKETE: We can include it in your report, and saying we have 1 and I have signed it, or I'm ready to assign it. And we'll just approve your report along with that at the same time.

MR. TREVINO: Yeah. And the reasons there's 15 now, it's just there was --

MR. FEKETE: We're playing catch-up.

MR. TREVINO: -- discussion on what the process should be.

MR. BAKOTA: Have any been removed?

MR. TREVINO: No. After my visit tomorrow and signing off on them, then they will.

MR. FEKETE: Next item is the notice of change of agency coordinator.

MR. TREVINO: I'm going to defer to our attorney on this one.

MS. GREGORY: Should I just do that

as part of my presentation, or do you want me to do it now?

MR. TREVINO: Well, they're going to consider voting on approving it, so you probably need to talk about it now.

MS. GREGORY: Ellen Gregory. This came up when we were looking at the requirements for record keeping for all of the documents relating to the District. And Fernando and I spoke with a couple of representatives of the Indiana Public Records Commission, and noted that there was this form that's supposed to be filed with the state identifying who is actually the records coordinator for every agency is. So this is the form that needs to be submitted to that agency so that Fernando is on record as being the contact in case anybody wants to file a request for records of the District.

MR. FEKETE: I'll entertain a motion to proceed with that change of agency coordinator document.

MR. LOPEZ: Motion to accept.

MR. FEKETE: Do I have a second?

MR. BAKOTA: Second.

MR. FEKETE: All in favor signify by saying yes.

THE BOARD: (Collective "yes").

MR. FEKETE: Any opposition, any abstention?

(NO RESPONSE).

MR. FEKETE: Motion approved. Property insurance coverage?

MR. TREVINO: As I mentioned, you have in your packet a proposal for coverage of property owned by the Waterway Management District, and this is more stuff like office furniture, computer, file cabinets and that type of stuff. And the limit is $25,000 and the cost is $254.

MR. FEKETE: I'll entertain a motion to accept the property insurance coverage document.

MR. BAKOTA: Motion to accept.

MR. RODRIGUEZ: Second.

MR. FEKETE: We have a motion and a second. All in favor signify by saying yes.

THE BOARD: (Collective "yes").

MR. FEKETE: Any objections, any abstentions?

(NO RESPONSE).

MR. FEKETE: Motion approved. Next item is Ms. Gregory, real estate advisor's contract.

MR. GREGORY: I'll just briefly go

through. I think Fernando mentioned in general what this contract is. Mirko Blesich is an advisor, lots of knowledge on real estate transactions and identifying easements and pipeline easements. He had helped us earlier transfer the ownership of the parcels from the East Chicago Property Improvement Corporation to the District.

And this is basically an agreement to retain his services for real estate issues moving forward, which would include transfers of the parcels that are owned by the District, which we are considering moving forward with. And then other real estate issues related to certain parcels on the CDF property. And the way we have set it up is Municipal Real Estate Advisors will be reporting to me, as the attorney for the District, and the District will be a third party signing on and being responsible for payment of invoices. And Mr. Blesich has agreed to accept payment up to 60 days after the invoice is submitted to allow us to get the approval from the board, and then I will end up paying his invoices directly.

MR. LOPEZ: He's local, right, and he's done this before?

MS. GREGORY: He's worked with us before, yes.

1 **MR. FEKETE:** Any questions?

2 **(NO RESPONSE).**

3 **MR. FEKETE:** I'll entertain a motion

4 to accept this consulting service agreement.

5 **MR. RODRIGUEZ:** Motion to accept.

6 **MR. FEKETE:** Do I have a second?

7 **MR. LOPEZ:** Second.

8 **MR. FEKETE:** Roll call vote. Ernie

9 Jones?

10 **MR. JONES:** Yes.

11 **MR. FEKETE:** John Bakota?

12 **MR. BAKOTA:** Yes.

13 **MR. FEKETE:** Henry Rodriguez?

14 **MR. RODRIGUEZ:** Yes.

15 **MR. FEKETE:** Ray Lopez?

16 **MR. LOPEZ:** Yes.

17 **MR. FEKETE:** John Fekete, I vote

18 yes. Mike Ebert? Rich Gomez? The motion to accept the

19 consulting service agreement has been approved.

20 Harris Bank trust report. Mr.

21 Alonzo.

22 **MR. ALONZO:** David Alonzo with BMO

23 Harris Bank. I'm going to run through our report here.

24 Page 1 is our basic chart showing the historical values

25 of the trust account since 1997 till now. And then also

the disbursements from 1997 up until now. This report is as of March 18th.

Page 2, the value as of March 18th was $6,129,318. That was a difference from our last meeting of $236,892. We did a disbursement from the trust account last month, which was for $236,975. We have -- the difference between that negative and what we took out was there was a positive gain of about $90 worth of interest from last month. That interest was attributed to the money market account that we had.

Page 3, we've got a new little pie chart on there for Ray. You had requested that we get a little chart to show how the money was allocated. I believe last time around there was a chart similar to that. But this will go through the money market balance. So the money market balance as of right now is $553,334. That's pretty much in the ballpark of what we wanted to keep in that account at all times.

The one thing I have highlighted here in the yellow is what we discussed during the finance committee. On April 19th, we will have a CD maturing for 1.5 million dollars. There's going to be some interest that will be paid, of course, on it at maturity, so it will be worth more.

The conversation that we had, I

1 wanted to go back and talked to our fixed income
2 department to see what was available for terms of about
3 3 years or less. And the trust is restricted on what we
4 can invest in. It's really FDIC, government bonds,
5 agency bonds. And at this time, as I mentioned,
6 treasury bonds are extremely low; we're better off in
7 CDs. And agency bonds are not much better either. Our
8 3-year CD is pretty equivalent to what we're going to
9 find in an agency bond. And it just makes sense at this
10 point to keep it in a CD. I think Mike had recommended
11 that he felt most comfortable keeping it 2 years or
12 less, the CD. I did note that we did not have anything
13 maturing in 2014 for the CDs. So what we had come to
14 the conclusion was, when this CD does mature, we would
15 turn around and do a 13-month CD at the current interest
16 rate's right now at .35. I'm still waiting to see if I
17 can get approval for an increase in that rate. So I'm
18 going to be hearing back on that. But at least we know
19 it will be at least 35 basis points as of now.
20 I did take a look at a 2-year
21 interest rate, and the interest rate on a 2-year CD is
22 actually the same as our 13-month special. I know it's
23 nothing special about it. But for what it's worth, it's
24 .35.
25 The next meeting, we will have some

interest credited from our 60-month CD. You can see that on March 28th of this month there'll be some interest that is credited to that CD. And then really after that, we'll have one maturing in October.

At the next meeting, I'll bring a letter of instruction to have John sign to show that when this CD does mature on April 19th, we will move those funds into a 13-month CD.

Any questions?

MR. FEKETE: Any questions?

(NO RESPONSE).

MR. FEKETE: Thank you very much. Army Corps report, Mr. Nguyen.

MR. NGUYEN: Hi. Mike Nguyen with the Army Corps of Engineers. I'd like to give a briefing.

For the CDF construction, the groundwater gradient control. Still having ongoing testing and repairs of the gradient control system.

The facility and dredging operation plan. The dredging operation is still shut down for the winter, and we will be discussing with the contractor on potentially when to restart dredging operations. So we're anticipating sometime in April. And the Dickey Road closure, we'll be opening up the Dickey Road

closure. So we'll keep the board informed of that, the start of dredging.

I've added a new construction contract is the retrofit contract. We're currently developing scope of work to repair the main entrance ramp, install additional extraction wells, install (inaudible) and improve the parkway. We're still coordinating with board members on the parkway improvement and we'll get back to the board on sort of the cost and plans to be implemented.

CDF documentation for the permits. The Corps is still gathering information for the submission of the TSCA permits, and we're still coordinating with BP for the oil boom. We're going to have to do additional coordination just before we start dredging operations.

For the PCA and the work in-kind documentation. Work is still ongoing. And that's all I have.

MR. FEKETE: Any questions for Mr. Nguyen?

MR. BAKOTA: Mr. President, I'd like to bring up, and also Mike. We met with the beautification of the parkway parallel to the CDF. We met with Mike and his people, and we talked about that

fabric on the fence.

MR. NGUYEN: Yes.

MR. BAKOTA: And there's a high maintenance cost to it. We voted once I know to keep the fabric up. They suggested if they took 2 sections down, 2 or 4 down, to expose the side of the CDF, leave it that way for sometime and see if we get any complaints from the citizens or anybody complaining. They're going to redo the roadway where there'd be less dust contamination. So we agree that we'll bring it up in front of the board. So after this, I'll make a motion that we allow them to take down a section.

MR. TREVINO: On a trial basis?

MR. BAKOTA: On a trial basis, yeah.

MR. FEKETE: Would they -- are you finished? I'm sorry.

MR. BAKOTA: Yeah.

MR. FEKETE: Would you do this before or after you improve the road?

MR. NGUYEN: We would like to do it before we improve it, just to see, because the public doesn't get to see the other side of the fence. Basically, more of a prairie type grass along the CDF.

MR. BAKOTA: There's not much traffic on that road now though, is there?

MR. NGUYEN: No. The only traffic would be with the Corps vehicle.

MR. BAKOTA: Light vehicles?

MR. NGUYEN: Light vehicles. Basically trucks, sedans.

MR. FEKETE: I guess the point of my question is, isn't the barrier also to prevent dust from blowing through? And if the roadway isn't improved, then it still might kick up dust.

MR. NGUYEN: We'll control the dust within our road. The main purpose for the fabric was during the construction of the dikes. And it created a lot of dust in which we wanted to put the fabric up to control the dust.

Now construction's done with basically dredging in the harbor and exposing the sediment through a pipe system, so we wouldn't have a lot of vehicles through the roads.

If the board would allow the Corps to remove a section of the fabric, maybe near the north end as a test program.

MR. BAKOTA: At the north?

MR. NGUYEN: At the north of the site, near Cline.

MR. FEKETE: I would like a member

of the board, presumably Mr. Bakota, to be present when you're taking this down. Because a test section in our mind might be different than what actually occurs when somebody goes out there.

MR. BAKOTA: Can you do it in feet, how many feet it would be?

MR. NGUYEN: No, because the fabric I think runs 50 feet. So unless you really want to get a good view, you might have to remove 2 or 3 sheets.

MR. BAKOTA: You mean 2 or 3 sheets of 50-foot sheets?

MR. NGUYEN: Yes, so maybe 150 feet.

MR. BAKOTA: That's a lot of fabric. I want it known that we're doing it as a test, because the board, we were pushed by this before that the Corps wanted it removed and we said no. 50 foot, that would remove a good portion of that section from the north side going south, the fence line. Cline Avenue running south.

MR. TREVINO: Mike, were you guys -- I thought during our discussion last week, also you mentioned something about doing something different on the roadway?

MR. NGUYEN: Yeah, we're looking into adding on some kind of mix to the gravel road to

control the dust. So some kind of an additive to the gravel mix. We're still investigating that.

MR. BAKOTA: You're talking 3 sections, you're talking 150 foot.

MR. TREVINO: If it's a test to determine if you need -- in the future you're not going to need it, it's probably not a bad idea to do 150 because it's going to give you a good snapshot of what you're going to see in the future. You know what I mean? I mean, if the end result is to say we're going to do away with the fabric, it's probably a good idea to do something that's going to be representative of what the future's going to be.

MR. BAKOTA: I'd like some input from the board.

MR. RODRIGUEZ: For the length of what we're talking, the whole length of the CDF of the fence, I think 150 feet would be a good shot, because like he said, you're talking quite a bit of fence there. And 50 feet from that whole length might not give you enough.

MR. TREVINO: And there's 2 major things that have resulted in less dust. One is, there's no heavy equipment going back and forth. And then the other is, the improvements on the roadway. So it's

probably not a bad idea.

MR. FEKETE: 150 feet is 50 yards. Envision half a football field, it's really not that much.

MR. RODRIGUEZ: Picture your house, because I know my property from the front to the back is 130, 150 feet. So it's about that. And like I said, for the whole length of that fence, 150 feet.

MR. LOPEZ: So this is a trial, and if it turns out okay, then you're going to take off the rest?

MR. NGUYEN: We would slowly remove the rest until -- we won't remove everything all at once.

MR. BAKOTA: And if the board wishes it be reinstalled?

MR. NGUYEN: If the board wishes, if there was an issue, we'll first see what the issues are and try to resolve that. And we'll still insist on trying to reduce our maintenance cost, but if the board unanimously agrees to put it back, we'll put it back.

MR. FEKETE: So you have a motion to approve what we were just discussing?

MR. BAKOTA: Yeah, 150 foot of fabric removed from the fence line, starting at the

north end south. Is that your request?

MR. NGUYEN: Yes, it will be just the north near Cline.

MR. BAKOTA: Running south, 150 foot of fabric.

MR. NGUYEN: And you'll be present when we remove it.

MR. FEKETE: I will entertain a second to Mr. Bakota's motion.

MR. LOPEZ: I second.

MR. FEKETE: All in favor signify by saying yes.

THE BOARD: (Collective "yes").

MR. FEKETE: Any opposition, any abstentions?

(NO RESPONSE).

MR. FEKETE: Motion passes. Thank you.

MR. JONES: I'd just like to say one thing. I think it would be very helpful to ease the common citizens' concerns, because this is all covered and they read all this stuff in the paper about the CDF. They think it's a big nasty place. Now they can actually see it, it's nicely landscaped.

MR. BAKOTA: So that was the Army

Corps --

MR. TREVINO: Yeah, that was one of the points they made.

MR. BAKOTA: And if you see it in the summer with the wind blowing over that wheat or whatever they plant there.

MR. NGUYEN: Yeah, it's grass.

MR. FEKETE: Native vegetation.

MR. BAKOTA: It doesn't look bad at all.

MR. RODRIGUEZ: What kind of time frame are you looking at to take that down?

MR. NGUYEN: We could start probably the next few weeks, or earlier. Whenever the board wants.

MR. RODRIGUEZ: When the real spring shows up.

MR. BAKOTA: Yeah, I wouldn't want to be out there now.

MR. NGUYEN: We could wait until sometime in April. But we'll schedule a date when you're available to come out.

MR. BAKOTA: When it's warm, 80. That would be fine, whenever.

MR. FEKETE: Any other questions for

Mr. Nguyen?

MR. JONES: I had a question regarding the road improvements. You're going to improve the entrance. How many feet are you going back with that improvement?

MR. NGUYEN: We're actually lowering, making the slope less deep. So we're actually dropping it, so not like extending it out. So it's more of a safety concern during the wintertime because that slope is a little bit steeper.

MR. JONES: What's the roadway material? Is it asphalt, concrete, or crushed stone?

MR. NGUYEN: Again, we're still working on the scope. I believe it -- I think it might be concrete.

MR. JONES: Because that's my concern with moving it back and your road is crushed stone.

MR. NGUYEN: Right.

MR. JONES: Creating dust, especially at the entrance.

MR. FEKETE: Any other questions?

(NO RESPONSE).

MR. FEKETE: And again, we thank you, Mr. Nguyen.

MR. NGUYEN: All right, thanks.

MR. FEKETE: Next on the agenda is the Ellen Gregory report.

MS. GREGORY: I think I got left off because I wasn't here last month.

MR. TREVINO: Oh, yeah you did. I apologize.

MS. GREGORY: Mr. Fekete's putting me back in. Mostly I'm going to just elaborate on some of the items that Mr. Trevino raised.

On the insurance issue, there are kind of 3 different baskets that we're trying to cover. Those would be property coverage, liability and directors and officers. And as Fernando mentioned, we have some of the property coverage addressed with this quote that's in the board packet, and we're moving forward with Randy Vale to try and address the other topics.

Also in the packet is a March 15th letter from the Colonel of the Army Corps regarding 2012 dredging. And Mr. Trevino and I have looked at that and gone back to the Arcelor Mittal tipping fee agreement and compared those. We're going to be trying to meet with representatives of Army Corps to kind of go through that letter and add a little bit of detail so that we

have a better picture of what exactly was done in terms of cubic yards and costs for the 2012 dredging, so we know what kind of reconciliation needs to be done with what's already been paid.

Kind of along the same vein, we're trying to set up something with the Army Corps to talk through what the 2013 dredging will entail, so we have the estimates also to comply with the terms of the Arcelor Mittal tipping fee agreement.

We have a tentative meeting scheduled on April 10th with Kim Sabo, and I believe Mike Nguyen will be part of it, to go through some of that information, along with hopefully some more detailed, up-to-date financial information on cost of the CDF, mostly past costs and reconciling where we are with our payments.

Just to kind of reiterate. I think both of these items have been addressed. But in terms of record keeping, we have the records coordinator form that was approved today, and also we are in contact with a Sarah Bundy (phonetics), who is with the forms division of the Indiana Public Records Commission, to make sure that our user fee appeal form is properly approved by the state.

Tomorrow, Fernando and I have a

phone call with 2 representatives from the attorney general's office to talk about the possibility of having them assist us in pursuing non-payers of user fees. And apparently there's a memorandum of understanding whereby they can assist agencies like ours to do that.

And then I think I already pretty much described the MREA, the Mirko Blesich contract, but I'm willing to entertain any questions if anybody has anything on that. And that's all I have.

MR. FEKETE: Any questions?

MR. LOPEZ: Yes. Matter of information on the Army Corps. On the bottom of the page it says, "During the dredging operation, we encountered large amount of debris that exceeded our contract quantity."

MS. GREGORY: Yes. We were aware of that before we received this letter. And that's probably going to be part of our discussions when we have that meeting in April. It's my understanding that a lot of the debris that was found was boulders and rocks that were spilled in there to stop the wall from kind of caving in from the canal whenever that was, probably 10 years ago at least. And large amounts of other types of debris, just because they hadn't dredged in so long.

1 **MR. LOPEZ:** So there's going to be
2 an extra charge for that then?
3 **MS. GREGORY:** Yeah. And that was
4 part of what the Corps had been having to negotiate with
5 their contractor, because that was an additional cost
6 that they had anticipated. Is that right?
7 **MR. NGUYEN:** Yes. I want to make 2
8 statements. The stone that we placed to stabilize the
9 wall was in the Lake George branch. The larger amount
10 of debris, that's still inside the harbor when we
11 dredge. So we anticipated -- actually the contractor
12 estimated that there was basically almost a 10 to 1
13 ratio. Basically for every 10 cubic yards, they pulled
14 up 1 ton of debris. And so we actually finalized
15 negotiations with the contractor. We're revising our
16 costs for federal and non-federal dredging. And we
17 actually met with Arcelor Mittal today to discuss the
18 revised costs.
19 **MS. GREGORY:** You'll share that with
20 us, right?
21 **MR. NGUYEN:** Yes, we'll share with
22 you. And we wanted to make sure that Arcelor is fine
23 with sort of the new unit cost price and how it affects
24 their cost. So since the harbor hasn't been dredged for
25 40 plus years, we expected debris inside the harbor, but

it was a larger amount than what we anticipated.

MR. FEKETE: Any new business to come before the board?

(NO RESPONSE).

MR. FEKETE: Any other business?

MR. JONES: Yes. I've just got a comment regarding this waste profile manifest. Do we get copies back after it's delivered?

MR. TREVINO: Ask that again.

MR. JONES: On this hazardous waste manifest. We're the generator so we sign off on it, then it's transported and delivered. Do we get the confirmation that it's been delivered?

MR. TREVINO: Yes.

MR. JONES: We do?

MR. TREVINO: Yes.

MR. FEKETE: Any other questions?

(NO RESPONSE).

MR. FEKETE: Public comments?

MS. KING: Question.

MR. FEKETE: State your name please for the record.

MS. KING: Carla King, Cal Project. I'm requesting a copy of the board meeting notes for February and this month.

MR. TREVINO: You have my email, so you can easily email them. And one other comment on the dredging that's ongoing or when it starts. I know you're going to be measuring the toxins that's coming up, correct?

MR. BAKOTA: There's monitors.

MS. KING: They'll be monitors? And at some point the public will be made aware of?

MS. NGUYEN: All the information is on the website right now. We have realtime air monitoring data. So if you just go to the Corps website.

MS. KING: Just give it to me after the meeting, I can get the website.

MR. NGUYEN: Yes, I think if you just go to -- if you leave me your information, I'll forward you the website.

MR. FEKETE: Any other questions, comments?

(NO RESPONSE).

MR. FEKETE: Our next meeting will be April 17th at 5:00 p.m. I'll entertain a motion to adjourn.

MR. BAKOTA: Motion to adjourn.

MR. FEKETE: Do I have a second?

MR. RODRIGUEZ: Second.

MR. FEKETE: All signify by saying yes.

THE BOARD: (Collective "yes").

MR. FEKETE: No objections.

****

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

REPORTER'S CERTIFICATE

I, MARY L. SLAFINDOR, Court Reporter and Notary Public in and for the State of Indiana, do hereby certify that I have transcribed from my stenographic notes the above-entitled meeting of the East Chicago Waterway Management District Board of Directors Meeting. Said notes contain all of the statements made during the meeting, to the best of my ability.

I further certify that the foregoing transcript, as prepared by me, is a full, true, correct and complete copy of said stenographic notes made in the above-entitled meeting.

IN WITNESS WHEREOF, I have set my hand this 11th day of April, 2013.

Mary L. Slafindor

MARY L. SLAFINDOR, Court Reporter