

1 **MR. FEKETE:** I'd like to call to
2 order the April 17th meeting of the East Chicago
3 Waterway Management District Board of Directors.

4 We'll have a roll call. John
5 Bakota?

6 **MR. BAKOTA:** Here.

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

8 **MR. RODRIGUEZ:** Here.

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

10 **MR. LOPEZ:** Here.

11 **MR. FEKETE:** Mike Ebert?

12 **MR. EBERT:** Here.

13 **MR. FEKETE:** Ernie Jones?

14 **MR. JONES:** Here.

15 **MR. FEKETE:** John Fekete, here.

16 Rich Gomez? Okay, we have a quorum with six members.

17 The first order of business is the
18 consulting engineering report.

19 **MR. TREVINO:** I'd like to start off
20 -- Fernando Trevino with FMT Consulting. I'd like to
21 start off by summarizing the items in your board packet.
22 You have in your packet the minutes for the March 20th,
23 2013 board meeting for approval consideration.

24 You have in your packet the Clifton
25 Larson Allen financial report dated March 31st, 2013.

1 And the claim docket for today, April 17th, 2013.

2 You have in your packet a summary of
3 the 2013 user fee collections to date, and that's dated
4 today's date, April 17th, 2013. And you also have 3
5 deposit memos along with that, March 26th, March 28th
6 and April 12th.

7 You have in your packet
8 modifications of contract for professional services with
9 court reporter, Mary Slafindor.

10 You have in your packet a copy of
11 Resolution 2013-3 regarding executive director for the
12 Waterway Management District. And that's on the agenda
13 for approval consideration.

14 You have in your packet Resolution
15 2013-2(A) and also 2013-2(B). 2(A) was approved during
16 the first reading at the last board meeting. And 2(B)
17 has been slightly revised in the sense that there was a
18 -- one of the entities that was in the resolution was
19 incorrect. So that's been corrected in the 2(B)
20 version.

21 You have in your packet Citizens
22 Bank statement dated 3-29-2013 for account ending in 608
23 and 616.

24 You have the ECI Facility Trust
25 Report dated 4-16-2013 from BMO Harris. You have in

1 your packet a Harris date of notice 4-4 of 2013 for
2 account ending in 858. And another BMO Harris Bank
3 report dated for period of March, 2013 for account
4 ending in 761 and 712.

5 You have in your packet statements
6 from Peoples Bank regarding the tipping fee escrow
7 account and the dredging escrow account. And both of
8 them are for the month of March, 2013.

9 You have in your packet an IRS
10 notice dated April 8, 2013 that I'm working with Mr. Tim
11 Anderson to respond.

12 You have in your packet the Army
13 Corps' board report for today dated April 17th, 2013.
14 And a couple Army Corps letters, one dated March 15th,
15 2013, March 29th, 2013, April 9th, 2013. And you have
16 an email from the Army Corps requesting comments to
17 their driveway construction into the CDF. I have
18 forwarded that to the appropriate city department heads
19 to see if they have any comments.

20 You have in your packet Attorney
21 Ellen Gregory's report dated April 12th, 2013.

22 You have in your packet a letter
23 dated March 22nd, 2013, from myself to *The Times*
24 regarding Mr. Steve Zabroski, along with the actual
25 print statement in *The Times*.

1 You have in your packet an Arcadis
2 report dated April 1st, 2013 -- 2 of them dated April
3 1st, 2013. One is for the progress report for November
4 of 2012 and the other is for December, 2012.

5 You have in your packet a
6 spreadsheet that I put together to track the manifests
7 that we've signed. So that's the list that I've signed
8 on behalf of the District this year. And also attached
9 is the latest one I signed, which was April 9th, ending
10 in 862.

11 That concludes the items in your
12 board packet.

13 The Jeorse Park project, as a
14 reminder, an amended resolution to support the Jeorse
15 Park modeling study is on the agenda for a second
16 reading. Board members have asked for a presentation on
17 details of the project and an opportunity to ask
18 questions, and that presentation is on today's agenda,
19 as well as a second reading of the amended resolution.

20 User fees, as an update. I
21 mentioned there's a spreadsheet in your packet. We have
22 a meeting scheduled later next week, I believe, with
23 Boyce (phonetics). Tim Anderson and I will be
24 discussing their software abilities regarding the
25 management of the user fees. And also, as a reminder,

1 the April 1st deadline for the 2013 has come and passed.
2 So on the agenda I'd like to give an update on what our
3 thoughts are to pursue those users who haven't paid yet.

4 Ellen and I had a conference call on
5 March 21st with the attorney general regarding their
6 assistance in our collection of user fees. So there's
7 some follow-up information that we need to provide, and
8 we'll be providing that information to them.

9 Regarding the Great Lakes Legacy
10 Act, I have received comments back from the EPA
11 regarding the application that I drafted. A follow-up
12 meeting is scheduled tomorrow with EPA regarding that
13 proposal and schedule details.

14 Some of the ongoing regular meetings
15 that I attend on behalf of the District include the
16 canal oil response meetings, the Corps contractor
17 dredging project and the BP biweekly meetings.

18 The Corps held their dredging
19 project public meeting on April 3rd. Board members that
20 were able to attend included Henry Rodriguez, Ray Lopez
21 and Mr. John Bakota.

22 Manifests for the off-site disposal
23 materials for the south tank farm continue to be
24 provided to me for signature, so as I get those I'll
25 review and sign accordingly.

1 I had a meeting today with the folks
2 from the -- I'm not sure what the right term is for the
3 department -- but it's for the website that we've been
4 working on, and it's with the state. So I'm providing
5 additional information they requested. So hopefully
6 we'll have a website up and running in the next month or
7 2.

8 Herbie Cruz has been working with
9 INDOT on communication efforts regarding the operation
10 of the canal bridges.

11 On your agenda is the approval to
12 post a request for proposals for a strategic planning
13 consultant.

14 And as a reminder, there's a
15 Partners for Clean Air luncheon that is scheduled
16 tomorrow at the Hammond Lost Marsh, for those that have
17 registered. And that concludes my report.

18 **MR. FEKETE:** Any questions for Mr.
19 Trevino?

20 **(NO RESPONSE)** .

21 **MR. FEKETE:** Thank you very much.
22 We have modified our agenda from typically what we do in
23 the past, because of some folks that are here to assist
24 in the presentation of the Jeorse Park Beach modeling
25 study. And we want to get them on early so that they

1 can meet either later commitments, or get home in due
2 time, since I know they've traveled some distance. This
3 is a copy of what we emailed. I believe all the board
4 members have a copy. I have some extra copies, if
5 anybody wants to follow along, of the application. Are
6 you going to use this basically as your talking piece?

7 **DR. WHITMAN:** I think I'm just going
8 to start talking and review where we're at and where
9 we're going.

10 **MR. TREVINO:** Can you introduce
11 yourself?

12 **DR. WHITMAN:** Yeah, my name is
13 Richard Whitman; I'm from the United States Geological
14 Survey. Up in here by the area we intend to work in, it
15 spreads from the outer harbor all the way to Jeorse
16 Park, including this fishery here at this location.

17 A lot has happened since I first
18 presented to you the material. I don't know how many
19 times, I've lost count, but it's probably been about 5
20 times that I've made that presentation. And every time
21 we've made that presentation, John has been there and
22 the mayor of East Chicago has been there almost all the
23 times. Not just listening, but active form of inputs,
24 and his opinion and guidance.

25 We've gone to NIRPC meetings. We've

1 gone to what we call federal partnerships where we have
2 Fish and Wildlife, Corps of Engineers, the ag
3 departments and the like. And I can tell you the
4 support from all the bureaus are enormous, from the
5 local to the federal. And everybody wants to throw in.
6 And I want to reiterate how appreciative these
7 communities are to the willingness of this group to
8 match the federal funds that the state's putting up,
9 which ultimately comes from (inaudible), as you know.

10 The match is coming -- USGS does not
11 use our match. We would, but because it's federal
12 dollars as the non-federal match, and so the 40 that you
13 will presumably consider tonight will be the non-federal
14 match.

15 In addition to that money, my own
16 agency will put in \$75,000, and we're going to redo it a
17 little bit so that it's focused on the restoration
18 rather than monitoring. We'll move more quickly.

19 On top of that -- and I put this
20 proposal away, because I think this is more interesting
21 if you look at the whole package. The Corps of
22 Engineers has put this as a priority item as a
23 restoration. The Corps is not in the ecosystem
24 restoration division. It's not in the business of
25 building beaches. But they are in the business of

1 restoring habitat that has been damaged. And the 2
2 areas that they can ride on is this area in here
3 (indicating). And then more directly, the fishery,
4 fishing opportunities and access. There is a lot of
5 interest. When we went out there with the Corps, I
6 think there were -- we were only there about 20 minutes
7 -- cohos, cods. I guess it's pretty popular, gets a
8 little congested. The Corps would like to improve that
9 location. And in doing so, they have included the beach
10 as well.

11 So that's going up to the CLC, which
12 is the -- I think it's right -- the Council of Lakes
13 Committee. We have a DNR representative, that I'm
14 assured that we'll get a positive consideration from
15 them, either at the moderate level priority, which is
16 enough to get by. So that's a big contribution.

17 Okay. So in the last couple weeks
18 I've looked at our data for various reasons. And I can
19 assure you that what I'm seeing with the Corps visit, as
20 well as the bacteria analysis that there is a connection
21 between the Grand Calumet and that beach. When we were
22 out there last week looking at the fisheries
23 improvement, the area was littered with cattail debris.
24 So that tells you then the type of bacteria that we're
25 looking is called bacteroids is only found in human or

1 animal intestines. And there is a constant supply of
2 that in the beach area. That doesn't necessarily mean
3 we have a pollution problem. Bacteroid, by the way,
4 dies in the environment. And so we're only using it as
5 a tracer, not as a pathogen.

6 So the connection is there for us.
7 The issue in front of you tonight is a contract with the
8 Michigan State University. So I'm just representing
9 them, that entity. And I will work with them and the
10 money that I'm bringing to the table I'll be matching
11 and our people will be sampling, we'll be sharing
12 equipment and so forth. So we'll have a seamless
13 relationship with MSU, as we do with many other projects
14 with MSU. Patty didn't come in here; he came to a
15 couple other meetings. There will be some students a
16 little bit disappointed because they already started
17 working on this project. And they had to, because of
18 the time table that has been given to them.

19 So the preferred -- according to the
20 mayor, the preferred alternative at this early stage is
21 to build out that beach onto -- make it more curved
22 instead of a cube, perhaps as far as this (indicating),
23 without compromising the fishery. There's some really
24 great fishing holes in there. Can you see it?

25 **MR. FEKETE:** If you look at page 5

1 on the handout, it's Remedial Scenario Number 1.

2 **DR. WHITMAN:** Thank you. So we're
3 getting rid of the cul-de-sac. We're trying to get rid
4 of the cul-de-sac, which is trapping the debris. And
5 you have to do that, again, in a way that we don't fill
6 up some of those really nice fishing holes that are out
7 there.

8 So the Corps has explained to us
9 they keep the sand intact from drifting in, and losing
10 sand every year. There will be some erosion, but I
11 don't think -- in fact, what I've heard from people is
12 that in the springtime there's excess sand. So they
13 would just go in and plow. The mayor has volunteered to
14 do more grooming and raking of the materials, and that's
15 going to help. So there will be some management taking
16 place even this year.

17 Now, Patty tells me that the only
18 thing -- well, let me go on. So there's a couple other
19 scenarios that are being considered, but we won't be
20 able to get to them this year. They'll probably be
21 2014. Also, the fisheries component. The Corps'
22 activities probably are going to be budgeted for '14.

23 The other scenario is to put some
24 kind of a break wall there, or reef, to catch it before.

25 **MR. FEKETE:** That's Scenario Number

1 3 on page 7.

2 **MR. LOPEZ:** Can we get back to page
3 6, you were talking about removing the wall?

4 **MR. FEKETE:** That's one scenario.

5 **DR. WHITMAN:** I haven't gotten there
6 yet.

7 **MR. FEKETE:** That was Scenario
8 Number 2, removing the wall.

9 **DR. WHITMAN:** Number 6, okay, now
10 that I have the picture in front of me. Yeah, this is
11 something Patty just grabbed, I had my technician draw.
12 This isn't the way the sand would look, this right here
13 (indicating), Figure 5. After a few weeks, that would
14 probably be redefined by the lake itself. So it's just
15 conceptually. So they picked that right up, as soon as
16 we showed them that picture.

17 **MR. FEKETE:** Ray's asking the one
18 that's right below that, which is basically removing the
19 walls around --

20 **DR. WHITMAN:** Yeah. That's a
21 scenario we don' believe will do. Go ahead.

22 **MR. LOPEZ:** The water will get
23 (inaudible).

24 **THE COURT REPORTER:** I'm sorry, I
25 can't hear.

1 **MR. TREVINO:** Can you speak up for
2 the court reporter.

3 **MR. LOPEZ:** I said the boats
4 wouldn't like that, the casino wouldn't want the water
5 hitting their boats.

6 **DR. WHITMAN:** Right, right. And it
7 would cause sedimentation in that channel. And the
8 truth is, we just drew these out as possible. And I'm
9 not sure -- and actually, the Corps' biologist, he's not
10 an engineer; he suggested the same thing. And I don't
11 think that there's enough head difference there to
12 really make much difference.

13 But those are the hydrological
14 questions. And we'll do some more experiments and we'll
15 do some brainstorming. So the one that I wanted to
16 focus on tonight is to change the contour of the sand.
17 It's economical, it makes sense. And the other ones
18 were in rough, and we'll see if there's any hydrodynamic
19 behind it. And again, if you have thoughts on any
20 modification, we'd appreciate it. We can only run
21 probably 3 scenarios with the money that we have.

22 **MR. BAKOTA:** I certainly applaud
23 this project. But early on when this board was talking
24 to Army Corps before dredging started, there's 3
25 sanitary districts that dump into the Grand Calumet

1 River.

2 **DR. WHITMAN:** That's right.

3 **MR. BAKOTA:** They all have combined
4 sewer systems. I asked early on if they couldn't put a
5 sediment trap in the narrows; that would be Columbus
6 Drive south, where the current could be controlled.

7 **DR. WHITMAN:** Yeah.

8 **MR. BAKOTA:** They hemmed and hawed
9 about it. Evidently it was a money problem; I don't
10 know. So they determined that the sediment trap would
11 be the actual shipping canal, which is very wide and I
12 think uncontrollable, as far as silt reaching the lake.
13 Like I say, I applaud this project, but we're attacking
14 the results rather than where it actually originates. I
15 can't compare oranges and apples. I'm sure a sediment
16 trap would be way more expensive than this study.

17 What I'm saying is, we're either
18 going to dilute the problem there so it's not ours, and
19 push it out somewhere else, when it should be controlled
20 at the source.

21 **DR. WHITMAN:** Let me address a
22 couple of those points. We did samples pretty much
23 throughout last summer. And the bacteria levels, E.
24 coli levels just above the channel are fairly low. What
25 happens to that material, this comes into deeper water,

1 it goes fast, then slow. So it's a sediment trap.
2 What's causing the bacteria problem at Jeorse Park is
3 not sewage. We're not getting much human E. coli. It's
4 coming from those birds. And the debris that is
5 accumulating is floating and drifting material that's
6 coming from upstream, and then the river as well, has
7 stuff drifting down and then getting caught in the
8 swirl.

9 Now, as far as a sediment trap and
10 whether the harbor is acting as a sediment trap, there's
11 no evidence that that's occurring. But we don't have
12 any strong evidence -- today might be different -- but
13 during normal flows, that we're actually adding human
14 sewage to Jeorse Park. And if I did, I wouldn't be here
15 suggesting these kinds of remediations.

16 **MR. BAKOTA:** Does DNA show that it's
17 animal rather than human?

18 **DR. WHITMAN:** Right, right. We're
19 getting less than one percent human. So if you went out
20 there during the summer and saw all the geese and the
21 ducks and the gulls, you'd see what the problem was.
22 What we're trying to do is just keep the water flowing.
23 Again, if we just move from here to here (indicating),
24 you get almost a doubling of improvement in water
25 quality.

1 **MR. TREVINO:** Doctor, one of the
2 other questions that's come up from board members is the
3 concern of investing these dollars on a study and then
4 it doesn't lead to any remediation or any follow-up.
5 Can you address that concern?

6 **DR. WHITMAN:** Yeah. I think we can
7 turn that around too, and say that to throw money at the
8 remediation without any preliminary study would be
9 unwise to do so. So I believe -- I'm a biologist. I do
10 believe in these models beforehand. But I do that
11 because they pretty much have convinced me they explain
12 some of the phenomena I've seen on the ground.

13 I think it's -- I don't mean to
14 sound like I'm selling something, but I think it's a
15 fair deal to do this kind of model with this kind of
16 expertise. You're getting a post-doc and a professor
17 from a major university. And I'd be reluctant to spend
18 some money before I tried it on a computer.

19 **MR. TREVINO:** And generally
20 speaking, I think it makes sense, because then you're
21 doing a remediation with luck, so to speak, hoping it
22 works.

23 **DR. WHITMAN:** Right. And let me add
24 that my part, that 75,000 that I told you, is the
25 validation. We're not just like okay, here's a computer

1 model, we know that it's going to work. No. We're
2 going to validate this thing. We're going to take
3 samples during different flow conditions. And this, I
4 hope what happens, is that I'm there for the follow-up
5 as well to make sure it works. Any time we do anything
6 in nature and we don't do a follow-up and validate the
7 efficacy of the action, we've lost dollars.

8 **MR. FEKETE:** One of the things in
9 the application that I believe was a question that may
10 have come from the coastal program, was the effect of
11 this particular study out into the future. In other
12 words, what value does it bring over a 20-year time
13 frame? And I think the response was pretty good that
14 the study is not going to last 20 years, but the study
15 is going to take some period of time. But the results
16 of the study and the modeling will be used for a long
17 time to come.

18 **DR. WHITMAN:** Oh, yeah.

19 **MR. FEKETE:** So that if there are
20 other alternatives and other proposals like the reef
21 that we see here, and anything else that may come about,
22 at least you've got the groundwork from this particular
23 study to continue doing that kind of work and evaluating
24 any changes that may take place.

25 And from our perspective, it also

1 gives us a basis in case any questions come up from
2 someplace other than Jeorse Park. What effect does the
3 Indiana Harbor ship canal have on other areas that might
4 be to the west of us? So we've got the basis of a study
5 that we can go back and maybe enhance or amend and
6 continue that kind of work. Right now, the focus is
7 going to be on the Jeorse Park.

8 **DR. WHITMAN:** Right, John, because
9 you have protection from liabilities and the future
10 planning. And I'll extend this beyond Jeorse Park.
11 Half the beaches in the United States are suffering from
12 this. I think I pointed out some Chicago beaches. So
13 you're taking the lead in helping other beaches across
14 the nation that have these situations.

15 **MR. LOPEZ:** Well, I'm speaking as a
16 citizen now and a resident of East Chicago. I take my
17 grandkids there, and it's so frustrating when it's
18 always closed for pollution. Move down the beach, they
19 say. But there's a lot of people there. This is going
20 to start. I hope we can get something going here, and
21 then everybody else jumps on it, because it's going to
22 benefit everybody. Not only us, but other people around
23 there.

24 I like some of your stuff here, but
25 I'm not a biologist or whatever. But I just hope you

1 guys get something going on this. I don't want to see
2 10 years from now we're still talking about it.

3 **DR. WHITMAN:** It's really exciting
4 for us to be a part of this. Everybody just seems to
5 share your excitement.

6 **MR. FEKETE:** Thank you very much.

7 **MR. JONES:** Excuse me, one quick
8 question. I was looking at your 3 scenarios, and your
9 Scenario 3, underwater reef.

10 **DR. WHITMAN:** Yes.

11 **MR. JONES:** Would that be
12 obstructive to like recreational vessels at all?

13 **DR. WHITMAN:** We hope not, no. We
14 hopefully don't have to put flags and obstructions. We
15 would hope that it would be efficient (inaudible). So
16 no. Again, if we did a reef, we'd have to find the
17 money to do that, so that's the other end.

18 **MR. FEKETE:** I want to thank Dr.
19 Whitman for coming and joining us. And at this point in
20 time, I'd like to ask Margaret Byrne, who represents the
21 Lake Michigan Coastal Program.

22 **MS. BYRNE:** Indiana Department of
23 Natural Resources, Lake Michigan Coastal Program.

24 **MR. FEKETE:** Yeah, we've amended our
25 resolution to use those words rather than the DNR. And

1 I would just like if you could just, since you're a
2 funding partner, kind of explain your role in this
3 process.

4 **MS. BYRNE:** So yeah, as you said,
5 we're the funding partner. I'm the grant specialist
6 with the Lake Michigan Coastal Program. So basically,
7 what I wanted to let you know is that we've received
8 this application a couple of weeks ago from Michigan
9 State University. And the Coastal Program has agreed to
10 fund this program in the amount of \$40,000, provided
11 that there is 40,000 of matching funds.

12 That's pretty much it. Any
13 questions?

14 **MR. FEKETE:** And I think in addition
15 to that, that Maggie and her organization, not only are
16 we relying on them on the grant application expertise,
17 because that's not what we do. But in addition to that,
18 they have other resources. I'm thinking somebody like
19 Steve Davis and people like that that you can reach out
20 to who can give us, and has probably already reviewed
21 the project, and give additional insights into the
22 validity of the proposal.

23 **MS. BYRNE:** Absolutely. The
24 partnership, the level of cooperation and collaboration
25 on this project, on assembly of the project, has been

1 pretty phenomenal. And that has been a big recommending
2 factor in funding this project. And I would say that
3 everybody is 100 percent behind improving things.

4 **DR. WHITMAN:** This proposal, I was
5 surprised, it was thoroughly reviewed by the Corps of
6 Engineers and a couple other partners.

7 **MR. FEKETE:** I want to thank both of
8 you for coming. At this point in time, are there any
9 other questions?

10 **(NO RESPONSE)**.

11 **MR. FEKETE:** Hearing none, we'd like
12 to move onto the next item, which is actually the
13 approval of the amended resolution. And the amendment
14 was simply to replace the reference to the DNR, the
15 Indiana Department of Natural Resources, and insert
16 instead, the Lake Michigan Coastal Program, just to be
17 more accurate.

18 **MR. LOPEZ:** Motion to accept.

19 **MR. FEKETE:** I have a motion to
20 accept. I need a second.

21 **MR. RODRIGUEZ:** Second.

22 **MR. FEKETE:** We have a second.

23 We'll have a roll call vote. John Bakota?

24 **MR. BAKOTA:** Yes.

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

1 **MR. RODRIGUEZ:** Yes.
2 **MR. FEKETE:** Ray Lopez?
3 **MR. LOPEZ:** Yes.
4 **MR. FEKETE:** Mike Ebert?
5 **MR. EBERT:** Yes.
6 **MR. FEKETE:** Ernie Jones?
7 **MR. JONES:** Yes.
8 **MR. FEKETE:** John Fekete, I vote
9 yes. Okay, that motion has been approved. Thank you
10 very much.
11 For the record, do you mind if I
12 give them a copy of the resolution?
13 **MR. TREVINO:** No, I think that would
14 be good.
15 **MR. FEKETE:** Do you have one?
16 **MR. TREVINO:** A blank one?
17 **MR. FEKETE:** What we just approved,
18 so that Maggie's got it on file.
19 **MR. TREVINO:** I can email it to her,
20 but here's a blank one. We haven't signed it yet.
21 **MR. FEKETE:** That's an unsigned
22 copy, but we did approve it.
23 **MS. BYRNE:** Thank you.
24 **MR. TREVINO:** Is your email address
25 on the sign-in sheet?

1 **MS. BYRNE:** It is, yes.

2 **MR. TREVINO:** Okay.

3 **MR. FEKETE:** Just to remind
4 everybody, we did get a letter from the commissioner of
5 IDEM supporting and thanking us for supporting this
6 project. So we've got a number of agencies that are
7 involved.

8 **DR. WHITMAN:** I would like a copy of
9 that.

10 **MR. FEKETE:** Pardon?

11 **DR. WHITMAN:** I wouldn't mind having
12 a copy of that.

13 **MR. FEKETE:** Of the commissioner's
14 letter, I can email you a copy.

15 **DR. WHITMAN:** Okay.

16 **MR. FEKETE:** Next item on the
17 agenda, approval consideration of the board meeting
18 notes for March 20th. Do I have a motion to approve?

19 **MR. LOPEZ:** Motion to accept.

20 **MR. EBERT:** Second.

21 **MR. FEKETE:** We have a motion and a
22 second. Since they're minutes, I'll just ask for a
23 voice vote. All in favor signify by saying yes.

24 **THE BOARD:** (Collective "yes").

25 **MR. FEKETE:** Any opposition,

1 abstentions?

2 (NO RESPONSE)

3 MR. FEKETE: Hearing none, motion is
4 approved.

5 User fee update.

6 MR. TREVINO: Yes. As I mentioned,
7 you have in your packet a spreadsheet summarizing the
8 2013 user fee collections to date. One was put together
9 by myself; the other by Mr. Tim Anderson. And as a
10 follow-up to the April 1st due date for the user fees
11 that have not been collected, we plan on submitting a
12 notice of past due amounts to those users who haven't
13 paid by May 1st. And the interest will be calculated
14 through May 31st, and we'll give them to June 15th to
15 pay. So that's our current plans regarding the folks
16 that haven't paid the 2013 assessments.

17 And as I mentioned, Tim Anderson and
18 I have a meeting with Boyce to review their software
19 capabilities for managing the user fees. And we also
20 had a meeting with the attorney general's office to see
21 if they could help us with the collection process for
22 those that haven't paid at all. And Ellen and I will be
23 following up on that. And that's the update on the user
24 fees.

25 MR. FEKETE: Any questions on user

1 fees?

2 (NO RESPONSE) .

3 MR. FEKETE: The accounting
4 consultant report, Tim.

5 MR. ANDERSON: Hello. Tim Anderson
6 from Clifton Larson Allen. Try to keep this quick.

7 MR. FEKETE: State your name for the
8 record, please.

9 MR. ANDERSON: Yes, Tim Anderson
10 from Clifton Larson Allen. You have my report in your
11 packet. The first page at the top, Statement of Cash
12 Receipts and Cash Disbursements. This is for the 3
13 months ended March 31st. And you see the user fees is
14 the big item, \$442,000 through March. We had invoiced
15 out 536, including past due fees and we've collected 442
16 through March. So there's 93 left out there. Of that
17 93, 51 of that is 2013 fees and 41 is old stuff. There
18 are a couple that have ignored us, but I thought
19 collections were going pretty good. We've got 442
20 through March, which brings our total cash receipts
21 through March to \$679,000. Total disbursements through
22 March you see listed, legal, engineering, accounting.
23 So our cash has increased in our 2 checking accounts
24 from January by 613,000. So we have on hand on March
25 31st, \$384,000 in our operating account. And 1 million

1 477 in the user fee account.

2 If you flip the page, I've got some
3 supplemental information. Just the first page, Schedule
4 1 just shows each account. Beginning balance as of
5 January of '13 and it shows you all of the money that's
6 gone in and the disbursements that have been made out of
7 the accounts. And it all ties back to that schedule we
8 just looked at.

9 And then the last page of my report
10 is what we've got budgeted and what we've spent to date
11 for each line in the budget. Fernando, or you guys, the
12 board, did a budget that had \$427,00 in expenses on it.
13 We get to add the December 31st payables to that number,
14 for our total appropriation of 451. Then you can see
15 each month what we spent. And then that last column is
16 what we've got last. And that what we've got left
17 number is what we've got in our operating account,
18 384,000.

19 **MR. TREVINO:** And as a reminder, the
20 2013 budget year is the first year we modified the line
21 items to directly match the line items as approved by
22 the board. So it's a lot easier to follow. So I thank
23 Tim again for helping us amend that.

24 **MR. ANDERSON:** Do you guys have
25 questions on the statements or the user fees or anything

1 else? On the user fees, I think we've collected 87
2 percent of the 2013 assessments, so people paid pretty
3 good for '13. And then we've got some old balances out
4 there that Fernando and Ellen are going to work on. I
5 thought the collection efforts went pretty good.

6 **MR. LOPEZ:** That number 5 on your
7 chart, they haven't paid anything at all?

8 **MR. ANDERSON:** No, there's 2 that
9 have not. It's number 5 and number 22 who've never made
10 an attempt. Everyone else has paid something over the
11 years. So we just have 2 that have never responded.

12 **MR. LOPEZ:** It keeps getting up and
13 up and up.

14 **MR. ANDERSON:** Yeah, I'm tough on
15 that interest.

16 **MR. LOPEZ:** The figures are easy to
17 see. I like the way you put them. They can always
18 refer back to each other. Good. 87 percent collected.

19 **MR. ANDERSON:** Yeah, we billed 404
20 for '13, and we collected of that 404, strictly for '13,
21 we've collected 352 of the 404. Because these totals
22 have prior year balances. So I think 87 percent on the
23 first shot is pretty good. And then like Fernando said,
24 we'll send out another bill in May for those. But we've
25 only got 93 out there, so I think it went pretty good.

1 **MR. LOPEZ:** Thank you so much.

2 **MR. ANDERSON:** Do you want to talk
3 about that IRS notice at all?

4 **MR. TREVINO:** Yeah, there was a
5 question on that.

6 **MR. ANDERSON:** Yeah, we got an IRS
7 notice. It was asking us for some tax on interest for
8 2011. And the Waterway Management District is exempt
9 under Code Section 115, because it's a government
10 entity, where all of its income is exempt and they filed
11 for years claiming this exemption. And then in 2011,
12 they picked up. I called an agent who said send the
13 notice with the tax return and an explanation that you
14 qualify under 115 and they would adjust it, so that's
15 what we're doing. And I'll get Fernando a copy and he
16 can get it to all of you.

17 **MR. BAKOTA:** They'll probably be
18 doing that every year now.

19 **MR. ANDERSON:** Nothing gets your
20 heart going like an IRS notice.

21 **MR. FEKETE:** Okay, we have the
22 accounts payable voucher register before us. I'll
23 entertain a motion to pay the voucher.

24 **MR. LOPEZ:** Motion to accept.

25 **MR. RODRIGUEZ:** Second.

1 **MR. FEKETE:** We have a motion and a
2 second. Roll call vote. John Bakota?
3 **MR. BAKOTA:** Yes.
4 **MR. FEKETE:** Henry Rodriguez?
5 **MR. RODRIGUEZ:** Yes.
6 **MR. FEKETE:** Ray Lopez?
7 **MR. LOPEZ:** Yes.
8 **MR. FEKETE:** Mike Ebert?
9 **MR. EBERT:** Yes.
10 **MR. FEKETE:** Ernie Jones?
11 **MR. JONES:** Yes.
12 **MR. FEKETE:** John Fekete, I vote
13 yes. Motion is approved.
14 The next item of business is the
15 amendment to the court reporter contractor.
16 **MR. TREVINO:** Yes, just to
17 summarize. There was a request I think at the last
18 board meeting, or the one before, for copies of board
19 meeting notes. And there was some questions as to the
20 ownership of the meeting notes after they've been
21 produced and paid for, and the amended contract --
22 **MS. GREGORY:** The minutes.
23 **MR. TREVINO:** The minutes.
24 **MS. GREGORY:** The minutes of the
25 meeting.

1 **MR. TREVINO:** I'm not sure what I
2 said, but okay.

3 **MS. GREGORY:** You said notes.

4 **MR. TREVINO:** Meeting notes,
5 minutes. So the amended contract clarifies that.

6 **MR. FEKETE:** I'll entertain a
7 motion.

8 **MR. LOPEZ:** Motion to accept.

9 **MR. FEKETE:** And a second?

10 **MR. JONES:** Second.

11 **MR. FEKETE:** We have a motion and a
12 second. We'll have a roll call vote. John Bakota?

13 **MR. BAKOTA:** Yes.

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

15 **MR. RODRIGUEZ:** Yes.

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

17 **MR. LOPEZ:** Here.

18 **MR. FEKETE:** Mike Ebert?

19 **MR. EBERT:** Yes.

20 **MR. FEKETE:** Ernie Jones?

21 **MR. JONES:** Yes.

22 **MR. FEKETE:** John Fekete, I vote
23 yes.

24 **MR. TREVINO:** And just as a
25 clarification, or an added note, I did send this to Mary

1 for review, and she was okay with it.

2 **MR. FEKETE:** Thank you, Mary. The
3 next item on the agenda for consideration is an RFP for
4 strategic planning consultant. Mr. Trevino, do you want
5 to bring us up to date?

6 **MR. TREVINO:** Yes, this is actually
7 an action item as a follow-up to the opportunities to
8 improve as a district. And one of the comments was to
9 develop a strategic plan. So we would like to post
10 requests for proposals for a strategic planning
11 consultant to facilitate that process. So I'd like
12 approval to post those in the 2 local newspapers.

13 **MR. FEKETE:** Any questions of Mr.
14 Trevino?

15 **MR. JONES:** Yes. Can you just
16 explain some of the tasks that's going to be part of
17 that planning process?

18 **MR. TREVINO:** We'll probably have a
19 pre-planning meeting with whoever the selected
20 consultant will be, so they are familiar with what the
21 District does and how we're formed and how we're
22 governed and so forth. And I foresee the consultant
23 putting together, or facilitating, a strategic planning
24 process that's tailored for our needs. And when
25 concluded, would have a strategic plan. And I guess

1 this would have to go along with how the board sees this
2 process as well. But a mission statement on where we
3 see the District going.

4 And the other thing that would come
5 out of this is whether it would be a 3-year or a 5-year
6 strategic plan. The exact process, it's hard to state
7 it now, because that's going to be part of what the
8 consultant will do after we provide all the information
9 from what we do and what we are and how we see ourselves
10 in a few years. So the exact end result will be based
11 on that exercise with the consultant and the board.

12 **MR. LOPEZ:** So you're asking for
13 approval, right?

14 **MR. TREVINO:** I'm asking --

15 **MR. LOPEZ:** Because there's no
16 document. I didn't see no document on anything.

17 **MR. TREVINO:** No. It's approval to
18 advertise in the paper to get proposals, requests for
19 proposals from hopefully qualified consultants, to
20 provide that service to us.

21 **MR. JONES:** Do you have an estimate
22 on the total cost of this work, or a guesstimate?

23 **MR. TREVINO:** I'd say between 5 and
24 10,000.

25 **MR. JONES:** Okay, sounds a lot

1 better now.

2 **MR. LOPEZ:** I make a motion that we
3 authorize you to bid for it, or advertise for bidding.

4 **MR. FEKETE:** We have a motion. Do I
5 have a second?

6 **MR. EBERT:** Second.

7 **MR. FEKETE:** And we have a second.
8 We'll have a roll call. John Bakota?

9 **MR. BAKOTA:** Yes.

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

11 **MR. RODRIGUEZ:** Yes.

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

13 **MR. LOPEZ:** Yes.

14 **MR. FEKETE:** Mike Ebert?

15 **MR. EBERT:** Yes.

16 **MR. FEKETE:** Ernie Jones?

17 **MR. JONES:** Yes.

18 **MR. FEKETE:** John Fekete, I vote
19 yes. And it looks as though the next item for
20 consideration is the Resolution 2013-3. The East
21 Chicago Waterway Management District executive director,
22 Mr. Trevino.

23 **MR. TREVINO:** Yeah. I'm wondering
24 if Ellen might be a better person to explain this.

25 **MS. GREGORY:** Sure.

1 **MR. FEKETE:** Ms. Gregory.

2 **MS. GREGORY:** Last year, we had a
3 resolution before the board that was passed that
4 basically makes FMT Consulting, through Fernando, the
5 executive director for purposes of State Board of
6 Accounts record keeping. We actually needed to have him
7 made the executive director in order to file the reports
8 with the state. So the resolution at that time was
9 specific as to what his role was in terms of the State
10 Board of Accounts record keeping.

11 And in discussing with him various
12 other tasks that he was doing where he was having to
13 serve as executive director, signing manifests and
14 things like that, we thought it made sense to put
15 together a resolution that would clarify that he was
16 serving as executive director for all other purposes as
17 well. So that's basically what this resolution does.

18 **MR. LOPEZ:** Thank you for
19 explaining, because I was going to question it. I
20 understand now.

21 **MR. FEKETE:** Are there any questions
22 of Ms. Gregory?

23 **(NO RESPONSE) .**

24 **MR. FEKETE:** I'll entertain a motion
25 to approve the resolution.

1 **MR. LOPEZ:** Motion to accept.
2 **MR. FEKETE:** Do I have a second?
3 **MR. RODRIGUEZ:** Second.
4 **MR. BAKOTA:** Second.
5 **MR. FEKETE:** Roll call vote. John
6 Bakota?
7 **MR. BAKOTA:** Yes.
8 **MR. FEKETE:** Henry Rodriguez?
9 **MR. RODRIGUEZ:** Yes.
10 **MR. FEKETE:** Ray Lopez?
11 **MR. LOPEZ:** Yes.
12 **MR. FEKETE:** Mike Ebert?
13 **MR. EBERT:** Yes.
14 **MR. FEKETE:** Ernie Jones?
15 **MR. JONES:** Yes.
16 **MR. FEKETE:** John Fekete, I vote
17 yes. Motion is approved.
18 Harris Bank trust report.
19 **MR. ALONZO:** Hello, David Alonzo
20 with BMO Harris Bank. So I'm just going to run through
21 this report.
22 Of course, first page of the report
23 is just our normal chart showing the historical values
24 of the account since 1997, and disbursements from '97 up
25 until this year.

1 Page 2 of the report is the
2 historical value summary. As of 4-16-2013, the value of
3 the trust was \$6,131,865. That was a positive
4 difference of \$2,547 from our last meeting. And then
5 distributions for 2013 were \$236,975.

6 Page 3 of the report, again, I have
7 highlighted here in yellow the maturity on 4-19 of this
8 month; we have this CD that's maturing. It's a 1-year
9 CD currently paying .24 percent. The interest or gain
10 that we made was from interest that had been credited
11 from our 60-month CD. We can see there was a little bit
12 of a difference in the values from last month to this
13 month. And then of course, our money market account
14 paid some interest too, so there's a little bit of
15 increase there.

16 So we talked about in our last
17 investment committee meeting was, as of right now -- and
18 these haven't changed since then -- we have a 1-year
19 treasury note paying .11. We have a 2-year treasury
20 note paying .23. And a 5-year note paying .695. It's
21 still in the best interest to continue with our CDs
22 right now. At that investment committee meeting, we
23 pretty much agreed upon looking at our 13-month
24 certificate of deposit, the current rates on it right
25 now are .35. I did get approval, it's very minuscule,

1 but we're going to keep the rate at .4 for a 13-month
2 CD, so it's a minor increase of .05. All things
3 considered, it's an extra \$750 for the year for that CD,
4 so a little bit extra. Obviously, rates are very tight
5 right now, so it's very slim margins at this point where
6 we can get a little bit of an increase on that.

7 I do have the letter of
8 authorization. Previously we'd always have Ernie sign
9 these, so I do have John to sign this one. The letter
10 of authorization states, "Please consider this
11 authorization that upon maturity of the referenced CD
12 that is maturing on April 19th, 2013, please transfer
13 the entire balance into a new 13-month CD," with the
14 current rates that I had mentioned at .4. This transfer
15 was approved at our last finance committee meeting. And
16 then we'll have John sign it.

17 **MR. LOPEZ:** That \$50, you went by it
18 real quick. What was that for? Was that for a fee
19 increase?

20 **MR. ALONZO:** No, there was an
21 increase in our money market interest that we made.

22 **MR. LOPEZ:** Okay, it was an increase
23 in the interest then?

24 **MR. ALONZO:** Yeah, the interest.

25 **MR. LOPEZ:** You went by real quick.

1 **MR. ALONZO:** No, we have no fees on
2 any of our accounts. So there was some interest that
3 was made on the prime money market account from the
4 previous month, and then our 60-month CD had increased
5 by about \$2,000 or so.

6 **MR. LOPEZ:** All right, thank you.
7 It just went by me real quick.

8 **MR. ALONZO:** No problem. Any
9 questions?

10 **(NO RESPONSE)** .

11 **MR. FEKETE:** Thank you very much.

12 **MR. TREVINO:** It might not be a bad
13 idea to approve -- I mean, I know that the finance
14 committee is not the -- you know, the finance committee
15 did recommend it, but I think it should be approved by
16 the full board.

17 **MR. FEKETE:** Okay, we can do that.
18 Entertain a motion to approve my signing this document
19 to transfer the balance of the expiring CD into a new
20 13-month CD at the current rates.

21 **MR. EBERT:** So moved.

22 **MR. RODRIGUEZ:** I have a motion and
23 a second. Roll call vote. John Bakota?

24 **MR. BAKOTA:** Yes.

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

1 **MR. RODRIGUEZ:** Yes.

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

3 **MR. LOPEZ:** Yes.

4 **MR. FEKETE:** Mike Ebert?

5 **MR. EBERT:** Yes.

6 **MR. FEKETE:** Ernie Jones?

7 **MR. JONES:** Yes.

8 **MR. FEKETE:** John Fekete, yes. Mr.

9 Nguyen.

10 **MR. NGUYEN:** Hi, Mike Nguyen with

11 the Army Corps of Engineers. Here to give the briefing

12 for the Corps activity.

13 For the groundwater gradient

14 control, we are still testing and repairing the gradient

15 control facility.

16 The facility and dredging operation.

17 Dredging has resumed on April 3rd, and it's currently

18 suspended as of 13th of April due to the bridge closure.

19 And dredging will resume on April 27th, once the Dickey

20 bridge reopens.

21 The retrofit, we are finalizing the

22 scope of work for the main entrance repair and

23 developing the scope of work additional extraction wells

24 and installing the stabilizers and improving the

25 parkway.

1 For the permits, the Corps is still
2 gathering information to submit the TSCA permits.

3 Oil boom coordination. BP
4 reinstalled the oil boom across the canal at
5 Indianapolis Boulevard on the 15th of April and will
6 remove it once dredging resumes.

7 For the PCA and other
8 documentations, we have hired a new attorney that can
9 help us moving forward with the PCA revisions and the
10 work in-kind documentations.

11 And that's all I have for my report.

12 **MR. BAKOTA:** Mike, on the
13 improvement of the parkway, have they established
14 anything yet?

15 **MR. NGUYEN:** We're still looking
16 into it. We're focusing on the dredging because it just
17 started. And the driveway is one of our priorities. I
18 think once we get through the driveway and dredging is
19 sort of smooth.

20 **MR. BAKOTA:** Stabilized.

21 **MR. NGUYEN:** Stabilized, we'll go
22 back and focus on the parkway improvement.

23 **MR. BAKOTA:** Thanks.

24 **MR. NGUYEN:** And I guess for the
25 fabric, was there any issues removing the fabric on the

1 fence?

2 **MR. BAKOTA:** Not yet. I haven't
3 heard any. I don't know if the other board members
4 heard anything. Not yet.

5 **MR. NGUYEN:** Because when you pass
6 by it, it doesn't look --

7 **MR. BAKOTA:** Probably depends how
8 much you beautify.

9 **MR. NGUYEN:** Yes.

10 **MR. BAKOTA:** I haven't heard
11 anything.

12 **MR. NGUYEN:** Okay.

13 **MR. JONES:** I have a question, it's
14 not dredging related. Why was the Dickey bridge closed?

15 **MR. NGUYEN:** INDOT was doing some
16 maintenance repair, so they basically closed it to all
17 navigation. So for BP who's doing their dock repair or
18 anything else, either they have to get their equipment
19 in -- I think there's a period of a day or 2 where
20 they're reopening it for navigation. I believe it was
21 like a week in after they closed it, to allow
22 construction equipment to be transported. And then
23 reclose it and then reopen it.

24 **MR. FEKETE:** Any other questions?

25 **(NO RESPONSE)** .

1 **MR. FEKETE:** Thank you, Mr. Nguyen.

2 **MR. NGUYEN:** Thank you.

3 **MR. FEKETE:** Our attorney report,
4 Ms. Gregory.

5 **MS. GREGORY:** Ellen Gregory with
6 Ellen Gregory Law. I'm going to try and zoom through my
7 items.

8 On April 3rd, we received a compact
9 disc, a CD of documents from the Corps real estate
10 office. And Mr. Trevino and I will be reviewing those
11 in coordination with Mirko Blesich, the real estate
12 consultant, to find out what's in there. Mostly it's
13 pipeline easements and other real estate documents that
14 relate to property that was originally transferred for
15 the construction of the CDF.

16 On the Consent Decree, we're still
17 waiting for BP to provide the next draft to the group
18 that continues to have conference calls every other
19 week. The next scheduled call is tomorrow morning.

20 On the PCA, nothing much new than
21 what Mr. Nguyen said. We are trying to put some
22 pressure on the Corps to move forward on the next
23 version of the PCA. So we'll be waiting for that.

24 The Mittal tipping fee, although the
25 tipping fee agreement is done, we continue to try and

1 monitor to make sure that reports from the Corps are
2 consistent with the tipping fee agreement. Some of the
3 letters from the Corps that are in the board packet that
4 relate to summarizing the 2012 dredging, and also the
5 dredging estimates for the 2013 seasons, we're reviewing
6 those and we'll be communicating with the Corps on any
7 issues we have related to the Mittal tipping fee
8 agreement as it relates to the ongoing dredging. And
9 that's all I have.

10 **MR. FEKETE:** Any questions for Ms.
11 Gregory?

12 **(NO RESPONSE)** .

13 **MR. FEKETE:** Any new business?

14 **(NO RESPONSE)** .

15 **MR. FEKETE:** Any other business?

16 **MR. TREVINO:** Under new business, if
17 you don't mind, I just thought it would be a good idea
18 to have a moment of silence for the victims of Boston,
19 their family and friends. In their honor, I think it
20 would be a good idea to do that.

21 **MR. FEKETE:** Okay.

22 **(MOMENT OF SILENCE)** .

23 **MR. FEKETE:** Thank you very much.

24 Any comments from the public?

25 **(NO RESPONSE)** .

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MR. FEKETE: Make sure everybody signs in. Next board meeting will be May 15th at 5:00 p.m. at this facility. Do I have a motion for adjournment?

MR. RODRIGUEZ: So moved.

MR. FEKETE: A second?

MR. EBERT: Second.

MR. FEKETE: All in favor say aye.

THE BOARD: (Collective "aye").

MR. FEKETE: We are adjourned.

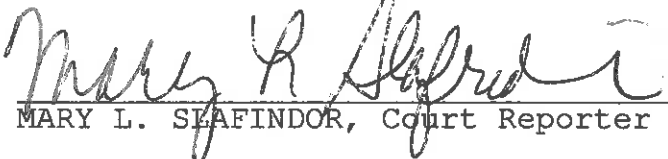
1 STATE OF INDIANA)
2) SS:
3 COUNTY OF LAKE)

4
5 **REPORTER'S CERTIFICATE**

6
7 I, MARY L. SLAFINDOR, Court Reporter and Notary
8 Public in and for the State of Indiana, do hereby
9 certify that I have transcribed from my stenographic
10 notes the above-entitled meeting of the East Chicago
11 Waterway Management District Board of Directors Meeting.
12 Said notes contain all of the statements made during the
13 meeting, to the best of my ability.

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

18 IN WITNESS WHEREOF, I have set my hand this 8th day
19 of May, 2013.

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MARY L. SLAFINDOR, Court Reporter