

1 **EAST CHICAGO WATERWAY MANAGEMENT DISTRICT**
2 **BOARD OF DIRECTORS MEETING**

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5 Transcript of the meeting of the East Chicago
6 Waterway Management District had on the 15th day of May,
7 2013, at 5:17 p.m., at the East Chicago City Annex
8 Building, 4444 Railroad Avenue, East Chicago, Indiana.
9

10 **APPEARANCES:**

11 MR. JOHN FEKETE, Board President

12 MR. HENRY RODRIGUEZ, Board Member

13 MR. MIKE EBERT, Board Member

14 MS. ELLEN GREGORY, Board Attorney

15 MR. FERNANDO TREVINO, Executive Director

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

17 MR. DAVID ALONZO, BMO Harris Bank
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22 **TRANSCRIBED BY:** Mary L. Slafindor
23

24 **SLAFINDOR COURT REPORTING**
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1 **MR. FEKETE:** I'd like to call the
2 meeting to order of the East Chicago Waterway Management
3 District Board of Directors. The time is 5:18. Today's
4 date is May 15th.

5 We're going to open the meeting by
6 having a roll call. Mike Ebert?

7 **MR. EBERT:** Here.

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

9 **MR. RODRIGUEZ:** Here.

10 **MR. FEKETE:** John Fekete, present.
11 John Bakota? Ray Lopez? Ernie Jones? Rich Gomez?

12 And as I stated earlier, we do not
13 have a quorum, so we will not be taking any specific
14 action that requires a vote of the board.

15 Consulting engineering report, Mr.
16 Trevino.

17 **MR. TREVINO:** Yes. Start off by
18 going over the contents of your board packet. You have
19 the minutes for the April 17th, 2013 board meeting in
20 your packet.

21 You have the financials dated April
22 30th, 2013, along with the claim docket dated May 15th,
23 2013.

24 You have a 2013 user fee deposit
25 summary update, dated May 10th, 2013.

1 You have a proposal to purchase
2 software, along with training from Keystone dated May
3 14, 2013.

4 You have in your packet the Great
5 Lakes Legacy Act application proposal dated May 15th,
6 2013.

7 You have in your board packet a
8 letter dated April 19th, 2013 from Clifton Larson Allen
9 to the IRS regarding their claim that we owed over
10 27,000 and some odd change. So that letter is
11 clarifying that we do not.

12 You have in your board packet
13 Citizens Bank statements ending in 608 and 616, both
14 dated April 30th, 2013.

15 You have in your packet the BMO
16 Harris Bank ECI Facility Trust Report dated May 14th,
17 2013. And BMO Harris Bank bank statement for account
18 ending in 761 for the month of April, 2013. And also a
19 BMO Harris brokerage account statement for account
20 ending in 534, also for the month of April, 2013. You
21 have in your packet a BMO Harris Bank letter dated 4-19-
22 2013 regarding rate information on one of the accounts.

23 And you have an email from myself to
24 Jennifer Miller of the Army Corps regarding my comments
25 to the culvert redesign plans for the Indiana Harbor.

1 dredging in the Corps, or cleanup by the EPA or IDEM.
2 The end result of this project would be the remedial
3 design. The phase after that, which is not included in
4 this scope, is the actual remediation or the
5 implementation of remedial design. The estimated
6 schedule for this work is two years, with the total cost
7 for the 3 phases is 2 million dollars. As per the Great
8 Lakes Legacy Act criteria, the local sponsor share is 35
9 percent, and the balance, or 65 percent, would come from
10 Great Lakes Legacy Act Funding. The 35 percent
11 calculates to 700,000, which can either all come from
12 the Waterway Management District, or other stakeholders
13 that may contribute towards that that may be interested
14 in the project. The Waterway Management District
15 currently has ample funding to support the full 35
16 percent, or 700,000, if that would be the conclusion.

17 As mentioned, the application is on
18 the agenda for approval consideration. Once the board
19 -- or if the board approves, I'll submit the proposal,
20 or application, as necessary and required.

21 Strategic planning. We submitted
22 the request for proposals for a strategic planning
23 consultant. We received 3 proposals, which I've
24 reviewed. I hope to have a meeting with the executive
25 committee, and hopefully have a recommendation for the

1 next board meeting.

2 Tim Anderson and I met with Boyce
3 and Keystone a couple times to review their software
4 capabilities and whether it would be a good fit to
5 manage the finances of the District. A proposal from
6 Keystone is included in your packet for approval
7 consideration.

8 Army Corps has asked for comments to
9 their drawing and specs for the entrance driveway
10 recommendation project, or reconstruction project. I
11 have reviewed both and submitted comments on behalf of
12 the District. A copy of those comments are in your
13 packet.

14 The Corps also sent the District
15 drawings and specs for the CDF well point project. They
16 had asked for comments by this Friday. I will review
17 and provide comments, if any, on behalf of the District.

18 BP has finished their monitoring
19 well installation on the Waterway Management District
20 property known as the J and L site. I'm currently
21 scheduled for a site and work review visit tomorrow with
22 BP's consultant, URS.

23 The city has shared their conceptual
24 plans for the south tank farm development with BP. We
25 will be working with BP and the city to formalize those

1 plans, and any affiliated agreements.

2 Tim Anderson sent a response to the
3 IRS on their claim that the District owed \$27,164. And
4 as I mentioned, a copy of that response letter, which is
5 dated April 19, 2013, is in your packet.

6 The dredging observation tour was
7 scheduled and now rescheduled. And when Mike Nguyen
8 comes up, we can have that conversation on whether we'll
9 have it on May 22nd or reschedule it when the Waterway
10 Management District can make the dates.

11 Greg Sukey (phonetics), who is the
12 Department of Justice representative on this project,
13 announced his retirement. A replacement has been
14 appointed, and I believe was on our last biweekly
15 conference call.

16 Ongoing regular meetings that I've
17 been attending on behalf of the District include the
18 canal oil response meetings, the Corps contractor
19 biweekly dredging project meetings, the BP biweekly
20 meetings. And Mike Nguyen and I thought it would be a
21 good idea for him and I to meet at least once a month to
22 review deliverables and any outstanding issues. Our
23 first meeting was yesterday, and we plan on continuing
24 that practice.

25 That concludes my report.

1 **MR. FEKETE:** Any questions for Mr.
2 Trevino?

3 **(NO RESPONSE)** .

4 **MR. FEKETE:** We'll defer the
5 consideration for the April board meeting minutes until
6 our June meeting.

7 User fee update.

8 **MR. TREVINO:** Just as mentioned
9 before, you have in your board packet, an updated
10 spreadsheet showing the user fees paid to date. And I
11 think in my report to the board, I summarized all the
12 other items going on regarding the user fees.

13 **MR. FEKETE:** Any questions on the
14 user fee spreadsheet?

15 **(NO RESPONSE)** .

16 **MR. FEKETE:** Accounting consultant
17 report. We had talked with Mr. Anderson earlier, and
18 since we cannot take any official action on it, I will
19 just basically summarize what we have in our board
20 packet.

21 Our statement of cash receipts and
22 cash disbursements. We have receipts of \$691,999.61.
23 We have disbursements of \$87,676.61, giving us an
24 increase in cash of \$604,323. We now have a cash
25 balance of \$1,853,526.23.

1 With regard to the balance in our
2 budget. Cash disbursements through the end of April
3 were, as mentioned, \$87,676.61, giving us an available
4 budget of \$363,700.55. Any questions on this account?

5 **(NO RESPONSE)**.

6 **MR. FEKETE:** The next item is the
7 Waterway District Accounts payable voucher register.
8 The total is \$20,943.50. We will be holding a special
9 public board meeting to approve the accounts payable
10 voucher, and any other items that need immediate action.
11 And that will be coming shortly, as soon as we get the
12 appropriate notices made.

13 Mr. Trevino talked about the Boyce
14 accounting management software proposal purchase. We'll
15 hold off on any action on that until our next regular
16 meeting.

17 The Great Lakes Legacy Act
18 application, just to let everybody know, that we have
19 discussed from time to time on dealing with the
20 remainder of the Indiana Harbor ship canal within the
21 boundaries of East Chicago. As most everyone knows,
22 there has been a great deal of work done on the Grand
23 Calumet River coming from Hohman Avenue, coming
24 westward. And most recently, the last project that was
25 completed included the Roxana Marsh, and work had been

1 completed up to Indianapolis Boulevard. There will be
2 additional work that will be done by the State and USEPA
3 going further eastward from that particular point. It's
4 our intention to make an application for funding to do
5 some work to actually assess what needs to be done
6 within the remainder of the Indiana Harbor ship canal,
7 outside of the boundaries of the dredging project.

8 So what we have before us is an
9 application, and we will have further discussion on that
10 at our next board meeting. We do have copies available,
11 if anybody's interested.

12 At this point in time, Mr. Alonzo.

13 **MR. ALONZO:** David Alonzo with BMO
14 Harris Bank. Going to run through our trust report
15 that's in your packet. The first page again just goes
16 through our charts and historical values of this account
17 since 1997.

18 Page 2, the value of the trust
19 account as of May 14th was \$6,138,669. There was a
20 positive gain of \$6,804 from our last meeting. Year to
21 date distributions on the trust account were \$236,975.

22 Going to the third page, this really
23 just gives us a breakdown of the holdings we have.
24 There's \$553,473 in the money market account right now.
25 That's pretty much the balances we are trying to

1 maintain in there at all times, over a half a million.
2 And the newer CD that we have is the middle of the page,
3 the 1-year CD that ends in 858. The value is
4 \$1,505,937. The interest rate is .4 percent, and that
5 will mature next April.

6 One thing, we do have another CD
7 coming due this year in October, so we probably want to
8 have some consideration in the September meeting. So if
9 the finance committee meets around that time with some
10 recommendations on what's available at that time.

11 Interest rates are still pretty bad.
12 If you look at treasuries right now, 1-year treasury is
13 at .11. 2-year is at .25. And then the 3-year is at
14 .39. 1-year CDs are still paying about .35 percent. So
15 we did give a little bit of an increase on that one CD
16 that we just renewed; we're keeping it at .4 percent.
17 But beyond that, CDs are still where we're looking at
18 reinvesting.

19 **MR. FEKETE:** Thank you. Any
20 questions?

21 **(NO RESPONSE)**.

22 **MR. FEKETE:** Thank you again. Mr.
23 Nguyen.

24 **MR. NGUYEN:** Mike Nguyen with the
25 Army Corps of Engineers, here to give the monthly

1 briefing.

2 For the groundwater gradient
3 control, we're still doing ongoing testing and repairs
4 to the groundwater gradient system.

5 The facility and dredging operation
6 contract. Dredging operations were suspended on 13
7 April due to the Dickey Road closure. Dredging resume
8 back on April 29th after the Dickey bridge reopened.
9 And currently dredging is ongoing.

10 For the retrofit project, we
11 submitted the main entrance ramp and the additional
12 extraction well design to ECWMD. And we're currently
13 developing the scope of work for the stabilizer and the
14 parkway improvements.

15 For the permits, the Corps is still
16 gathering information for submission of the TSCA
17 permits.

18 And for the oil boom, BP has removed
19 the oil boom across the canal at Indianapolis Boulevard
20 on 27 April, just before dredging resumed. And they'll
21 reinstall it after dredging stops.

22 For the PCA, we're still working
23 with a new attorney to try and get the agreement back to
24 solid. And we're still working with the work in-kind
25 document issue.

1 That's all I have for my report.

2 **MR. FEKETE:** I noticed one item on
3 your report talked about work that's being done on the
4 groundwater gradient system.

5 **MR. NGUYEN:** It's just more that
6 there's pumps, extraction well pumps that we installed
7 to pull water out before we would treat it and discharge
8 it to the canal. Actually now, we're discharging it
9 into the CDF to allow our dredging operation to
10 recirculate the water. So we can't really dredge the
11 sediment. It's probably 50 percent water to solid, and
12 in order to hydraulically place it, to pump it into the
13 CDF, we probably need a 5 to 1 ratio of water to solid.
14 So basically 5 parts water, 1 part solid to slurry it
15 back. So that's where we're pulling water from.

16 But the gradient control system is
17 just a tweaking system to make sure that we establish
18 the inward gradients. And if the pump malfunctions, we
19 replace it or anything else. That's what we're doing.

20 **MR. FEKETE:** So other than that,
21 everything else is working okay?

22 **MR. NGUYEN:** I mean, there's times
23 where pumps do fail and we address those, we replace it.
24 At this point, because of the dredging operation,
25 there's a large influx of water into the CDF. And what

1 the pump right now is actually constantly running to try
2 to catch up with that influx of water. And so right
3 now, we're slowly -- we're regaining the inward
4 gradient. And so everything should be smooth sailing,
5 because right now we're close to sealing the bottom of
6 the east cell, possibly about 200,000 cubic yards in the
7 east cell. Now we're transferring the operation to
8 dispose of it in the west cell.

9 **MR. FEKETE:** Just to highlight my
10 comment, is that's a critical part of this whole
11 operation.

12 **MR. NGUYEN:** Yes.

13 **MR. FEKETE:** Historically, we've had
14 a lot of discussions about the CDF, and it was always
15 one of the strong features of the CDF.

16 **MR. NGUYEN:** Right.

17 **MR. FEKETE:** So when I hear words
18 about working on the groundwater gradient system, I
19 really like my comfort level raised just a little bit
20 better.

21 **MR. NGUYEN:** And we've discussed
22 this before, that the gradient control is a redundant
23 system. The main level of detection is the bentonite
24 slurry wall around the CDF. And that's an impermeable
25 material where we're containing all of the --

1 **MR. FEKETE:** I understand that. I
2 don't want to hear something with a pump failure or
3 something like that.

4 **MR. NGUYEN:** It's real time
5 monitoring the well. So when a pump isn't functioning
6 right, we identify it, we address it. This is an
7 ongoing effort. Obviously, we're always doing this, so
8 I could basically remove this item.

9 **MR. FEKETE:** Just for future
10 reference, any time there's an issue, just make sure
11 that we know about it.

12 **MR. NGUYEN:** Sure.

13 **MR. FEKETE:** Thank you. Any other
14 questions?

15 **MR. EBERT:** I have a question
16 regarding the green fabric on the fence along
17 Indianapolis Boulevard.

18 **MR. NGUYEN:** Yes.

19 **MR. EBERT:** And whether the
20 intention is to maintain that, or it strikes me that
21 most of the wall is pretty green right now.

22 **MR. NGUYEN:** Yes.

23 **MR. EBERT:** And by removing the
24 green fabric, it might actually look better and be less
25 maintenance.

1 **MR. NGUYEN:** And I agree with that.
2 And the Corps is always in that position where we would
3 like to reduce our maintenance cost. And we've asked
4 ECWMD before if you would allow us to remove that. I
5 know we placed that fabric during the construction of
6 the exterior dikes, where trucks were coming in with
7 clay material to construct the dikes. Now basically
8 we're dredging and there's a lot less disturbance to the
9 site.

10 **MR. TREVINO:** And just to add to
11 that, Mike, the reason only a section was taken out was
12 there was -- the thought was if it was going to be
13 completely removed, it was going to be phased out. To
14 take out a section to see if there was any community
15 response to say, or complaints. And I haven't heard
16 any, and the last I -- when we met yesterday, Mike was
17 hoping to take out the section further north. Or if the
18 board says go ahead and take the whole thing down, or do
19 we want to continue the phased approach.

20 **MR. EBERT:** If I can make a
21 suggestion, when we go on the site visit, that be one of
22 the topics we consider and we can make a decision when
23 we look at it.

24 **MR. NGUYEN:** I agree with that.
25 Actually, I was talking to Fernando yesterday, and my

1 intent for the site visit was more of a meet and greet
2 with our upper management too. So it's an opportunity
3 for the board to meet with the Colonel, our deputy of
4 project management and chief of operations.

5 **MR. FEKETE:** Is that scheduled?

6 **MR. NGUYEN:** We're scheduled for the
7 22nd. And right now, I was asking Fernando if there is
8 enough interest or availability, if there's enough board
9 members available on the 22nd to still hold it on the
10 22nd.

11 **MR. TREVINO:** The other part, the
12 intent was to be able to network with the Colonel and
13 upper management. But it sounds like because the Army
14 Corps folks will be boarding on the CDF side, and the
15 Waterway Management District would be boarding at the
16 East Chicago marina, it's less likely.

17 **MR. NGUYEN:** I think before the site
18 visit, I think you could probably go ahead of us, go see
19 the dredging operation, and then meet back at our CDF,
20 after we concluded our site visit. And at that point,
21 we could probably continue on with the discussion.

22 **MR. TREVINO:** How does May 22nd
23 look?

24 **MR. EBERT:** I can't make May 22nd.

25 **MR. TREVINO:** I know you were one of

1 the ones.

2 **MR. EBERT:** Go ahead without me. If
3 the 22nd works, go ahead without me.

4 **MR. TREVINO:** I'll check with other
5 board members and I'll get back with you by tomorrow.
6 Is that fine?

7 **MR. NGUYEN:** Sure, that's fine.

8 **MR. FEKETE:** Thank you, Mike. Board
9 Attorney Ellen Gregory report.

10 **MS. GREGORY:** Ellen Gregory with
11 Ellen Gregory Law. I don't have a whole lot to add to
12 what Mike had said. We continue to try and get the
13 revisions to the PCA, I guess maybe the new attorney is
14 working on. And in addition to try to move forward on
15 the credits under the PCA.

16 And then just one other legal issue
17 that has arisen with the Corps on manifesting waste from
18 the site. And Fernando and I have been dealing with
19 Mike and Kim Sabo on that issue, and we'll continue to
20 work through that, hopefully within the next month or
21 so. And that's all I have.

22 **MR. FEKETE:** Very good, thank you.
23 Any new business to come before the board?

24 **(NO RESPONSE)** .

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

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(NO RESPONSE) .

MR. FEKETE: Any public comment?

(NO RESPONSE) .

MR. FEKETE: Our next board meeting is scheduled for June 19th, 5:00 p.m., in this building. Do I have a motion to adjourn?

MR. TREVINO: Can I just say, I just wanted to clarify that our next regular board meeting is June 19th.

MR. FEKETE: Right.

MR. TREVINO: But we're going to try to schedule a special meeting between now and then to address the action items.

MR. FEKETE: I had mentioned that earlier, and thank you again for repeating it.

Since we don't have a quorum, we can't adjourn. We have to stay here forever. I declare this meeting closed.

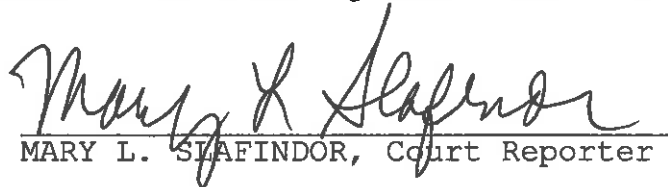
1 STATE OF INDIANA)
2 COUNTY OF LAKE) SS:
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5 **REPORTER'S CERTIFICATE**

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 10th
19 day of June, 2013.

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MARY L. SLAFINDOR, Court Reporter