

EAST CHICAGO WATERWAY MANAGEMENT
DISTRICT BOARD OF DIRECTORS' MEETING
City of East Chicago, Engineering/Annex Building
4444 Railroad Avenue
East Chicago, Indiana
May 20, 2015
Wednesday, 5:00 p.m.

Transcript of the proceedings had in the above-entitled matter, on the 20th day of May, 2015, at 5:00 p.m., at the City of East Chicago, Engineering/Annex Building, 4444 Railroad Avenue, East Chicago, Indiana, before Peggy S. LaLonde, Certified Shorthand Report and Notary Public for the County of LaPorte, State of Indiana.

ISEMINGER & ASSOCIATES, INC.
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1st Source Bank Building
Valparaiso, Indiana 46383
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May 20, 2015

A P P E A R A N C E S:

MR. JOHN FEKETE, President

MR. HENRY RODRIGUEZ, Secretary

MR. JOHN BAKOTA, Board Member

MR. PATRICK RODRIGUEZ, Member

MR. TED ZAGAR, Board Member

MR. FERNANDO TREVINO, FMT Consulting

MS. ELLEN GREGORY, East Chicago Waterway Board
of Directors' Attorney

ALSO PRESENT:

DANIEL NETHERTON, U.S. Army Corps of Engineers

DAVID ALONZO, BMO Harris

TIM WESCOTT, Tetra Tech

JIM ANDERSON, CliftonLarsonAllen

* * * *

May 20, 2015

1 MR. FEKETE: I'd like to call to order the
2 East Chicago Waterway Management District Board of
3 Directors meeting. Today's date is May 20. The
4 time is now 4:57. Roll call. John Bakota?

5 MR. BAKOTA: Here.

6 MR. FEKETE: Henry Rodriquez?

7 MR. HENRY RODRIQUEZ: Here.

8 MR. FEKETE: Patrick Rodriquez?

9 MR. PATRICK RODRIQUEZ: Here.

10 MR. FEKETE: Ted Zagar?

11 MR. ZAGAR: Here.

12 MR. FEKETE: Kevin Doyle?

13 (No Response)

14 MR. FEKETE: Ray Lopez?

15 MR. LOPEZ: Here.

16 MR. FEKETE: John Fekete? Here. We have
17 a quorum.

18 Consulting Engineering report,
19 Mr. Trevino?

20 MR. TREVINO: Fernando Trevino, FMT
21 Consulting. I'd like to start off by going over the
22 contents of your Board packet. You have the
23 April 15th, 2015, Board minutes in the packet for
24 approval consideration.

25 You have a W-9 form that was

3

May 20, 2015

1 requested by one of the User Fee payors.

2 You have the financial statement
3 from CliftonLarsonAllen dated April 30th, 2015.

4 You have the claim docket for
5 approval consideration dated May 20, 2015.

6 You have First Merchant's Bank bank
7 account statement for accounts ending in 608 and
8 616, and both are for the month of April 2015. And
9 you also have the two User Fee deposits that were
10 made in April. And one of them is the User Fee
11 deposit memo dated April 2nd, 2015 and April 10th,
12 2015.

13 You have BMO Harris ECI Facility
14 Trust report dated May 18th, 2015. You have the BMO
15 Harris Bank bank account statement for account
16 ending in 761 for the month of April 2015. And
17 another BMO Harris account statement for April 2015
18 for account ending in 534.

19 You have an e-mail from Attorney Jim
20 Wieser to myself on a form to evaluate insurance
21 options. This form, after we fill it out, will
22 require an officer's signature. So I will be
23 contacting either Mr. Fekete or Mr. Lopez to sign
24 that once it's filled out. It doesn't commit the
25 Board to anything other than to evaluate insurance

4

May 20, 2015

1 options.

2 You have Northwest Indiana Regional
3 Planning Commission notice regarding public comments
4 in anticipation of Greenways and Blueways for their
5 2020 plan. And another internet notice dated
6 June 22nd, 2015, from Chi-Cal Rivers Fund regarding
7 other grant opportunities.

8 You have another e-mail dated May
9 4th, 2015 from IDEM to Jennifer Miller of the Army
10 Corps of Engineers.

11 You have Tetra Tech's progress
12 report for the month of April, dated May 6, 2015.

13 You have a notice regarding our
14 June 15th, 2015, public meeting for Great Lakes
15 Legacy Act Project and that notice is in English and
16 Spanish.

17 You have an access agreement between
18 Tetra Tech and the USS Refinery to access their
19 property for sampling.

20 You have the East Chicago Waterway
21 Management Board meeting Board report from the Army
22 Corps of Engineers, and they have submitted an
23 updated report from what is in your Board packet and
24 I provided a hardcopy of that for you.

25 And last but not least, you have

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May 20, 2015

1 Attorney Ellen Gregory's report to the Board with
2 the date of May 19th, 2015.

3 That concludes the report.

4 I'd like to go over a couple items.

5 The 2015 User Fee collections are ongoing. They
6 were due April 1st and there are several that we
7 have not received. I'd like, if it's okay with the
8 Board, I'd like to send the Users who have not paid
9 their User fees a letter some time next week with
10 the new due date of July 1st, with the caveat that
11 if we don't receive payment by July 1st, that we
12 would ask the Attorney General to exercise the
13 memorandum of understanding we have with them to
14 pursue non-payor. So that's my plan unless the
15 Board has alternate ideas.

16 Great Lakes Legacy Act Project.

17 Community engagement activities are ongoing. We
18 held a stakeholders meeting with the adjacent
19 property owners on April 23rd at City Hall. The
20 second stakeholder meeting was presented to IDEM's
21 Care Committee on April 28th. And our third
22 stakeholders meeting, which is planned for the
23 general public, is scheduled for June 25th, at 6:00
24 p.m., at East Chicago's main library.

25 I gave a presentation on May 7th to

May 20, 2015

1 the City's Water Board for permission to advertise
2 the public meeting in their water bill and they
3 approved sending the advertisement in their water
4 bill.

5 Dave Ryan of Lakeshore Chamber was
6 invited to the April 23rd stakeholder meeting and
7 after that he thought -- he invited us to have a
8 panel discussion during one of their Lakeshore
9 Chamber luncheons. So we are in conversation with
10 Mr. Ryan on what that would look like, and see if
11 that could come to fruition.

12 Remediation cost share strategy
13 meeting is scheduled for tomorrow with BP and EPA,
14 along with Tetra Tech. I've been working with EPA
15 and our accountant, Tim Anderson, on proposing a
16 work in kind for fix cost for the Great Lakes Legacy
17 Act Project.

18 As I mentioned Tetra Tech's project
19 report is in your packet for additional information,
20 and Mr. Jim Wescott is here today to provide more
21 details on the project update.

22 I mentioned the Army Corps board
23 report is in your packet. We have been working with
24 the Corps and the State of Indiana to either use our
25 web site or for the Corps to develop their own web

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May 20, 2015

1 site to support their next dredging contract. Corps
2 project's manager, Natalie Mills, was not able to
3 attend tonight's meeting, so Daniel Netherton is
4 here in her place. Also I'll been working with the
5 Corps and BP renewing Section 10 permit.

6 The May 13th TSCA permit meeting
7 that was scheduled last week has been postponed and
8 working with EPA and IDEM for an alternate date.

9 Attorney Ellen Gregory will give an
10 update on some legal matters.

11 As a summary, some of the regular
12 meetings that I have participated on behalf of the
13 District include the ECI bi-weekly meetings, Great
14 Lakes Legacy Act Project team meetings, the
15 Roxanna/Marsh Area Development project meetings,
16 dredging project meetings, the Corps well point
17 project team meetings, and the Wild Life Management
18 project meetings. That summarizes my report.

19 MR. FEKETE: Any questions for Mr.
20 Trevino?

21 (No Response)

22 MR. FEKETE: Thank you very much.
23 Approval of Board meeting minutes for April 15th,
24 2015.

25 MR. BAKOTA: Motion to accept.

May 20, 2015

1 MR. FEKETE: I have a motion. Do I hear a
2 second?

3 MR. LOPEZ: Second.

4 MR. FEKETE: We have a second. I'll
5 entertain a voice vote. All in favor signify by
6 saying aye?

7 (All signify aye.)

8 MR. FEKETE: Any opposition?

9 (No Response)

10 MR. FEKETE: Motion is approved. Thank
11 you very much. The Accounting Consultant report,
12 Mr. Anderson.

13 MR. ANDERSON: Tim Anderson with
14 CliftonLarsonAllen. You guys all have a copy of the
15 financial statement through April 30th in your
16 packet. This is a financial statement for the
17 Waterway through April 30th.

18 Page 2 is the first page that's got
19 numbers on it through April 30th. So, four months,
20 January, February, March, April. You've got User
21 fees collected of 309,000. We've got transfer from
22 the Trust, the budget transfer of 268. So our total
23 cash receipts to the Waterway were 579,000 for those
24 four months. Cash disbursements, you can see how
25 they break out, all the different things we pay,

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May 20, 2015

1 engineering, accounting, office help. The Great
2 Lake Legacy Project is the biggest item. So we have
3 taken in 579,000 and we have spent 236,000, so our
4 cash accounts increased 343,000 for those four
5 months. We have -- we had 2,006,000 at the
6 beginning of the year and we have 2,350,000 as of
7 April 30th. We have two checking accounts that are
8 the Waterway's, the operating account, which is our
9 budget account. It's got a balance of 711,000 in
10 it. And our User fee account, that's got 1.6
11 million in it.

12 Page 3 just shows those two accounts
13 and the interest that we have earned each month and
14 the cash disbursements that we have made each month
15 in both the accounts.

16 Page 4 is the page that should
17 interest you guys. The total budget that we had at
18 the beginning of the year was 947,000 and you can
19 see how it's broken out by line item. We have
20 written through April \$236,000 of cash
21 disbursements. The claims docket that you have in
22 front of you today has got 37,000 on it, which
23 leaves an unused appropriation as of, I guess the
24 end of the day today after you cut those checks,
25 673,000 yet to go. And no line items have got a

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May 20, 2015

1 negative amount or no line item is close to zero.
2 So we are in good shape as far as our budget goes.

3 Any questions on these reports?

4 (No Response)

5 MR. ANDERSON: As Fernando hinted, we were
6 asked to complete a new W-9 for a User with the User
7 fees and all that is so that they can have it in
8 their file. This just goes to the vendor. They
9 claim that there was a new disclosure to make, which
10 I don't think there was, but we did a new W-9.
11 Looks a whole lot like the last one we did, but it's
12 just so that they know not to back up or withhold on
13 our payment.

14 MR. LOPEZ: Which wouldn't take the place
15 of the 99 form?

16 MR. ANDERSON: No. This is just in case
17 if there was a mismatch between our EIN number and
18 our name, they would backup with holding which they
19 are not to do, and so this just attests that we are
20 who we say we are.

21 MR. FEKETE: Again.

22 MR. ANDERSON: Again. Somebody should
23 sign it, Board president probably.

24 And then Fernando also eluded, we
25 are working with the EPA in this complicated formula

11

1 of getting some of our indirect costs to qualify for
2 the local match. Did I say that right? And so you
3 would not believe this formula that the Federal --
4 it's the Federal government that's prescribed this
5 formula to have some of our like accounting fees and
6 our kind of overhead costs. There's no doubt that
7 the direct cost, the Tetra Tech and these kind of
8 things would apply for our local match. But we are
9 trying to get some of the overhead costs also to
10 apply for our local match.

11 MR. TREVINO: They've agreed to it in
12 concept. It's just a matter of now putting the
13 backup and the information in their format so they
14 can say okay.

15 MR. ANDERSON: It's worth the time because
16 at the end of this project, there's going to be
17 quite a bit of indirect cost which we should get
18 credit for as the local match. And so we are going
19 to try to follow their protocol for how you
20 calculate that number. And then once EPA gives its
21 blessing to the routine of how we calculate this,
22 then going forward we should be able to rely on
23 that.

24 MR. LOPEZ: Thank you. That's a lot of
25 work.

May 20, 2015

1 MR. ANDERSON: Well, it's a lot of fun.

2 MR. FEKETE: The time preparing this
3 report also gets added to the report itself?

4 MR. ANDERSON: Exactly. You should work
5 for the EPA. Thank you very much.

6 MR. FEKETE: Thanks, Tim. We have before
7 us the accounts payable voucher report or register
8 dated May 20, 2015. I'll entertain a motion to
9 approve.

10 MR. LOPEZ: Motion to accept.

11 MR. FEKETE: Do I have a second?

12 MR. ZAGAR: Second.

13 MR. FEKETE: I have a motion and a second.
14 Roll call vote. Mr. Bakota?

15 MR. BAKOTA: Yes.

16 MR. FEKETE: Henry Rodriguez?

17 MR. HENRY RODRIQUEZ: Yes.

18 MR. FEKETE: Patrick Rodriguez?

19 MR. PATRICK RODRIQUEZ: Yes.

20 MR. FEKETE: Ted Zagar?

21 MR. ZAGAR: Yes.

22 MR. FEKETE: Kevin Doyle?

23 (No Response)

24 MR. FEKETE: Ray Lopez?

25 MR. LOPEZ: Yes.

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May 20, 2015

1 MR. FEKETE: John Fekete? I vote yes.
2 Motion is approved.

3 The BMO Harris report.

4 MR. ALONZO: David Alonzo, BMO Harris
5 Bank. All right. I'm going to run through our
6 Trust report. You know, really on page 1, it just
7 highlights the historical returns and disbursements
8 we have had since '97.

9 Going into page 2, the Trust value
10 as of May 18th, was \$5,745,578 and this year the
11 disbursement was for the 268,519 for the budget.
12 The difference from our last meeting was \$9,910 that
13 was accrued interest that was paid, so that's why
14 there is a little bit of a jump in the value there.

15 Going onto the third page. The two
16 on the bottom that are highlighted in yellow are the
17 ones that are coming due after our next meeting. So
18 I don't know if maybe your Investment Committee
19 wanted to meet prior to the next meeting to sort of
20 get some ideas on what we want to do ahead of time,
21 sign off on anything. Obviously the rate
22 environment is not the greatest. However, if we
23 have CDs coming up fortunately. But I've been
24 working with guys over the years to get better rates
25 and we can go over some those options that are out

14

1 there too.

2 As far as the prime money market
3 balance, we keep that half million in there. More
4 than likely when that one comes up, we can fill that
5 account back up to 500,000 like we have been
6 maintaining over the years and then go through some
7 ideas and suggestions on what we can do.

8 MR. LOPEZ: You think you can set up a
9 Finance Committee meeting?

10 MR. TREVINO: Yes, I've I got it down.
11 I'll be contacting you.

12 MR. LOPEZ: We need to meet before the
13 next meeting?

14 MR. TREVINO: Okay.

15 MR. ALONZO: We just need some time to put
16 things together and then go from there. Any
17 questions at all?

18 (No Response)

19 MR. FEKETE: Thank you.

20 MR. LOPEZ: Hope for higher rates than
21 this one?

22 MR. ALONZO: Yeah, one year at two
23 percent.

24 MR. FEKETE: Great Lakes Legacy Act
25 Project update, Mr. Wescott.

May 20, 2015

1 MR. WESCOTT: Jim Wescott. Everybody, so
2 we're pretty much finished with field sampling. I
3 kind of mentioned at the last meeting we have
4 collected sediment samples from Indiana Harbor Canal
5 to try to zoom in on the high PCB hit in the Indiana
6 Harbor. We got those results back. Actually it
7 seems to be a very isolated high spot, which is good
8 because it's more expensive to get rid of that type
9 of material.

10 And then yesterday I was out at the
11 South Tank Farm ECI test site doing testing,
12 basically digging holes. Because if we do the
13 dredging project we would potentially need to use
14 the South Tank Farm for the sediment dewatering, as
15 I mentioned in the past. We'd have to regrade some
16 of the surface, probably disturb the top couple of
17 feet. And we want to test bits to make sure when we
18 were grading there weren't like pipelines or a lot
19 of debris, concrete, foundations. We did run into
20 some pipelines abandoned, but I don't think it's
21 going to attack the use of that property, use of the
22 property.

23 Actually, I sent one picture to
24 Fernando today and that picture is pretty
25 indicative. It's basically 18 inches of top soil

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1 and then about two feet of sand. And then a lot of
2 places you'll see an asphalt layer about three feet
3 down and then it's kind of a gray fill material.
4 That's pretty much it.

5 MR. LOPEZ: Asphalt?

6 MR. WESCOTT: Asphalt, like a parking lot
7 or whatever. Arcadis, who is the BP consultant up
8 there, they were taking notes too because they've
9 got other things they are working on at the site.

10 And so for this project's
11 perspective using that site for what I would, the
12 sediment dewatering is feasible. I just wanted to
13 make sure because we were currently using the Dupont
14 property off the Grand Cal and we had, because of
15 that used to be a factory, there's a lot of concrete
16 foundation and do a lot of earth work to make it
17 work. And I just wanted to make sure the South Tank
18 Farm wasn't going to be kind of the same way. It
19 should be pretty easy.

20 MR. BAKOTA: How much of that area will
21 you use?

22 MR. WESCOTT: The South Tank Farm site?

23 MR. BAKOTA: Yeah.

24 MR. WESCOTT: Probably the eastern half or
25 maybe eastern third of the site. Maybe 10,

May 20, 2015

1 15 acres. It's about a 40 acre property. We try to
2 keep it, you know -- if you have been over there,
3 there's a little boat ramp to get down and then they
4 have the little building right there by the boat
5 ramp. And because they have power coming in there,
6 we want to keep a lot of stuff right there and just
7 tap into the power and build the dewatering bed as
8 close to that as we can.

9 MR. BAKOTA: There's a lot of points there
10 already parallel to the canal.

11 MR. WESCOTT: It wouldn't effect those.
12 There's one monitoring well in the middle that we
13 would probably need to abandon or take out and
14 reinstall when we are done, but that's minor. I
15 just wanted to make sure, depending on who you talk
16 to, you are not ever sure what you are going to
17 unearth. So it wasn't as bad as anybody really
18 expected. There was some petroleum motors because
19 of the historical site.

20 So the Indiana Harbor Canal looks
21 better than I thought last month. It's still going
22 to be expensive. And then South Tank Farm looks
23 okay.

24 The field work is pretty much done
25 and the main thing that we are working on as

18

1 Fernando mentioned, the feasibility study. I'm
2 going to try it get done by Friday, although it may
3 be an over the weekend project so that Fernando sees
4 it Tuesday morning. And then I'm going to provide a
5 draft for Fernando and the non-federal partner and
6 the EPA, then review it, give me comments back, and
7 then publish a final feasibility study, probably
8 around June 15th. And then the public meeting I
9 think is the 25th. So the public will have a couple
10 weeks to review it, come to the meeting, ask
11 questions, or either they have already read it and
12 ask questions, or they are going to come, learn
13 about it, and have a couple more weeks to provide
14 comments. You want to put it in the middle. And
15 then once we get feedback, finalize the feasibility
16 study and then move forward with what the preferred
17 options are. And that kind of dovetails with
18 Fernando's talk about trying to work with BP and
19 other non-federal partners to kind of line up the
20 finances of the two to make sure it continues to
21 move forward.

22 MR. BAKOTA: On that dewatering, will all
23 the material be moved by the waterway, not by road?

24 MR. WESCOTT: It would all be trucked out.

25 MR. BAKOTA: It would be trucked?

May 20, 2015

1 MR. WESCOTT: It would be pumped in from
2 the river and then would, you know, if we do it
3 hydraulically, we basically fill big sausage
4 casings.

5 MR. BAKOTA: Like they did --

6 MR. WESCOTT: -- at the east branch,
7 right. Fill them up, dewater, put the stuff in
8 trucks and take to the landfill. And it's
9 convenient, it's right next to Indianapolis
10 Boulevard.

11 MR. BAKOTA: But the material that would
12 be dewater, is it delivered to the site by the
13 waterway?

14 MR. WESCOTT: It will be. So they will
15 dredge in the water and there's a pipeline, and the
16 pipeline will just run down the river and then comes
17 up. And they will probably tie it up to the bank
18 because there are other dredging projects and
19 easements to the river. It's fairly typical. We
20 may need to put signage depending on where the
21 pipeline is, don't dig here, watch out for the
22 pipeline. But the pipeline will be in the river, it
23 won't disturb any upland traffic and probably come
24 up the bank into the South Tank Farm. So it should
25 be out of the way.

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May 20, 2015

1 And so the feasibility study will be
2 done, you know, finalized in the next 45 to 60 days.
3 And then really the Fall is going to be just
4 finalizing the design. And at this point there's a
5 schedule in your packet. The design will be done by
6 the end of calendar year and then it's ideally the
7 money is there too, and then after 2016 the project
8 partners can look to start building something. The
9 schedule slipped a little bit, but a lot of it,
10 where we are right now because there is no real --
11 it doesn't look like their project agreement can
12 finance it. That's a lot of the issue just riding
13 along. Any questions or comments?

14 (No Response)

15 MR. FEKETE: Thank you very much. U.S.
16 Army Corps report.

17 MR. NETHERTON: Daniel Netherton, with
18 Corps of Engineers. Construction update, facility
19 dredging contractor is back on-site. The dredging
20 is beginning of May. As of today they dredged
21 approximately 120,000 cubic yards. We had a meeting
22 with them today, progress meeting, and they
23 indicated that after Memorial Day they will be
24 moving to a day shift only. So no night dredging
25 for the rest of the Summer. Still doing seven days

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May 20, 2015

1 a week, but single 12-hour shift instead.

2 Then the Corps is continuing to
3 coordinate the scope of work with the Wastewater
4 Treatment Plant to remove water from the increase
5 capacity for more dredging.

6 The permanent well installation.
7 The eight new extraction wells, all the wells have
8 been drilled and developed. Work is ongoing.
9 Trenching to put in the pipelines to connect to the
10 existing discharge header for the system. Their
11 schedule shows they should have all those completed
12 within the next two weeks.

13 Documentation permits mentioned a
14 little bit before. Permits, the meeting on May 13th
15 was canceled so they are rescheduling.

16 Oil boom coordination. The new boom
17 on the west side of the railroad bridge requires an
18 updated permit from the Corps and that coordination
19 is on the way.

20 Non-federal funding, PPA and
21 federal, I think Ellen will be talking about that.

22 Web site. I think Fernando
23 mentioned web site. We're coordinating where this
24 will be hosted for the next contract.

25 And then new work, we have equipment

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1 storage facility. A new garage that will be going
2 in on-site. Any questions?

3 MR. HENRY RODRIQUEZ: Couple questions.
4 The day shift 12-hour, what are the hours, from when
5 to when?

6 MR. NETHERTON: They are still determining
7 that. It will be 7 to 7 or 8 to 8.

8 MR. RODRIQUEZ: How much do you plan to
9 dredge, do you know?

10 MR. NETHERTON: We issued an extension
11 today for extra 160, which puts it at 280 total for
12 now. So that's the total as of now. There is talk
13 of maybe a little bit more, but not significantly
14 more than that.

15 MR. FEKETE: I think the original plan was
16 250.

17 MR. NETHERTON: I think so. We have a
18 maximum of 400,000 in the contract that we dredge
19 per year. I think about 250, 300 was used.

20 MR. RODRIQUEZ: All right, thank you.

21 MR. FEKETE: Thank you very much. Ellen
22 Gregory report.

23 MS. GREGORY: Ellen Gregory, with
24 Bamberger, Foreman, Oswald & Hahn. The consent
25 decree, last bi-weekly call we had was last

May 20, 2015

1 Thursday. BP is suppose to be scheduling a
2 conference call with the Department of Justice
3 attorney to go over the latest draft of the consent
4 decree.

5 On the AOC, administrative order of
6 consent, the revised work plan has been submitted to
7 EPA, based on EPA comments on the original work
8 plan.

9 The Feddeler property claim. We
10 have a draft appraisal report from David Begoin
11 where we are going to be coordinating with Jim
12 Wieser on getting a final appraisal from him and
13 then we'll need to coordinate with Army Corps in
14 finalizing that appraisal. And then Army Corps will
15 take the lead in negotiating with the Feddeler
16 attorney on their claim.

17 Also related to the CDF, it was
18 mentioned a couple of times, the TSCA permit meeting
19 has been postponed. And the Section 10 permit
20 revision will be coordinated primarily through BP
21 with the Army Corps because the Section 10 agreement
22 between the District and BP provides that BP is
23 suppose to take the lead on issues related to
24 extensions in permits and notifications, etcetera,
25 and we have contacted Michael England about that.

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May 20, 2015

1 On the PCA, we continue to have
2 discussions on generally a bi-weekly schedule and
3 our next call is not until the week after Memorial
4 Day. And that's all I have on legal matters. Any
5 questions?

6 MR. FEKETE: I notice in your report on
7 Great Lakes Legacy Act, you mention stakeholders
8 meeting on the 25th?

9 MS. GREGORY: That's the public meeting.

10 MR. FEKETE: That's what you are referring
11 to is the stakeholder meeting?

12 MS. GREGORY: Right.

13 MR. FEKETE: Okay. Thank you. Any
14 questions?

15 (No Response)

16 MR. FEKETE: Thank you very much. New
17 business? Fernando?

18 MR. TREVINO: Yes. The Board might recall
19 that First Merchants has agreed to attend our Board
20 meetings periodically to address the Board and
21 answer any questions they might have regarding our
22 accounts, and for an opportunity for First Merchants
23 to update the Board on any new rates that might be
24 out in the market. So there is a couple of
25 gentlemen here today representing First Merchants,

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May 20, 2015

1 Mr. John Freyek and Clayton Miller. Do you have any
2 anything?

3 MR. FREYEK: Other than my sparkling
4 presence. Thank you. John Freyek, I was here a few
5 months ago. I was here with Debra Milne, who
6 usually does the talking. She is unavoidably
7 detained tonight. So thank you for the business,
8 first of all.

9 Last time we were here we discussed
10 the transition from Citizens to First Merchants.
11 It's gone really well, certainly from our
12 perspective, and I think the stock would indicate
13 that as well. Stock is up about a third over the
14 year.

15 I really wanted to introduce you to
16 Clayton Miller. One of the positives about the
17 transition is the investment team. We'd like to sit
18 down with Fernando and the Finance Committee and
19 just recalibrate where you stand, what we can
20 provide in terms of the investment of the two
21 million dollars that's on deposit with us. Clayton,
22 you want to say hello?

23 MR. MILLER: Good evening. Like John was
24 saying, I'm Clayton Miller, new investment
25 consultant with First Merchants. We work with one

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1 of the largest broker dealers in our part of the
2 United States. We offer a wide variety of
3 investments and other vehicles that we can use. I
4 know there's a lot of limitations that you offer as
5 far as investment policy statement that you can
6 have. I'd love an opportunity to work with you in
7 the future. As far as doing the due diligence, I'd
8 love to be a part of the Finance Committee and any
9 other ways that I could help out.

10 MR. TREVINO: We are planning to have a
11 Finance Committee meeting between now and the next
12 Board meeting, so once I formalize that date, I will
13 contact you both and schedule time for you to come
14 in.

15 MR. MILLER: Sounds good.

16 MR. FEKETE: Thank you for coming in. Any
17 other new business?

18 (No Response)

19 Any other business?

20 (No Response)

21 Any public comments?

22 (No Response)

23 Hearing none, the next Board meeting will
24 be June 17th, at 5:00 p.m., at this facility. I'll
25 entertain a motion for adjournment.

May 20, 2015

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MR. BAKOTA: Motion to adjourn.

MR. FEKETE: Is there a second?

MR. HENRY RODRIQUEZ: Second.

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

(All signify aye.)

MR. FEKETE: Meeting adjourned.

(MEETING ADJOURNED.)

* * * * *

May 20, 2015

C E R T I F I C A T E

I, Peggy S. Lalonde, Certified Shorthand Reporter (CSR), and Notary Public within and for the County of LaPorte, State of Indiana, do hereby certify that I appeared at the City of East Chicago, Engineering/Annex Building, 4444 Railroad Avenue, East Chicago, Indiana, on the 20th day of May, 2015, to report the proceedings had of the District Board of Directors' Meeting.

I further certify that I then and there reported in machine shorthand the proceedings given at said time and place, and that the testimony was then reduced to typewriting from my original shorthand notes, and the foregoing transcript is a true and accurate record of said proceedings had.

Dated this 26th day of May, 2015.

Peggy S. Lalonde



Peggy S. LaLonde, CSR

My Commission expires: 3/14/2018