

EAST CHICAGO WATERWAY MANAGEMENT
DISTRICT BOARD OF DIRECTORS' MEETING
City of East Chicago, Engineering/Annex Building
4444 Railroad Avenue
East Chicago, Indiana
August 19, 2015
Wednesday, 5:00 p.m.

Transcript of the proceedings had in the
above-entitled matter, on the 19th day of
August, 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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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. KEVIN DOYLE, Board Member

MR. RAY LOPEZ, Board Member

MR. FERNANDO TREVINO, FMT Consulting

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

ALSO PRESENT:

NATALIE MILLS, U.S. Army Corps of Engineers

DAVID ALONZO, BMO Harris

JIM WESCOTT, Tetra Tech

TIM ANDERSON, CliftonLarsonAllen

* * * *

East Chicago 8-19
August 19, 2015

1 MR. FEKETE: I'd like to call to order the
2 August 19th, 2015, meeting of the East Chicago
3 Waterway Management District board of Directors.
4 First order of business is the role call.

5 John Bakota?

6 (No Response)

7 MR. FEKETE: Henry Rodriguez?

8 MR. HENRY RODRIQUEZ: Here.

9 MR. FEKETE: Patrick Rodriguez?

10 MR. PATRICK RODRIQUEZ: Here.

11 MR. FEKETE: Kevin Doyle?

12 MR. DOYLE: Here.

13 MR. FEKETE: Ted Zagar?

14 (No Response)

15 MR. FEKETE: John Fekete? Here. Ray
16 Lopez?

17 (No Response)

18 MR. FEKETE: Well, we do have a quorum.
19 It's our understanding that both Mr. Bakota and Mr.
20 Lopez will be joining us later and we'll enter that
21 in the record when they show up.

22 Executive Director's report,
23 Fernando Trevino.

24 MR. TREVINO: Yes. I'd like to start off
25 with going over the contents of your Board packet.

East Chicago 8-19
August 19, 2015

1 You have the Board minutes for last month's Board
2 meeting, July 15th, 2015.

3 You have a letter dated
4 August 6th, 2015, from Boyce Systems and attached to
5 it is the new Boyce System software license
6 agreement.

7 You have in your packet the
8 CliftonLarsonAllen financial statement dated
9 July 31st, 2015. And the claim docket for Board
10 consideration dated August 19th, 2015.

11 You have Resolution 2015-04 on
12 investment procedures policy and that's on your
13 agenda for approval consideration.

14 First Merchants Bank account
15 statements for accounts ending in 608 and 616, and
16 both are for the month of July 2015. And you also
17 have the User Fee deposit memo dated July 8, 2015
18 which is affiliated with those too.

19 You have an e-mail from Mr.
20 Clayton Miller of First Merchants recommending an
21 investment proposal.

22 You have BMO Harris's ECI
23 Facility Trust report dated August 18th, 2015. You
24 have a BMO Harris brokerage account statement for
25 account ending in 534 for the month of July 2015.

4

East Chicago 8-19
August 19, 2015

1 And another BMO Harris bank statement for account
2 ending in 761, that's for the month of May 2015.

3 You have an information flier
4 from the Care Committee regarding their annual
5 seminar.

6 You have the Tetra Tech monthly
7 progress report for the Great Lakes Legacy Act
8 Project dated August 7th, 2015.

9 You have my comments to, or
10 e-mail that contain my comments for the CDF storage
11 building project. And that e-mail is to the Army
12 Corps project manager, Natalie Mills, dated
13 July 31st, 2015.

14 You have the Army Corps monthly
15 progress report dated August 19th, 2015.

16 You have Attorney Ellen
17 Gregory's report to the Board with the revision date
18 of August 18th, 2015.

19 And you have an e-mail from
20 Norfolk Southern, Diane Hogan, to me dated
21 March 11th, 2015, regarding User Fees and a certain
22 parcel. And a memorandum from Attorney Ellen
23 Gregory dated July 31st, 2015, summarizing our
24 review of that parcel and recommendation to remove
25 it as a Norfolk Southern parcel. And I will let

5

1 Attorney Ellen Gregory elaborate on that during her
2 report.

3 That concludes the contents of
4 your Board packet. Just to go over a few things.
5 At the last Board meeting the Board approved hosting
6 IDEM Care Committee's annual seminar. Although the
7 Care Committee appreciated our gesture, they decided
8 to move around their hosting location. So this year
9 it's going to be held in Hammond. And as I
10 mentioned, the flier on the details of that event is
11 in your packet.

12 There's a new software agreement
13 with Boyce in your packet and it's on the agenda for
14 approval. Our license agreement used to be with
15 Keystone and because of the changes in their
16 company, it made sense to update the contract for
17 the software.

18 The adoption of a new investment
19 policy and investment officer is on the agenda. The
20 percent of the total portfolio that can be invested
21 was a little confusing in the statute. So Ellen and
22 I had a conference call this morning with Mr. Mike
23 Frick of the Indiana Treasurer of the State and he
24 was a deputy treasurer, and so we got clarification
25 on that and that has been communicated in the

1 investment policy. He also informed us that the
2 State has periodic seminars on management of public
3 funds and I think it would be a good idea for me to
4 attend one, the next one that they have. So I'll be
5 reporting back to the Board when I hear on the next
6 seminar.

7 Still working with Mr. Rothchild
8 on getting additional information on insurance for
9 the District.

10 First Merchants submitted an
11 alternate investment recommendation based on the new
12 investment policy, and that's in your packet and on
13 the agenda today. So Mr. Clayton Miller is here to
14 summarize that for the Board.

15 User Fees. There are two
16 entities that have not paid their 2015 User Fees.
17 As a reminder, at the last Board meeting the Board
18 agreed to extend the deadline till the end of
19 August. So I'll report an update at our September
20 Board meeting.

21 The Great Lakes Legacy Act
22 Project. The 30-day public comment period has
23 concluded and so we'll be working with the project
24 team to put a summary report on comments and
25 questions with the public.

1 We continue to meet with BP, EPA
2 and others for Project Partners as we explore cost
3 share strategies for the remediation phase. We are
4 working on an amendment to our project agreement
5 with EPA to include BP as a Project Partner. And
6 once we have a draft ready for Board review and
7 consideration, we'll present it. We hope to have
8 that at our next Board meeting.

9 Tim Anderson has been working on
10 the fixed cost proposal for EPA consideration.
11 However he was suppose to have it to me a couple
12 weeks ago, but we kind of got turned in a different
13 direction with the State Board of Accounts audit
14 process. So that's kind of dominated our efforts
15 the last month.

16 (Mr. John Bakota and Mr. Ray Lopez
17 have joined the meeting.)

18 Tetra Tech's project report is
19 in your Board packet for additional information.
20 Also the Army Corps, I mentioned the Army Corps
21 report to the Board is in your packet. Attorney
22 Ellen Gregory will be giving an update on various
23 legal matters. And that concludes my report.

24 MR. FEKETE: Any questions for Mr.
25 Trevino?

1 MR. LOPEZ: Are we going to talk about
2 this parcel of land? It's the last page.

3 MR. TREVINO: I'm not sure what you are
4 holding up. Yes, Attorney Ellen Gregory will give
5 kind of summarize this. This is on the Norfolk
6 Southern.

7 MR. LOPEZ: Part of her report, okay.
8 Thank you.

9 MR. FEKETE: Any other questions?

10 (No Response)

11 Let the record show that John
12 Bakota and Ray Lopez are now in attendance.

13 Next order of business is approval
14 of Board meeting notes for July 15th, 2015. I'll
15 entertain a motion for acceptance.

16 MR. LOPEZ: Motion to accept.

17 MR. FEKETE: Do we have a second?

18 MR. DOYLE: Second.

19 MR. FEKETE: And we have a second. We'll
20 cover this by voice vote. All in favor signify by
21 saying aye?

22 (All signify aye.)

23 MR. FEKETE: Any objections?

24 (No Response)

25 MR. FEKETE: Hearing none, motion is

1 approved.

2 Next order of business is to
3 approve the consideration of the Boyce Systems
4 software license agreement mentioned by Mr. Trevino.
5 I'll entertain a motion to accept the -- or accept
6 approval consideration.

7 MR. HENRY RODRIQUEZ: So moved.

8 MR. FEKETE: We have a motion. I'll
9 entertain a second.

10 MR. BAKOTA: Second.

11 MR. FEKETE: Any questions?

12 (No Response)

13 MR. FEKETE: We'll have a role call vote.
14 John 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: Kevin Doyle?

21 MR. DOYLE: Yes.

22 MR. FEKETE: John Fekete? I vote yes.
23 Ray Lopez?

24 MR. LOPEZ: Yes.

25 MR. FEKETE: Ted Zagar?

1 (No Response)

2 MR. FEKETE: Motion is approved.

3 Accounting consultant report, Mr. Anderson.

4 MR. ANDERSON: Tim Anderson with
5 CliftonLarsonAllen. Part of your Board packet you
6 have got our little financial statement for the
7 seven months ending July 31st. Page 2 is the first
8 page with numbers on it, receipts through July 31st,
9 the transfer from the Trust and the User Fees
10 collected 682,000. The disbursements, you can see
11 them listed there. All the things that we do this
12 year, things for the Great Lakes Legacy Project. So
13 for the seven months ending July 31st we have
14 written checks for \$394,000. So we have increased
15 our cash from January 1st by \$288,850. We had
16 \$2,006,000 on January 1st and July 31st we've got
17 \$2,295,000 in the Operating Account and the User Fee
18 Account. And there's a little breakdown as to how
19 much is in each account there.

20 Page 3 shows each accounts and
21 the activity for the month, the interest earned on
22 the accounts, and the cash disbursements written
23 out, and the deposits made.

24 Page 4 is the important page
25 that shows what we have budgeted for each expense

1 item and what we have written through July,
2 including the items that are on your claims docket
3 today, and then how much we have got left for each
4 line item. And that unused budget is what we have
5 got in the Operating Account cash. So we haven't
6 gone over any line item. I don't think we are even
7 close on anything and we are square with all of our
8 bills at this point, and how much budget we've got
9 left on each line. Any questions on that report?

10 (No Response)

11 As Fernando eluded to, we were
12 notified by the State Board of Accounts since we
13 last met, they notified us of an audit. That they
14 wanted to look at all the records going back to 2010
15 through 2014. So between the last time we've met
16 and now they have been in, they have audited
17 everything. She came to our office and did a lot of
18 field work, worked with Fernando here, concluded the
19 audit. We had an exit conference last week I think
20 it was, and they'll have a report that we can talk
21 about at the next meeting. Within, she said,
22 30 days I believe.

23 MR. TREVINO: I think 30 or 45 days.

24 MR. LOPEZ: What triggered that? When we
25 moved from the City over here?

1 MR. ANDERSON: Well, they are suppose to
2 audit. State Board of Accounts, is suppose --

3 MR. LOPEZ: Because some of that was with
4 the City.

5 MR. ANDERSON: 2010, and the first three
6 quarters of '11 were done by the City. We did '11,
7 through the forth quarter of '11 through 2014.

8 MR. LOPEZ: I seen the e-mails and I was
9 thinking --

10 MR. TREVINO: They just go through
11 periodic audits.

12 MR. ANDERSON: The audit is every year.
13 It's not like the IRS. The State Board of Accounts
14 audits every entity every year.

15 MR. TREVINO: I don't think there was
16 anything that triggered it. It just comes up on the
17 schedule so to speak .

18 MR. LOPEZ: I figured when we moved from
19 the City over here. I know they are trying to get
20 their books together too.

21 MR. ANDERSON: It was a lot of ground to
22 cover. She was busy for a long time.

23 MR. TREVINO: As I mentioned, it dominated
24 our efforts in the last two weeks.

25 MR. ANDERSON: Fernando and I spent a lot

1 of quality time together.

2 MR. PATRICK RODRIQUEZ: The George Park
3 Study, has there been any request for any money or
4 funding on that project?

5 MR. ANDERSON: No. But we did budget
6 40,000 and we have not expended a nickel to-date. I
7 don't know, is that still the plan?

8 MR. TREVINO: We had a placeholder there
9 in the event there was follow-up from our last
10 efforts. And Michigan State or any of the other
11 entities that were involved haven't contacted us
12 over the next step.

13 MR. LOPEZ: We're waiting for the bill.

14 MR. ANDERSON: We do have a budget for it.

15 MR. LOPEZ: It's there when they ask for
16 it, okay.

17 MR. FEKETE: That's all been approved.

18 MR. ANDERSON: The budget is 40,000.

19 MR. PATRICK RODRIQUEZ: Thank you, sir.

20 MR. FEKETE: Any other questions for Mr.
21 Anderson?

22 (No Response)

23 MR. FEKETE: Thank you, Tim. We also
24 presented to use the accounts payable voucher
25 register. I would entertain a motion to approve the

1 accounts payable voucher register dated August 19th,
2 2015.

3 MR. HENRY RODRIQUEZ: Motion to approve.

4 MR. FEKETE: Do I have a second?

5 MR. PATRICK RODRIQUEZ: Second.

6 MR. FEKETE: Any questions?

7 (No Response)

8 MR. FEKETE: Role call note. John Bakota?

9 MR. BAKOTA: Yes.

10 MR. FEKETE: Henry Rodriguez?

11 MR. HENRY RODRIQUEZ: Yes.

12 MR. FEKETE: Patrick Rodriguez?

13 MR. PATRICK RODRIQUEZ: Yes.

14 MR. FEKETE: Kevin Doyle?

15 MR. DOYLE: Yes.

16 MR. FEKETE: John Fekete? I vote yes.

17 Ray Lopez?

18 MR. LOPEZ: Yes.

19 MR. FEKETE: Ted Zagar?

20 (No Response)

21 MR. FEKETE: Motion is approved.

22 Next item of business is the
23 consideration of the resolution for a new investment
24 policy. I think as it was explained, that we had to
25 redo the old one and the motion is to accept the

1 resolution as presented. I'll entertain a motion to
2 accept, to approve the resolution.

3 MR. PATRICK RODRIQUEZ: So moved.

4 MR. FEKETE: Second?

5 MR. LOPEZ: Second.

6 MR. FEKETE: We have a motion and a
7 second. Any questions?

8 (No Response)

9 Hearing none, we'll have a role
10 call vote. John Bakota?

11 MR. BAKOTA: Yes.

12 MR. FEKETE: Henry Rodriguez?

13 MR. HENRY RODRIQUEZ: Yes.

14 MR. FEKETE: Patrick Rodriguez?

15 MR. PATRICK RODRIQUEZ: Yes.

16 MR. FEKETE: Kevin Doyle?

17 MR. DOYLE: Yes.

18 MR. FEKETE: John Fekete. I vote yes.
19 Ray Lopez?

20 MR. LOPEZ: Yes.

21 MR. FEKETE: Ted Zagar?

22 (No Response)

23 Motion is approved. Following
24 on the heels of that we need to reappoint or appoint
25 according to that resolution an investment officer.

1 MR. PATRICK RODRIQUEZ: Mr. President, I'd
2 like to appoint John Fekete as the investment
3 officer?

4 MR. FEKETE: Okay, do I hear a second?

5 MR. BAKOTA: Second.

6 MR. FEKETE: I have a motion and second.
7 Signify by role call vote. John Bakota?

8 MR. BAKOTA: Yes.

9 MR. FEKETE: Henry Rodriguez?

10 MR. HENRY RODRIQUEZ: Yes.

11 MR. FEKETE: Patrick Rodriguez?

12 MR. PATRICK RODRIQUEZ: Yes.

13 MR. FEKETE: Kevin Doyle?

14 MR. DOYLE: Yes.

15 MR. FEKETE: John Fekete? Abstain. Ray
16 Lopez?

17 MR. LOPEZ: Yes. Motion is approved.
18 Thank you.

19 First Merchants investment
20 recommendation.

21 MR. MILLER: Clayton Miller, First
22 Merchants. Since last time we met there's been a
23 revision in the investment policy and updated the
24 recommendation for the accounts. Using the balance
25 as of January 1st the account number 616, 1.3

1 million. The first recommendation is a one year
2 government agency, Federal Home Loan Bank. It's a
3 Triple A rated company as far as the investment
4 policy statement. And the second, it's government
5 agency, Freddie Mac, Triple A rated company. Any
6 questions?

7 MR. LOPEZ: Is this for two years?

8 MR. MILLER: The 649,932 has a two-year.
9 That's a rate of point 75 and the remainder is
10 649,837 is point 375.

11 MR. LOPEZ: Okay, I got it.

12 MR. MILLER: Which is one year.

13 MR. TREVINO: Mr. President, I recommend
14 the recommendation from First Merchants be forwarded
15 to the Finance Committee for review and it can be
16 recommended to the full Board at the next Board
17 meeting. And I will call Mr. Miller and schedule a
18 meeting to review it in more detail, if that's okay
19 with the Board.

20 MR. LOPEZ: Okay. I'd make a motion that
21 we refer to the Finance Committee.

22 MR. FEKETE: Okay. We have a motion to
23 refer the recommendation to the Finance Committee
24 meeting, which will be scheduled as soon as we can
25 make the arrangements. And I'll entertain a second.

1 MR. DOYLE: Second.

2 MR. FEKETE: We'll have a voice vote on
3 the motion. All in favor signify by saying aye?

4 (All signify aye.)

5 Any opposition? Any
6 abstentions?

7 (No Response)

8 Motion approved. Thank you very
9 much. We'll try to make that meeting as quickly as
10 possible.

11 Next order of business is the
12 BMO Harris Bank Trust report. Mr. Alonzo?

13 MR. ALONZO: David Alonzo, BMO Harris
14 Bank. All right, I'd just run through our report.
15 Nothing changed too much from our last meeting. Of
16 course our first page always gives the historical
17 data to see where things have gone over the last ten
18 years -- I'm sorry -- over 15 plus years.

19 If you go to page 2, that's
20 going to give us the valuation. So as of
21 August 18th, Trust is \$5,760,997. That was a
22 positive difference of \$9,289 from the last meeting.
23 That was due to some of the interest that accrued
24 over the last quarter that was paid out last, prior
25 to the last meeting, after the last meeting. Then

1 distributions year to-date was \$268,519 for the
2 budget.

3 The third page gives us a
4 breakdown of all the accounts, the values from our
5 last meeting to this meeting, and the interest rates
6 on those certificates. We really don't have
7 anything coming due the rest of the year until
8 really next October, so we don't really have
9 anything to worry about from that side by
10 reinvestigating the assets. We will have some
11 interest that will be paid at the end of next month
12 which will be reported on the October statement.
13 Any questions at all?

14 MR. LOPEZ: The one year CD, when the
15 rates go up, you know, when rates go up, everybody
16 starts selling. I think we lose money that way,
17 don't we?

18 MR. ALONZO: Well, within these CD we have
19 we really don't have anything --

20 MR. LOPEZ: The one year?

21 MR. ALONZO: Let's see.

22 MR. LOPEZ: In the graph.

23 MR. ALONZO: Maturity on that one -- you
24 know. That might be an error there. We do have
25 some longer term ones that have set to come due.

1 The one year one, that should likely stay three
2 years on that blue pie chart. We will have a CD
3 coming due next year. So with regards to your
4 question on interest rates, we don't have anything
5 really short term. These are all locked in rates.
6 And also keep in mind these rates were given beyond
7 what the current rates were. We did bump those up
8 for you guys. Should there be any rate increases
9 over the time, we are still ahead of the game. So
10 there's awhile for these rates catch up where you
11 guys are at this point.

12 The other thing, the three-year
13 flex CD, the one that's coming due. If anything
14 gets exciting with interest rates, which probably
15 won't over the next year, we could always move money
16 out and reinvest that too. So we have some
17 flexibility with that one.

18 MR. LOPEZ: Okay. Because I know they are
19 going to go up, the rates going up.

20 MR. ALONZO: They will definitely come up.
21 When we see that on a certificate to that extent
22 we'll find out, but nothing probably too major.

23 MR. LOPEZ: I have a crystal ball.

24 MR. ALONZO: Yeah, let us know. Any
25 questions beyond that?

1 (No Response)

2 MR. FEKETE: Thank you very much. Next
3 order of business then is the Great Lakes Legacy Act
4 Project update. Okay, Jim, you're up.

5 MR. WESCOTT: Jim Wescott, Tetra Tech. I
6 wasn't at the last meeting, but since I was here
7 last we have done all the public outreach for the
8 Feasibility Study. We haven't gotten many comments.
9 As Fernando mentioned, we'll finalize any of the
10 comments and I don't anticipate changing the
11 Feasibility Study report. There really weren't any
12 substantiative comments, but we'll close that loop.
13 And really going forward as it talks about in the
14 progress report, between now and the end of the
15 calendar trying to finalize the design. Expectation
16 is that the design will encompass everything in the
17 Feasibility Study. There may be, based on
18 conversations that Fernando eluded to, some changes
19 in priority to try to get some stuff done faster.
20 So we may try to get part of the design done before
21 the end of the calendar year, which would push some
22 of it to later into the next calendar year, just
23 because we can't get it all done at once. Right now
24 the expectation is to have the entire design done by
25 the end of the calendar year and then try to move

1 towards an execution based on funding and other
2 constraints.

3 MR. FEKETE: Any questions for Mr.
4 Wescott?

5 (No Response)

6 MR. LOPEZ: Thank you.

7 MR. FEKETE: US Army Corps report, Natalie
8 Mills.

9 MS. MILLS: Good evening. Natalie Mills
10 with the US Army Corps of Engineers. CDF
11 construction facility and dredging operation. The
12 dredging is nearing completion. So far for the
13 Federal dredging they have dredged for us about
14 281,000 cubic yards. Our plan quantity was 280,000
15 cubic yards, so they do get over dredge. They have
16 to still complete surveys and we'll know what the
17 actual quantities are. Surveys are going to be done
18 around, the last week of this month is when surveys
19 will be executed and then we'll know in early
20 September actual quantities.

21 They are also dredging for
22 ArcelorMittal. They dredged, last I know, about
23 35,000 cubic yards over the 40,000 cubic yards that
24 was ordered for them. And they are also doing some
25 private dredging for them as well. So that contract

1 is near completion for the end of this calendar
2 year. They will be demobilizing and then the plan
3 is for them to come back and do some dredging next
4 year. Next year will be their last year. The last
5 option period under this current contract. It was a
6 five-year contract. Then we'll award another
7 contract for dredging and operations in 2016.

8 MR. BAKOTA: With a dredging contractor?

9 MS. MILLS: I assume it will be a new
10 contractor. It could be the same one, but
11 completely new contract.

12 MR. BAKOTA: When will dredging end for
13 this season?

14 MS. MILLS: They're nearly done. Maybe at
15 the end of the month.

16 MR. BAKOTA: Okay.

17 MS. MILLS: You all have a better idea for
18 dredging.

19 MR. BANAS: They're going to finish our
20 private dredging the end of this week, early next
21 week. And I think, do they have any other S and P
22 work after that.

23 MR. BARNETT: Tom Barnett, ArcelorMittal.
24 And I think if there's any high spots, we'd want to
25 talk about that.

1 MS. MILLS: Okay. So They're nearly done.

2 MR. BAKOTA: Will the booms be
3 repositioned across the bridge after the dredging?

4 MS. MILLS: Right. So they typically call,
5 Kokosing typically calls after they are done. They
6 call Adam and he arranges to have it replaced for
7 the season. So next time.

8 The permanent well installation
9 contracts. All those wells have been installed. I
10 think you all may recall they installed an
11 additional eight extraction wells. So they are just
12 testing. So they had to do a series of tests to
13 make sure the wells are working, it works with the
14 rest of the system, and that's a SCADA system,
15 S-C-A-D-A, to make sure it's reading properly and
16 cutting on and off as it should be. So they are
17 nearly, hopefully nearly done with the testing. We
18 are doing an inspection tomorrow just to ensure that
19 they have done everything according to the plan.

20 CDF documentation. The permits,
21 the draft permit conditions for TSCA was received on
22 the 6th of May. We sent some comments, a redline
23 draft of the draft TSCA permit conditions this
24 month. So we are looking to meet sometime in the
25 near future with all the parties to discuss our

1 comments and how we move forward.

2 Oil boom coordination. I
3 haven't heard anything lately on the permit for the
4 boom placement west of the railroad bridge. But
5 again I understand it's not an issue.

6 The PCA revision. There's a
7 meeting scheduled with the Corps and ECWMD to talk
8 to PCA on the 21st of August, at 1:00 p.m.

9 New contracts. The equipment
10 storage facility was awarded on the 31st of July and
11 that's basically another garage. We don't build
12 garages, so it's an equipment storage facility. I
13 think that contract is scheduled to be about a
14 year's time frame.

15 And lastly the FY16 to '21
16 dredging and operation contract, I mentioned that.
17 That preparation of those plans and specs are under
18 way and we are looking to award sometime February,
19 March timeframe for the new contract. We'll have
20 some overlap between the new contractor and existing
21 contractor for training purposes. We'll expect the
22 old contractor to train the new contractor on the
23 system, and we want to have continuity of services.
24 We don't want to stop and have the graded control
25 system down. That's all I have at this time.

1 MR. FEKETE: Any questions for Miss Mills?

2 (No Response)

3 Thank you very much.

4 MS. MILLS: Thank you.

5 MR. FEKETE: Ellen Gregory report.

6 MS. GREGORY: Ellen Gregory, Bamberger,
7 Foreman, Oswald & Hahn. Couple of items, the TSCA
8 permit and the PCA revisions, Natalie covered so I
9 won't cover them again.

10 Consent decree. BP contractor,
11 Arcadis submitted a third revision to work plan for
12 the AOC on August 4th. Waiting for approval from US
13 EPA on that before they can begin any work on the
14 south tank farm.

15 On the Feddeler parcel, our
16 appraiser has submitted a draft appraisal to the
17 Army Corps, so we'll be waiting to hear back from
18 the Army Corps real estate people. Matt is sending
19 that to Feddeler's attorney.

20 One other item that was raised
21 earlier relates to User Fees. There was a parcel
22 that in 2010 when we originally put together the
23 User Fee assessment process was erroneously assessed
24 to Penn New York, which then became Norfolk Southern
25 Railroad. The reason it was assessed to them was

1 the Lake County records that we had looked to in
2 finding the property owners along the Waterway to
3 assess the User Fees identified Penn New York as the
4 owner. Subsequent to that we realized that the
5 parcel was actually owned by ArcelorMittal. It
6 started assessing the parcel to them in 2013. So
7 what happened was we have a past due amount for Penn
8 -- Norfolk Southern for a parcel that actually they
9 hadn't owned and they got assessed. So the memo
10 that's in your materials basically summarizes that
11 and recommends that we eliminate or delete the past
12 due amount for Norfolk Southern and simply in the
13 future assess it to ArcelorMittal. Because
14 ArcelorMittal was maxed out at the \$75,000 per year
15 for the User Fee, there actually wasn't any lost
16 revenues from the fact we had erroneously assigned
17 it to the railroad instead of Mittal. So the
18 amounts are covered any different than they would
19 have been if it had been assessed appropriately to
20 begin with. That's all I had unless somebody has a
21 question about that.

22 MR. TREVINO: I'm wondering if the
23 recommendation to remove that should be -- that's a
24 recommendation. I'm wondering if it should be moved
25 and approved by the Board.

1 MS. BAMBERGER: That could probably be
2 good. That's not a bad idea.

3 MR. FEKETE: I would entertain a motion.

4 MR. PATRICK RODRIQUEZ: So moved.

5 MR. FEKETE: A second?

6 MR. HENRY RODRIQUEZ: Second.

7 MR. FEKETE: All in favor signify by
8 saying aye?

9 (All signify aye.)

10 Motion is approved.

11 MR. LOPEZ: Did you mention this, Ellen?

12 MS. GREGORY: What is this, the waste
13 disposal issue? On one of the Corps contracts there
14 was language about disposal of waste. Is that what
15 that is?

16 MR. TREVINO: No. These are, unless you
17 are referring to that specific comment, these were
18 my comments to the plans and specs for certain
19 project. But -- is that what you are asking about?

20 MR. LOPEZ: Are we responsible for it or
21 do we have a say so on that?

22 MR. TREVINO: On the waste? If you want
23 to talk about that specifically.

24 MS. BAMBERGER: This had come up several
25 years ago.

1 MR. LOPEZ: I remember that.

2 MS. BAMBERGER: When the Corps had some
3 waste they were disposing. And I did some research
4 and basically determined that there is a
5 co-generator status, which means there is a property
6 owner and then there's the entity that's actually
7 creating the waste, so they're really co-generators.
8 And so the person or the entity that's creating the
9 waste would be signing the manifest for disposal of
10 the waste rather than the property owner. I think
11 that's what we agreed to do. The Corps had agreed
12 that they would go ahead and either their contractor
13 or the Corps itself would be signing the manifests.
14 Right?

15 MS. MILLS: I think what happened, we have
16 what are called guide specs. And I think that just
17 changed and got transferred into the guide spec. So
18 we need to change that so it doesn't come up. It
19 will keep coming up if we don't change the master
20 specs.

21 MR. LOPEZ: Okay. Thank you. I'm just
22 reading it.

23 MR. TREVINO: I forget what it was. We
24 had talked about before. We had straightened it out
25 on a previous plan and spec.

1 MS. MILLS: Right. So good catch,
2 Fernando.

3 MR. LOPEZ: Thank you.

4 MR. FEKETE: Any new business to come
5 before the Board?

6 (No Response)

7 Any other business?

8 (No Response)

9 Public comments?

10 (No response)

11 Hearing none, the next Board meeting will
12 be September 16th, 2015, 5:00 p.m.. I'll entertain
13 a motion to adjourn.

14 MR. PATRICK RODRIQUEZ: So moved.

15 MR. FEKETE: Second?

16 MR. LOPEZ: Second.

17 MR. FEKETE: All in favor signify by
18 saying aye?

19 (All signify aye.)

20 We are adjourned.

21
22 (MEETING ADJOURNED.)

23
24 * * * * *

25

East Chicago 8-19
August 19, 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 19th day of August, 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 31st day of August, 2015.



Peggy S. LaLonde, CSR

My Commission expires: 3/14/2018

