

EAST CHICAGO WATERWAY MANAGEMENT  
DISTRICT BOARD OF DIRECTORS' MEETING  
City of East Chicago, Engineering/Annex Building  
4444 Railroad Ave.  
East Chicago, Indiana  
April 20, 2016  
Wednesday, 4:30 P.M.

Transcript of the proceedings had in the  
above-entitled matter, on the 20th day of April,  
2016, at 4:30 p.m., at the City of East Chicago,  
Engineering/Annex Building, 4444 Railroad Avenue,  
East Chicago, Indiana, before Dawn M. Iseminger,  
Registered Professional Reporter and Notary Public  
for the County of Porter, State of Indiana.

April 20, 2016

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

MR. JOHN FEKETE, President

MR. KEVIN DOYLE, Vice President

MR. HENRY RODRIGUEZ, Secretary

MR. RAY LOPEZ, Treasurer/Financial Officer

MR. JOHN BAKOTA, Board Member

MR. PATRICK RODRIGUEZ, Board Member

MR. FERNANDO TREVINO, FMT Consulting

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

Also Present:

JIM WESCOTT, Tetra Tech

TIM ANDERSON, CliftonLarsonAllen

DAVID ALONZO, BMO Harris

MICHAEL NGUYEN, USACE

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1 MR. FEKETE: I'd like to call to order the  
2 East Chicago Waterway Management District board  
3 meeting. Today's date is April 20th, and the time  
4 is 4:45 p.m. Okay, the first order of business is  
5 the roll call. John Bakota?

6 MR. BAKOTA: Here.

7 MR. FEKETE: Henry Rodriguez?

8 MR. HENRY RODRIGUEZ: Here.

9 MR. FEKETE: Patrick Rodriguez?

10 MR. PATRICK RODRIGUEZ: Here.

11 MR. FEKETE: Kevin Doyle?

12 MR. DOYLE: Here.

13 MR. FEKETE: Ray Lopez?

14 MR. LOPEZ: Here.

15 MR. FEKETE: John Fekete, present here.

16 Okay. Consulting engineering report, Mr. Trevino.

17 MR. TREVINO: Fernando Trevino, with FMT  
18 Consulting. I'd first like to start off with  
19 going over the contents of your board packet. You  
20 have the March 16, 2016, meeting notes for board  
21 approval consideration. You have the  
22 CliftonLarsonAllen budget report for March 31,  
23 2016. The claim docket dated April 20, 2016. You  
24 have the BMO ECI Facility Trust report dated  
25 April 19, 2016. You have a copy of a check and a

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1 deposit slip. The check is from BP for  
2 \$15,700.75, and also the deposit slip, which the  
3 deposit slip is dated April 8, 2016. And that's  
4 payment for the BP Section 10 permit agreement and  
5 it's for the expenses incurred in 2015. You have  
6 BMO Harris Bank Trust -- or a report for account  
7 number ending in 761 for the month of  
8 February 2016. You have another BMO Harris  
9 brokerage account statement for the month of  
10 February 2016 for account number ending in 534.  
11 You have a First Merchant's Bank statement for the  
12 month of March 2016 for accounts ending in 616 and  
13 608. You have two user fee deposit memos, one  
14 dated April 8, 2016, the other April 15th, 2016.  
15 You have the Tetra Tech progress report for the  
16 month of March 2016. You have my 2015  
17 Work-In-Kind report summary to EPA for the Great  
18 Lakes Legacy Act project and the transmittal  
19 e-mail that went with it, and the e-mail is dated  
20 March 28th, 2016. My report is dated the same,  
21 March 28. You have the Army Corps' board report  
22 dated April 20, 2016. You have Attorney Ellen  
23 Gregory's report to the board dated -- revision  
24 date April 19, 2016. You have board appointment  
25 documents that were transmitted to me from the

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1 city clerk, Adrian Santos, reappointing board  
2 member Henry Rodriguez; so congratulations to him.

3 MR. HENRY RODRIGUEZ: Thank you.

4 MR. TREVINO: You have a letter from the  
5 Rothschild Insurance Agency dated February 25,  
6 2016. You have a public notice document, State  
7 Form 50354, dated April 8, 2016. You have a  
8 University of Iowa letter to the Army Corps'  
9 Jennifer Miller, dated February 10, 2016. You  
10 have Indiana Harbor Confined Disposal Facility  
11 Wildlife Mitigation Newsletter for the first  
12 quarter, 2016, in your packet. And that concludes  
13 the items in your packet.

14 To go over a few items. We've been  
15 working with Rodney Humphrey on prior years'  
16 Corps and district spending summary. Working  
17 with EnviroForensics on evaluating the Corps'  
18 CDF construction and O&M costs. And also with  
19 David Burgoyne, along with the Corps, on  
20 finalizing the appraisal of the Feddeler real  
21 estate interest. There are two action items on  
22 today's agenda. The board meeting notes for  
23 March 16, 2016, and the accounts payable  
24 voucher dated April 20, 2016. The 2016 user  
25 fee invoices packages were mailed out in March.

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1 We've already started receiving user fee  
2 payments, and you have two of the deposit memos  
3 in your packet. We received two user fee  
4 appeals, which will be evaluated, and we plan  
5 to have an update to the board at the next  
6 board meeting.

7 The Great Lakes Legacy Act project: Tetra  
8 Tech has finalized the remedial design. And,  
9 as I mentioned I finalized the 2015 cost share  
10 summary report, which has been transmitted to  
11 EPA; and that copy of the report cover letter  
12 is in your packet.

13 The remediation design fact sheet is being  
14 finalized; and when it is, it will be posted on  
15 your website. The Great Lakes Legacy Act  
16 project team has been working on funding  
17 options for the remediation phase of the  
18 project. EPA is evaluating whether the City of  
19 East Chicago CSO project will qualify as the  
20 local share. I've been working with the City  
21 and the sanitary department to provide EPA with  
22 supporting information. I'm trying to make a  
23 case that the project should qualify as local  
24 share.

25 Tetra Tech's project report is in your

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1 board packet for additional information, and  
2 Mr. Jim Wescott is here to provide additional  
3 details on the project.

4 Mr. Mike Nguyen of the Corps will give an  
5 update from the Corps' dredging project. We  
6 are proposing to have this year's dredging  
7 public meeting after our June 15 board meeting.  
8 The conference room has already been secured;  
9 so if the board is okay with that, we'll  
10 finalize it.

11 Attorney Ellen Gregory will give an update  
12 on various legal matters. And that concludes  
13 my report.

14 MR. FEKETE: Any questions for Mr. Trevino?

15 (No response.)

16 MR. FEKETE: Thank you very much.

17 Next order of business is the approval of  
18 the board meeting notes of March 16, 2016.

19 MR. BAKOTA: Motion to approve.

20 MR. LOPEZ: Second.

21 MR. FEKETE: We have a second. Any  
22 discussion?

23 (No response.)

24 MR. FEKETE: All in favor signify by saying  
25 "aye."

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1 (All signify aye.)

2 MR. FEKETE: Any opposition?

3 (No response.)

4 MR. FEKETE: Abstentions?

5 (No response.)

6 MR. FEKETE: Motion is passed.

7 Accounting consultant report,

8 Mr. Anderson. You slipped in.

9 MR. ANDERSON: Just in time. Tim Anderson  
10 from CliftonLarsonAllen. You have in your board  
11 packet our report as of March 31st. Page 2 is the  
12 first page with numbers on it. The cash receipts  
13 for three months ending March includes the trust  
14 transfer for our budget. We have 277,000 that's  
15 been receipted into the operating account. And  
16 the listing of disbursements through March, we've  
17 spent \$196,000 in January, February and March. So  
18 our increase in cash is approximately \$82,000. We  
19 had \$2,058,000 at the beginning of January, and we  
20 have \$2,140,000 at the end of March.

21 Page 3 shows the two accounts: The  
22 operating account and the user fee accounts.  
23 And not a whole lot of activity through March.  
24 Just the budget transfers into the accounts and  
25 our checks that we've written for the three

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1 months, and some interest that we've earned on  
2 the account.

3 Page 4 shows the 2016 budget appropriation  
4 and what we've cut in checks against the  
5 appropriations; so we've got a budget of  
6 \$608,000, plus our payables of roughly a  
7 hundred through -- that were payable as of  
8 December 31st on last year's money. So our  
9 total appropriation is 708, and then we've  
10 written checks through March of 196, and you're  
11 approving \$34,368 today; and so we have a  
12 balance of our budget of \$478,025. And that  
13 column all the way to the right is very  
14 important -- the unused budget. You need to  
15 know that all the checks that you're approving  
16 today are within the budget and no category has  
17 been overspent. And that is the case, as of  
18 April 20th, with the checks you're approving  
19 today, we're right in line with all of our  
20 budget expenses.

21 Any questions on the reports?

22 (No response.)

23 MR. ANDERSON: Thank you. I'm sorry for  
24 forgetting it was 4:30.

25 MR. TREVINO: One clarification, Tim, on Page

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1 3.

2 MR. ANDERSON: Yes.

3 MR. TREVINO: The section titled, "Operating  
4 Account," that last budget transfer amendment  
5 should be from user fees.

6 MR. ANDERSON: That's correct. And it shows  
7 up on the user fee account. Just underneath it,  
8 you can see that it's coming out of the -- so  
9 that's true. That should say "user fees" not  
10 "trust." We'll get that fixed. Thank you.  
11 That's it. Thank you very much.

12 MR. FEKETE: We have before us for approval  
13 consideration the accounts payable voucher dated  
14 April 20, 2016. Do I hear a motion?

15 MR. HENRY RODRIGUEZ: Motion to approve.

16 MR. FEKETE: We have a motion. Do I have a  
17 second?

18 MR. DOYLE: Second.

19 MR. FEKETE: Any discussion?

20 (No response.)

21 MR. FEKETE: Hearing none, we'll have a roll  
22 call vote. John Bakota?

23 MR. BAKOTA: Yes.

24 MR. FEKETE: Henry Rodriguez?

25 MR. HENRY RODRIGUEZ: Yes.

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1 MR. FEKETE: Patrick Rodriguez?

2 MR. PATRICK RODRIGUEZ: Yes.

3 MR. FEKETE: Ted Zagar?

4 (No response.)

5 MR. FEKETE: Kevin Doyle?

6 MR. DOYLE: Yes.

7 MR. FEKETE: Ray Lopez?

8 MR. LOPEZ: Yes.

9 MR. FEKETE: John Fekete, I vote yes. The  
10 motion is approved.

11 The next order of business is the BMO  
12 Harris Bank trust report. Mr. Alonzo.

13 MR. ALONZO: Sorry, I missed the memo on the  
14 4:30 start. So to run through the report, there's  
15 not a whole lot of activity this past month. Of  
16 course, the first pages goes through the  
17 withdrawals from 1997 up until now. And then, of  
18 course, disbursements from '97 up until now.

19 The value of the trust as of April 8th  
20 was -- sorry -- April 18th, that should say, is  
21 \$5,542,424. So that was a difference of  
22 \$15,730 from last meeting. That difference  
23 unfortunately wasn't because of interest. Only  
24 \$30 was from interest from the money market.  
25 The \$15,700 was from a BP check deposit that

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1 came through that month.

2 MR. TREVINO: That's the check I mentioned  
3 that you have a copy of.

4 MR. ALONZO: And then, of course,  
5 distributions. We had just sent those out for the  
6 trust here last month, which I need to update here  
7 on the side. So for the last page, going through  
8 the values, the -- really, we don't have a whole  
9 lot of things coming up this year, except in  
10 October we've got one CD, which is that three-year  
11 flex CD for \$1.5 million plus.

12 On the far right-hand column you can see  
13 where it's highlighted in yellow there. That's  
14 going to basically come next month. When I'm  
15 presenting the report, there will be a lot more  
16 interest that hits the account, because the  
17 bulk of all this interest we're making is from  
18 CDs. And, again, the CD interest is paid  
19 quarterly instead of monthly. So by next  
20 meeting, pretty much all of these CDs would've  
21 paid interest by that point.

22 Beyond that, we still have less than that  
23 half million in your prime money market  
24 account. It's at 240,000 right now.  
25 Typically, we keep about 500 in there. But

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1 when this CD comes due in October, we can look  
2 at sort of backfilling that if we need to.

3 Any questions at all?

4 MR. FEKETE: Any questions?

5 (No response.)

6 MR. ALONZO: The rate environment is still  
7 pretty bad. The ten-year treasury has been  
8 dropping, unfortunately, instead of going up; so  
9 the CD rates aren't looking any more exciting than  
10 they have been. But, again, we'll work with you  
11 guys on getting some better rates.

12 MR. LOPEZ: Great.

13 MR. FEKETE: Thank you. The next order of  
14 business is the Great Lakes Legacy Act project  
15 update. Mr. Wescott.

16 MR. WESCOTT: Good evening. Jim Wescott.  
17 There hasn't been much. The report is pretty  
18 brief this month since our transition from the  
19 design to kind of the post-design support. I  
20 would say there's been a decent amount of progress  
21 on the permits. We got -- we had four major  
22 permits that we applied for. If you recall, there  
23 was a 401, 404, construction floodway, and the  
24 NPDES discharge permit. And we've gotten the 401  
25 permit from the State already. And I have a draft

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1 NPDES permit that I need to review from the State,  
2 and I have -- we've been talking to the State  
3 about the construction and floodway permit, and it  
4 seems like they have no issues. They're just  
5 answering some questions. And then the 404 permit  
6 is issued by the Corps of Engineers. We know  
7 they're very slow right now. We've been talking  
8 to them, but we don't anticipate any problems with  
9 that one either. So the permits are moving along.  
10 And then really it goes back to what Fernando  
11 mentioned earlier, about just getting the money.  
12 As soon as the money potentially kind of comes  
13 together, then a lot of the other pieces should be  
14 in place to move forward.

15 Are there any questions so far?

16 (No response.)

17 MR. FEKETE: Any questions?

18 (No response.)

19 MR. WESCOTT: That's it.

20 MR. FEKETE: Before you leave, May 24th is  
21 the Care meeting, and you're on the agenda.

22 MR. WESCOTT: Okay. May 24th, I should be  
23 there. I will be there. Okay.

24 MR. FEKETE: Fernando, make sure that's on  
25 your calendar as well.

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1 MR. TREVINO: Yeah. It's on here already.  
2 Did you tell me already? It's already on my  
3 agenda.

4 MR. FEKETE: I told you last time that that  
5 was the tentative date.

6 MR. WESCOTT: Is that in Valpo at the place  
7 we meet?

8 MR. FEKETE: Yes. In Valpo on 30.

9 US Army Corps of Engineering report.  
10 Mr. Nguyen.

11 MR. NGUYEN: My name is Mike Nguyen. I'm  
12 filling in for Natalie Mills for three months,  
13 until the end of June.

14 MR. TREVINO: Welcome back.

15 MR. NGUYEN: It's been about three years.  
16 Shortly after the birth of my son, who is going to  
17 be turning three this year.

18 MR. FEKETE: Wow. You guys having a contest  
19 here or something, a new office pool going?

20 MR. NGUYEN: We're counting how many kids we  
21 have given birth to since the start of this  
22 project. So if you don't know, Natalie gave birth  
23 to a baby girl. I forgot the name.

24 So for the Corps of Engineers report, the  
25 CDF Construction, the facility dredging

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1 operation plans: Kokosing, the contractor, is  
2 doing wastewater treatment starting 14 May.  
3 And we anticipate finishing up probably by  
4 June. So maybe July, at the earliest, we could  
5 start dredging. But right now we're  
6 tentatively scheduled for August. The  
7 equipment storage facility mobilization is  
8 scheduled for the spring of 2016. I think we  
9 have more of a tentative date of -- by the end  
10 of this month, of April. So not -- and there  
11 are still -- submittal transmission is still  
12 ongoing until once it's all approved; they will  
13 be mobilizing.

14 CDF documentation: The Corps -- the US  
15 EPA and the Corps met on April 13th to discuss  
16 the letter dated 7 March, rescinding the TSCA  
17 permits. Both parties seem -- both US EPA and  
18 Corps seem to be working together to try to  
19 resolve any ongoing issues with the permits,  
20 and we are scheduling future meetings with  
21 IDEM, US EPA, to discuss going forward on the  
22 TSCA permit.

23 I guess the oil boom coordination, is that  
24 the ECI Section 10 permit? I have no update on  
25 that.



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1 MS. GREGORY: I have an update on that.

2 MR. NGUYEN: Okay. And for the PCA and  
3 non-federal funding: Biweekly meetings with the  
4 Corps and ECWMD is to be scheduled.

5 MS. GREGORY: To be scheduled.

6 MR. NGUYEN: To be scheduled. And, Ellen,  
7 you're updating the Feddeler --

8 MS. GREGORY: Yes.

9 MR. NGUYEN: -- status? Okay.

10 New contracts: The Corps has solicited  
11 the dredging and operations contract. Right  
12 now the tentative date for awarding this was  
13 April 1st of 2016. Due to some delay with the  
14 regional principal assistant responsible for  
15 contracting, which is a level above the  
16 district's contracting authority, they need to  
17 review the package; and they provided some  
18 comments on it; so that's a cause of the delay  
19 of awarding this.

20 And as Fernando stated, the annual  
21 dredging public meeting is scheduled for  
22 June 15th.

23 And for the ECI Section 10 permits: The  
24 permit is currently being viewed by our  
25 regulatory agency section.

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1 MR. FEKETE: This isn't going to delay the  
2 project, is it, the schedule?

3 MR. NGUYEN: No. This is a new contract.  
4 Our old contract is set to expire at the end of  
5 September.

6 MR. FEKETE: So this is for?

7 MR. NGUYEN: This is going to be a new  
8 five-year dredging contract similar to the one  
9 that we advertised five years ago.

10 MR. FEKETE: Got it. Any other questions?

11 MR. BAKOTA: Yes. I don't know if you  
12 noticed but the parkway has been beautified, and  
13 you were instrumental in hooking me up with the  
14 right person; so I want to thank you for that.

15 MR. NGUYEN: You're welcome.

16 MR. BAKOTA: It got completed and you were  
17 gone.

18 MR. NGUYEN: I did drive by and I'm like,  
19 "I'm so glad the fabric is down, because right now  
20 it looks a lot better."

21 MR. BAKOTA: It does. Thanks again.

22 MR. NGUYEN: Okay. You're welcome.

23 MR. TREVINO: I had one thing. Mike, you had  
24 mentioned the PCA and part of the PCA work that  
25 we've been doing has been to try to evaluate the

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1 past costs for the CDF construction and the O&M,  
2 and I mentioned earlier that we contracted with a  
3 company called Enviro Forensics to evaluate the  
4 Corps' cost based on what was provided, and it  
5 looks like we'll have something within the next  
6 week or two to meet with the Corps. So I'll be  
7 reaching out to you to set up a meeting. The last  
8 time it was Natalie --

9 MR. NGUYEN: With Kim.

10 MR. TREVINO: -- Kim Sable and Sherry.

11 MR. NGUYEN: Okay. Because I did pull up the  
12 historic costs dating back all the way from 1999  
13 to show the construction costs of the CDF, and I  
14 need to talk with Kim to get an update. And you  
15 were saying about the operation costs; so, like,  
16 the dredging cost or --

17 MR. TREVINO: The O&M.

18 MR. NGUYEN: Okay.

19 MR. TREVINO: Part of the PCA is to kind of  
20 do a cost share with the O&M as well; so that's  
21 part of the overall cost analysis.

22 MR. NGUYEN: Sure.

23 MR. TREVINO: We're trying to set this up so  
24 if there's any number changes, it will be, you  
25 know, it will kind of correct itself with --

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1 throughout the spreadsheet.

2 MR. NGUYEN: Okay. Well, just send me dates  
3 that you want to meet in our office.

4 MR. TREVINO: All right.

5 MR. NGUYEN: Okay. Thank you.

6 MR. FEKETE: Thank you.

7 MR. BAKOTA: Thank you.

8 MR. FEKETE: Attorney Ellen Gregory.

9 MS. GREGORY: Ellen Gregory with Ellen  
10 Gregory Law. The consent decree: We continue to  
11 have biweekly calls, BP and EPA, presumably with  
12 DOJ involved at some point. We'll be putting  
13 together a new version of the PCA once the AOC  
14 work submission is completed. That is expected to  
15 be done at the beginning of May; so BP and their  
16 contractors will be submitting a report at the  
17 beginning of May, which will be on the  
18 distribution list.

19 Section 10 permit: We have, again, asked  
20 the Army Corps to move forward on issuing an  
21 extension, and I received an e-mail earlier  
22 this week that they hope to have us a response  
23 by the end of this week on the status of that.

24 On the Feddeler, we have a draft appraisal  
25 that's been submitted to the Army Corps. We

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1 have a call scheduled with the appraiser and  
2 the Army Corps on Monday, April 25th. And,  
3 Fernando mentioned briefly, in the board packet  
4 is communication from the University of Iowa.  
5 A professor out there is doing PCB research and  
6 is seeking access to the site; and we'll be  
7 working with the Army Corps to put together a  
8 license agreement which will include the Army  
9 Corps and the district, as the owner, of the  
10 property. And that's all I have.

11 MR. FEKETE: Any questions for Miss Gregory?

12 (No response.)

13 MR. FEKETE: Thank you very much. Any new  
14 business to come before the board?

15 (No response.)

16 MR. FEKETE: Any other business?

17 (No response.)

18 MR. FEKETE: Any public comments?

19 (No response.)

20 MR. FEKETE: Our next board meeting is  
21 May 18th at 5:00 p.m., back to our regular time,  
22 2016, at this facility.

23 I'll entertain a motion for adjournment.

24 MR. PATRICK RODRIGUEZ: So moved.

25 MR. FEKETE: Second?

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MR. DOYLE: Second.

MR. FEKETE: All in favor?

(All signify aye.)

MR. FEKETE: This meeting is adjourned.

WHEREUPON THE MEETING WAS ADJOURNED.

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C E R T I F I C A T E

I, Dawn M. Iseminger, Registered Professional Reporter (RPR), and Notary Public within and for the County of Porter, 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 April, 2016, 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 29th day of April, 2016.

*Dawn M. Iseminger*

Dawn M. Iseminger, RPR

My Commission expires: 7/22/2017

