

1 EAST CHICAGO WATERWAY MANAGEMENT
2 DISTRICT BOARD OF DIRECTORS' MEETING
3 City of East Chicago, Engineering/Annex Building
4 4444 Railroad Avenue
5 East Chicago, Indiana
6 May 18, 2016
7 Wednesday, 5:00 p.m.

8
9 Transcript of the proceedings had in the
10 above-entitled matter, on the 18th day of
11 May, 2016, at 5:00 p.m., at the City of East
12 Chicago, Engineering/Annex Building, 4444 Railroad
13 Avenue, East Chicago, Indiana, before Peggy S.
14 LaLonde, Certified Shorthand Report and Notary
15 Public for the County of LaPorte, State of
16 Indiana.

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21 ISEMINGER & ASSOCIATES, INC.
22 14 Indiana Avenue - Suite A
23 1st Source Bank Building
24 Valparaiso, Indiana 46383
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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. PATRICK RODRIGUEZ, Board Member
- MR. TED ZAGAR, Board Member
- MR. RAY LOPEZ, 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
- MIKE WINN, Army Corps of Engineers

* * * *

1 MR. FEKETE: I'd like to call to order the
2 meeting of the East Chicago Waterway Management
3 District Board of Directors. Today's date is May
4 18th, 2015, and the time is 5:03. We'll have a roll
5 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: Ted Zagar?

12 MR. ZAGAR: Here.

13 MR. FEKETE: Kevin Doyle?

14 (No Response.)

15 MR. FEKETE: Ray Lopez?

16 MR. LOPEZ: Here.

17 MR. FEKETE: John Fekete? Here. We have
18 a quorum. Okay. First order of business the
19 Executive Director's report, 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 20, 2016, Board meeting notes for approval
24 consideration.

25 You have a checklist dated May 1,

1 2016 representing the checks that are on the claim
2 docket for approval consideration at today's
3 meeting.

4 You have an interim decision of
5 Appeals Officer dated May 16th, 2016 and the
6 supporting documentation behind it. And another
7 interim decision of Appeals Officer also dated May
8 16th, 2016. The first appeal is in regards to User
9 ID 39 and the second one is User ID 08. You have an
10 e-mail from Kevin Fitzgerald, Attorney General,
11 regarding status of unpaid User fee. The e-mail is
12 dated May 13th, 2016.

13 You have a First Merchants Bank
14 statement for account ending in 616 and 608. Both
15 are for the month of April 2016.

16 You have the BMO Facility Trust
17 report dated May 16th, 2016. You have the BMO
18 Harris Bank statement for account ending in 761 for
19 the month of March 2016. Another BMO Harris account
20 statement for account ending in 534, also for the
21 month of April 2016.

22 You have a People's Bank account
23 statement for the first quarter of 2016 for account
24 ending in 46 and account ending in 47.

25 You have the Great Lakes Legacy Act

1 fact sheet for sediment cleanup dated May 2016.

2 You have Tetra Tech's report or
3 progress report dated May 13, 2016, and it's for the
4 month of April.

5 You have the Army Corps of Engineers
6 report to the Board dated May 18, 2016. You have a
7 copy of the Army Corps media advisory regarding the
8 2016 dredging project, public meeting which is
9 scheduled for June 15, 2016, at 6:00 p.m., here at
10 the Annex Building. The dredging project meeting
11 will follow our June public meeting.

12 You have Attorney Ellen Gregory's
13 report to the Board, with revision date of
14 5/16/2016.

15 You have a letter from the Rothchild
16 Agency regarding insurance dated February 25, 2016.
17 And another dated May 13, 2016 with a couple of the
18 attachments referenced in that letter.

19 You have an e-mail from me to the
20 Corps and other team members regarding the CDF cost
21 tables. And you also have the attached, cost tables
22 attached to that. That e-mail is dated May 10th,
23 2016.

24 You have a letter dated April 28,
25 2016, addressed to Arco and BP from Board President

1 Fekete in your packet, along with the attachment.

2 You have a Atlantic Richfield
3 Company monthly progress report number 14, dated May
4 6, 2016 regarding the refinery site investigations
5 activities.

6 You have an announcement titled,
7 Save the Date, June 4, 2016. Place, base Learning
8 and Stewardship along the Grand Cal River. You have
9 an agenda titled, Grand Calumet River Stewardship
10 dated May 12, 2016. And it was for an outreach
11 program that was part of the EPA C grant program and
12 that was on May 12th. And e-mail from Katelyn
13 McGrelly dated May 16, 2016, also in regards to that
14 Grand Cal Stewardship thing.

15 And you also have a copy of the
16 financial statements dated April 30th, 2016, and the
17 claim docket, that was e-mailed separately.

18 And that concludes the contents of
19 your Board packet. Couple items to report on.
20 Regarding insurance options, we have requested
21 additional information from the insurance agency,
22 Rothchild agency, and we plan on having cost and
23 coverage description for Board's review at the next
24 Board meeting.

25 Regarding User fees, there's a

1 handful of unpaid User fees for 2016. As in the
2 past, I'd like to forward a past due notice to all
3 the companies that are in arrears with an extension
4 date of July 15th, which is the same extension that
5 was granted last year. And as I reported in the
6 past we received two User fee appeals in 2016.
7 Those were forwarded to the Appeals Officer for his
8 review. One appeal was regarding the change of
9 ownership and the other was regarding change in
10 linear footage. Both of those appeals were granted
11 by the Appeals Officer and copy of that letter, both
12 of those letters are in your packet.

13 The Great Lakes Legacy Project, as I
14 mentioned the remedial design fact sheet has been
15 finalized and that was in your Board packet, and
16 also has been posted on the web site. EPA has
17 appointed a new project manager and our previous
18 project manager was Diana Maly. I'd like to thank
19 her for all her efforts. And the new project
20 manager that was appointed was Brenda Jones. She
21 was originally scheduled to be here and meet the
22 Board, but she had a schedule conflict, so she's
23 planning on making the June meeting.

24 The Great Lakes Legacy Act Project
25 team continues to explore funding options for the

1 remediation phase of the project.

2 Tetra Tech's project report is in
3 your packet and Mr. Wescott is here to provide more
4 details on the Great Lakes Legacy Act project.

5 The dredging project, we met with
6 the Corps on May 10th regarding the review of the
7 CDF construction and cost analysis. We plan to have
8 follow-up meetings in the next couple of weeks.

9 We're also in the process of
10 finalizing the appraisal on the parcel known as the
11 Feddeler parcel. The Corps is researching some
12 additional information and we hope to have that
13 concluded by the next Board meeting.

14 Mr. Mike Quinn of the Corps will
15 give an update for the Corps. And as shown on the
16 agenda, this year's public meeting, dredging public
17 meeting scheduled for June 15th, at 6:00 p.m.
18 immediately following the June Board meeting. That
19 concludes my report.

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

22 (No Response.)

23 MR. FEKETE: Thank you very much. Next
24 order of business is approval consideration of the
25 Board meeting notes from last meeting, April 20,

1 2016.

2 MR. BAKOTA: Make a motion to approve.

3 MR. LOPEZ: Second.

4 MR. FEKETE: I have a motion and a second.

5 Any questions?

6 (No response.)

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

9 (All signify aye.)

10 MR. FEKETE: Any opposition?

11 (No response.)

12 MR. FEKETE: Hearing none, the motion is
13 approved. The accounting consulting report, Mr.
14 Anderson.

15 MR. ANDERSON: Tim Anderson, from
16 CliftonLarsonAllen. You have a copy of our
17 financial in your packet. Page 2 of that report
18 shows our cash receipts through April of '16. This
19 month we have User fees of \$150,472 on the report.
20 Combined with the interest we earned on the checking
21 accounts and the transfer from the trust, \$428,000
22 in cash receipts, and our cash disbursements or
23 checks we write are listed there. Legal and
24 engineering, and the Great Lakes Legacy Project are
25 the big items this year through April.

1 So our cash, we started the year
2 with \$2,058,000 in the two accounts and at the end
3 of April we've got \$2.2 million. And the accounts
4 are listed below, the operating account 478,000,
5 that's basically our unspent budget as of
6 April 30th. And then the User fee account, where we
7 put all the User fees over the years is 1.7 million.

8 Page 3 just shows the ins and outs
9 of those two checking accounts and the balance that
10 was in the accounts in January, and the deposits
11 that we have made to the accounts and the checks
12 that were written, and the balance as of April 30th.
13 And of course these accounts have been reconciled
14 and we are using the State Board approved software,
15 and so all the accounts are reconciled and are
16 appropriate.

17 Page 4 shows the budget for the year
18 that was passed and the checks we have written
19 through April pursuant to the budget. We have
20 written 230,000 through April and then you have
21 your, appropriated your voucher report today for
22 checks totally \$36,000. That's in that main column.
23 And then what you need to look at is the last column
24 on the right. Nothing, even with the checks on the
25 voucher register today, nothing exceeds the budget

1 as the Board approved it.

2 And the 441, that's the unused
3 budget ties back to that operating account that
4 we've got. So the operating account, the balance of
5 the operating account basically is your unspent
6 budget. Any questions?

7 (No Response.)

8 MR. LOPEZ: Thank you.

9 MR. FEKETE: Thank you. Next order of
10 business is approval of accounts payable voucher
11 register dated May 18, 2016. I'd entertain a
12 motion.

13 MR. PATRICK RODRIGUEZ: So moved.

14 MR. FEKETE: We have motion. Do I have a
15 second?

16 MR. HENRY RODRIGUEZ: Second.

17 MR. FEKETE: Any questions?

18 (No response.)

19 MR. FEKETE: Hearing none, we'll have a
20 roll call. John Bakota?

21 MR. BAKOTA: Yes.

22 MR. FEKETE: Henry Rodriguez?

23 MR. HENRY RODRIGUEZ: Yes.

24 MR. FEKETE: Patrick Rodriguez?

25 MR. PATRICK RODRIGUEZ: Yes.

1 MR. FEKETE: Ted Zagar?

2 MR. ZAGAR: Yes.

3 MR. FEKETE: Kevin Doyle?

4 (No response.)

5 MR. FEKETE: Ray Lopez?

6 MR. LOPEZ: Yes.

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

8 The motion is approved. User fee update report.

9 MR. TREVINO: Yeah, I gave pretty much the
10 update during my report. The one thing I think
11 would be a good idea if the Board would approve
12 sending out, allowing me to send out the letters to
13 those that haven't paid with the extension of
14 July 15th.

15 MR. FEKETE: We'll entertain a motion to
16 extend the deadline date for User fee payments to
17 July 15th.

18 MR. PATRICK RODRIGUEZ: So moved.

19 MR. LOPEZ: Second.

20 MR. FEKETE: We have a motion and second.

21 Any questions?

22 (No response.)

23 MR. FEKETE: All in favor anything by
24 saying aye?

25 (All signify aye.)

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MR. FEKETE: Any opposition?

(No response.)

MR. FEKETE: Hearing none. Motion is approved.

MR. LOPEZ: How many are there, do you know?

MR. TREVINO: Well, there were about 15, now there's about 13.

MR. FEKETE: But they all paid in the past.

MR. TREVINO: Yes.

MR. FEKETE: Except for the two.

MR. TREVINO: There were 15.

MR. FEKETE: Very good. BMO Harris Trust report.

MR. ALONZO: David Alonzo, BMO Harris Bank. All right, so page 1 of the report just gives us the chart of the historical values from 1997 up until now.

Page 2, so the value of the Trust on May 16 was \$5,557,334.00, that was a positive difference of \$14,900 from our last meeting. The column to the right there shows that total distribution since 1997 out of the Trust were \$19,037,808.00.

1 So last page gives us a breakdown of
2 the accounts. So really the interest that was made
3 from this last meeting to this meeting was from the
4 CDs the interest paid out quarterly. All of these
5 have maturity on the same month or when we set these
6 up. So the only column that I must not have saved
7 before I sent it out was that far right column. The
8 next interest credit dates will be in July instead
9 of April. So we'll really for the next couple of
10 months we won't see any major interest credit in the
11 account until April -- I'm sorry -- until July of
12 this year. We have one CD coming due in October
13 about 1.5 million.

14 Other than that interest rates are
15 still where they are from last month and for the
16 last eight years, so nothing really changed in that
17 part. But as things come due we'll take a look at
18 what rates we have and see if we have better
19 interest rates beyond what is available. Any
20 questions at all?

21 (No response.)

22 MR. LOPEZ: Thank you.

23 MR. FEKETE: Next order of business is
24 Great Lakes Legacy Act project report, Mr. Wescott.

25 MR. WESCOTT: Jim Wescott, with Tetra

1 Tech. Not much new from last month. Basically just
2 mainly working on permits. And there has been some
3 discussion with BP/Arco, kind of because as you are
4 well aware, their consulting Arcadis is doing the
5 cleanup on the south tank farm and there's been some
6 discussion trying to marry up some of the remedy for
7 what BP/Arco is proposing what the sediment project
8 is. So there's been a couple short meetings and
9 probably continue to be some technical meetings
10 going forth to see what the opportunities are to get
11 Arco's remedy that they are required to do by EPA to
12 kind of maybe assist with the sediment project. So
13 we'll probably continue those discussions and going
14 forward, the Care Committee meeting is next Tuesday,
15 the 24th. I'll be at that.

16 MR. FEKETE: At the Valparaiso office and
17 you're on the agenda.

18 MR. WESCOTT: So we are still planning to
19 be in position to try to do the work in 2017 if the
20 finances come together. I think at some point this
21 summer just because of EPA's procurement process,
22 eventually it's going to get too late. But that's a
23 discussion we'll have probably in a month or two.
24 Any questions for me?

25 (No response.)

1 MR. FEKETE: Thank you. Corps report, Mr.
2 Winn.

3 MR. WINN: Mike Winn, project manager for
4 the Corps of Engineers, Indiana Harbor dredging
5 project. It's the update for the CDF construction
6 contractor resume dredging treatment the week of 14
7 March, and we continue dredging, and dredging is
8 tentatively scheduled for August 2016. We could
9 start dredging a little earlier if we could treat
10 enough water to bring down the water in the CDF.

11 Then the equipment storage facility,
12 the contractor has started mobilizing to the site in
13 early May. They will continue to bring on other
14 equipment and material to the site and probably
15 start full construction in June.

16 CDF documentation permits, the U.S.
17 EPA, IDEM and the Corps met on the 27 April and 16
18 May to discuss details of TSCA permit. Future
19 meetings will be scheduled with the EPA and IDEM to
20 finalize the TSCA permit.

21 There is no update on the oil boom
22 coordination. PCA revision, we are still trying to
23 schedule meeting ECWMD bi-weekly meeting to be
24 determined. And the Feddeler parcel resolution, I
25 will let Ellen give an update on that.

1 New contracts, this is a new one.
2 The regional principal assistant responsible for
3 contracting, we call that PARK. Recommended that
4 the Corps re-advertise the new dredging and
5 operation contract due to some inconsistencies with
6 the Corps evaluation factors. So the contract was
7 canceled on 26 April, this year. And we will be
8 advertising, re-advertising this contract in June
9 and we should be awarding by end of September.

10 And other news, the annual dredging
11 meeting is scheduled for 15 June at 6:00 p.m. after
12 the Board meeting. Any other questions, comments?

13 MR. BAKOTA: I asked you after the
14 meeting, last meeting, about taking tests on the
15 contents of the CDF.

16 MR. WINN: Yes, and I did talk to Dr.
17 Jennifer Miller, and she says that we do random
18 testing of the dredge material in the canal. So
19 there shouldn't be any need to test it when we place
20 it in the CDF.

21 MR. BAKOTA: Just as a matter of record,
22 the question I asked, do you take samples. Most
23 companies have a quality control, you know, whether
24 it's a product or anything. You know, they test
25 their contents as they add them. But the final

1 scope, they test the product and that's what I was
2 going at. I'm not questioning the testing of the
3 dredging at the site.

4 MR. WINN: Right. She indicated that once
5 we transport it into the CDF, everything gets mixed
6 together and so there wouldn't be any sort of
7 concentration.

8 MR. BAKOTA: Yeah, I don't know. Thank
9 you.

10 MR. LOPEZ: In your report, the new
11 contracts. You voided a contract due to some
12 inconsistencies with the Corps evaluation package.
13 Can you elaborate on that?

14 MR. WINN: Yes. I guess the PARK
15 indicated that our evaluation criteria was too
16 stringent. I guess more of it really didn't give
17 other contractors the ability to bid on this
18 project. It has to meet certain years of experience
19 and everything else. I don't know the details.
20 They just gave me the sort of the answer. Basically
21 saying that we have to re-advertise and we are
22 working to address some of the questions that the
23 PARK make so that we could re-advertise this.

24 They are required, PARK is required
25 to review this regardless if it's open bid, a sealed

1 open bid. If the contract amount, the total
2 contract amount exceeds \$50 million.

3 MR. LOPEZ: I thought maybe you found
4 something in your findings.

5 MR. WINN: No. If the contract amount was
6 \$49 million, they wouldn't need to review this. It
7 went over \$50 million and it just needs a cursory
8 review and they just found some inconsistencies that
9 could get the Corps involved. So we're going to
10 look at the whole contract again and basically
11 tighten up or reevaluate our evaluation criteria.

12 MR. TREVINO: So that that won't impact
13 the dredging of 2017? You still have enough time --

14 MR. WINN: 2017, yes, if we award the
15 contract in September. We probably won't order
16 another dredging task order until the Spring of '17,
17 so that gives the contractor plenty of time.

18 MR. LOPEZ: But you are still on target
19 for this year, right?

20 MR. WINN: This year's dredging we used
21 the old contract.

22 MR. TREVINO: This year is your last of
23 the five-year.

24 MR. WINN: Is the last of the five-year.

25 MR. TREVINO: So next year starts your new

1 five-year contract.

2 MR. WINN: Yes. Correct.

3 MR. FEKETE: Good questions. Good
4 answers. Thank you.

5 And the next order of business,
6 Attorney Ellen Gregory report.

7 MS. GREGORY: Ellen Gregory, with Ellen
8 Gregory Law. We continue to have bi-weekly calls on
9 the consent decree. The last I'd say several months
10 there hasn't been a whole lot of discussion on the
11 consent decree, although with the ASU site
12 investigation report having been finalized and
13 submitted on May 6th, the consent decree calls went
14 forward. We'll probably include some discussions
15 about proceedings with the consent decree if
16 information related to the AFC report and the Great
17 Lakes Legacy Project as part of those discussions.

18 The Section 10 permit extension.
19 The application was submitted at the end of 2015.
20 We've been in communications with the permit
21 reviewer for the Army Corps and she tells us she
22 will be getting back to us hopefully in the next few
23 weeks.

24 On the Feddeler appraisal, as Mike
25 mentioned, we've had a couple of conversations with,

1 telephone conference calls with the Army Corps and
2 the appraiser, David Begoin. The Army Corps is
3 looking at some additional issues which they expect
4 to get back to us within the next couple of weeks
5 and hopefully we'll have that appraisal with the
6 next version at least to approve by the Board.

7 As Mike mentioned, we continue to
8 have discussions with Army Corps on revisions to the
9 PCA. Technically haven't had any of our bi-weekly
10 calls, although we have had some discussion with the
11 Corps on issues related to cost share under PCA.

12 And as Fernando mentioned, we have a
13 couple User fee appeals, which we feel will be
14 resolved at the appeals officer stage.

15 And on insurance review, I've taken
16 a look at several specimen policies presented to us
17 by the insurance agent and we'll have additional
18 information at the next Board meeting on updated
19 quotes and recommendations for purchase of policies
20 for several of the coverages. That's all I have.

21 MR. FEKETE: Any questions?

22 (No response.)

23 MR. FEKETE: Thank you very much. Any new
24 business to come before the Board?

25 (No response.)

1 MR. FEKETE: It was mentioned about the
2 June 15th public meeting for the Army Corps. Any
3 other business?

4 (No response.)

5 MR. FEKETE: I'd also like to mention that
6 we have a flier, or I received a flier mentioning
7 the fact that the William G. Jackson Research
8 Station, which is owned by I think Grand Valley
9 State, will be in Hammond at the Port on June 13th.
10 And there are three tours available and it presents
11 an opportunity for people to actually see how
12 testing is being done in the water, and actually go
13 on a tour and go on a little cruise and take samples
14 and analyze the samples.

15 MR. BAKOTA: Hope for good weather. Last
16 time we had high seas.

17 MR. FEKETE: You're always at the mercy of
18 Mother Nature. There are three tours. If anybody
19 is interested, here's a flier and there's a web
20 site. Just wanted to mention that.

21 Any other business to come before
22 the Board?

23 (No response.)

24 MR. FEKETE: Any public comments?

25 (No response.)

1 MR. FEKETE: Next Board meeting is
2 June 15, 2016, at 5:00 o'clock in this facility.
3 I'll entertain a motion for adjournment.

4 MR. BAKOTA: Motion to adjourn.

5 MR. FEKETE: I'll enter a second.

6 MR. PATRICK RODRIGUEZ: Second.

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

9 (All signify aye.)

10 MR. FEKETE: This meeting is adjourned.

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13 (MEETING ADJOURNED.)

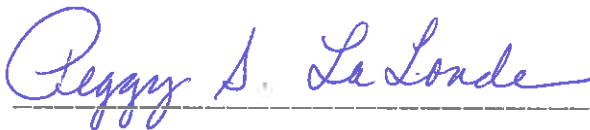
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C E R T I F I C A T E

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 18th day of November, 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 May, 2016.



Peggy S. LaLonde, CSR

My Commission expires: 3/14/2018

