

EAST CHICAGO WATERWAY MANAGEMENT
DISTRICT BOARD OF DIRECTORS' MEETING
City of East Chicago, Engineering/Annex Building
4444 Railroad Avenue
East Chicago, Indiana
August 17, 2016
Wednesday, 5:00 p.m.

Transcript of the proceedings had in the
above-entitled matter, on the 17th day of
August, 2016, 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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A P P E A R A N C E S:

- MR. JOHN FEKETE, President
- 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:

- JIM WESCOTT, Tetra Tech
- TIM ANDERSON, CliftonLarsonAllen
- NATALIE MILLS, U.S. Army Corps of Engineers

* * * *

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1 MR. FEKETE: I'd like to call to order
2 the meeting of the East Chicago Waterway Management
3 District Board of Directors. Today's date is August
4 17th, 2015. We'll have a roll call. John Bakota?

5 MR. BAKOTA: Here.

6 MR. FEKETE: Henry Rodriguez?

7 (No Response)

8 MR. FEKETE: Patrick Rodriguez?

9 (No Response)

10 MR. FEKETE: Ted Zagar?

11 (No Response)

12 MR. FEKETE: Kevin Doyle?

13 MR. DOYLE: Here.

14 MR. FEKETE: Ray Lopez?

15 MR. LOPEZ: Here.

16 MR. FEKETE: John Fekete? Here. We have
17 a quorum. Okay. First order of business the
18 Consulting Engineering report, Mr. Trevino.

19 MR. TREVINO: Fernando Trevino, FMT
20 Consulting. I'd like to start off with going over
21 the contents of your Board packet. You have the
22 Board meeting notes for July 20, 2016.

23 The financial statement from
24 CliftonLarsonAllen dated July 31, 2016.

25 The claim docket that's on the

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1 agenda for today, dated August 17th, 2016.

2 You have the BMO Harris ECI Facility
3 Trust report dated August 15, 2016. And you have
4 two BMO Harris Bank bank account statements and they
5 are both for the month of July of 2016 for account
6 ending in 761 and the other is account ending in
7 534.

8 You have First Merchants Bank
9 statement also for the month of July 2016 account
10 ending in 608 and the other ending in account number
11 616.

12 You have Tetra Tech's monthly
13 progress report to the Board along with the monthly
14 invoice statement, and that's dated August 11, 2016.

15 You have a letter from IDEM
16 regarding the final new permit related to the Grand
17 Cal River remediation project.

18 You have the Army Corps of Engineers
19 monthly progress report to the Board dated
20 August 17, 2016.

21 You have Attorney Ellen Gregory's
22 report to the Board, revision date of August 15,
23 2016.

24 You have a special waste profile
25 form that was signed by myself on behalf of Waterway

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1 Management District related to a change in landfill
2 for the spent materials from the oil booms.

3 You have a letter from Arcadis to
4 myself dated August 2, 2016, and related to the
5 solid waste profile change form that I just referred
6 to. We requested that information before we signed
7 that.

8 You have another letter from Arcadis
9 dated August 3, 2016, and it's progress report 294
10 and it summarizes the boom maintenance and the
11 recovery on the South Tank farm.

12 You have an Equity invoice, along
13 with the summary of the insurance policy for the
14 property insurance that the Board approved at the
15 last Board meeting. That concludes the items in the
16 Board packet.

17 Just a couple updates. The cost
18 summary that Rodney Humphrey is working on, we are
19 almost done with that. We are waiting on the Army
20 Corps to propose how to address the cost. Natalie
21 requested some additional information, which I
22 provided. So hopefully we'll hear back from the
23 Army Corps once we resolve that and we'll be able to
24 finalize the report.

25 We're working on a cost analysis

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1 report that kind of studies the Army Corps of
2 Engineers, their cost analysis of the CDF
3 construction. And we do have a draft of that and
4 hopefully we will finalize that before the next
5 Board meeting.

6 We have had a couple meetings
7 recently regarding the appraisal on the Feddeler
8 parcel, so we are trying to get that finalized. I
9 will let Ellen, Attorney Ellen Gregory elaborate on
10 that.

11 Great Lakes Legacy Act Project. We
12 have been working with the EPA to come up with
13 various projects that may count towards cost share,
14 local cost share. EPA had a meeting yesterday
15 internally to review those projects and we have a
16 series of meetings the next couple of weeks to try
17 to finalize what the packet will look like and we'll
18 report back to the Board.

19 We met with BP Attorney Mike Elam
20 yesterday to discuss some of the parcels that BP is
21 interested in purchasing from the Waterway
22 Management District. Part of that process is to get
23 a couple of appraisals from each parcel. So between
24 now and the next Board meeting we hope to get in
25 touch with a couple of appraisers and have some

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1 proposals on what they would cost for Board
2 consideration at the next Board meeting. And Jim
3 Wescott is here to give a summary on the Great Lakes
4 Legacy Act Project and Natalie is giving an update
5 on the dredging project, which the start of the
6 dredging has been delayed till after Labor Day, and
7 I will let her elaborate on that. Attorney Ellen
8 Gregory will summarize legal matters that we have
9 been working on. That concludes my report.

10 MR. FEKETE: Any questions for Mr.
11 Trevino?

12 (No Response)

13 MR. FEKETE: Thank you very much. For
14 consideration of the Board, meeting notes. I would
15 entertain a motion to accept the minutes as
16 presented.

17 MR. BAKOTA: Motion to approve.

18 MR. LOPEZ: Second.

19 MR. FEKETE: I have a motion and second.
20 Any discussion?

21 (No Response)

22 MR. FEKETE: All in favor signify by
23 saying aye?

24 (All signify aye.)

25 MR. FEKETE: Any opposition?

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1 (No Response)

2 MR. FEKETE: Hearing none, the motion is
3 approved.

4 Accounting consulting report, Tim
5 Anderson.

6 MR. ANDERSON: Tim Anderson,
7 CliftonLarsonAllen. You guys look tired, I'll be
8 quick. You have our little financial statement
9 through July. Not much activity during the month of
10 July. Page 2 has the year to-date, January through
11 July cash receipts and disbursements. Increase in
12 cash for the year has been 352,000. So our cash
13 balance at the end of July in our operating and User
14 Fee account is 2.4 million.

15 Page 3 shows the goings on of each
16 of those checking accounts, the interest that's been
17 accrued, and the cash disbursements that go out.

18 Page 4 is the important page. That
19 shows the budget that was approved and what we have
20 written in checks against that budget. So through
21 July we have written checks for 341,000. This
22 claims docket that you have today has got \$27,668 of
23 checks on it. And then you have got an unused
24 budget column. That shows how much we have left for
25 each line item. So nothing in your claims docket

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1 today is going to draw over a budget line. And we
2 do still have the \$40,000 in the budget for the
3 Jeorse Park Study that she spoke of because I don't
4 think we have ever written a check for that.

5 MR. FEKETE: We never received an invoice.

6 MR. ANDERSON: But each year it goes on
7 the budget.

8 MR. FEKETE: They keep doing work. I
9 can't respond to the financial situation.

10 MR. ANDERSON: That's good. So anyway the
11 bank statements are all reconciled. We are current
12 with the IRS and all the files and the State Board
13 of Accounts, and now PERP. We are current on
14 everything that we have to file.

15 MR. FEKETE: You are continuing this
16 monthly?

17 MR. ANDERSON: Every month I go in and
18 basically vouch that we basically have no employees.

19 MR. FEKETE: Check the box.

20 MR. ANDERSON: Basically, yes. Any
21 questions from the Council?

22 (No Response)

23 MR. FEKETE: Thank you.

24 Approval consideration accounts payable
25 voucher.

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1 MR. LOPEZ: I make a motion to accept.

2 MR. FEKETE: Wait a minute, we don't have
3 a quorum. I can't take a vote. Let's skip that and
4 come back to it when Kevin comes back. Make sure I
5 come to it. BMO Harris Bank Trust report.

6 MR. TREVINO: Yes. Mr. Alonzo wasn't able
7 to attend this evening. He provided me a summary
8 that I am going over quickly. Page 1 highlights the
9 historical value of the Trust since 1997, includes
10 the distribution.

11 Page 2, the current value of the
12 Trust is 5.57 million and that's as of August 17th,
13 and it reflects decline in the value of 14,955 from
14 last meeting. This gain -- well, it says reflected.
15 This gain was from all the CDs paying interest in
16 July. There was one distribution in 2016 of
17 \$276,950.

18 Page 3 shows value of the money
19 market, essentially business checking account and
20 CD. CD interest was credit last month and will be
21 credit again in October shown on the last column.
22 The CD matures in October of this year and is
23 approximately 1.55 million. So I will be requesting
24 a meeting from the Finance Committee probably in the
25 next couple of weeks to have some direction on what

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1 we do with that maturing CD. That concludes the
2 report.

3 MR. FEKETE: Okay. Thank you very much.
4 Let's go back to the approval consideration of the
5 accounts payable voucher dated August 17, 2016.
6 I'll entertain a motion.

7 MR. LOPEZ: Motion to accept.

8 MR. FEKETE: Do I have a second?

9 MR. BAKOTA: Second.

10 MR. FEKETE: I have a roll call vote. Mr.
11 Bakota?

12 MR. BAKOTA: Yes.

13 MR. FEKETE: Henry Rodriguez?

14 (No Response)

15 MR. FEKETE: Patrick Rodriguez?

16 (No Response)

17 MR. FEKETE: Ted Zagar?

18 (No Response)

19 MR. FEKETE: Kevin Doyle?

20 MR. DOYLE: Yes.

21 MR. FEKETE: Ray Lopez?

22 MR. LOPEZ: Yes.

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

24 The motion has been approved.

25 The Great Lakes Legacy Act, Mr.

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1 Wescott.

2 MR. WESCOTT: Good evening. James
3 Wescott, Tetra Tech. Not too much happened in the
4 last month. Mainly we have been working with EPA
5 trying to develop cost estimates for different
6 scenarios based on the funding. So we looked at,
7 you know, dredging and capping the Grand Cal and
8 some high bred's in between. So based on what
9 Fernando mentioned earlier tonight, once there is a
10 consensus on how much money is available, we'll move
11 to kind of look at the different options and try to
12 pick one that makes the most sense and just move
13 forward.

14 As I mentioned in the past, you
15 know, based on EPA procurement cycle that pretty
16 much needs to start the process between Labor Day
17 and early October to kind of get somebody out in the
18 field in the Spring to start work. So it sounds
19 like everything is moving along, we just need to
20 kind of get to the end zone to do the analogy. We
21 also got MPDE to treat the water and discharge it
22 right back depending where we do dewatering at Grand
23 Calumet or up the Lake George canal. There's only
24 approved one permit lift, that's the Corps of
25 Engineers and they are usually diligent, but, you

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1 know, they have a lot of permits, so I would be
2 expecting that one will be issued in the next
3 45 days. Shouldn't be a problem.

4 So going forward the main two focus
5 of work will be kind of revising or updating the
6 design and specifications based on the actual
7 construction plan for next year. And potentially if
8 we do any work in Indiana Harbor Canal where the
9 high PCB spot is, we have to do work relating to
10 TSCA permit and modify some of the drawings
11 associated with that. So that's all in the budget.
12 It just really comes down to getting a good idea
13 what we are actually going to do and then getting
14 what I need to get done between now and say December
15 to allow the EPA and their construction contractor
16 to start working next year.

17 MR. LOPEZ: Do you know where the PCB is?

18 MR. WESCOTT: We do. Just north of 151st
19 Street. About 500 feet north of there there's a hot
20 spot of PCB that needs to be taken care of.

21 MR. LOPEZ: You don't know how much?

22 MR. WESCOTT: It's about 3,000 yards and
23 we are conservative with that. We have like one
24 location that's probably as big as this table, but
25 we are going to remove twice, two times this room

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1 kind of just to make sure we get all the high PCB
2 stuff and then we still dredge. As we talked
3 before, dredge a lot of Indiana Harbor Canal out to
4 make it deeper so access is easier.

5 MR. FEKETE: Let John know so we can check
6 it out.

7 MR. BAKOTA: You know, the projects west
8 have the lead and arsenic and the canal runs near
9 there.

10 MR. WESCOTT: That would be the lead
11 residential cleanup.

12 MR. BAKOTA: Have they tested for arsenic
13 in that water there?

14 MR. WESCOTT: Well in the works that we
15 have done. We did look at all the metal, including
16 arsenic and we didn't really see anything in Indiana
17 Harbor Canal that will, that was that significant.
18 The only spot that metals really are not the main
19 contaminant. Really it's the oil kind of products.
20 And as I said, we did do some work where the old
21 lead plant site used to be on Kennedy. The area on
22 the Grand Cal right there is higher than other areas
23 in lead and arsenic and that's just because of the
24 proximity. It probably did have stuff wash off of
25 the plant site into the river, but the plan is to

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1 cap that, so that issue would kind of go away. But
2 there isn't any, there would not appear to be any
3 issues associated with the residential cleanup that
4 impact the Great Lakes Legacy Act project. They are
5 sort of separate.

6 MR. FEKETE: Good question.

7 MR. WESCOTT: Anything else?

8 (No Response)

9 MR. FEKETE: Thank you. U.S. Army Corps
10 report, Natalie?

11 MS. MILLS: Good evening. Natalie Mills
12 with the U.S. Army Corps of Engineers. First thing
13 is the dredging contract. Waste water treatment is
14 ongoing. Dredging is currently scheduled to begin
15 the 6th of September, but we have been informed the
16 plan is to dredge approximately 250,000 cubic yards
17 of federal material and 20,000 cubic yards of
18 non-federal material. We are still working out the
19 details on exactly where the dredge areas are going
20 to be based on the survey and how much is in the
21 areas.

22 The equipment source facility
23 contract, that work is ongoing. They begin
24 underground plumbing inside the building. That
25 contract is scheduled to be done in October.

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1 Regarding the TSCA permit. We
2 had anticipated having the permit by the first of
3 September. That is not going to happen. We haven't
4 seen a draft permit yet, so that's required prior to
5 any issuance of the permit and a public notice
6 period is required as well. So that has not
7 occurred. I don't know what the timeframe is at
8 this time. So as of this moment we are not planning
9 to do any TSCA dredging in this dredge season.

10 Oil boom coordination. That's
11 the movement of the oil boom on Indianapolis
12 Boulevard has to be coordinated. Our contractor
13 will notify Arcadis and workout those details.

14 The PCA we haven't had a meeting
15 in a while and I know Kim is busy and probably won't
16 be available till October. I would estimate after
17 the beginning of the new fiscal year.

18 The new contracts, the new
19 dredging and operation contract is out for
20 solicitation. It was re-advertised on the 12th of
21 August. Proposals are due on the 12th of September.
22 We are having a pre-proposal meeting. It's going to
23 be scheduled for the 23rd of August at the site, at
24 9:00 o'clock. We are scheduling to award the
25 contract by the 23rd of September.

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1 MR. TREVINO: Meeting 23rd of what?

2 MS. MILLS: Sorry, August, at nine at the
3 site.

4 MR. FEKETE: Very good. Any questions?

5 MR. TREVINO: Any word on the fixed cost?

6 MS. MILLS: Not yet.

7 MR. FEKETE: Thank you very much.

8 Attorney Ellen Gregory report.

9 MS. GREGORY: Ellen Gregory with Ellen
10 Gregory Law, PC. As Natalie mentioned, Fernando and
11 I are working on reviewing the PCA and the various
12 statutory provisions to put together the
13 distribution position on that, which we'll provide
14 to Natalie and Kim. When we get that, and sounds
15 like the timing will work out pretty well since Kim
16 is not going to be available until October.

17 On the consent decree, the next
18 call is tomorrow. BP contractor did revised site
19 investigation report for the AOC work on July 29th.

20 On the Feddeler matter. We have
21 had -- we had a call on Monday with the Army Corps
22 lawyer to discuss the Feddeler appraisal. And
23 basically the position of the Corps on that is that
24 we won't be moving forward on that until we get BP
25 to transfer their interest in the Feddeler parcel.

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1 Yesterday Fernando and I, talked to Michael Elam,
2 BP's attorney, to move forward on the transfer of
3 those parcels. So we hope to do that in the near
4 term.

5 Section 10 permit. We got a
6 letter from Mr. Wills, who was the permit writer for
7 the Corps Section 10 permit. We have forwarded that
8 to BP, as BP and Arcadis are doing the work. So
9 we'll be getting their comments and getting back
10 with the Army Corps to discuss any changes we want
11 in the Section 10 permit from the Corps. That's all
12 I have.

13 MR. FEKETE: Any questions?

14 (No Response).

15 MR. FEKETE: Thank you. Any new business
16 to come before the Board?

17 (No Response)

18 MR. FEKETE: Any other business? Public
19 comments?

20 (No Response).

21 MR. FEKETE: I just want to make mention
22 of the fact we discussed from time to time the
23 annual meeting that IDEM holds on work being done in
24 the Grand Calumet area of concern. That meeting
25 right now is being scheduled for October 19th, which

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1 is a Wednesday and tentative plans are to hold it at
2 the East Chicago Marina. So as we get further
3 details we'll share that with everyone.

4 MR. FERNANDO: What time do they usually
5 have it? Just remember that's a Board meeting day.

6 MR. FEKETE: It's a daytime meeting.

7 MR. FERNANDO: Okay.

8 MR. FEKETE: Start in the morning and
9 continue on, and then probably there will be a tour
10 of some kind. But we were working around
11 Congressman Visclosky's schedule since he's been
12 invited to be a keynote speaker for our luncheon and
13 we hope to have a good turnout and basically have a
14 celebration of all the success that we have been
15 able to enjoy.

16 Any other comments?
17 Observations?

18 (No Response).

19 MR. FEKETE: The next Board meeting is
20 September 21, 2016, 5:00 p.m., at this building.

21 I'll entertain a motion for
22 adjournment.

23 MR. BAKOTA: Motion to adjourn.

24 MR. FEKETE: Is there a second?

25 MR. DOYLE: Second.

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

(All signify aye.)

MR. FEKETE: This meeting is adjourned.
Thank you very much.

(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 17th day of August, 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 2nd day of September, 2016.



Peggy S. LaLonde, CSR

My Commission expires: 3/14/2018

