

EAST CHICAGO WATERWAY MANAGEMENT
DISTRICT BOARD OF DIRECTORS' MEETING
City of East Chicago, Engineering/Annex Building
4444 Railroad Avenue
East Chicago, Indiana
October 19, 2016
Wednesday, 5:00 p.m.

Transcript of the proceedings had in the
above-entitled matter, on the 19th day of
October, 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.
14 Indiana Avenue - Suite A
1st Source Bank Building
Valparaiso, Indiana 46383
(219) 464-2178

October 19, 2016

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

MR. JOHN FEKETE, President

MR. JOHN BAKOTA, Board Member

MR. HENRY RODRIGUEZ, Board Member

MR. KEVIN DOYLE, Board Member

MR. RAY LOPEZ, Board Member

MR. FERNANDO TREVINO, FMT Consulting

ALSO PRESENT:

JIM WESCOTT, Tetra Tech

DAVID ALONZO, BMO Harris

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
4 October 19th, 2015, at 5:13 p.m. First order of
5 business is roll call. John Bakota?

6 MR. BAKOTA: Here.

7 MR. FEKETE: Henry Rodriguez?

8 MR. HENRY RODRIGUEZ: Here.

9 MR. FEKETE: Patrick Rodriguez?

10 (No Response)

11 MR. FEKETE: Ted Zagar?

12 (No Response)

13 MR. FEKETE: Kevin Doyle?

14 MR. DOYLE: Here.

15 MR. FEKETE: Ray Lopez?

16 MR. LOPEZ: Here.

17 MR. FEKETE: John Fekete? Here. We have
18 a quorum. Okay. Consulting Engineering report, Mr.
19 Trevino.

20 MR. TREVINO: Fernando Trevino, FMT
21 Consulting. I'd like to start off by going through
22 the contents of your Board packet. You have the
23 Board meeting agenda for today's meeting. You have
24 the minutes for September 21st, 2016. You have the
25 financial statement through September 30th, 2016.

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1 You have the claim docket for approval consideration
2 dated October 19th, 2016.

3 You have First Merchant's bank
4 statements for the month of September 2016 for
5 account ending in 608 and 616.

6 You have 2017 budget for
7 approval consideration. One of them is just 2017
8 budget on its own. The other one, the second spread
9 sheet has a 2017 budget with a 2016 budget line item
10 for comparison purposes. That's in your Board
11 packet.

12 You have in your packet the
13 contractual agreement for office/secretarial
14 support.

15 You have the ECI Facility Trust
16 report dated October 18th, 2016.

17 You have BMO Harris Bank
18 statement for account ending in 761 for the month of
19 September 2016. And the second BMO Harris brokerage
20 account statement for the broker account ending in
21 534, also for the month of September 2016.

22 You have two People's Bank
23 account statements for the third quarter 2016 for
24 account ending in -- account ending in 46 and 47.

25 You have Tetra Tech's progress

4

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1 report for the Great Lakes Legacy Act project for
2 the month of September 2016.

3 You have Attorney Ellen
4 Gregory's report to the Board dated October 19th,
5 2016, and the revision date is October 18th.

6 You have a couple e-mails. One
7 from Jim Wieser dated October 4th, 2016,
8 transmitting a letter from Attorney Michael Elam and
9 the letter for Michael Elam is dated October 4th,
10 2016, and then a letter from Mr. Wieser to Mike
11 Elam. Wait, okay. The one letter is to Michael
12 Elam from Jim Wieser dated October 4th. The second
13 letter is to Jim Wieser from Mike Elam dated
14 October 7th. Sorry about that.

15 You have an Atlantic Richfield
16 Company report dated September 9th, 2016, and it's
17 the monthly progress report number 18 regarding the
18 former RCI refinery investigation activities.

19 You have a conference flier from
20 the Ninth International Conference on Remediation
21 and Management of Contaminated Sediments, which will
22 appear in January of 2017.

23 And you have a pipeline safety
24 pamphlet from Explorer Pipeline in your Board
25 packet. That concludes the items in your Board

5

1 packet.

2 Couple things to report on.

3 There was a Finance Committee meeting earlier today.
4 All three members of the Finance Committee were in
5 attendance, Mr. Fekete, Mr. Doyle and Mr. Ray Lopez.
6 And the recommendations from the Finance Committee
7 are on your Board agenda for approval consideration.

8 There was also a Care Committee
9 public meeting earlier today. Mr. John Fekete was
10 the MC, our president of the Board, which did a
11 great job. And it was a public meeting to review
12 all the great work that's happened along the
13 waterways, the Grand Cal River, the remediation work
14 and restoration work that's been going on, and
15 dredging work. There was presentations from Mr. Jim
16 Wescott and Natalie Mills gave a presentation on the
17 dredging. So just that was a quick update on that
18 Care Committee.

19 Action items on the agenda today
20 are the accounts payable voucher dated October 19th;
21 the 2017 budget; the contract for the office of
22 Secretary of Support; and the 2017 User Fee rate.

23 On the Great Lakes Legacy Act
24 Project, we continue to meet weekly with the project
25 managers, weekly conference call. One of the items

1 that we continue to work on is to explore funding
2 options to pay for the remediation work. One of the
3 options or one of the projects that the team is
4 looking at counting towards cost share is sheet pile
5 wall that's looking to go on the south tank farm and
6 we have had several meetings with BP. BP is asking
7 us to take the lead on the design and so we'll be
8 exploring that option. And if it continues to look
9 like we could come up with an agreement, I hope to
10 have an agreement for the Board's consideration
11 hopefully at the November meeting. If not, the
12 December meeting.

13 Tetra Tech's progress report is
14 in your packet. For additional information Mr.
15 Wescott is here with Tetra Tech to provide more
16 detailed update on the Great Lakes Legacy Act
17 Project.

18 Natalie Mills of the Corps will
19 give an update on the dredging project.

20 And Attorney Ellen Gregory is
21 not able to make it to today's Board meeting,
22 however her report is in the Board packet. And that
23 concludes my report.

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

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1 (No Response)

2 MR. FEKETE: Thank you very much. Next
3 order is the consideration of the Board meeting
4 notes of September 21st, 2016. I'd entertain a
5 motion to approve.

6 MR. BAKOTA: I'd make a motion to accept.

7 MR. FEKETE: Do I have a second?

8 MR. LOPEZ: Second.

9 MR. FEKETE: I have a motion and a second.
10 Any questions?

11 (No Response)

12 MR. FEKETE: Hearing none, all in favor
13 signify by saying aye?

14 (All signify aye.)

15 MR. FEKETE: Any opposition?

16 (No Response)

17 MR. FEKETE: Hearing none, motion is
18 approved. Accounting consultant report.

19 MR. TREVINO: Mr. Tim Anderson informed me
20 he was not able to make it, so I'll give a quick
21 summary on it. So page 2 shows a summary of the
22 receipts and distributions, and the increase in cash
23 through September 30, 2016.

24 Page 3 shows a summary of the
25 debits and credits through September 30th, 2016.

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1 And page 4 is the budget spread
2 sheet and it shows the items that have been paid
3 throughout the year. And if you could see the last
4 column is titled, unused budget of 2016, and all of
5 our budget line items are either zero or have
6 positive money in them. So that's a quick summary
7 on the report. Under the claim docket, it reflects
8 the invoices that are recommended for payment.

9 MR. FEKETE: Any questions?

10 (No response)

11 MR. FEKETE: I'll entertain a motion to
12 approve the accounts payable voucher dated
13 October 19, 2016.

14 MR. LOPEZ: I would make a motion to
15 accept.

16 MR. FEKETE: Do I have a second?

17 MR. HENRY RODRIGUEZ: Second.

18 MR. FEKETE: We have a second. Roll call
19 vote. John Bakota?

20 MR. BAKOTA: Yes.

21 MR. FEKETE: Henry Rodriguez?

22 MR. HENRY RODRIGUEZ: Yes.

23 MR. FEKETE: Patrick Rodriguez?

24 (No Response)

25 MR. FEKETE: Ted Zagar?

1 (No Response)

2 MR. FEKETE: Kevin Doyle?

3 MR. DOYLE: Yes.

4 MR. FEKETE: Ray Lopez?

5 MR. LOPEZ: Yes.

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

7 The motion is approved. Next order of business is
8 2017 budget approval.

9 MR. TREVINO: Yes. As I mentioned you
10 have the 2017 budget recommendation in your Board
11 packet. And the second spread sheet that shows the
12 2017 budget comparison with the budget for 2016. I
13 reviewed the recommendation with the Finance
14 Committee and the recommendation is approved the
15 proposed budget.

16 MR. FEKETE: Any questions for Mr. Trevino
17 about the budget?

18 (No Response)

19 MR. FEKETE: Hearing none, I'll entertain
20 a motion to accept the proposed 2017 budget.

21 MR. LOPEZ: Motion to accept.

22 MR. FEKETE: Do I have a second?

23 MR. BAKOTA: Second.

24 MR. FEKETE: I have a second. Roll call
25 vote. John Bakota?

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MR. BAKOTA: Yes.

MR. FEKETE: Henry Rodriguez?

MR. HENRY RODRIGUEZ: Yes.

MR. FEKETE: Patrick Rodriguez?

(No Response)

MR. FEKETE: Ted Zagar?

(No Response)

MR. FEKETE: Kevin Doyle?

MR. DOYLE: Yes.

MR. FEKETE: Ray Lopez?

MR. LOPEZ: Yes.

MR. FEKETE: John Fekete? I vote yes.

Next order of business is the approval consideration for the office secretarial/support contract.

MR. LOPEZ: I make a motion to accept.

MR. FEKETE: We have a motion to accept.

Do I have a second?

MR. DOYLE: Second.

MR. FEKETE: I have a motion and second.

Roll call vote. John Bakota?

MR. BAKOTA: Yes.

MR. FEKETE: Henry Rodriguez?

MR. HENRY RODRIGUEZ: Yes.

MR. FEKETE: Patrick Rodriguez?

(No Response)

1 MR. FEKETE: Ted Zagar?

2 (No Response)

3 MR. FEKETE: Kevin Doyle?

4 MR. DOYLE: Yes.

5 MR. FEKETE: Ray Lopez?

6 MR. LOPEZ: Yes.

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

8 That motion is approved.

9 And finally for approval

10 consideration is the 2017 User Fee rate. I believe
11 it was mentioned that it's basically the unchanged
12 rate from the previous year.

13 MR. TREVINO: Yes, the recommendation is
14 to maintain the same User Fee rate as in 2016, which
15 is \$8.10 per linear foot.

16 MR. FEKETE: I'd entertain a motion to
17 approve.

18 MR. HENRY RODRIGUEZ: I make the motion.

19 MR. FEKETE: Do I have a second?

20 MR. DOYLE: Second.

21 MR. FEKETE: I have a second. Roll call
22 vote. John Bakota?

23 MR. BAKOTA: Yes.

24 MR. FEKETE: Henry Rodriguez?

25 MR. HENRY RODRIGUEZ: Yes.

1 MR. FEKETE: Patrick Rodriguez?

2 (No Response)

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.

10 That motion is approved.

11 BMO Harris Bank Trust report.

12 MR. ALONZO: David Alonzo, BMO Harris.

13 All right. I'll run through the report here and
14 then we'll have a few other items we need to
15 discuss. First page on the report just goes through
16 our historical data on distributions from '97 up
17 till now.

18 So on the value of the Trust, on
19 that second page, there was an error just the date
20 on the left-hand column should be 10/18/2016 with
21 the value of the Trust as \$5,572,409, which was a
22 difference of \$29 from our last meeting, which was
23 just from the money market paying interest. It's
24 not a whole lot with rates where they are right now.
25 And distributions for 2016 were \$276,950.00.

1 So going on to the third page,
2 where it lists all of our money market and CD
3 holdings, we can see where that second to the last
4 column which is highlighted in yellow, shows where
5 all the interest is really going to be payable at
6 the end of this month. So come that November
7 meeting we'll see a bigger jump in how much we have
8 made from this past month. The one that's
9 highlighted in yellow is our three year flex CD
10 which will be coming due on Friday, with some
11 recommendations that we had discussed through the
12 Investment Committee. We really had targeted always
13 keeping about 250,000 -- I'm sorry -- 500,000 in the
14 money market account. So when that CD comes due it
15 will come due roughly at \$1,549,000 plus some
16 interest on top of that. Recommendation is to move
17 250,000 of that into the money market to bring it up
18 to that, around that 500,000 marker. The remaining
19 balance, which would be around 1.3 million, looking
20 at doing a 33-month CD at 1.5 percent, which is a
21 bit higher than our standard rate. We got a little
22 bit of bump on that for this money.

23 The one thing too. We have a CD
24 coming do in April of next year, April 22nd, of 2017
25 for 1.3 million. So we quite a bit of money that's

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1 available if something comes up and we are always
2 working with you guys, if something did come up and
3 we need bigger chunks of money we'll figure out a
4 way to do that without penalties.

5 So those would really be the two
6 recommendations, the 250,000 to the money market and
7 remaining balance of little over 1.3 to 33-month CD,
8 which lines things up nicely should the rate
9 environment get any better, we'll have money to work
10 with early next year.

11 One other thing, last meeting we
12 talked about -- we had the brokerage which the
13 accounts starts with 66N and we have had that thing
14 forever. And we had that in the past with the
15 investment policy we are able to invest in
16 Government Treasury Bonds when rates were a lot
17 better. Right now they are not good at all.
18 Ten-year Treasury is about one point seven and
19 obviously we don't want to go that far out, nor does
20 the investment policy allow that.

21 So we had received a check last
22 month and we are not sure why we got it back. It
23 was basically because of inactivity. We brought it
24 up at the last meeting and we sent it back to the
25 brokerage account, which they took it back. Once

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1 they got it back, they said, wait a minute, we are
2 actually going to close that account out because of
3 inactivity for one. Plus, we needed some updated
4 paperwork. That brokerage account, we really don't
5 even need at this point. If we do need to go back
6 in bonds, we can easily get that set back up and get
7 everything updated. That check was \$290.98. I'll
8 go ahead and get that deposited into the first
9 account listed on the last page, which is our prime
10 money market account so that \$290.98 will be
11 deposited in there tomorrow. Then I'll send
12 Fernando a deposit slip receipt via e-mail on that.
13 And I believe that was all the information we had on
14 there.

15 Was there any questions about
16 the recommendations or the check?

17 (No Response)

18 MR. FEKETE: Hearing none.

19 MR. TREVINO: If there aren't no questions
20 then the Board needs to approve the recommendation.

21 MR. FEKETE: We need to approve
22 recommendation to take 250,000 from the CD that's
23 coming due on Friday and move it into the prime
24 money market account, and take the remainder and put
25 it into a 33-month CD at 1.5 percent.

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1 MR. ALONZO: Correct.

2 MR. FEKETE: I guess I'm making the motion
3 to do that.

4 MR. LOPEZ: Second the motion.

5 MR. FEKETE: Any discussion?

6 (No Response)

7 MR. FEKETE: Okay, roll call vote. John
8 Bakota?

9 MR. BAKOTA: Yes.

10 MR. FEKETE: Henry Rodriguez?

11 MR. HENRY RODRIGUEZ: Yes.

12 MR. FEKETE: Patrick Rodriguez?

13 (No Response)

14 MR. FEKETE: Ted Zagar?

15 (No Response)

16 MR. FEKETE: Kevin Doyle?

17 MR. DOYLE: Yes.

18 MR. FEKETE: Ray Lopez?

19 MR. LOPEZ: Yes.

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

21 Okay. And you'll work on the paperwork with Mr.
22 Alonzo.

23 MR. ALONZO: I'll send over the
24 information for signing tomorrow.

25 MR. FEKETE: Do you need my signature on

17

1 something?

2 MR. TREVINO: Yes, I will.

3 MR. FEKETE: Let me know and we'll
4 connect. Okay.

5 MR. LOPEZ: Thank you for the nice report.

6 MR. FEKETE: Very good. Great Lakes
7 Legacy Act Project update. Mr. Wescott? Before you
8 start, I'd like to thank you very much for the
9 presentation at the seminar today.

10 MR. WESTCOTT: Thank you. It was short,
11 but sweet.

12 MR. FEKETE: That was much appreciated
13 too.

14 MR. WESCOTT: Jim Wescott, Tetra Tech. I
15 think as we have been discussing. It looks like
16 things are coming in focus. I need to in the last
17 month not a lot of activity. We are still waiting
18 on one permit from the Corps of Engineers. We
19 talked to them and we should have that permit by the
20 end of October.

21 And then going forward, I need
22 to modify a few drawings and specifications and a
23 couple other ancillary things with the staging
24 material on the ECI site. But we should have all
25 the design documents for the project as it's

1 envisioned for next year, done by the calendar year.
2 So there will be a lot more activity probably in
3 November and December as we go forward.

4 Are there any questions?

5 MR. FEKETE: Let's hope there's a lot of
6 activity come November and December.

7 MR. WESCOTT: Yes.

8 MR. FEKETE: Thank you very much. U.S.
9 Army Corps report. Again, I'd like to thank Miss
10 Mills for making her presentation at the seminar
11 today.

12 MS. MILLS: Thank you. Short and sweet as
13 well. Good evening. Natalie Mills with the U.S.
14 Army Corps of Engineers. The facility dredging
15 operation contract, they resumed dredging as I
16 reported before on the 13th of September. They
17 dredged about 202,000 cubic yards approximately
18 to-date. They intend to dredge through the end of
19 the month. For the Federal dredging that's about
20 250,000 cubic yards. And then the non-Federal is
21 going to be 20,000 cubic yards of non-Federal
22 material. They haven't begun their dredging
23 to-date.

24 So just -- I don't know if you
25 guys heard, but the contractor did during their

1 dredging operation, they dredged up a bone. This
2 was yesterday is when I got the notification. They
3 did have to call the authorities.

4 MR. BAKOTA: What was dredged up?

5 MS. MILLS: A bone. It wasn't human, so
6 that was good. And it just so happened that they
7 had to stop dredging because of mechanical problems
8 anyway, but they were told to stop dredge.

9 MR. BAKOTA: Must have been a big bone for
10 them to see it.

11 MS. MILLS: They were dredging and it fell
12 out of the environmental bucket. They saw it and
13 okay, let's stop.

14 MR. TREVINO: That's interesting.

15 MR. BAKOTA: Any historical value?

16 MS. MILLS: No, there was nothing. It was
17 an animal bone, just so you guys know. So that's it
18 for facility, that particular dredging contract.

19 The equipment storage facility
20 contract, that work is ongoing. They are working on
21 doing some concrete work at the driveway of Riley
22 Road and Indianapolis. And they did some concrete
23 work by the new building on the site, so the
24 structure is pretty much done. They are now
25 scheduled to be done in November. It was October

1 previously, but they had a modification to the
2 contract just based on some concrete work that
3 needed to be, some joints that were included, so
4 there was a modification that extended their
5 contract into November.

6 The permits. So we did receive
7 the draft TSCA permit. We are in discussions with
8 US EPA and IDEM on those conditions. We do believe
9 that we are in a good position where we can agree on
10 the terms of the conditions. I did ask when it
11 would be okay for me to release the permit to you
12 all for you to review. I guess we are not quite
13 there yet where we want to release, but we are
14 really close. I'll just keep you in the loop.

15 MR. TREVINO: When you say release, you
16 mean it will still be in draft, right?

17 MS. MILLS: It's still in draft, yeah. We
18 want to make sure we agree, all of us agree before
19 we release it. And so there is some discussions of
20 a public meeting in the December timeframe that
21 hasn't been established yet. But apparently there
22 will still be some round table first where the
23 people are able to ask questions and then there will
24 just be a general public meeting after, the same
25 day.

1 MR. TREVINO: Do you recall if the TSCA
2 permit has any Waterway Management District
3 obligations?

4 MS. MILLS: No. No, I know that was one
5 of your concerns. And so we are assuming that we
6 get the permit we are going to plan for TSCA
7 dredging in the 2017 dredge season.

8 I have no update on the oil
9 booms. PCA revisions, we probably need to start
10 having those again.

11 MR. TREVINO: Yeah.

12 MS. MILLS: We should get with Kim and try
13 to schedule a date. I know she is a difficult one
14 to try to schedule.

15 MR. TREVINO: And Ellen and I are working
16 on a summary letter to Kim and you on the cost share
17 provisions.

18 MS. MILLS: Okay.

19 MR. TREVINO: Some of the talks that we
20 have had in the past on, you know, were all --

21 MS. MILLS: How she is looking into
22 things.

23 MR. TREVINO: Yeah. You know, the legal,
24 our legal interpretation of some of the provisions
25 and the PCA, and the tipping fee and Ostrowsky's

1 legislation.

2 MS. MILLS: Okay. Lastly, the new
3 dredging and operations contract that was awarded on
4 30 September to Kokosing. They will be with us
5 another five years. They haven't started any work
6 on that contract yet. They will continue with the
7 current contract. They have up until March and we
8 haven't yet determined how we transition into the
9 new contract yet. So we are still working out those
10 details. That's it.

11 MR. FEKETE: Any questions?

12 (No Response)

13 MR. FEKETE: Thank you very much.

14 MS. MILLS: All right, thank you.

15 MR. FEKETE: Attorney Ellen Gregory's
16 report.

17 MR. TREVINO: As I mentioned, she wasn't
18 able to make it today, but her report is in the
19 Board packet.

20 MR. FEKETE: Okay. We'll reserve any
21 questions we have for her next time.

22 Any new business to come before
23 the Board?

24 (No Response)

25 MR. FEKETE: Any other old business or any

1 public comments?

2 (No Response)

3 MR. FEKETE: Hearing none. The next Board
4 meeting will be November 16, 2016, at 5:00 p.m. in
5 this facility. I'd entertain a motion for
6 adjournment.

7 MR. BAKOTA: Motion to adjourn.

8 MR. FEKETE: Do I have a second?

9 MR. HENRY RODRIGUEZ: Second.

10 MR. FEKETE: Motion and second. All in
11 favor signify by saying aye.

12 (All signify aye.)

13 MR. FEKETE: This meeting is closed.

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15 (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 19th day of October, 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 4th day of November, 2016.

Peggy S. LaLonde



Peggy S. LaLonde, CSR

My Commission expires: 3/14/2018