

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 February 15, 2017
7 Wednesday, 5:00 p.m.

8
9 Transcript of the proceedings had in the
10 above-entitled matter, on the 15th day of
11 February, 2017, 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
23 Valparaiso, Indiana 46383
24 (219) 464-2178
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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. HENRY RODRIGUEZ, Board Member
- MR. KEVIN DOYLE, Board Member
- MR. RAY LOPEZ, Board Member
- MR. FERNANDO TREVINO, FMT Consulting
- MS. ELLEN GREGORY, Ellen Gregory Law

ALSO PRESENT:

- TIM ANDERSON, CliftonLarsonAllen
- DAVID ALONZO, BMO Harris Bank
- JIM WESCOTT, Tetra Tech
- STEPHANIE MADISON, First Merchants Bank

* * * *

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 February
4 15th, 2017, at 5:10 p.m. First order of business is
5 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. First order of business is the FMT
19 Consulting report, Fernando 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 meeting
23 notes from January 18, 2017.

24 You have an a letter from IDEM
25 dated February 15, 2017, approving the 2017 Trust

1 budget. You have a letter from EPA also giving
2 their concurrence on the 2017 Trust budget, and that
3 date is February 14th.

4 You have an e-mail to and from
5 Mr. Tim Anderson regarding the 2016-year end cash
6 balance calculation, and also attached to that is
7 the spreadsheet showing the what was done on the
8 2016 cash balance and how it was used to offset the
9 dollars needed in 2017 from the Trust and the non
10 Trust budgets.

11 You have a letter of
12 authorization to BMO Harris Bank, Mr. David Alonzo,
13 and that's the authorization requesting the budget
14 transfer for the Trust funds. And another letter to
15 First Merchants Bank requesting funds from the non
16 Trust account for the 2017 budget.

17 You have the financial
18 statements from CliftonAllenLarson dated
19 January 31st, 2017.

20 You have the claims docket for
21 today's meeting, dated February 15, 2017.

22 You have the BMO Harris ECI
23 Facility Trust report dated February 13, 2017. And
24 you also have a BMO Harris account statement for
25 account ending in 761 for the month of January,

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2017.

You have First Merchants Bank statements for the month of January 2017 for accounts ending in 608 and 616. And you also have the 1099-dash INT form from First Merchants Bank for our two accounts for the interest earned in 2016.

You have People's Bank account statement for the month of, actually for the fourth quarter of 2016 for account ending in 046 and 047.

You have Resolution 2017-01, resolution to accept the property transfer from Atlantic Richfield Company, and attached to that is a quit claim deed regarding the same parcel from Atlantic Richfield.

You have Tetra Tech's monthly progress report for the month of January 2017.

You have the permit application from INDOT. You have a copy of the project proposal for the Great Lakes Legacy Act Project that was submitted on Friday, February 10th.

You have the Army Corps of Engineers report to the Board dated February 15, 2017, and a copy of their survey for their customer/stakeholder input.

You have Attorney Ellen

1 Gregory's report to the Board with a
2 re-investigation date of February 13, 2017.

3 You have the Indiana Harbor
4 confined disposal facility wildlife mitigation
5 newsletter for the fourth quarter 2016.

6 You have a flier titled, Grand
7 Calumet River Stewardship date. The date of the
8 outing is May 12th. It has 2016 there, so I just
9 sent an e-mail confirming if that's a typo and it
10 should be 2017. I will report the response when I
11 get it.

12 You have a letter from Army
13 Corps of Engineers dated January 27, 2017, to
14 Attorney Ellen Gregory and it's a response letter to
15 questions and comments that we had to the TSCA
16 permit. And that concludes the items in your Board
17 packet.

18 Just to go over a couple of
19 items real quick. As I mentioned we did receive the
20 2017 Trust budget approval letters from both EPA and
21 IDEM, which are in your Board packet. We also
22 received a quit claim deed from Arco regarding the
23 CDF parcel. The next step is for the Board to
24 approve transfer from Arco to the District, which
25 requires a resolution that's in your Board packet.

1 2017 User Fees, I'm expecting
2 those to go out at the end of this month.

3 Couple items on the Great Lakes
4 Legacy Act Project. As I mentioned there's a
5 project proposal in your Board packet which was
6 submitted to EPA on February 10th for Great Lakes
7 Legacy Act funding consideration. It was submitted
8 on behalf of the District, then Arco and BP as
9 partnership for the scope of remediation of the Lake
10 George Canal, east section and the lake George
11 Canal, middle section. The project team will be
12 presenting the project to EPA Technical Review
13 Committee in the next couple of weeks or so.

14 Ellen and I continue to work on
15 coordination of the sheet pile wall project,
16 including the procedures and the project agreement
17 between the District and BP. We are hoping to have
18 the agreement drafted by the next Board meeting for
19 your consideration. I am also working on the 2016
20 working in kind summary report. Mr. Tim Anderson is
21 helping me on the fixed cost calculation and we'll
22 be using the same process that we did in prior
23 years. Also the project team meets once a week on
24 Fridays to discuss project planning and
25 coordination. Mr. Jim Wescott is here to give an

1 update on the project. That's later on the agenda.

2 The Army Corps of Engineers
3 Board report is in your packet. We had sent the
4 Corps response, a response to the TSCA permit,
5 including questions and comments. As I mentioned
6 their response is in your Board packet. The TSCA
7 permit public meeting is tentatively scheduled for
8 March 6th. A copy of the Corps report is in your
9 Board packet. Natalie wasn't able to make this
10 evening's meeting. She informed me she had some
11 training classes that conflicted with today's Board
12 meeting.

13 Attorney Ellen Gregory will be
14 giving an update on various legal matters.

15 And just to summarize a couple
16 or the action items on the agenda, we have the Board
17 minutes from January 18, 2017. We have approval
18 consideration of the transfer of funds to the 2017
19 budget, which includes money from the Trust account
20 and the non Trust account. And as I mentioned, both
21 of those letters are in your packet. We also have
22 approval consideration for the accounts payable
23 vouchers, the claim docket, which is dated today's
24 date. And we also have for approval consideration
25 the resolution to transfer the property from BP --

1 well, it's from Arco. It says BP on the agenda.
2 It's from Arco to the Waterway Management District.
3 And that concludes my report.

4 MR. FEKETE: Any questions?

5 (No Response)

6 MR. FEKETE: Thank you very much. Next
7 order of business, approval consideration for the
8 Board meeting notes from January 18, 2017.

9 MR. BAKOTA: Motion to approve.

10 MR. FEKETE: I motion. Second?

11 MR. LOPEZ: Second.

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

14 (All signify aye.)

15 MR. FEKETE: Motion is approved. Next
16 order of business is we have two considerations and
17 that's the transfer of money from our Trust account
18 and transfer of money from the non Trust account.
19 So I'll entertain a motion for the first one, which
20 is to transfer money from the Trust account.

21 MR. LOPEZ: Motion to transfer.

22 MR. FEKETE: Do I have a second?

23 MR. DOYLE: Second.

24 MR. FEKETE: I'll have roll call vote.

25 John Bakota?

1 MR. BAKOTA: Yes.

2 MR. FEKETE: Henry Rodriguez?

3 MR. HENRY RODRIGUEZ: Yes.

4 MR. FEKETE: Patrick Rodriguez?

5 (No Response)

6 MR. FEKETE: Ted Zagar?

7 (No Response)

8 MR. FEKETE: Kevin Doyle?

9 MR. DOYLE: Yes.

10 MR. FEKETE: Ray Lopez?

11 MR. LOPEZ: Yes.

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

13 The motion is approved. Motion is approved. Second

14 is the transfer of money from the non Trust account.

15 I would entertain a motion.

16 MR. BAKOTA: Motion to approve.

17 MR. FEKETE: Do I have a second?

18 MR. RODRIGUEZ: Second.

19 MR. FEKETE: Roll call. 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?

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(No Response)

MR. FEKETE: Kevin Doyle?

MR. DOYLE: Yes.

MR. FEKETE: Ray Lopez?

MR. LOPEZ: Yes.

MR. FEKETE: John Fekete? I vote yes.

The motion is approved. The next order of business is the Accounting Consultant report. Mr. Anderson?

MR. ANDERSON: Tim Anderson, with CliftonAllenLarson. You guys have a copy of the report, which is dated January 31st, in your packet.

Page 2 is the first page with numbers on it, and I'm glad each month doesn't look like this, right? So \$298 of interest and 33,000 of expenses. So our cash did decrease in January. Now those are all the accounts payable at the end of December of '16. So we are using up budget not from '17 on these items, but from '16. And then you just approved the transfer so that will be on cash receipts next month. So our beginning cash balance is \$2,276,000, ending cash is \$2,243,000 between those two accounts.

The page 3 just shows each account and the interest we are earning on both accounts, the operating account and the User Fee

1 account. The operating account was really low
2 because we hadn't done the transfers yet that you
3 guys approved tonight.

4 Page 4 is the landscape page, so
5 the budget appropriations for '17 is the left most
6 column. We get to add to that accounts payable left
7 over from last year. So our total appropriations
8 for this year is \$1,110,108. We wrote in January of
9 2017 all of our payables from last year. So those
10 two columns are the same and then tonight you have
11 on your claims docket the first expenditures of the
12 2017 budget. So that \$29,888 is what is on your
13 claims docket for tonight. And that's the first
14 real bite into the 2017 budget. So you are on the
15 unused budget, obviously we have plenty of unused
16 budget for each item as you will go through the end
17 of February or January.

18 You guys have any questions on
19 this?

20 (No Response)

21 MR. ANDERSON: We are going to file a
22 report with the State Board of Accounts for 2016.
23 We filed already the 100 R form and we have got this
24 annual form that Mr. Lopez and I will file by
25 March 1st were the State. And I would file a form

1 1041 with the IRS for the Trust money by April 15th,
2 of 2017, so they are in compliance with everybody.
3 That's all I got. Thank you.

4 MR. FEKETE: Thank you. The next order of
5 business is the approval consideration for the
6 accounts payable voucher dated February 15, 2017.
7 I'll entertain a motion.

8 MR. HENRY RODRIGUEZ: Motion to approve.

9 MR. FEKETE: I have a motion. Second?

10 MR. LOPEZ: Second.

11 MR. FEKETE: Roll call. John Bakota.

12 MR. BAKOTA: Yes.

13 MR. FEKETE: Henry Rodriguez?

14 MR. HENRY RODRIGUEZ: Yes.

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 is approved. And the next order of
25 business is approval consideration for the transfer

1 of property from BP for the Feddeler property.
2 Something that's been long time in coming, but it's
3 finally here. I'll entertain a motion to approve
4 the transfer.

5 MR. BAKOTA: Motion to approve.

6 MR. FEKETE: I have a motion. Do I have a
7 second?

8 MR. LOPEZ: Second.

9 MR. FEKETE: Okay. Any questions? (No
10 Response) Hearing none, roll call. John Bakota?

11 MR. BAKOTA: Yes.

12 MR. FEKETE: Henry Rodriguez?

13 MR. HENRY RODRIGUEZ: Yes.

14 MR. FEKETE: Patrick Rodriguez?

15 (No Response)

16 MR. FEKETE: Ted Zagar?

17 (No Response)

18 MR. FEKETE: Kevin Doyle?

19 MR. DOYLE: Yes.

20 MR. FEKETE: Ray Lopez?

21 MR. LOPEZ: Yes.

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

23 The motion is approved. Next order of business the
24 BMO Harris Bank Trust report. Mr. Alonzo?

25 MR. ALONZO: David Alonzo, BMO Harris

1 Bank. So I'm going to through this report, of
2 course our first page goes through that historical
3 chart of accounts value from '97 up until now, of
4 course withdrawals per year.

5 On the second sheet, the Trust
6 value as of February 13th was \$5,604,699. And that
7 is an error on the bottom there, the difference from
8 last meeting, that number is actually \$16,696 in
9 interest earned from our last meeting. And that
10 distributions last year were 276,950.

11 So if you go to the third page,
12 you will see that number on the green box on the
13 bottom right there, the difference from the last
14 time of 1,669,896. So one thing, we do have one CD
15 coming due in April. So probably likely we'll want
16 to get together before that next meeting or before
17 the April meeting and take a look at some options.
18 There's nice movement on CD rates here lately, which
19 is a good sign, and we can look at some options. Of
20 course we typically replenish what we take out of
21 the money market once that Trust budget comes out of
22 there, but beyond that. We have coming up here in
23 couple months a CD coming due and nothing until June
24 of the following year, and we are also getting that
25 1099 reissued and sent back out. I'll e-mail that

1 to you once I receive it.

2 MR. TREVINO: When we do meet in April to
3 discuss the CD that expires, just keep in mind that
4 the transfer request is 734,000 and some change. So
5 we need to make sure that we account for that in
6 April.

7 MR. ALONZO: Okay. What was that number
8 again?

9 MR. TREVINO: \$734,946.62, but I'll e-mail
10 you this tomorrow.

11 MR. ALONZO: Okay. Any questions at all?

12 MR. LOPEZ: Thank you.

13 MR. FEKETE: Great Lakes Legacy Act
14 Project. Mr. Jim Wescott.

15 MR. WESCOTT: Good evening. Jim Wescott.
16 If you notice in the progress report there wasn't
17 much activity in the last month. Fernando mentioned
18 the project agreement was just turned in this last
19 week. And if you look at the progress report, a lot
20 of activity is planned for the next month and
21 subsequent month. Now that the project agreement is
22 in and the dates of the project proposal are in, and
23 the dates are a little more set for what we want to
24 do in '17 and '18, we can start revising the permit
25 and start with the drawings. I do need to

1 coordinate with BP and Arco's consultants, depending
2 who it is, with some of the issues for the South
3 Tank, sheet pile wall to be integrated. We should
4 see a lot of activity February through June, July
5 timeframe.

6 MR. FEKETE: Okay.

7 MR. WESCOTT: Any questions?

8 (No Response)

9 MR. FEKETE: I like to see activity.

10 MR. WESCOTT: So do I.

11 MR. FEKETE: Thank you very much.

12 MR. LOPEZ: Thank you, Jim.

13 MR. FEKETE: Attorney Ellen Gregory
14 report.

15 MS. GREGORY: Ellen Gregory of Ellen
16 Gregory Law. A few things that Fernando had
17 mentioned, the Feddeler parcel has been transferred
18 from BP to the Waterway Management District. The
19 next step is coordinating with the Army Corps real
20 estate people on how to proceed with the appraisal
21 so we can approach Feddeler about their claim for
22 the interest in the property.

23 As Fernando mentioned, he and I have
24 been working on an agreement with BP for the
25 construction, design and construction of the sheet

1 pile wall on the South Tank farm. Hope to have that
2 agreement available at the next Board meeting for
3 Board approval.

4 The participation agreement for the
5 Great Lakes Legacy Act also needs to be modified to
6 take into account the remediation work. That
7 agreement will be with EPA, BP and Waterway
8 Management District. And hopefully by the next
9 Board meeting we'll have something on that as well.

10 The next ECI biweekly call is
11 tomorrow morning. Fernando and I had a conference
12 call with representatives from Buckeye Pipeline.
13 They have a line that they needed to come in and
14 inspect that goes along the South Tank Farm and we
15 discussed options for access, and they will be
16 coming on the property to do work on the pipeline
17 and reporting to us findings from that work.

18 And then Fernando and I will be
19 following up with Jim Wieser on possible provisions
20 for future entry onto the property for that type of
21 work from the pipeline. That's all I have.

22 MR. FEKETE: Okay. Any questions?

23 (No Response)

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

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(No Response)

MR. FEKETE: Any other business?

(No Response)

MR. TREVINO: I wanted to introduce Stephanie Madison who's here representing First Merchants Bank. Do you want to say a few words?

MS. MADISON: Yeah, I don't know, but you probably are aware John Freyek, who is your relationship manager with First Merchants Bank, now has a conflicting board meeting with this meeting, so he will be unable to attend. So I'm the branch manager here in East Chicago and I will be representing the bank going forward. So any questions or anything, I will be happy to answer for you or take back to John.

MR. LOPEZ: Thank you.

MR. FEKETE: Good seeing you again. It's been awhile. Anything else?

(No Response)

MR. FEKETE: Public comments?

(No Response)

MR. FEKETE: Next Board meeting is March 15, 2017, at 5:00 p.m. at this facility. I'll entertain a motion for adjournment.

MR. BAKOTA: Motion to adjourn.

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MR. FEKETE: A second?

MR. HENRY RODRIGUEZ: Second.

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

(All signify aye.)

MR. FEKETE: Thank you all.

(MEETING ADJOURNED.)

* * * * *

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 15th day of February, 2017, 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 10th day of March, 2017.

Peggy S. LaLonde

Peggy S. LaLonde, CSR

My Commission expires: 3/14/2018

