

EAST CHICAGO WATERWAY MANAGEMENT
DISTRICT BOARD OF DIRECTORS' MEETING
City of East Chicago, Engineering/Annex Building
4444 Railroad Avenue
East Chicago, Indiana
March 15, 2017
Wednesday, 5:00 p.m.

Transcript of the proceedings had in the
above-entitled matter, on the 15th day of
March, 2017, 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
Valparaiso, Indiana 46383
(219) 464-2178

March 15, 2017

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

MR. KEVIN DOYLE, Board Member

MR. JOHN BAKOTA, Board Member

MR. HENRY RODRIGUEZ, Board Member

MR. PATRICK RODRIGUEZ, Board Member

MR. RAY LOPEZ, Board Member

MR. FERNANDO TREVINO, FMT Consulting

MS. ELLEN GREGORY, Ellen Gregory Law

ALSO PRESENT:

TIM ANDERSON, CliftonLarsonAllen

NATALIE MILLS, US Army Corps of Engineers

JIM WESCOTT, Tetra Tech

* * * *

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1 MR. DOYLE: 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 March
4 15th, 2017, at 5:10 p.m. First order of business is
5 roll call. John Bakota?

6 MR. BAKOTA: Here.

7 MR. DOYLE: John Fekete?

8 (No Response)

9 MR. DOYLE: Henry Rodriguez?

10 MR. HENRY RODRIGUEZ: Here.

11 MR. DOYLE: Patrick Rodriguez?

12 MR. PATRICK RODRIGUEZ: Here. Happy to be
13 back.

14 MR. DOYLE: Happy to have you back. Ted
15 Zagar?

16 (No Response)

17 MR. DOYLE: Ray Lopez?

18 MR. LOPEZ: Here.

19 MR. DOYLE: Kevin Doyle? Here. We have a
20 quorum. First order of business is Fernando
21 Trevino, with FMT Consulting.

22 MR. TREVINO: Yes, Fernando Trevino, with
23 FMT Consulting. I'd like to start off with the
24 contents of your Board packet. You have the Board
25 minutes for February 15, 2017.

3

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1 You have the CliftonLarsonAllen
2 financial statements dated February 28, 2017.

3 You have the claim docket for
4 approval consideration dated March 15, 2017.

5 You have two State Board of Account
6 forms. One titled, Compensation of Public Employees
7 100-R and the other is Annual Financial Report
8 Attestation Form. Both are forms that are required
9 by the State Board of Accounts and have been signed
10 and submitted. They were signed by Board
11 Treasurer/Fiscal Officer, Raymond Lopez Sr.

12 You have the ECI Trust tax return
13 for 2016, which is Form 1041.

14 You have the 2017 Communicator for
15 East Chicago Waterway Management District that went
16 out with the User Fees. And the Communicator's date
17 is March 1st, 2017.

18 You have First Merchants Bank
19 Statements for the month of February 2017 for
20 account ending in 608 and 616.

21 You have BMO Harris ECI Trust
22 Facility report dated March 14, 2017. BMO Harris
23 Bank bank statements for the month of February 2017
24 for account ending in 712 and 761.

25 You have a copy of Payment Advice

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1 from BP to the East Chicago Waterway Management
2 District for the amount of \$6,830.20 and that
3 related to the Section 10 permit agreement. And
4 that will be deposited into the BMO ECI Trust
5 account.

6 You have Tetra Tech's monthly
7 progress report for the Great Lakes Legacy Act
8 Project and the date of the report is March 13,
9 2017.

10 You have a copy of any article
11 titled, "Trump slashes Great Lakes Funding by 97
12 percent in the early budget plan," for Board review.

13 You have the Army Corps of Engineers
14 report to the Board dated March 15, 2017. A map of
15 the historic dredging through 2016 and the dredging
16 plan for 2017. And that's as I mentioned, that's
17 the dredging done and forecast to be done by the
18 Army Corps.

19 You have a copy of the Army Corps
20 survey in your Board packet. Actually there's a
21 couple and they are both dated 2016. One is for
22 customer stakeholder information and the other is
23 program evaluation.

24 You have Attorney Ellen Gregory's
25 report to the Board with a revision date of March

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1 12, 2017.

2 You have a monthly progress report,
3 number 24, which is Atlantic Richfield Company,
4 dated March 9, 2017, And it's regarding ECI site
5 investigative activities.

6 You have another report from Parsons
7 dated march 8, 2017, and that's regarding monthly
8 bird observations for the month of February 2017.

9 You have an e-mail from Mr. Mike
10 Elam to our attorney, real estate attorney, James
11 Weiser, e-mail date of March 14, 2017 regarding
12 reimbursement for appraisal.

13 And you have a couple quotes
14 regarding purchase of a laptop and purchase of a
15 desktop. And I'll have a recommendation for the
16 Board regarding the purchase of desktop computer and
17 laptop at the next Board meeting.

18 That concludes the Board packet.
19 I'll go over a couple items to give you an update
20 on. The User Fees went out certified mail on March
21 1st, 2017. We have started receiving User Fee
22 checks.

23 Great Lakes Legacy Act a project
24 proposal for remediating Lake George Canal, middle
25 and east section went out on February 10th.

6

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1 Technical Review Committee presentation is scheduled
2 for tomorrow by the project partners. So it will be
3 myself, Arco and BP making a presentation to the EPA
4 Technical Review committee. Part of that work
5 includes installation of a sheet pile wall. As you
6 might recall BP has asked us to the project manager
7 in the design and then installation of that wall, so
8 we drafted a cost share agreement for their
9 consideration, and that's been sent to them for
10 their review.

11 Regarding the CDF TSCA permit.

12 There was a public meeting held on March 6th, 2017,
13 which I attended and Board member, Henry Rodriguez
14 was also able to attend. I've shared a draft of the
15 comments we would like to send to EPA and IDEM
16 during the public comments period and we'll submit
17 something formally before the deadline of
18 March 31st.

19 Let's see, and as I mentioned, there
20 is some proposals in your packet regarding computers
21 and I'll have a formal recommendation for the Board
22 at the next Board meeting. And Attorney Ellen
23 Gregory will be giving an update on various legal
24 matters. Jim Wescott will be giving an update on
25 the Great Lakes Legacy Act project, and Natalie

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1 Mills will be giving an update on the dredging
2 project. So that concludes my report.

3 MR. DOYLE: Any questions?

4 (No Response)

5 MR. DOYLE: Okay. Thank you very much.
6 Next order of business will be approval
7 consideration of the Board meeting minutes dated
8 February 15, 2017.

9 MR. BAKOTA: Motion to approve.

10 MR. LOPEZ: Second.

11 MR. DOYLE: All in favor signify by saying
12 aye?

13 (All signify aye.)

14 MR. DOYLE: Motion approved. Look likes
15 the next order of business here is the Accounting
16 Consultant report. Mr. Anderson.

17 MR. ANDERSON: Tim Anderson, from
18 CliftonLarsonAllen. In your packet you have a copy
19 of our financial statement through February of '17.
20 The first page with numbers on it is page 2. It
21 shows our cash receipts through February, which
22 there wasn't a lot of, \$563 of interest income.
23 With the transfer from the Trust that's going to
24 happen in April and Fernando just sent out the User
25 Fees, so that will start coming in; so the cash

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1 receipts through February are basically the interest
2 income on the checking accounts.

3 The disbursements you can see.
4 Those are the January and February checks that you
5 guys approved. So our decrease in cash through
6 February 28, 2017, was \$62,820. Started the year
7 with 2.2 million -- \$2,276,000 in cash and end of
8 February is 2,213,000, and that's the User Fees
9 account and our Operating Account.

10 Page 3 shows the two accounts.

11 I just wanted to draw your attention this month to
12 the budget transfer. So we didn't get the budget
13 transfer out of the Trust account, but we did get it
14 out of the User Fee account. So 143,000 was moved
15 from the User Fee account to the Operating Account.
16 And so we have \$310,615 in the Operating Account,
17 which we will use for operating expenses for March,
18 and then April we'll have the new Trust money in
19 there.

20 Page 4 is the important page
21 that shows you all the budget line items, what we
22 have paid so far through February. And then there
23 is a column for the March cash disbursements, which
24 are on the claim docket today, 31,655. That's what
25 you are being asked to approve today. And then you

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1 can feel comfortable that we have budgeted enough to
2 cover the 31,000 by that right column that says
3 unused budgets. So we aren't even close on any of
4 the budget line items through March 15th. You need
5 to know that when you sign the claims docket, that
6 we have got adequate budget to cover all the checks
7 that you are being asked to sign off on.

8 Any questions on that report?

9 (No Response)

10 We did file a few different
11 reports this month. We filed a report basically
12 telling the State we don't have any employees.
13 That's the 100-R I believe. I think you guys did
14 get a copy of that. We also filed the Special
15 District Annual Report with the State, which is the
16 annual report that shows them the cash receipts,
17 cash disbursements of our group. We then also filed
18 a form with the Federal Government letting them know
19 the interest from the Trust account, assets, which
20 of course is exempt from tax. It's a tax form where
21 we show the income from the Trust, but none of it --
22 it's all because we are municipal organization. All
23 those filings to keep ourself compliant, which we
24 are on all. We are compliant with the Internal
25 Revenue Service and compliant with the State at this

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1 point for another year. I don't know, they haven't
2 told us about an audit. We were audited last year.
3 Obviously if they want to come back and look at our
4 things again, but we have not been notified of that.
5 That's all I've got. Thank you.

6 MR. TREVINO: I just wanted to mention
7 real quick. Mr. Anderson mentioned that we the
8 Trust funds haven't been transferred to the
9 Operating budget and that he is correct, that is
10 expected to be done in April. And the reason being
11 is that we have a CD that's expiring in April, so
12 that will have sufficient amount of funds to
13 facilitate the transfer amount. So I had mentioned
14 that at the last Board meeting, but I thought I
15 would mention it again. So just to remind everybody
16 that was the reason for that.

17 MR. DOYLE: Anything else?

18 MR. TREVINO: No, that's it.

19 MR. DOYLE: Next up is approval
20 consideration of the accounts payable voucher.

21 MR. LOPEZ: Motion to accept.

22 MR. DOYLE: A second?

23 MR. PATRICK RODRIGUEZ: Second.

24 MR. DOYLE: All in favor?

25 (All signify aye.)

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1 MR. DOYLE: That's approved. 2017 User
2 Fee update report.

3 MR. TREVINO: As I mentioned during my
4 report earlier that the User Fees went out certified
5 mail March 1st and we have started receiving checks.
6 So the next -- so you will see deposits in the next
7 First Merchants Bank statement for the month of
8 March. And I also e-mailed the Board the
9 Communicator and the invoice packets that went out,
10 so that you have a record of what went out. So that
11 concludes the report for the User Fees.

12 MR. DOYLE: Any questions?

13 (No Response)

14 MR. DOYLE: BMO Harris Bank Trust report.

15 MR. TREVINO: I got an e-mail from Mr.
16 Alonzo, and, you know, I'm assuming that it was that
17 he is not going to be able to make it, but his
18 report is in your packet I can go over it very
19 briefly. If you go to the one that shows the
20 historical values, the current value of the Trust is
21 5.6 million and some change, and the difference
22 between the two months is \$57. And the report that
23 says, that's titled, ECI Facility Trust Money Market
24 and CD holdings, you will see the third item on this
25 titled, the 33-month CD, which is expiring on

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1 April 25th. And that amount is approximately 1.3
2 million, so that will free up the necessary funds to
3 facilitate the transfer to the 2017 budget. That's
4 the BMO Harris Trust report.

5 MR. DOYLE: Next up Great Lakes Legacy.

6 MR. WESCOTT: Jim Wescott, with Tetra
7 Tech. Since the last month we have been doing some
8 work on the permits. There's a permit that was
9 issued last year for the NPDS discharge, which had
10 to be renewed. So we renewed that for the team and
11 we are currently working on revising the permit
12 application because the scope has changed.

13 As you may be aware, the
14 procurement process for the construction contract is
15 potentially shifting from EPA to the Corps of
16 Engineers. Fernando mentioned that. But so we are
17 in the process of trying to get the design to a
18 point where we can give it to the Corps because the
19 Corps will be then repackaging it for their own
20 process. My expectation is to try to get all that
21 done in April, no later than early May. So our
22 scope of work will be abbreviated. We won't spend
23 as much money as approved. And then the Corps will
24 take that over and move forward to do the
25 construction work. Any questions?

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1 (No Response)

2 MR. DOYLE: Thank you very much. Army
3 Corps, Natalie Mills.

4 MS. MILLS: Natalie Mills, U.S. Army Corps
5 of Engineers. CVS Construction, the facility
6 contract, they are just operating the control system
7 and that will just ongoing. They will start,
8 restart water treatment. Who knows with this
9 weather when Spring is really going to be here, so
10 they will restart at that time.

11 CP documentation, as indicated
12 we did attend the public meeting to the TSCA permit.
13 So we'll just wait and hear what happens with the
14 public comment period and how they do respond. We
15 do anticipate including the TSCA material in the
16 next dredging contract as soon as we get the permit.
17 If we don't get it, then we won't dredge it
18 obviously. But we will continue with the dredging
19 with or without the permit.

20 As far as the Feddeler parcel
21 resolution, from my understanding Ellen will
22 probably go into it. There's a quit claim deed from
23 BP that has been transmitted. The new contract for
24 dredging, it's in their submittal phase. They are
25 not depending any work on-site for that particular

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1 contract. They are start to transition from the old
2 into the new contract into the Spring and then, as I
3 indicated, they will start dredging probably late
4 summer, early Fall.

5 MR. LOPEZ: That late?

6 MS. MILLS: It's all depending on this
7 TSCA permit. The public comment period doesn't end
8 till the 31st. So, you know those government
9 people. Takes them time. They're not fast. It
10 will take some time after. If we get the permit, it
11 will take some time for them to actually issue the
12 permits.

13 MR. TREVINO: Question. If it doesn't get
14 dredged this year, will it still be possible to be
15 dredged in subsequent years?

16 MS. MILLS: It's possible later. You
17 know, we've been dredging all these years and so we
18 need cover material for the dredge, for the TSCA
19 material. We have to place it because we have to
20 completely cover it, and we are likely to use a lot
21 of cover material this year because this was a good
22 year for it because of the quantity. Next year we
23 don't anticipate as much dredging. SO I don't know
24 when we might get back to it.

25 MR. DOYLE: Thank you.

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1 MS. MILLS: You're welcome.

2 MR. DOYLE: Any other questions?

3 (No Response)

4 MR. DOYLE: Thank you very much. Okay.

5 Attorney Ellen Gregory:

6 MS. GREGORY: Ellen Gregory, Ellen Gregory
7 Law. A lot of the things I as going to cover have
8 been covered already. I was going to go through
9 very quickly some of the things Fernando had
10 mentioned.

11 We anticipate having a formal
12 public comment in for the TSCA permit by the
13 deadline of March 31st.

14 On the Feddeler matter. Natalie
15 mentioned, we do have a quit claim deed. That's
16 been transfer by BP, that's been recorded. Fernando
17 and I had a telephone conference call with
18 representatives from Army Corps about moving forward
19 with the appraisal of Feddeler's interest and we can
20 go back to Feddeler to negotiate their claim. The
21 Army Corps didn't have personnel available to
22 address that matter so they are going to be getting
23 back to us as soon as they have somebody that they
24 can assign to look into that.

25 Fernando also mentioned we put

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1 together a draft of the cost share agreement with BP
2 for design and construction of the sheet pile wall.
3 I spoke with the attorney for BP yesterday and they
4 have received that but haven't had a chance to look
5 at it.

6 In terms of Great Lakes Legacy
7 Act. After the technical review committee meeting
8 tomorrow, it will be moving forward to modify the
9 participation agreement with US EPA and BP. And
10 once the technical review committee has a chance to
11 review the technical information on that and move
12 forward with the documents.

13 That's all I have.

14 MR. TREVINO: I don't think I brought up
15 the possibility of entering into a amending our MOU
16 with the Attorney General User Fee.

17 MS. GREGORY: So the Attorney General of
18 Indiana, we had a memorandum of understanding, MOU,
19 for the Attorney General's office to help us collect
20 on unpaid User Fees. Fernando has been having
21 discussions with the deputy attorney general about
22 possibly extending or modifying that MOU to allow us
23 to pursue collections on 2016 User Fee assessments,
24 and then I assume 2017 because we have Users who
25 don't pay.

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1 MR. DOYLE: Thank you. Any questions?

2 (No Response)

3 MR. DOYLE: With that, any new business?

4 (No Response)

5 MR. DOYLE: Any other business? Public
6 comments? Anything?

7 (No Response)

8 I would just like to welcome back
9 Patrick Rodriguez. Glad you're feeling better and I
10 hope all goes well. Welcome back.

11 MR. PATRICK RODRIGUEZ: Thank you.

12 MR. DOYLE: With that, the next board
13 meeting will be looks like April 19, 2017 at 5:00
14 p.m., at this facility.

15 I'll entertain a motion to
16 adjourn.

17 MR. PATRICK RODRIGUEZ: So moved.

18 MR. DOYLE: Second?

19 MR. HENRY RODRIGUEZ: Second.

20 MR. DOYLE: All in favor?

21 (All signify aye.)

22

23 (MEETING ADJOURNED.)

24

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* * * * *

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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 15th day of March, 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 17th day of April, 2017.

Peggy S. LaLonde



Peggy S. LaLonde, CSR

My Commission expires: 3/14/2018