

In the Matter Of:
EAST CHICAGO WATERWAY MANAGEMENT

EAST CHICAGO WATERWAY MANAGEMENT MEETING

June 21, 2017



Iseminger & Associates, Inc.
877-337-7379

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 June 21, 2017
7 Wednesday, 5:00 p.m.

8
9 Transcript of the proceedings had in the
10 above-entitled matter, on the 21st day of
11 June, 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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19
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21 ISEMINGER & ASSOCIATES, INC.
22 14 Indiana Avenue
23 Valparaiso, Indiana 46383
24 (219) 464-2178
25

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

MR. JOHN FEKETE, President

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

* * * *

1 MR. FEKETE: I'd like to call to order
2 the meeting of the East Chicago Waterway
3 Management District Board of Directors. Today's
4 date is June 21st, 2017, at 5:05 p.m. First order
5 of business is roll call. John Bakota?

6 (No Response)

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 (No Response)

13 MR. FEKETE: Kevin Doyle?

14 (No Response)

15 MR. FEKETE: Ray Lopez?

16 MR. LOPEZ: Here.

17 MR. FEKETE: Ted Zagar? He should be
18 walking back in any moment. John Fekete? Here.
19 Well, we have a quorum.

20 Next order of business is
21 Executive Director's report, Mr. Trevino.

22 MR. TREVINO: Fernando Trevino, FMT
23 Consulting. I'd like to start off by going over the
24 contents of your Board packet.

25 You have the agenda for today's

1 Board meeting. I have the Board minutes for May 17,
2 2017 in your packet. And those are on agenda for
3 approval consideration.

4 You have letter of authorization
5 to BMO Harris Bank for the transfer of \$9500 from
6 our BMO Harris Bank account into our Operating
7 Account. And just after that will you have another
8 letter from IDEM dated June 15, 2017, and that is a
9 letter concurring with our budget amendment, that
10 was approved by the Board at the May 17th Board
11 meeting. And after that you have a copy of the 2017
12 overall budget, showing the budget amendment that
13 was passed on May 17th, and it shows the \$9500 that
14 was required to transfer from the Trust to the
15 Operating Account to fulfill and finance the budget
16 amendment.

17 You have the claims docket for
18 today's Board meeting dated June 21st, 2017.

19 You have a letter dated
20 June 21st, 2017, from Board president, John Fekete
21 to Rodney Humphrey regarding the agreed upon
22 procedures report. As a reminder the Board approved
23 a contract with Rodney Humphrey to put together
24 agreed upon procedures to evaluate our CDF
25 construction cost share spending. And it covers a

1 period of January 1st, 2001, through December 31,
2 2015. And the final report from Mr. Humphrey is in
3 your packet following the letter from Mr. Fekete
4 that I just mentioned. And the report is on agenda
5 for approval consideration.

6 You have the BMO Harris Bank ECI
7 Facility Trust report dated June 20, 2017. You have
8 BMO Harris Bank account statement for the month of
9 May 2017 for account ending in 712.

10 You have First Merchants Bank
11 statements for the month of May 2017 for accounts
12 ending in 608 and 616.

13 You have Attorney Ellen
14 Gregory's report to the Board, with the revision
15 date of June 19, 2017.

16 You have a report from Parsons
17 to Dan Sparks and Mike Beslo dated June 5, 2017,
18 regarding report on the bird observations.

19 You have an e-mail from myself
20 to Tim Anderson regarding the 2017 real estate taxes
21 that are required to be paid, and that payment is
22 part of the claim docket on today's Board meeting.

23 You have an e-mail from myself
24 to Paul Johnson and Mike Beslo dated May 19, 2017
25 regarding the waste generation.

1 You have a letter from
2 Department of the Army Corps to Colonel Christopher
3 Drew to EPA regarding the CDF TSCA permit. And you
4 have a flier about an information session regarding
5 -- June 22, 2017 -- public information session on
6 the TSCA permit, which will be held at East Chicago
7 Library on 2401 East Columbus Drive, tomorrow,
8 June 22nd, from 5 to 7:00 p.m..

9 That concludes the items in your
10 report. To go over a couple of things. I mentioned
11 in the past that this building will be -- is in the
12 process of being purchased by the Housing Authority.
13 So we'll be assessing our lease, whether we are
14 staying or going. But right now it looks like we
15 are considering staying here, so we'll have to
16 update our lease from the City of East Chicago to
17 the Housing Authority.

18 User Fee updates. Reminder at
19 the last Board meeting the Board approved extending
20 the deadline to July 17th, and since the May meeting
21 we have had additional User Fee payments trickling
22 in. I'll have an updated report at the next Board
23 meeting.

24 Another item that's on the
25 Board's agenda is the 2017 Trust Transfer

1 Authorization, that is basically the financing for
2 the budget amendment that was passed at our last
3 Board meeting. And that budget for the Trust fee is
4 for \$9500.

5 Great Lakes Legacy Act project.
6 A reminder that the Waterway Management District
7 sent a partnership proposal with Arco and BP to EPA
8 regarding the remediation of the portion of the Lake
9 George Canal. All indications from EPA is that the
10 internal approval process from EPA is going well and
11 we are expecting to get the go ahead to begin the
12 negotiations on the project agreement.

13 The Board at the last meeting
14 approved appraisal contracts with two appraisers.
15 The process for preparing the appraisals includes
16 site inspections. So the last couple of weeks I
17 have attended site inspections with the two
18 appraisers that we hired. So the appraisal process
19 is ongoing. Hopefully at the next Board meeting
20 we'll have a draft of the appraisals.

21 And that concludes my report.

22 MR. FEKETE: Any questions for Mr.
23 Trevino? (No Response) Thank you.

24 Next order of business is the
25 approval consideration of Board meeting notes for

1 May 17, 2017.

2 MR. LOPEZ: Motion to approve.

3 MR. FEKETE: Do I have a second?

4 MR. PATRICK RODRIGUEZ: Second.

5 MR. FEKETE: Voice vote. All in favor
6 signify by saying aye.

7 (All signify aye.)

8 Any objection? (No Response)
9 Hearing none, motion is approved.

10 Just for the record, it's been
11 note that Mr. Zagar has left.

12 The next order is the approval
13 consideration of the Trust Transfer Authorization
14 regarding that budget amendment that Mr. Trevino
15 just explained.

16 MR. PATRICK RODRIGUEZ: For the 9500?

17 MR. TREVINO: Yes, for \$9500.

18 MR. PATRICK RODRIGUEZ: So moved.

19 MR. LOPEZ: Second.

20 MR. FEKETE: We'll have a roll call vote.
21 Henry Rodriguez?

22 MR. HENRY RODRIGUEZ: Yes.

23 MR. FEKETE: Patrick Rodriguez?

24 MR. PATRICK RODRIGUEZ: Yes.

25 MR. FEKETE:

1 MR. LOPEZ: Yes.

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

3 The motion is approved.

4 Our next order is Mr. Anderson,
5 the Account Consulting report.

6 MR. ANDERSON: Tim Anderson,
7 CliftonLarsonAllen. Everybody has got a copy that
8 they can read?

9 MR. FEKETE: Yes.

10 MR. ANDERSON: Page 2 shows the cash
11 receipts and disbursements of our General Operating
12 Account and our User Fee account. So for five
13 months ending May 31st, we collected \$1600 in
14 interest, 355,000 of User Fees. And then this shows
15 the transfer from the Trust into the General
16 Account, so 134,000.

17 The disbursements. It's the
18 usual list, legal, engineering, accounting, and
19 Great Lakes Legacy Act project is the big ones. So
20 from January 1st, of '17 through, May 31, in those,
21 just in those two checking accounts, the cash has
22 increased 913,000. The Operating account had
23 931,000, which represents pretty much of our unspent
24 budget for this year. And we have a balance of that
25 User Fee account, which is growing. So 2.2 million

1 in the User Fee account.

2 Next page, page 3, just shows
3 the monthly interest. We're actually earning some
4 interest on the User Fees account last month, which
5 is pretty good. So that just shows each month and
6 what is going on with distribution, checks we write
7 and the interest that's earned.

8 And then page 4 is the important
9 one, that shows you guys the claims docket, cash
10 disbursements. June column, second one from the
11 left there, you are approving \$40,000, \$40,766 is on
12 that claim docket today. And we can see that the
13 right most column has, you have the money on each
14 budget-line to do it. So you need to know that
15 before you approve the claims docket obviously.

16 There was two amendments. The
17 real estate taxes for 2,000 and the grant rider for
18 7500, which you guys approved. That was the
19 amendment that was made. So we'll take that money
20 out of the Trust and put it in the General checking
21 to cover that, which that did not happen by the end
22 of May, but it will happen by the end of June.

23 So any questions? (No Response)
24 That's all I got.

25 MR. FEKETE: Very good. Thank you, Mr.

1 Anderson.

2 Next order of business is the
3 approval of the accounts payable voucher register
4 dated June 21, 2017. I'll entertain a motion.

5 MR. HENRY RODRIGUEZ: Motion to approve.

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

8 MR. LOPEZ: Second.

9 MR. FEKETE: Roll call vote.

10 MR. FEKETE: Henry Rodriguez?

11 MR. HENRY RODRIGUEZ: Yes.

12 MR. FEKETE: Patrick Rodriguez?

13 MR. PATRICK RODRIGUEZ: Yes.

14 MR. FEKETE: Ray Lopez?

15 MR. LOPEZ: Yes.

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

17 Motion is approved.

18 And the next order of business
19 is the Rodney Humphry CDF cost share report of
20 6/21/2017. We have had discussions about this both
21 in our previous meeting and the explanation
22 presented to us by Mr. Trevino, and it's in his
23 update. I'll entertain a motion for approval.

24 MR. HENRY RODRIGUEZ: Motion to approve.

25 MR. FEKETE: I have a motion. I'll

1 entertain a second.

2 MR. PATRICK RODRIGUEZ: Second.

3 MR. FEKETE: I have a second. Roll call
4 vote on this. MR. FEKETE: Roll call vote. Roll
5 call vote.

6 MR. FEKETE: Henry Rodriguez?

7 MR. HENRY RODRIGUEZ: Yes.

8 MR. FEKETE: Patrick Rodriguez?

9 MR. PATRICK RODRIGUEZ: Yes.

10 MR. FEKETE: Ray Lopez?

11 MR. LOPEZ: Yes.

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

13 The motion is approved.

14 And the next order of business
15 is the BMO Harris Bank Trust report. Do you have
16 that before us, Mr. Trevino? Any highlights that
17 you wanted to present?

18 MR. TREVINO: Yes. So the first page
19 shows highlights of the historical value of the
20 Trust since 1997 and the distribution each year
21 since 1997.

22 The page 2 shows the current
23 value of the Trust is approximately 4.88 million and
24 that's as of June 20th. This reflects a gain of
25 \$64.00 from last Board meeting. The gain was solely

1 from the Money Market interest. There was one
2 distribution in 2017 for \$734,946.

3 Page 3 shows the values of the
4 Money Market, essentially business checking account
5 and CD. CD interest will be credited at the end of
6 July and will be reflected in the August statement.
7 The next CD that matures will be on July 22nd of
8 next year. And that's the highlights of the report.

9 MR. FEKETE: Any discussion? (No
10 Response) Okay. Thank you.

11 U.S. Army Corps of Engineers
12 report.

13 MR. TREVINO: Yes. I'd like to hand out
14 -- I got, for the record, there was two additional
15 items that were given to the Board that were
16 originally in the Board packet and that was the
17 CliftonLarsonAllen financial statements dated May
18 31, 2017, which were provided today and also the
19 Army Corps of Engineers report for the Board, dated
20 June 20, 2017. Natalie Mills is not able to make
21 today's meeting. She had an emergency she had to
22 attend to. So I will just go over her report
23 briefly.

24 Regarding the facility or the
25 CDF construction, the facility and dredging

1 operation plan, water treatment and operation of the
2 gradient control system is ongoing. The contractor
3 is in the submittal phase. Dredging will be
4 initiated either in late Summer or early Fall.
5 Approximately 200,000 cubic yards of material will
6 be dredged.

7 CDF documentation regarding
8 permits as mentioned previously today. The TSCA
9 public meeting will be held tomorrow, on June 22,
10 2017, at East Chicago Main Library from 5 to 7:00
11 p.m..

12 Oil boom coordination, nothing
13 significant to report.

14 The PCA, non-federal funding,
15 the PCA revisions, which were still working on. And
16 nothing new to report on Feddeler parcel resolution.

17 That concludes the Army Corps of
18 Engineers report.

19 MR. FEKETE: Okay. Any discussion? (No
20 Response) Comments? None. Thank you.

21 Attorney Ellen Gregory report.

22 MS. GREGORY: Ellen Gregory of Ellen
23 Gregory Law. We'll be getting together for the
24 consent decree. Our last biweekly call was
25 June 8th. The next one will take place tomorrow

1 morning. For the most part the calls have been used
2 to discuss progress of the Great Lakes Legacy Act
3 Project. EPA and BP are also working on putting
4 together another order for BP work, which will be
5 probably finalized after the Great Lakes Legacy Act
6 Project is underway.

7 I have been working on
8 modification to the Section 10 permit agreement with
9 BP, which would provide for Waterway Management
10 District to sign waste disposal documents for waste
11 that's generated during work that BP and its
12 contractors perform on property owned by the
13 Waterway Management District. After we finish with
14 the Section 10 permit agreement, I will be working
15 on modification to the Great Lakes Legacy Act
16 Project agreement for taking into account remedial
17 action phase of the Great Lakes Legacy Act Project.
18 After we put together a draft, we'll be sharing that
19 with EPA and BP, and the other parties to that
20 agreement.

21 Fernando mentioned property
22 transfer appraisals are underway. And once those
23 appraisals are finalized, we'll be getting together
24 with BP to discuss terms of the transfer of those
25 properties.

1 And finally, on the Feddeler
2 issue. The real estate attorney, Jim Wieser, is
3 doing some additional legal research on items
4 related to the Feddeler property interest. After he
5 finishes looking into those additional legal issues,
6 we'll determine the path forward with both Army
7 Corps and with Feddeler to resolve that claim.

8 And that's all I have.

9 MR. FEKETE: Any questions for Miss
10 Gregory? (No Response) Thank you very much.

11 Any new business to come before
12 the Board? (No Response) Any other business,
13 public comments? (No Response).

14 Next Board meeting will be
15 July 19, 2017, at 5:00 p.m., in the same facility.

16 I'll entertain a motion for
17 adjournment.

18 MR. PATRICK RODRIGUEZ: So moved.

19 MR. FEKETE: Do I have a second.

20 MR. LOPEZ: Second.

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

23 (All signify aye.)

24 MR. FEKETE: Any opposition? (No
25 Response.) We are completed with our business.

1 Thank you all for attending.

2 (MEETING ADJOURNED.)

3 * * * *

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 21st day of June, 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 13th day of July, 2017.



Peggy S. LaLonde

Peggy S. LaLonde, CSR

My Commission expires: 3/14/2018

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