

Little Calumet River Basin Development Commission

8149 Kennedy Avenue Highland, Indiana 46322 (219) 923-1118

JOHN DEMEO, Chairman
Governor's Appointment

DOYLE NIEMEYER, Vice-Chairman
Governor's Appointment

ARLENE COLVIN, Treasurer
Mayor of Gary's
Appointment

CLYDE BAUGHARD, Secretary
Governor's Appointment

CHARLES AGNEW
Governor's Appointment

GEORGE CARLSON
Mayor of Hammond's
Appointment

WILLIAM CRITSER
Governor's Appointment

JERRY PAGAC
Dept. of Natural Resources'
Appointment

DAVID SPRINGMAN
Governor's Appointment

JACK SWIKE
Lake County Commissioners'
Appointment

WILLIAM TANKE
Porter County Commissioners'
Appointment

DAN GARDNER
Executive Director

*find out when
Portage Plan Comm
meets.*

MEETING NOTICE

THERE WILL BE A MEETING OF THE
LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
AT 6:30 P.M. THURSDAY, APRIL 7, 1988
AT THE DEVELOPMENT COMMISSION OFFICE
8149 KENNEDY AVENUE, HIGHLAND, INDIANA

A G E N D A

Page

1. Call to Order by Chairman John DeMEO
2. Recognition of Visitors, Guests
3. Approval of minutes of March 3, 1988 meeting
4. Reports of Standing Committees

1-5

A. Finance/Policy Committee -
Arlene Colvin, Chairperson

- Financial status report
- Approval of claims for March, 1988
- Amendment to Commission Services Agreement
with NIRPC *AKC*
- Other issues

*6
7-10*

B. Legislative Committee - George Carlson,
Chairman

- "Local Cooperation Agreement"
 - Negotiating session
 - Re-draft for review-Washington approval
- Project scheduling, fund requirements meeting
set for April 26, 1988-Indianapolis
- Highway interchanges/bridge scheduling letter 11-12
to Sen. Bushemi from State Highway Dept.
- Other issues

*Don -
Call Post Tribune
at end of mtg.*

April 28

C. Land Acquisition/Management Committee -
Charles Agnew, Chairman

- Land Acquisition Committee meeting at 5:30 p.m.
- Appraisals, offers, acquisitions, recommended actions
- Erie R.R. bridge ownership update
- Communities comments re: Corps recreation plan
- Other issues

D. Interim Flood Control/Planning Committee -
Clyde Baughard, Chairman

- Penn Central (Conrail) R.R. culverts improvement status 13-14
- Report of Little Calumet River Basin Commission meeting - 1988 projects
- Other issues

E. Breakwaters/Marina Committee -
Bill Tanke, Chairman

- Coast Guard response/action in upgrading breakwaters lighting 15
- Projects status report
- Other issues

5. Informational items of interest - newspaper articles 16-18

6. Other Business

7. Statements to Board from the floor

8. Set date for next meeting, adjournment

MINUTES OF THE LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
HELD AT 6:30 P.M. THURSDAY, MARCH 3, 1988
AT THE COMMISSION OFFICES
8149 KENNEDY AVENUE, HIGHLAND, INDIANA

In Chairman John DeMeo's absence, the meeting was called to order at 6:35 p.m. by Vice-Chairman Doyle Niemeyer. Ten Commissioners were present. Guests were recognized and quorum was declared.

Development Commissioners:

William Critser
George Carlson
Jack Swike
Charles Agnew
William Tanke
Arlene Colvin
Clyde Baughard
Doyle Niemeyer
Jerry Pagac
David Springman

Visitors:

Edward Lukowski - Hammond
Rob Pleva - Lake County Parks
Dept. Planning
Dorothy Swike
Stephen Davis - Indiana DNR
J. Blee - Black Oak
Robert Frum Jr. - Lefty's
Coho Landing
Pete Zak - South Shore Marina
Mary Jane Zak - " "

Staff:

Dan Gardner
Bruce Stouffer
Lou Casale
Sandy Mordus

A correction to the minutes of February 4th was made. Jerry Pagac was incorrectly listed as being present at the meeting; Clyde Baughard was incorrectly omitted as being present. Clyde Baughard made a motion to approve the minutes as corrected; that is, listing him as present and Jerry Pagac as not being present. Motion was seconded by Chuck Agnew; motion passed unanimously.

Vice Chairman Niemeyer referred to the appointment letters contained in the packet. John DeMeo was reappointed by the Governor's Office through 12/31/91 and William Critser was appointed to the Commission by the Governor's Office through 12/31/90.

Finance/Policy Committee - Treasurer Arlene Colvin presented the financial report for January as well as the claims. One additional claim was added to the claim sheet. A claim for \$176 was received from Don Powers Insurance Agency for coverage on the Garcia residence. Arlene Colvin made a motion to approve the claims as presented; seconded by Clyde Baughard; motion passed unanimously.

Treasurer Colvin distributed a current financial investment listing to each Commissioner. In First Federal Bank of Indiana, there is a \$350,000 C.D. note at 6.85% on a 12 month rollover; in Mercantile National Bank, there is a \$350,000 C.D. note at 6.6% on a 12 month rollover, a \$188,500 C.D. note at 6.2% on a 30 day rollover and \$82,350 checking account balance earning interest at 5-1/4%.

Legislative Committee - Although the final Local Cooperation Agreement with the Corps of Engineers will not be signed until the first construction contract is to be implemented, Committee Chairman George Carlson reported that staff has been involved in several meetings with the Corps to finalize an acceptable draft to forward to their Headquarters in Washington for their review and approval. Once the draft has been finalized, Commissioners will receive a copy. Legislative Committee will review and report back to full Board. After the draft LCA has been finalized, a meeting will be scheduled in Indianapolis (the Corps will be present) with the state agencies (the Governor's Office, State Budget Agency, DNR, State Highway Dept.) to discuss the implications of the Commission's signing of the Agreement and to discuss the future non-Federal financial requirements required of them.

Mr. Carlson referred to a letter written by Congressman Visclosky to Washington Corps reiterating the importance of the 3A plan and requesting all Corps efforts on the Little Calumet River project be directed toward the realization of this particular plan.

Acting Chairman Doyle Niemeyer took this opportunity to publicly thank the Congressman's efforts in taking this stance and taking the time to again write Washington in support of 3A.

Mr. Gardner stated that the boat excise tax bill did not pass this short legislative session. It will be resubmitted next session. Mr. Gardner attended a Lake Michigan Marina Development Commission work session this morning where Rep. Dobis spoke in behalf of the boat excise tax bill stating there would be more time in the longer session for its passage and that would work to the bill's advantage.

Land Acquisition/Management Committee - Chairman Chuck Agnew reported that a revised sales agreement from EJ&E Railroad had been received which the committee approved. Mr. Agnew made a motion for Dan Gardner to be authorized to sign the agreement; seconded by Clyde Baughard; motion passed unanimously.

Mr. Agnew made a motion to approve the updated appraisal on DC208; seconded by Clyde Baughard; motion passed unanimously.

At the last meeting, the attorney was asked to take whatever action necessary to rid property DC57 of personal belongings left by previous owner. Mr. Casale has prepared a lease valid for 90 days @ \$50 per month with the provision of insurance provided. If items are not removed in that 90 day period, legal action would be taken at that time. Mr. Agnew made a motion to approve the lease and authorize Dan Gardner to sign it; seconded by Clyde Baughard; motion passed unanimously.

Mr. Gardner reported that staff met with Lake County Park Dept. staff to discuss future development at Lake Etta. The Ensweiler property is now available. Lake Etta could expand to include that land and some surrounding parcels now owned by the Development Commission.

Mr. Agnew reported that he and Mr. Gardner made a presentation to Lake Station Park Dept. on February 11 regarding land on Clay Street owned by the Development Commission for future park development.

On March 1, local park superintendents and city planners met with the Corps to hear the presentation of the recreation planned for the cities/towns along the river. This was the final opportunity given to the park people for their input. Any changes they wish to see happen must be given to the Corps for consideration within a 2 week period.

Mr. Gardner informed the Commission that the Corps met with Indiana University Northwest economists at a project design meeting on February 23.

Interim Flood Control Committee - Committee Chairman Clyde Baughard reported that, at a request from Commissioner Bill Tanke, a letter had been received from the Corps (Hydraulic Engineer Frank Cook and Chief, Flood Control Section John Morgan) stating that it is the opinion of the Corps that the proposed Harrison Street bridge construction will not have an adverse impact on the flood stages on the Little Calumet River.

Mr. Baughard also reported that the legal description had been obtained on Erie R.R. bridge property. Attorney Casale is in the process of obtaining quit claim deeds from L.B. Foster and DNR to allow the Development Commission to assume ownership. Commissioner Jack Swike stated that he had learned Foster had requested permission from the Lake County Commissioners to construct a fence in that vicinity. Staff will pursue more information. A motion from Clyde Baughard was made to refer the issue of Erie bridge ownership to the Land Acquisition Committee for further pursuance. Staff will also investigate what the impact would be on the Commission's liability insurance if they assumed ownership. Motion was seconded by Chuck Agnew; motion passed unanimously.

Mr. Gardner stated he has met with the new administration in Gary to discuss flood control/recreation in Gary. He stressed to Gary officials the importance and need for internal drainage within the Black Oak area.

A response letter in the agenda packet from the State Highway Dept. states the culvert at Fairbanks St. under the Borman is open. It had been previously brought to the Commission's attention that the culvert was clogged.

Clyde Baughard stated that staff would be meeting with Munster Town Board on March 7 and Hammond Park Board on March 8 to give a presentation on the flood control/recreation plan. Any Commissioner wishing to attend may do so.

Breakwaters/Marina Committee - Committee Chairman Bill Tanke deferred to the attorney for his announcement that the Frums' have appealed the Appellate court action on the Commission's right to take to the Supreme Court.

At the last meeting, it was stated that Lefty's Coho Landing was in arrears for the final \$3,500 payment to the Commission for lease of boat slips located on Commission property. Mr. Tanke made a motion authorizing the attorney to take whatever legal action is necessary to collect the money; motion seconded by Clyde Baughard; motion passed unanimously.

Mr. Tanke further stated the Commission is continuing to work with the city of Portage in regard to marina development issues.

Mr. Gardner reported that the Coast Guard was again contacted in regard to increasing the navigation aid lights on the breakwaters. They will respond to the Commission with a letter.

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In response to a request made at the last meeting in regards to what should be included as part of the minutes, Attorney Casale informed the Commission and audience that, although motions and official actions are basically required to be kept in minutes, the Commission secretary will record and enter into minutes the brief concise comments of the audience. A motion to that effect was made by Jerry Pagac; seconded by Chuck Agnew; motion passed unanimously.

With regard to a prior discussion taken place at the last meeting, Commissioner Jack Swike stated that any problems occurring within a city regarding hazardous waste should be referred to the Lake County Civil Defense Dept. He stated that Trooper Graber, a master sargent of the Indiana State Police trained in Hazardous Waste, is the contact person and authority. John Blee replied that it was very important to establish a contact person because of the area we live in.

The next meeting was scheduled for 6:30 p.m. Thursday, April 7, 1988. There being no further business, the meeting adjourned 8:00 p.m.

/sjm

MERCANTILE NATIONAL BANK

JANUARY 1, 1988 - FEBRUARY 29, 1988

CASH POSITION - JANUARY 1, 1988

Checking Account	
Land Acquisition	\$ 43,505.08
General Fund	38,699.96
Tax Fund	1,707.50
Investments	<u>868,500.00</u>

\$952,412.54

RECEIPTS: January 1, 1988 - February 29, 1988

Lease Rents	\$ 7,229.76
Interest	10,359.97
Land Acquisition	36,259.54
Taxes	<u>481.97</u>

TOTAL RECEIPTS:

\$ 54,331.24

DISBURSEMENTS: January 1, 1988 - February 29, 1988

1987 Expenses paid in 1988	\$ 22,874.98
Legal Service	566.66
NIRPC	5,824.55
Travel & Mileage	76.77
Printing & Advertising	208.00
L/A Legal Services	5,595.00
L/A Professional Services	
(b) Surveying Services	900.00
(d) Land Purchase Contractural	1,268.45
(e) Operational Contractural	2,593.00
L/A Land Purchase Cost	<u>2,637.62</u>

TOTAL DISBURSEMENTS:

\$ 42,545.03

CASH POSITION - FEBRUARY 29, 1988

Checking Account	
Land Acquisition	\$ 54,870.80
General Fund	18,638.48
Tax Fund	2,189.47
Investments	<u>888,500.00</u>

\$964,198.75

Investments increased by \$20,000



**NORTHWESTERN INDIANA
REGIONAL
PLANNING COMMISSION**

8149 Kennedy Ave.
Highland, Indiana 46322

219-923-1060
312-731-2646

DATE: March 11, 1988

ORGANIZATION: LITTLE CALUMET RIVER BASIN
DEVELOPMENT COMMISSION

PROJECT: FOR SERVICES PERFORMED DURING FEBRUARY 1988

CONTRACT NO: P1.01

CONTRACT CODE: 952

INVOICE NO: P1.01.02

I N V O I C E

Project Salaries (Dan Gardner/Sandy Mordus) @ 75%	\$ 3,773.31
Associated OH Charges @ 35% of Project Salaries	1,320.66
Staff Mileage/Expenses	141.96
Room Rental (April 1988)	200.00
Accounting Service	150.00
Graphics/Printing Time @ \$15/hr. (Attachments)	45.00
Telephone: Local Service	60.00
Telephone: Billable Charges (Attachments)	125.74
Postage	74.66
Copying Charges @ \$.07 per copy	57.47
Material Costs (Attachments)	7.31
Other Costs (Attachments)	-0-
Total February 1988 Due	\$ 5,956.11
Outstanding Payment Due	-0-

Total Payment Due \$ 5,956.11

Robert B. Stouffer

14803 GERRY PLACE, CROWN POINT, INDIANA 46307

March 18, 1988

TO: Dan Gardner, Executive Director
Little Calumet River Basin
Development Commission
8149 Kennedy Avenue
Highland, Indiana 46322

Please accept this statement as billing to the Development Commission for payment of \$16.00 per hour, as per contract for work performed as Land Acquisition/Management Agent for the Little Calumet River Basin Development Commission.

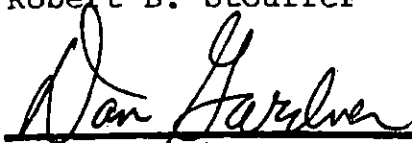
February 26	-	7 hours	-	\$112
February 29	-	7 hours	-	\$112
March 1	-	7 hours	-	\$112
March 2	-	7 hours	-	\$112
March 3	-	10 hours	-	\$160
March 4	-	7 hours	-	\$112
March 7	-	7 hours	-	\$112
March 8	-	7 hours	-	\$112
March 9	-	7 hours	-	\$112
March 10	-	7 hours	-	\$112
March 11	-	7 hours	-	\$112
March 14	-	7 hours	-	\$112
March 15	-	7 hours	-	\$112
March 16	-	7 hours	-	\$112
March 17	-	7 hours	-	\$112
March 18	-	7 hours	-	\$112

Total hours. . . 115 hours

Total payment due \$1,840


Robert B. Stouffer

APPROVED:


Dan Gardner
Executive Director
Little Calumet River Basin
Development Commission

Robert B. Stouffer

14803 GERRY PLACE, CROWN POINT, INDIANA 46307

March 31, 1988

TO: Dan Gardner, Executive Director
Little Calumet River Basin
Development Commission
8149 Kennedy Avenue
Highland, Indiana 46322

Please accept this statement as billing to the Development Commission for payment of \$16.00 per hour as per contract for work performed as Land Acquisition/Management Agent for the Little Calumet River Basin Development Commission.


March 21	-	7 hours	-	\$112
March 22	-	7 hours	-	\$112
March 23	-	7 hours	-	\$112
March 24	-	7 hours	-	\$112
March 25	-	7 hours	-	\$112
March 28	-	7 hours	-	\$112
March 29	-	7 hours	-	\$112
March 30	-	7 hours	-	\$112
March 31	-	7 hours	-	\$112

Total hours. . . 63 hours

Total payment due \$1,008


Robert B. Stouffer

APPROVED:


Dan Gardner
Executive Director
Little Calumet River Basin
Development Commission

Robert B. Stouffer

14803 GERRY PLACE, CROWN POINT, INDIANA 46307

March 18, 1988

TO: Dan Gardner, Executive Director
Little Calumet River Basin
Development Commission
8149 Kennedy Avenue
Highland, Indiana 46322


Please accept this statement as billing to the Development Commission for reimbursement of mileage at \$.25 per mile as per contract for travel incurred for work performed as Land Acquisition/Management Agent for the Little Calumet River Basin Development Commission. Mileage vouchers enclosed.

February 1 - February 29, 1988:

Total miles 205 @ \$.25 = \$51.25


Robert B. Stouffer

APPROVED:


Dan Gardner
Executive Director
Little Calumet River Basin
Development Commission

STATE OF INDIANA



INDIANAPOLIS

INDIANA DEPARTMENT OF HIGHWAYS
100 North Senate Avenue
Indianapolis, Indiana 46204-2249

Room 1101, State Office Building
317-232-5533

February 22, 1988

The Honorable John Bushemi
Indiana State Senate
State House
Indianapolis, Indiana 46204

Dear Senator Bushemi:

JOHN,

This is in response to your request for information concerning the status of several road construction projects in Lake County. The projects in question and their estimated construction costs are as follows:

Added travel lanes on US 30 from US 41 to the Illinois State line - \$5.5 million (projects 61470, 68920, 61480, 61475)

Interchange modification on I-65 at 61st Avenue - \$6.0 million (project 50960)

Interchange modification on I-80 at:

- Indianapolis Blvd. - \$14.1 million (project 04010)
- Calumet Avenue - \$15.4 million (project 65510)
- Burr Street - \$4.4 million (project 51010)
- Kennedy Avenue - \$14.0 million (project 51020)
- Cline Avenue - \$40.0 million (project 02600)

The Department of Highways currently estimates all of these projects could be ready for construction in 1991. Actual construction would take about 9 months to a year. The Burr Street and 61st Avenue interchanges could probably be ready earlier and might be completed in a single spring and summer. However, in order to have these projects ready for construction in 1990-91, the DOH must conscientiously move ahead with the design and land acquisition now. Unless we can foresee that construction funds will be available, the DOH will not aggressively pursue these projects. Thus, there are now no anticipated construction dates.

The Burr Street and Indianapolis Blvd. projects are exceptions. We have been working with Congressman Visclosky's office to secure special federal funding to at least partially fund construction of those interchanges. Although the funding has not yet been secured, we believe the chances for special federal funding are good enough that we will continue to aggressively prepare those projects for construction regardless of what action is taken by the 1988 General Assembly.

COPY

The Honorable John Bushemi
February 22, 1988
page 2

If HB 1230 in its current form, or some other form that provides similar funding, is enacted the DOH will aggressively pursue all seven projects listed above beginning the day after the bill is enacted. Construction will begin as soon as the design and land acquisition is complete (estimate 1990-91). To help prevent excessive traffic congestion it might be best to actually construct the Borman interchanges in consecutive years rather than all at once. We will study this in more detail when construction becomes more feasible.

This information is provided at your request to give you a realistic appraisal of the status of these projects. Please feel free to contact the Department if you have any further questions.

Sincerely,



Daniel A. Novreske
Chief Deputy Director

DAN:gr

CONRAIL



Room 200
(215) 596-3869

Date: February 12, 1988
File: L-556

TenEch Engineering, Inc.
Hohman Square
Hammond, IN 46320

ATTENTION: Michael E. Kerr

Gentlemen:

Reference is made to your letter of November 17, 1987 regarding construction of a proposed floodway under our tracks for the Lake County Drainage Board near East Gary, IN.

Conrail would have no objection to the installation of the pipes provided they meet with the approval of our Engineering Department. A preliminary review was made of the proposed and we have the following comments which will need attention:

1. Four soil borings will be required as shown on the attached. Should Lake County decide to proceed this office should be contacted for issuance of the necessary permit to enter our property for the soil investigation.
2. Show distance from the centerline of tracks to face of each headwall.
3. Show distance from centerline to centerline of existing pipes.
4. Show distance from centerline of existing pipe to end of existing headwall.
5. Show distance from end of existing headwall to centerline of proposed pipe.
6. Installation of proposed pipes to be in accordance with Conrail's CE8 Specifications, copy attached.
7. Provide details of proposed headwalls.
8. Our Engineering Department advises that timber piles may be located within the railroad embankment as per the attached sketch.

TenEch Engineering, Inc.
February 12, 1988
Page 2

9. Explain how the control structure operates.

Any further correspondence to the undersigned please refer
to our File Number L-556.

Very truly yours,



C. E. Wogan
General Manager - Contracts

Attachment

U.S. Department
of Transportation

United States
Coast Guard



Commander,
Ninth Coast Guard District

1240 E. Ninth St.
Cleveland, Ohio 44199-2060
Staff Symbol:
Phone: (oan)

(216) 522-3992
16505

Ser. 101-88
Mar 21 1988

Little Calumet River Basin Development Commission
Attn: Mr. Dan Gardner
8149 Kennedy Avenue
Highland, Indiana 46322

Dear Mr. Gardner,

In response to your letter dated March 7, 1988. This commissioning season we will increase the intensity of Burns Waterway E Jetty N Light 1 (Light List # 18611) and Burns Waterway W Jetty Pier Light 1 (Light List # 18621). We were not informed of the background lighting which makes quite a difference in the nominal range of the navigational lights.

If you have any questions, or need any further assistance in this matter, Senior Chief Petty Officer Culver of my staff will be glad to assist you.

Sincerely,

A handwritten signature in black ink, appearing to read "F.A. Kelley".

F.A. KELLEY
Captain, U. S. Coast Guard
Chief, Aids to Navigation and
Waterways Management Branch
By direction of Commander,
Ninth Coast Guard District

Copy: Group Milwaukee
Ant Kenosha

U.S. Department
of Transportation

United States
Coast Guard



Commander,
Ninth Coast Guard District

1240 E. Ninth St.
Cleveland, Ohio 44199-2060
Staff Symbol:
Phone:

(oan)

(216) 522-3992
16505

Ser. 101-88

Mar 21 1988

Little Calumet River Basin Development Commission
Attn: Mr. Dan Gardner
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Highland, Indiana 46322

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Sincerely,

A handwritten signature in dark ink, appearing to read "F.A. Kelley".

F.A. KELLEY

Captain, U. S. Coast Guard
Chief, Aids to Navigation and
Waterways Management Branch
By direction of Commander,
Ninth Coast Guard District

Copy: Group Milwaukee
Ant Kenosha

New dredge plan being compiled

By JERRY PEARSON
Times Staff Writer

CHICAGO — A new federal plan to store toxic dredgings from the Indiana Harbor Ship Canal is being formulated, said a spokesman for the U.S. Army Corps of Engineers.

The corps has started work on a new environmental impact statement for the canal dredging project, which has been stalled for 16 years over environmental concerns.

The statement, which will include recommendations for disposing toxic sediments inside a proposed steel company breakwater in Lake Michigan, or in other sites in Hammond or Gary, may be ready in December, officials said.

A disposal site must be approved by local and state officials before the dredging can start.

Jan Miller, an environmental engineer with the corps, said, "Basically, we've got a lot of contracts out for sediment and biological studies.

"Hopefully, in the next couple of months, we'll be out in the field making investigations," he said.

Dredging is crucial to maintain ship and barge navigation in the canal, which is used by refineries and steel mills.

But the project has been delayed for 16 years over where and how to dispose of sediments containing polychlorinated biphenols, metals and other chemical and industrial wastes, as required by federal law.

A Canadian-American governmental agency has named the canal and the Grand Calumet River among the 42 most polluted sites in the Great Lake.

Two years ago, the corps had planned to build an island in the lake near East Chicago's shore to store the toxic sediments. The plan was opposed by federal and state agencies and environmentalists and community groups.

Miller said the corps' new proposal will include several options for disposing of the dredgings. Among them:

□ Inland Steel breakwater — A walled-in island would be located in Lake Michigan near the steelmaker's existing breakwater. Gov. Robert Orr previously told the corps that he favors this site.

□ Hammond — 83 acres in an area bordered by 141st Street on the south, the Indiana East-West Toll Road on the west, a wetland on the north and a tree line on the east.

□ The J-Pit — a landfill for construction and demolition debris located on Gary's southwest side. Environmentalists have complained that the site is close to the Ninth Avenue Dump and Lake Sandy Jo Landfill, which are on a federal Superfund list of hazardous waste sites.

State officials must issue permits for dredging and disposing of the wastes. The disposal site must be approved by county or city officials.

The corps has signed contracts with Indiana University Northwest, the U.S. Geological Survey and the Illinois Natural History Survey to prepare studies for the statement, Miller said.

"I guess the most interesting contract is with IUN to look at studies for solidifying toxic wastes from the canal. We're looking at other treatment techniques," Miller said.

Chicago Tribune

FOUNDED June 10, 1847

STANTON R. COOK, *Publisher*

CHARLES T. BRUMBACK, *President*

JAMES D. SQUIRES, *Editor*

LOIS WILLE, *Editorial Page Editor*
DOUGLAS E. KNEELAND, *Associate Editor*

F. RICHARD CICCONE, *Managing Editor*
COLLEEN DISHON, *Associate Editor*

JACK FULLER, *Executive Editor*
DENIS GOSSELIN, *Associate Editor*

10 Section 1

Saturday, March 19, 1988

The power to say no to flood control

The people of Bensenville and Lombard have spoken, and they won't pay any more taxes to help control flooding in their towns. That is the American way, but it underscores what was wrong with the flood-relief bill passed by the state legislature last fall.

The legislators, after sitting on the issue in June, were forced by August's devastating rains to do something about the flooding that had their constituents screeching in desperation the past two years. They approved a fine-sounding bill that allowed the five counties around Cook to create stormwater management committees to regulate flood control in their areas. They gave the counties and towns the power to raise taxes to pay for their programs. Gov. Thompson hailed it as the first truly cooperative plan of its kind.

Cooperation, however, was the least of its guarantees. In a rushed compromise to get the bill passed, taxes could be raised only through referendum. Counties and towns could write all the plans they wanted; there was no certainty they could pay for them.

Tuesday's primary provided the first test. Bensenville and Lombard residents were asked if they'd raise their taxes 6 cents per \$100 assessed valuation to finance flood-control projects. They said no.

That may be a testimony to short memories. It may be because the villages were not hit as hard in August as other Du Page County communities. More likely, it brought to pass the fears of the law's critics: People

who are not bothered by flooding are not likely to raise their taxes to bail out those who are.

That can be true of any flooding referendum—countywide, town-to-town, even within a community. It is the gaping flaw in the law, which at best ensures a piecemeal approach with some counties and towns making the effort and others not. And it takes away the incentive for anyone to do anything about it.

There are a lot of good, democratic reasons to put new taxes to a vote. But flooding is democratic, too: When it comes, it comes, and it is not very selective about its victims. It doesn't do much good for one town or county to protect itself, only to be deluged because the folks upstream did nothing.

It is one of those problems that can't be left to narrow interests. Intelligent, cooperative solutions have to be imposed with governments acting in everyone's interest, and with the power to tax the people on the high ground as well as in the floodplain.

The legislators should take a lesson from Bensenville and Lombard and rewrite the law to its original intent, unpopular as that may be. They also should be more broad in their thinking this time, crafting a regional watershed approach that sets future goals for such matters as how much floodwater can be permitted to pass from one jurisdiction to another.

They can start working on this now, or wait until the next time it pours.

Insurers conspired in liability crisis, suit says

By Sallie Gaines

The insurance industry conspired to create the 1984 "liability insurance" crisis that made coverage prohibitively expensive or unavailable for thousands of businesses, cities and schools, seven states charged in a federal suit filed Tuesday.

The suit, filed in U.S. District Court in San Francisco, alleged that four insurance companies, two insurance trade groups and several affiliates of Lloyds of London manipulated the com-

mercial liability insurance market to create the crisis and then make sure no competitors could offer coverage at competitive prices.

Texas filed a similar suit in state court, and Arizona was said to be planning a similar action.

The liability insurance crisis was page one news during much of 1984. For a period, many kinds of organizations, ranging from municipal playgrounds to day-care centers, found it impossible to find liability insurance.

At the same time, premiums skyrocketed, resulting in hundreds of horror stories about the end of school athletics, closing of businesses and shuttering of recreational facilities.

The federal suit filed by the attorneys general of the seven states said the four firms used coercion and boycotts within the industry to carry out the conspiracy.

Northbrook-based Allstate Insurance Co., among the four companies named, said it had not seen the suit, but denied any

wrongdoing. The other firms sued were Cigna Corp., Hartford Fire Insurance Co. and Aetna Insurance Co.

Also named in the suit is the Insurance Services Office, a property-casualty trade organization that writes model policy forms used throughout the industry. The organization designed the "claims-made" form that is at the root of the lawsuit. Under that form, an insurer is liable only for claims filed during the policy period, regardless

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Insurance

Continued from page 1

when the damage took place.

Under the traditional "occurrence" policy, an insurer is liable to pay claims resulting from damages that took place while the policy is in force, regardless of when the claim is made.

The insurance industry, contending that it was paying millions in unpredictable claims on decades-old policies, moved to scrap the occurrence form in favor of claims-made. That move largely fizzled, and occurrence policies remain the form for most kinds of businesses.

Profit was the point, said California Atty. Gen. John K. Van de Kamp. "This conspiracy began just before an enormous runup in the cost of insurance premiums that had devastating effects throughout the economy," he said.

"Some corporations saw their rates double and triple almost overnight," Van de Kamp said. Many small kinds of small business operations, from bus companies to day-care centers, found insurance virtually impossible to obtain. Some had to close their doors. Those that remained open had to pass along the enormous costs to consumers."

The "insurance crisis" is general, considered to have passed, with most kinds of insurance again available and rates beginning to fall.

But much of the most controversial—and expensive—insurance is available only in the claims-made form. That would include product liability, such as for drug companies or sporting equipment manufacturers, and professional liability, such as medical or legal malpractice. Insurance for environmental pollution has all but disappeared.

That was the second part of the conspiracy, according to the lawsuit. Not only would premiums increase dramatically, but the insurance industry also would be off the hook for many of the most costly risks.

Besides California, states suing are Minnesota, New York, Alabama, Massachusetts, West Virginia and Wisconsin.

The multistate suit seeks an injunction against the insurance companies named; unspecified financial damages; and a fund to cover losses not covered because of the alleged conspiracy.

In addition, the suit asks that the Insurance Services Office be restructured so a majority of its board represent the public, not insurance companies.

The trade organization always tried to operate "within the letter and spirit of the law," said spokesman Christopher Guidette. "It is extremely ironic that we are being sued for doing precisely what we are licensed to do, which is to gather statistical information, analyze it and offer advisory rate services and policy language."

The lawsuit says that the four insurance companies named began in 1983 to try to persuade other insurance firms to cut commercial coverage and eliminate it for environmental pollution.

When this tactic failed, the four companies persuaded reinsurance companies to refuse to do business with the insurance companies that didn't go along, Van de Kamp said.

Reinsurance companies buy policies from the original companies,

spreading risk more widely. They are critical for firms writing the original insurance. Inability to sell policies to reinsurers would restrict the amount of insurance a primary company could sell.

Once the reinsurers joined the plot, there was no way other companies could undercut the conspirators, resulting in a "global insurance boycott" of too-risky business, Van de Kamp charged.

The Reinsurance Association of America, a Washington-based trade group; several reinsurers that do business with Lloyds of London; and former Lloyds Chairman Peter North Miller are among those being sued. Miller campaigned widely in the U.S. in favor of the claims-made form, saying the huge London reinsurance market would not be available to any insurance company that used the occurrence form.

The reinsurance organization would not comment on the suit.

Dozens of insurance companies were involved in writing the Insurance Services Office claims-made policy. The policy then had to be approved by state insurance regulators, and that took place only after months of wrangling and hearings in which the trade organization was

forced to rewrite the policy several times to quell criticism.

Illinois Insurance Commissioner John Washburn pulled together a coalition of more than a dozen state regulators—including those from Texas—to halt approval of the claims-made form until it was changed to protect policyholders more. The Insurance Services Office ended up adding several safeguards against sudden cancellations or inability to renew. It also included price restrictions.

Despite involvement of dozens of regulators and insurance companies, only four companies were involved in the conspiracy, said Steve Kilgriff, deputy attorney general of Minnesota.

"That's not to say that other insurance companies were not involved as co-conspirators or knew what was going on, but did not participate," he said. The key was not who uses the form or who helped write it, but the behind-the-scenes collusion, he said.

Van de Kamp said the suit was the culmination of a two-year investigation of the insurance industry. A similar investigation by the U.S. attorney general's office turned up no evidence of wrongdoing.

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
MONTHLY BUDGET REPORT FOR APRIL MEETING

BUDGET CODE	BUDGET CATEGORY	BUDGET AMOUNT	AMOUNT PAID PREVIOUSLY	UNPAID BALANCE	AMOUNT READY FOR PAYMENT	PROJECTED BALANCE
119	PER DIEM EXPENSES	16000.00	0.00	16000.00	212.00	15788.00
311	LEGAL SERVICES	7500.00	849.99	6650.01	433.33	6216.68
312	NIRPC SERVICES	94000.00	11696.65	82303.35	5956.11	76347.24
323	TRAVEL & MILEAGE	6000.00	76.77	5923.23	24.50	5898.73
331	PRINTING & ADVERTISING	2500.00	208.00	2292.00	0.00	2292.00
341	BONDS & INSURANCE	7500.00	481.00	7019.00	61.45	6957.55
361	EMERGENCY MAINTENANCE COST	3500.00	0.00	3500.00	0.00	3500.00
399	MEETING EXPENSES	3000.00	0.00	3000.00	377.03	2622.97
411	LEGAL SERVICES - ACQUISITION	50000.00	8355.00	41645.00	1836.00	39809.00
412	PROFESSIONAL SERVICES	100000.00	22483.64	77516.36	7331.66	70184.70
413	LAND PURCHASE COSTS	3945519.00	26346.62	3919172.38	7365.00	3911807.38
414	LAND CAPITAL IMPROVEMENTS	150000.00	0.00	150000.00	0.00	150000.00
415	BURNS BREAKWATER CONSTRUCTION	2128.00	0.00	2128.00	0.00	2128.00
416	STRUCT. CAPITAL IMPROVEMENTS	40000.00	0.00	40000.00	0.00	40000.00
417	PROPERTY/STRUCTURES INSURANCE	25000.00	0.00	25000.00	0.00	25000.00
		4452647.00	70497.67	4382149.33	23597.08	4358552.25

CLAIMS READY FOR PAYMENT

BUDGET CODE	VENDOR NAME	AMOUNT	EXPLANATION OF CLAIM
119	MICHAEL DOYNE	212.00	PER DIEM EXPENSES INCURRED 1/7 - 2/4/88
311	LOUIS CASALE	283.33	ATTORNEY RETAINER FEE INCURRED FOR THE MONTH OF MARCH 1988
311	LOUIS CASALE	150.00	GENERAL & MISCELLANEOUS LEGAL FEES FOR THE MONTH OF MARCH 1988
312	NIRPC	5956.11	FOR SERVICES PERFORMED FEBRUARY 1988
323	MICHAEL DOYNE	24.50	MILEAGE EXPENSES INCURRED 1/7 - 2/4/88
341	ROBERT B. STOUFFER	61.45	REIMBURSEMENT RE: NOTARY PUBLIC FEES
399	DAN GARDNER	40.00	REIMBURSEMENT RE: WATER RESOURCES INFORMATION CONFERENCE
399	THE SPA	337.03	MEETING EXPENSES INCURRED ON 3/15/88
411	LOUIS CASALE	1836.00	LEGAL FEES FOR LAND ACQUISITION FOR THE MONTH OF MARCH 1988
412	ROBERT B. STOUFFER	1008.00	LAND ACQUISITION/MANAGEMENT SERVICES RENDERED 3/21-31/88
412	CHICAGO TITLE INSURANCE	575.00	TITLE WORK INCURRED ON THE FOLLOWING DC #'s: 50651, 86, 87 & 208
412	H - J SERVICES CO.	1602.00	EXPENSES INCURRED ON PUMP REPAIR ON DC 83
412	MATTHEWS NURSERY	90.00	COST INCURRED TO REPLACE TREES LOCATED ON LCRBDC PROPERTY
412	PLUMB TUCKETT & ASSOC.	650.00	SURVEYING SERVICES INCURRED RE: LEGAL DESCRIPTION--LAND ON BRIDGE CROSSI
412	ROBERT B. STOUFFER	1891.25	LAND ACQUISITION/MANAGEMENT SERVICES RENDERED 2/26 - 3/18/88
412	CHICAGO TITLE INSURANCE	150.00	TITLE WORK INCURRED ON THE FOLLOWING DC #'s: 115 & 121
412	BOENDER ELECTRIC CO.	28.50	EXPENSES INCURRED ON PUMP REPAIR ON DC 83
412	NIPSCO	226.22	UTILITY EXPENSES INCURRED RE: PUMP OPERATION
412	ROBERT B. STOUFFER	25.00	REIMBURSEMENT RE: RECORDING DEEDS ON LCRBDC PROPERTY
412	H - J SERVICES CO.	1085.69	EXPENSES INCURRED ON PUMP REPAIR ON DC 83
413	MINNIE TURKS	2325.00	PURCHASE PRICE OF PROPERTY DC 208 0.96 ACRES
413	VERA KEOUGH	90.00	PURCHASE PRICE OF PROPERTY DC 121 0.20 ACRES
413	DAN GLIGOR	4725.00	PURCHASE PRICE OF PROPERTY DC 86 5.905 ACRES
413	MAC BETH & ALTHA HARRIS	225.00	PURCHASE PRICE OF PROPERTY DC 186 0.516 ACRES
		23597.08	



DEPARTMENT OF THE ARMY
CHICAGO DISTRICT, CORPS OF ENGINEERS
219 SOUTH DEARBORN STREET
CHICAGO, ILLINOIS 60604-1797

REPLY TO
ATTENTION OF

Plan Formulation Branch

1 APR 1988

Mr. Dan Gardner
Executive Director
Little Calumet River Basin
Development Commission
8149 Kennedy Avenue
Highland, Indiana 46322

Dear Mr. Gardner:

Enclosed is the latest draft Local Cooperation Agreement (LCA) for the Little Calumet River project. It has been negotiated between the Commission's representatives and the Chicago District staff. The draft LCA is at the stage where it can be presented to the Commission for review.

We are not sure that we will get concurrence throughout the Corps of Engineers' review organizations with item a. of Article II, in which the Commission would have concurrence authority on plans and specifications and contracting for construction. This item needs to be negotiated further before we can submit the draft LCA to the Office, Chief of Engineers for review. Please contact Mr. David Hunter to schedule a negotiation meeting after the Commission reviews the present draft.

On another issue, we recommend that the Plan 3A levee between Clark and Chase Streets in Black Oak be aligned along 31st Street. We further recommend that the private property located south of 31st Street, which includes twenty-four homes or structures, be acquired for overbank flood-water storage. We believe the recommended acquisition would be the best approach to enhancing the quality of life for the residents in these structures. Please advise us of the Commission's views regarding these recommendations after discussing them with the City of Gary.

If you have any questions, please contact Mr. David Hunter.

Sincerely,

Richard E. Carlson

Richard E. Carlson
Chief, Planning Division

Enclosure

PLEASE SIGN

ATTENDANCE ROSTER

Name of meeting: LCRBDC

Date: 4-7-88

	NAME (please print)	Organization and/or Address	
1	Richard L. Bundy	Shannon Unlimited of IN	1
2			2
3	Edw. A. Lukowski, Jr.	HAMMOND IND	3
4	STEPHEN E. DAVIS	IND. DNR	4
5	RICKEY AUSTIN	BLACK OAK CITIZENS FOR BETTER GOVERNMENT	5
6	Robert Pleva	5119 W. 26th AVE. GARY, IND. 46406	6
7	Tom Houghlin	Lake Co. Parks & Rec. Dept.	7
8	Michael Dwyne	The Times	8
9	Keith Eller	citizen	9
10	Deborah Schubert	Black Oak citizen	10
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Chairman: John DeMeo

Location: