

MINUTES OF THE LITTLE CALUMET RIVER BASIN DEVELOPMENT
COMMISSION HELD AT 6:00 P.M. WEDNESDAY, OCTOBER 1, 2008
6100 SOUTHPORT ROAD
PORTAGE, INDIANA

Chairman Bill Biller called the meeting to order at 6:10 p.m. Nine (9) Commissioners were present. Pledge of Allegiance was recited.

Development Commissioners:

Mark Gordish
Robert Huffman
Steve Davis
Arlene Colvin
Ron McAhron
Kent Gurley
Bill Biller
Dave Burrus
John Mroczkowski

Staff:

Jim Pokrajac
Sandy Mordus
Lou Casale
Judy Vamos
Lorraine Kray

Visitors:

Bill Petrites – Highland resident
Kim Poland – Hammond Councilwoman
Susan Brown – The Times
Vanessa Villarreal - USACE
Lynne Whelan - USACE
Christine Kutkowski – Hammond resident
Karen Lorenz – Hammond resident
Doug Lorenz – Hammond resident
Dorreen Carey – City of Gary
Mike Zarrantello – Hammond resident
David Nellans – Town of Munster
Helen Brown – Town of Munster
Bill Howard – Munster resident
Dan Dernulc – Highland
Mike Mellon – Town of Munster
Elizabeth Johnson - Congressman's Office
Imad Samara – USACE
Bob Markovich – Hammond councilman
Senator Frank Mrvan, Jean Mrvan
Ed Soliday – Representative District 4
Rob Mangus – Town of Munster
Spero Batistatos – Lake County CVB
Curt Vosti – Hammond
Chuck Brimmer – Congressman's Office
Mark Lopez – Congressman's Office
Mik Brin (?) – Hobart resident
George Janiec – Hammod resident
Anthony Higgs – Hammond councilman
Bill Baker – Gov., Munster
Carolyn Marsh – Sand Ridge Audubon

After a correction to the minutes of the September 3rd meeting was made on page 2, first paragraph, whereby "motion passed unanimously" was struck because motion was withdrawn, minutes were approved by a motion from Bob Huffman; motion seconded by Dave Burrus; motion passed unanimously. Kent Gurley questioned what was said under the Legislative Committee but recommended no correction.

Chairman's Report – Chairman Biller recognized the letter of resignation by Steve Davis, IDNR appointment. He announced and welcomed the new appointment by IDNR, Mr. Ron McAhron, Deputy Director of IDNR.

- Chairman Biller also announced the resignation of Dan Gardner, Executive Director of the Commission, effective as of September 26. His resignation was acknowledged at the September 29 special meeting.
- Mr. Biller continued to say that these last few weeks have been trying for all. The flood event of September 13-16 devastated many people and many homes. Many areas were affected but the town of Munster had incurred the most damage. The Commission's condolences and prayers go out to everyone. He asked Imad Samara to give a report later in the meeting. He continued to say that the Commission did accept the resignation of Dan Gardner; otherwise, he would have been terminated as per the Congressman's request. A Search committee will meet and outline a plan to pursue his replacement. A 5:00 Executive Session discussed issues of personnel and pending litigation. He asked the Finance Committee, headed by Treasurer Kent Gurley, to take responsibility for 2 items: (1) immediate search to come up with plan of action for interim director, and (2) provide a short term budget that will allow the Commission to operate thru the end of December. Funding is most important. He asked that a report be available for another meeting in about two weeks, October 15th.

Action Required – Treasurer Kent Gurley presented items for action.

- Mr. Gurley made a motion to approve the September claim sheet for ongoing project development in the amount of \$85,784.58; motion seconded by John Mroczkowski; motion passed unanimously.
- Mr. Gurley asked for approval of the O&M claims after deleting a \$2,184 claim to Austgen Electric. He asked that it not be included until next meeting; he asked that it be put into a line item budget first. He proceeded to make a motion to approve \$1,730.29 (minus the Austgen claim); motion seconded by John Mroczkowski. Jim Pokrajac explained the claim and why it was needed. Bob Huffman approved payment of the claim. After discussion and a show of hands, Bob Huffman made a motion to approve the O&M claims in the total amount of \$3,914.29 (including the Austgen claim); motion seconded by Bob Marszalek; motion passed.
- Mr. Gurley made a motion to approve the Munster claim in the amount of \$1,775 for DC-1248; motion seconded by Arlene Colvin; motion passed unanimously. Staff will submit the claim to the town of Munster for payment.
- Mr. Gurley referred to the letter received from USGS in which they asked us to sign a Joint Funding Agreement for the operation and maintenance of a gaging station on Hart Ditch in Munster for the period of 10/1/08 thru 9/30/09 at a cost of \$6,500. This is the same agreement we have previously had each year with the USGS. Mr. Pokrajac explained how the gage monitors levels of the river and how it is helpful during emergency response. Mr. Gurley asked Attorney Casale if the agreement was appropriate. Satisfied that the agreement was in order, he continued to make a motion to enter into the agreement with USGS; motion seconded by Bob Huffman; motion passed unanimously.

Finance Committee – Treasurer Kent Gurley referred to the “estimated O&M costs through end of 2008”. The amount came to \$58,200. Jim Pokrajac added that pump station inspections will be taking place within several weeks and there may be emergency repair

associated with them. The Army Corps will put together a punch list after the inspections. Mr. Gurley questioned whether the liability is 100% ours and he was informed it is our liability and responsibility, as per the LCA, until municipalities take it over. At this point, there are no formal O&M agreements in place, although Hammond and Highland already have been doing some O&M on their own.

- Mr. Gurley referred to the financial statement for August. He stated that the financial sheet does not show the total drawdown money from the State Budget Agency. The \$210,948 listed in Land Acquisition is committed funds for project development use. Available monies to the Commission total less than \$100,000. The funds available down state total little over \$300,000. He has a concern that we will not be able to meet expenses through the end of the year which could delay the completion date of the project. Mr. Biller added that existing state funds really should carry us thru June 2009 (end of State fiscal year) but that will not happen. The Finance committee will discuss this further at their scheduled meeting.

Land Acquisition/Land Management Committee – Committee Chairman Bob Marszalek reported that all 48 easement acquisitions in Stage VII have been accepted; 45 have closed and 3 are in final closing. In Stage VIII, there are 96 easement acquisitions. 26 are in condemnation; 2 in negotiations; 3 in final closing; and 65 are accepted and closed. Mr. Marszalek asked Judy Vamos is any of the condemnations changed their mind after the flooding and she replied that 2 parties had.

Project Engineering Committee – Committee Chairman Bob Huffman gave the committee report. He reported that all pipeline agreements were obtained for the V-2 pipeline corridor. They are signed and cost estimates identified an approved by the Army Corps. Option to the V-2 ROE was exercised and the relocation/construction on utility pipeline corridor can begin as soon as the Corps completes paperwork with the contractor.

- The proposal received from Christopher Burke Engineering for the Griffith levee has been put on hold until we can secure monies from the RDA. Staff has been in contact with the company and they understand the funding situation.
- Regarding Stage VII utilities, Mr. Pokrajac reported that there is only one outstanding utility relocation agreement we have not received. We are awaiting costs from BP Pipelines. They are working with us and we hope to have agreement in place soon.
- Regarding Stage VIII utilities, final Army Corps engineering drawings have not been received yet. Once received, we will have to obtain cost estimates from the utilities so agreements can be put in place. Mr. Pokrajac estimated cost at about \$500,000. Costs will also have to be reviewed and approved by the Corps before the utility relocation agreement can be sent out.
- All legals and surveys have been completed for Forest Avenue properties. Discussion ensued on whether the 75' drainage easement would be sufficient for the Army Corps to access the levee to determine what needs to be done. It was stated that Stage VIII could be let without the Forest Avenue public easements. The Corps has stated that 15' is needed as a public easement. There are no public easements in place at the present. The city of Hammond built that levee, to Corps standards, after the 1981 flood.
- Mr. Gurley asked if condemnations go forward and we obtain the money to pay into court, when can construction be finished. Attorney Casale stated that there is still some "clean-up"

in the East Reach Remediation area. That area was put on hold when we were instructed to only spend dollars in the "critical path" for Stage V-2. Once the right-of-entry is signed for Stage VII and VIII, the Corps will then be able to advertise and award the contracts. Obtaining the additional easements in ERR will not hold up the contracts for the west reach.

- Chairman Biller asked Imad Samara, project manager, to give his view on the flooding. Imad replied that the Corps met that morning to discuss the flooding. It was the highest level of flooding ever recorded since they have been monitoring. He calculated that it was at least a 120 year flood event. The new levees had no overtopping and all project features operated as designed. If closure structures had all been completed, the flooding probably would not have been as severe.
- When asked if the entire flood control project with all features, including the control structure had been completed, would the area have been protected. Imad could not give a direct answer. He said the new levees held; the old levees overtopped; it was not an easy question to answer given that it was a record flood event.

Operation & Maintenance Committee – Committee Chairman Bob Huffman asked Mr. Casale about the turnover of O&M to Gary. Attorney Casale stated that the Attorney General's office is reviewing the documents. If there are changes, it probably will take another couple of months for further review.

- Mr. Pokrajac stated that one pump station is completed and can be turned over to the town of Highland, another pump station agreement is already in place in Highland. The town is ready to work with us once the final (2) stations are turned over to the LCRBDC. We will need to get some as-builts from the Army Corps before we can proceed.
- Mr. Pokrajac stated that he will accompany the Army Corps on a post flood inspection of the project features this week. After a big flood event, they require inspection to assess any damage the storm may have caused. It is a Federal requirement. Mr. Gurley asked if the Commission is liable for these costs and if communities have received the O&M takeover information. Mr. Pokrajac replied that we are liable; all communities have received the Corps O&M disk in February of 2006. Mr. Gurley asked Mr. Huffman if his committee would please keep the Commission up to date on O&M developments.

O&M Funding Committee – There was no report.

Legislative Committee – There was no report.

Environmental Committee – Discussion ensued on the Corps letter and report received regarding the soil contamination on Kennedy Avenue. The Corps recommended the Commission do additional sampling to lower costs. The Corps estimated cost for removal was \$562,000.

Recreation Committee – There was no report.

Policy Committee – There was no report.

Other Business – Until an Interim Director is found, Bob Marszalek made a motion authorizing Judy Vamos to sign the Uniform Land Offers; motion seconded by Bob Huffman; motion passed unanimously.

Statements from the Floor – Numerous statements were received from the floor.

- Munster Town Council president Helen Brown stated that the town of Munster was impacted by the flood more than any other community. She stated they are no better protected today than they were prior to the flood. She presented a letter from the Council requesting that the Commission take emergency action to raise the levees in Munster to a height equal to what is on the Hammond side until the project is completed. (The letter attached hereto and made part of these minutes as Attachment A). They asked the Commission and the Army Corps to expedite the contracts now and if dates cannot be adhered to, please keep the community informed. She asked about doing Stage VII and VIII on the same contract. Chairman Biller agreed that the project has taken too long; we are taking steps to improve our response and creditability with the communities.

- Discussion ensued on the Northcoté bridge. Everyone agreed that it makes no sense to construct a bridge lower than the levee. It is going to be a problem every time it rains. To coordinate the sandbagging of the bridge in a flood event is not an easy job. Munster resident Bill Howard reiterated that the bridge height needs to be addressed. He was told that the bridge was built back in the mid 50's, locally funded, and locally built. He also asked for a list of homeowners who are in condemnation in Stage VIII.

- When asked about the existing Munster levee, Imad replied that the Corps cannot do anything about the old levee; they only require the easements so the new "Federal" levee can be built in its place.

- Hammond Councilman Anthony Higgs said, although Munster got hit the hardest, Hammond also suffered flooding.

- Mike Mellon, Munster councilman, inquired, based on resources we know today, when would the levee be completed. Imad replied that Stage VII levee would take about 1-1/2 years and Stage VIII levee would take about 2 years to complete from their Notice to Proceed. The Corps was urged to combine both segments in the same contract. Mr. Mellon asked the Commission to let the town of Munster know if we have a funding problem and they will do whatever they can to help.

Mr. Biller stated that he will be meeting with all the stakeholders soon, i.e. Congressman's Office, Governor's Office, Lake County, RDA. Mr. Biller went on to say that he accompanied Mr. Gardner at the last State Budget hearing where the Commission asked for \$8 million (based on Corps schedule) and only received \$2 million. That has been the history in the past. We did receive additional money after the \$2 million because of the accelerated schedule to acquire V-2 easements so Cabela's could develop. Ron McAhron asked if we had received \$8 million in total for the last two years and Mr. Biller replied we had because of additional IEDC money and RDA money.

- Representative Ed Soliday informed the Board members that he was the one who initiated the Level 2 audit. He added that he did not say there was anything illegal; he just wanted to confirm where the dollars were spent. Senator Frank Mrvan added that he had lost confidence in Mr. Gardner because every time he asked for State money, it was a moving target and never defined as to the exact dollars needed. It consistently changed; it always kept rising. He suggested that when a new Director is selected, stay away from politicians. The Commission should be able to secure the State funds it needs, especially now, once "real" figures are identified. George Janiec echoed Senator Mrvan's statements. The person selected must have important qualifications, professional and academic, and project management. Anyone short of this, will not get the job done.

- Mike Zarantello stated that accountability was a big issue here. Residents have always had valid questions but did not feel they got valid answers. He also questioned why issues he has brought up at previous meetings weren't always in the minutes, especially his issue of why Munster was lower than Hammond where sandbagging had to be done. He has made comments over the past several months that were not addressed by the Commission. He questioned why the filled-in groove for the closure panels on 35th Street wasn't repaired if we knew it was not useable.
- Spiro Batistatos of the Lake County CVB talked about the flooding that occurred at the Visitors Center. He questioned whether Optimist Lake and Wicker Park were purposely used as water storage. He offered the Visitors Center as a place for the Commission to meet closer to the project area.
- Carolyn Marsh addressed the Commission by saying that one of the main issues here is not being addressed and that is filling in the wetlands. Because of all the new development, many wetlands are being filled in. There is no place for the water to drain to except into developed areas. She opposed Cabela's development, and their proposed phase 2 development. She also opposed hotels going in where River Park apartments were, and potential development at Griffith golf course. Those areas, where water sits in wetlands, will have no place to go. She felt that IDNR has not played an active role in denying permits for these areas.
- Karen Lorenz, resident in Hammond, has been attending the Commission meetings for some time now and stated she is not satisfied with the Corps design plan. She feels an independent study needs to be performed on the design. She opposes the installation of a sheet pile wall behind her house. She asked about the elevation of the 4 homes west of Hohman. Those homes which the Corps said had a high enough elevation to be out of the project area, flooded but hers did not. She is also worried that the water in her backyard will not drain to the river because the I-wall will block it. Imad said an interior drainage system directed to a drainage structure (with a duckbill) would be installed. She does not think the proposed drainage system will work.
- Bob Markovich, Hammond councilman, echoed previous comments by residents. He is satisfied that the Commission is on a fast track to hire someone quickly; he agreed that it should not be a person with political ties. He feels an I-wall should be built and not earthen levees, where residents could possibly expand their landscaping.
- Curt Vosti, former member of the Commission, stressed the need for the maintenance of the levee system. It has always been talked about and he knew that eventually there had to be a plan in place, but that needs to happen now. With the municipalities expected to maintain their portion of the project area, coordination of that maintenance is important. He hoped the sense of urgency is felt strong enough now that it will be addressed so another crisis does not happen. He asked how much of a factor INDOT's expansion of the Borman contributed to the flooding of the Borman. Imad Samara added that some of the problem was the old levees overtopped in Munster and the water went around and onto the expressway.
- Chuck Brimmer, Congressman's Washington office, stated that the Congressman, as well as the Governor, signed the initial letter that went to the RDA supporting the Commission's request for \$6 million. That figure was intended to finish the project and that is not the case. The Congressman sensed the urgency for the completion of the project and that is why they wrote the letter to RDA. The Congressman has always supported the project and has always made Federal dollars available.

There being no further business, the meeting was adjourned. The next scheduled Board meeting is set for 6:00 p.m. on Wednesday, November 5, 2008.



September 30, 2008

Board of Commissioners
Little Calumet River Basin Development Commission
6100 Southport Road
Portage, IN 46368

Dear Commissioners:

The Munster Town Council is formally requesting that the Little Calumet River Basin Development Commission take emergency action to raise the level of the levies in Munster to a height equal to what is on the Hammond side until the project is completed.

The Town always knew that the West Reach would be the last to be completed. We have been told repeatedly that the project would be done in the near future. We have asked to increase the height of the levees before and were turned down. In September 2000, we were told that Stage V Phase 2 was to be bid in a few months (letter to Jim Knesek from September 22, 2000). That stage is just now being completed, eight years later.

The Town has worked with the Commission to finance and secure the required easements for Stages V, VII, and VIII. We have used local funds to pay for right of way and easements from private property owners. We have pledged local funds to enhance landscape restoration work along the area of the project now being completed, Stage V.

The Town has diligently removed materials in the Little Calumet that create blockages, on occasion working with the City of Hammond's Park Department. When we have been unable to remove these blockages, we have engaged and paid outside contractors.

Munster needs to be protected immediately. Steps must be taken to provide residents, businesses and the greater community the flood protection it is entitled to. ^{We need} The Commission and Army Corps of Engineers ^{to} provide this protection NOW and expedite the letting of the construction contracts for the final two Stages.

The Town is formally requesting that the Commission and Army Corps of Engineers explore any emergency provisions under State and Federal regulations to get the final two Stages under construction.

Yours truly,

Helen Brown
Town Council President



TFD/pjp/letters/littlecalumetrivercommissionersletter/f/

1005 Ridge Road • Munster, IN 46321 • (219) 836-8810 • Fax (219) 836-8350 • Police/Fire Emergencies 911
Police Non-Emergency (219) 836-6600 • Fire Non-Emergency (219) 836-6960

Attachment A (10)