

**MINUTES OF THE LITTLE CALUMET RIVER BASIN DEVELOPMENT
COMMISSION HELD AT 6:00 P.M. WEDNESDAY, JANUARY 7, 2009**

Held at
Munster Town Hall,
1005 Ridge Road, Munster, IN

Chairman Bill Biller called the meeting to order at 6:05 p.m. Nine (9) Commissioners were present. Pledge of Allegiance was recited. Chairman Biller thanked the visitors for coming.

Development Commissioners:

Mark Gordish
Robert Huffman
Arlene Colvin
William Baker
Ron McAhron
Kent Gurley
Bill Biller
John Mroczkowski
Dan Dernule

Staff:

Jim Pokrajac
Sandy Mordus
Lou Casale
Judy Vamos
Lorraine Kray
Jody Melton

Visitors:

Patricia Piekarczyk – Munster
Pat Huber – Munster
Bill Petrites - Highland
Susan Wood- Munster
Barbara Whitaker - Munster
Rich Kumericich - Munster
Greg Starrett – Munster
Tom/Judy Chulipski – 644 River Dr.
Ruth Mores – Southmoor Rd, Hamd.
Steve Yekel – Munster
Dean Button – SEH, Munster
Linda Poltrock - Munster
B. Packard – Munster
Jason Reeves - Gary
David Nellans – Munster Town Council
John Brooks – Munster
Jerry Markovich - Munster
Bill Howard - Munster
Thomas Hayes – Munster
John Mogle – 8205 Baring
Gilbert/Christin Alvarez-8015 Howard

Visitors:

Joan/Mike Baker - 8034 Howard
Dennis Rittenmeyer – 8517 Northcote
Lorraine Durham - Munster
George/Cathy Sperka – 8008 Greenwood
Malina Hnatusko - Munster
Vanessa Villarreal - USACOE
Lynne Whelan - USACOE
Fred Connor - Munster
William Coomes – 1832 S. River Drive
Ray Kasmark – 1339 MacArthur Blvd.
Dennis Harper – 242 Timrick
Greg Kaplan - Munster
Ray Candelaria – Munster
Irene Behling - Munster
Pat/Bob Olson - Munster
James Dedelow - Munster
Helen Brown – Munster Town Council
B. Wilson - Munster
Gail Magsaysay – 8128 Oakwood
Steve Enger - Munster
Leon/Alice Kozlowski - Munster
Tom Keilman – BP, Whiting
Elizabeth Howard - Munster
Bridget Bodefelf - Munster
P. Robert Raffin - Munster
James Kaspar - Munster
Stephen Jadrnak - Hammond
Mike Zarantanellè - Munster
Tina Kutkoski - Hammond
Paul/MaryLou Daniels – 8308 Castle Drive
Bob/Judy Paulson – 8240 Northcote
Ronnie Smith - Northcote
Frank Camilli - Schererville
Mike Wood - Munster
Brian Glaze – DLZ, Hammond
Michael Jabo – DLZ, Hammond
Robert Farag – Griffith Golf Center
Marc Campagna – Munster
Sean Adley - Munster
Eileen Curosh - Munster

Visitors(continued)

Raymond S---- – Hammond
Stan Slazyk – Munster
Denis Buksa – Munster
Richard/Linda Cook – Griffith
Roy Deda – USACOE
Imad Samara - USACOE

Nominating Committee Report (Arlene Colvin, Mark Gordish, Kent Gurley) – Arlene Colvin reported that the committee has met and has recommended a slate of officers that live in the project area. Their recommendation for officers for 2009 were as follows: Dan Dernulc as Chairman; William Baker as Vice Chairman; Kent Gurley as Treasurer; and Mark Gordish as Secretary. There were no other nominations from the floor. Ms. Colvin proceeded to make a motion to elect Dan Dernulc as Chairman; motion seconded by Mark Gordish; motion passed unanimously. Ms. Colvin then made a motion to elect William Baker as Vice Chairman; motion seconded by Ron McAhron; motion passed unanimously. Ms. Colvin then made a motion to elect Kent Gurley as Treasurer; motion seconded by Dan Dernulc; motion passed unanimously. Ms. Colvin then made a motion to elect Mark Gordish as Secretary; motion seconded by Ron McAhron; motion passed unanimously. Leadership of the Commission was turned over to Dan Dernulc.

Bob Huffman made a motion to approve the minutes of the December 3 Board meeting; motion seconded by Arlene Colvin; motion passed unanimously.

Chairman's Report – Chairman Dan Dernulc read a letter of resignation from Dave Burrus, who was the Porter County Commissioners' appointment.

- Chairman Dernulc referred to the newspaper articles that declared the State Board of Accounts audit was clean and it found no wrongdoing or misuse of funds on behalf of the Commission. The Commission started to shut down operation because it was out of funds to continue the work, consequently, the RDA released \$1,701,742 to the Commission on December 31. The Commission had previously estimated this amount for the three month period of January, February, and March and the RDA complied with this request.

Action Required – Treasurer Kent Gurley presented items for action.

- Mr. Gurley proceeded to void out the year end budget transfer found on page 6 and the year end budget report found on page 8 in the agenda packet.
- Mr. Gurley referred to the Monthly Budget report distributed to members which list monies that the Commission has in the bank. There is no projection of future funds. The report lists funds to a total of \$1,861,587 for the administrative and land acquisition/project development total. There is \$109,162 for Commission-generated revenues; remaining state funds is \$50,683; and the RDA advancement of the \$1,701,742 total the budget amount of \$1,861,587. Although it is anticipated that the Commission would receive at least \$2 million in the 09/11 biennium, that money is not reflected in any financial reports. Mr. Gurley made a motion to accept the first quarter of 2009 as presented; Bill Biller seconded the motion; motion passed unanimously 9-0 on a roll call vote.

This budget is prepared for the first quarter of 2009 only. Before we received the RDA monies, the Commission's liabilities exceeded the assets.

- Mr. Gurley referred to the revised claims payable for December distributed to the members at a total of \$914,082.32 and made a motion to approve the claims; motion seconded by Bob Huffman; motion passed unanimously 9-0 on a roll call vote. The reason the claim sheet does not match monthly budget report is because some of the claims had already been approved at the December Board meeting. Mr. Gurley stated that a claim for DC-1303 is not on the claims approval list at this time.

- Mr. Gurley made a motion to approve the O&M claims in the amount of \$75.93; motion seconded by Arlene Colvin; motion passed unanimously 9-0 on a roll call vote.

Search Committee – Chairman Dernulc stated that the Search Committee consisted of Ron McAhron, Arlene Colvin, Mark Gordish, Dave Burrus and Bill Biller as Chairman. Dan Dernulc will now assume the role of Mr. Biller as Chairman and the committee will be minus Mr. Burrus, with his resignation. Mr. Biller stated that the committee and the other Board members, are reviewing the RFP's. He suggested that the entire Commission will interview the four engineering firms that submitted a proposal. It is still hoped that we could have someone on board by March 1. Commissioner Gurley questioned how they could select a firm with no money to pay for their service. Chairman Dernulc stated that they are hoping funds come through that would pay for engineering services. The Commission needs to move forward with the assumption that it will receive funding. Commissioner Baker added, that he agrees with Mr. Gurley, the Commission's situation is not any different than it was before we sent out a RFP. We knew at that time that there was no funding identified for this position. One of the items in the RFP identified a firm to assist with identifying ways to secure funding. Commissioner McAhron says the budget we now have in hand plays a big part in going back to the General Assembly to seek additional money. He feels we need to continue interviewing the firms. If they are still interested, we would have a selection if money becomes available. Mr. McAhron is confident it will. Commissioner Biller agreed that all major players, (the Congressman's Office, the Governor's Office, and the General Assembly) are all aware of the flooding that happened in September and no one wants that to happen again. He thinks money will be forthcoming but we need to keep moving forward, and not wait for available funding. Chairman Dernulc will be setting up a meeting for this purpose. Discussion ensued on the process by which the firms would be interviewed. Commissioner McAhron asked the members to get their questions/thoughts to him and he will compile a matrix that they could all work from when interviewing.

Finance Committee – Treasurer Kent Gurley referred to the "Overall Operations Costs Projections Through Year 2012". This is a 4-page document that lists/estimates costs that the Commission will incur until project end. Larger versions of the 4 pages were displayed for public viewing. The costs are listed for the standard fiscal years of 2009 – 2012. Commissioner Gurley went through the sheets explaining the costs. The costs are based upon the best information available to us at this point in time. As estimated costs become actual costs, a separate running total is being kept to always know what the actual costs are. The costs that are listed as the Commission's 7% cost share are the Corps costs given to us at this time. If contract/project costs go up for

them, that 7% cost will increase. An escalation/contingency cost amount is added in but the Commission is fairly confident that they have arrived at a good number. Imad Samara added that the 7% cost share by the Commission is based upon the Army Corps estimated contract costs for Stage VII and VIII. These two stages will be the two (2) highest contracts to date based upon Army Corps estimates. Mr. Gurley stated that \$5,600,229 is listed as being needed for Fiscal Year 2009; \$5,623,346 is listed as being needed for Fiscal Year 2010; \$1,967,526 is listed as being needed for Fiscal Year 2011; and \$325,233 is listed as being needed for Fiscal Year 2012. This is the Operations Costs Projections that will be given to the State. Mr. Gurley added that there is no guarantee that there will be no increase.

- Commissioner Baker questioned whether the 7% cost share for the Corps fiscal year 2010, which is \$2.7 million, needs to be in the bank before a contractor can begin Stage VII. A lengthy discussion ensued. Imad Samara explained that the Corps lets the contractor know how much money is available in a given year and the contractor schedules his work based on that amount of money available. Commissioner McAhrn added that the 7% cost share does not go toward just one contract. It is split up based upon all the work that is ongoing. On the Corps “Projected Non Federal Funding” the 7% cost share for each fiscal year is broken out. The total \$2.7 million would not have to be available for the Corps to let a contract. It was stated that as soon as a signed agreement is received from the last utility, BP Pipelines, a ROE can be given to the Corps for Stage VII. Mr. Gurley expressed concern that we do not currently have the money for this utility relocation. District Director Roy Deda added that they do not need to have the utility relocation money identified before a contract is awarded. A full 7% cost share is not needed to award the contract; only what is needed in the first fiscal year. The actual contract price is spread out through several years of construction and only 7% of each of those years would be needed.

Land Acquisition/Land Management Committee – Commissioner Arlene Colvin reported that there is no action to be taken. She reported that there are 26 condemnations in court for Stage VIII that are in various stages of take. There are 8 easements that are being contested for the “right to take”. There are still three easements that are in negotiations.

Engineering Committee – Chairman Bob Huffman asked Jim Pokrajac about the V-2 pipeline corridor. Mr. Pokrajac reported that a progress coordination meeting was held this morning. The time schedule was discussed. Dyer Construction will be completing access to the pipeline corridor within several weeks allowing the pipelines access to the work area. The pipelines had their field people at the meeting. The estimated completion time of the utility companies is the end of March. Once their work is done, Dyer Construction can start the sheet pile driving in the area. Coordination with NSRR is starting.

- In Stage VII, the BP Pipeline agreement is still outstanding. This utility work is located between Northcote and Columbia, both sides of the river. A representative of BP Pipelines was at the V-2 meeting this morning and he stated that the Stage VII utility relocation estimated cost has been revised and it will be less than the previous estimate of \$1 million. It is now estimated at about \$725-750,000. Upon receipt of the estimate, it will be forwarded to the Corps to review and approve prior to finalizing the agreement.

- For Stage VIII utilities, the three utility re-location agreements have been completed with Munster, NIPSCO, and Hammond Sanitary District. We are working on six different utility maintenance agreements that will be going out in the mail. These agreements are necessary for the LCRBDC to sign the ROE as required by the Army Corps.

Operation & Maintenance Committee – Chairman Bob Huffman asked Jim Pokrajac if there were any outstanding O&M issues. Mr. Pokrajac replied that he is concentrating on Stages V-2, VII, and VIII as directed by the Commission. However, there are O&M issues that will require coordination and need to be completed, primarily in Gary. Some of these items were identified in the 2008 Army Corps inspection reports and were classified as “unacceptable”. Several O&M priority items were identified in the estimate, and are included as a line item in the RDA money. Staff will proceed to complete these items. Mr. Gurley asked if Austgen Electric has done the Burr Street grounding yet. They have not because the ground is still too frozen; they will as soon as site conditions will allow.

Operation & Maintenance Funding Committee – No report.

Legislative Committee – Ron McAhron reported that the legislators have been sworn in and the session has started. Commissioner Biller asked about a project request. Mr. McAhron replied that the State Budget Committee is holding \$1 million for each year for us in the budget. There was no budget request submitted to the State Budget Agency this biennium. He has talked to several legislators and now he will share the Projected Costs budget we have developed. He added that this is a terrible budget year.

Environmental Committee – No report.

Recreation Committee – No report.

Policy Committee – No report.

Other Business – Treasurer Kent Gurley stated he was deferring action on the NIRPC contract until he could review it.

- Chairman Dernulc added that he is going to try to reconstitute the committee structure process and will try to put this together for our next meeting. There will be some reformatting needed on the committee structure. Once new committees are formulated, he hoped that they would actively become engaged.
- Commissioner Bob Huffman stated that the letter with Commission history from Russ Snyder was very interesting reading.
- Frank Mrvan Jr., North Township Trustee, spoke on behalf of his father, Senator Frank Mrvan. He informed the Board that the Senator has submitted a bill, SB185, asking for \$15 million for the completion of the levee system. The Senator does have legislative support.

Statements from the Floor - Statements were received from the floor by Carolyn Marsh, Judy Paulson, Bob Farag, Jason Reeves, Tom Hayes, Dave Nellans, Steve Enger, Bill Howard, Ray Candelaria, Ruth Mores, Raymond Sull, and Helen Brown, and Frank Mrvan Jr.

There being no further business, the meeting was adjourned. The next meeting is scheduled for Wednesday, February 4, 2009 at the Munster Town Hall.