MEETING NOTICE

THERE WILL BE A MEETING OF THE
LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
AT 6:30 P.M. WEDNESDAY, DECEMBER 13, 1989
AT THE OFFICE OF THE REGIONAL PLANNING COMMISSION
8149 KENNEDY AVENUE
HIGHLAND, INDIANA

AGENDA

1. Call to Order by Chairman John DeMeo
2. Recognition of Visitors, Guests
3. Approval of minutes of November 2, 1989 meeting
4. Appointment of Nominating Committee for 1990 officers
5. Commission Appointments Status
6. Reports of Standing Committees
   A. Finance/Policy Committee - Arlene Colvin, Chairperson
      • Financial status report
      • Approval of claims for November
      • 1990 NIRPC Services Contract
      • Other issues
   B. Legislative Committee - George Carlson, Chairman
      • Federal issues:
        1. Report on Federal/Sponsor Management Workshop - Dec.6-8
        2. Local Cooperation Agreement approval

Sandy

Pages

1-5

C,A, wc, JD.

12-13
• State issues:
  1. Letter sent to State Budget Agency
  2. State Dept. of Environmental Management
     401 (Water Quality Certification Review)
  3. Report on State Highway/DNR briefing 12/1-5
  4. Other issues

C. Land Acquisition/Management Committee -
   Charles Agnew, Chairman
   • Committee meeting at 5:30 p.m.
   • Appraisals, offers, acquisitions, recommended
     actions
   • Lake Etta development update
     Report on bid opening for multi-purpose building
   • Other issues

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

E. Breakwaters/Marina Committee - Bill Tanke,
   Chairman
   • Marina Development issues update
     • Meeting with Major Barilich, Marine Corps Reserve re: sand removal 6/5
     • Letter to Bart Peterson re: status briefing
       of sand to lakefront breakwater for sand
       mitigation
     • NIPSCO review of marina plan
   • Other issues

7. Other Business
8. Statements to Board from the floor
9. Set date for next meeting, adjournment
MINUTES OF THE LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
HELD AT 6:30 p.m. THURSDAY, NOVEMBER 2, 1989
AT THE COMMISSION OFFICES
8149 KENNEDY AVENUE, HIGHLAND, INDIANA

Chairman John DeMeo called the meeting to order at 6:35 p.m. All Commissioners were present. Quorum was declared and guests were recognized.

Development Commissioners:
John DeMeo
George Carlson
Jack Swike
Doyle Niemeyer
Clyde Baughard
William Tanke
David Springman
Jerry Pagac
Arlene Colvin
Bill Critser
Charles Agnew

Visitors:
Herb Read - Izaak Walton
M/M Pete Zak - South Shore Marina
Larry Illingworth - Munster
Steve Davis - IDNR
Dorothy Swike - Merrillville
Jackie Swike - Merrillville
Don Bengel - Porter County Surveyor
Paul Hernandez - Carpenter's Union

Staff:
Dan Gardner
Lou Casale, Attorney
Sandy Mordus
Bruce Stouffer

A correction was made to the minutes of October 5th to add Jack Swike in attendance at the meeting (his name was omitted). A motion was then made by Arlene Colvin to approve the minutes of the October 5th meeting; seconded by Clyde Baughard; motion passed unanimously.

Finance/Policy Committee - Treasurer Arlene Colvin presented the financial report for September as well as the claims. Ms. Colvin made a motion to approve the pending claims; motion seconded by Clyde Baughard; motion passed unanimously.
Legislative Committee - Dan Gardner gave legislative report. He informed the Commission that he and the attorney have met several times with the Corps and have revised the Local Cooperation Agreement several times. He felt this latest revision was probably the best they were going to obtain. He recommended that the Legislative Committee members (and any other Commissioners) meet and review the finalized agreement. They set a meeting date for November 7th.

Mr. Gardner announced he would be attending a Corps of Engineers/NAFSMA Workshop December 6-8. The workshop sessions are intended for local project sponsors (like ourselves) and should provide important information beneficial to the Commission.

Mr. Gardner stated he has talked to Capt. Dick Thompson about accompanying him to Indianapolis to meet with the In Dept. of Transportation. The Corps is requesting a letter of commitment from the State Highway Dept. for bridge work over the Little Calumet River. Coordination and timing of bridge work with the Dept. is essential to the a successful project.

Mr. Gardner referred to a letter from IDEM regarding a Corps request for Water Quality Certification for the Little Calumet River. The letter stated that it would be impossible to approve the Little Calumet River Flood Control Project without mitigation for wetland losses. IDEM is requesting that the LCRBDC make a written commitment to create at least 69.2 acres of wetland within the project area. There was a lengthy discussion on whether the Development Commission could meet this requirement. Staff felt that since the wetland acreage could be created over a period of several years and could be tied into recreation plans, there should be no problem. He requested the Commission to authorize him to write a commitment letter to IDEM. George Carlson made a motion for staff to prepare a letter committing the LCRBDC to replace the wetlands lost due to the project construction; motion seconded by Jerry Pagac; motion passed unanimously.

Land Acquisition/Management Committee - Committee Chairman Chuck Agnew made a motion to accept the appraisal on Howard Marion's property; motion seconded by Clyde Baughard; motion passed unanimously. It is not known, at this time, whether the Commission will purchase this property. It will depend on the Corps' recommendation to us as to which would be more cost effective - either to floodproof the house or purchase the house.
Mr. Agnew made a motion to accept the appraisal which establishes a rental value of $200 per month for a small section of land that will be leased to G. W. Berkheimer for parking purposes; motion seconded by Clyde Baughard; motion passed unanimously. Attorney will prepare a lease for signature.

Mr. Agnew referred to several meetings that staff has had with Corps and Gary Redevelopment Commission regarding relocation in the Tolleston Club Properties. There are nineteen occupied structures in the area whose inhabitants must be relocated. It is the intent of the LCRBDC to contract with the Gary Redevelopment Commission to provide the services to relocate these families. The attorney briefly described the duties they would perform. They will bill us monthly for their expenses and time only. Close coordination must be met at all times with them. Chuck Agnew made a motion to approve the contract; motion seconded by George Carlson; motion passed unanimously.

A motion was made by Mr. Agnew to approve leasing an additional four slips to Marquette Yacht Club (raising slip rental from 15 to 19 slips); motion seconded by Clyde Baughard; motion passed unanimously. (Four additional slips is on land the Commission obtained from Porter County Commissioners)

A motion was made by Mr. Agnew to re-lease Bob's Fishing Lake to Keith Eller for one additional year only with lease expiring 10/31/90; motion seconded by Jerry Pagac; motion passed unanimously. Attorney will draw up lease with careful wording so there will be no confusion as to its expiration date. Re-leasing the property for one additional year will keep it consistent with the farm leases.

Mr. Agnew reported that two quotes were received on the Lake Etta maintenance building. Both quotes were too high. On the multipurpose building, the bids were opened on October 25th. Two bids were received and both were over estimate. Mr. Agnew made a motion to recommend to the Lake County Parks Dept. the Commission's rejection to both bids; motion seconded by Clyde Baughard; motion passed unanimously.

Mr. Gardner stated he is scheduling a meeting with the Schererville town engineer and Corps regarding the proposed borrow site for levee material in Schererville. The property owner wants to develop the land (but cannot obtain Corps permit) and the town would like the land for park purposes.
Mr. Gardner explained a clause in the proposed Local Cooperation Agreement that states if any hazardous materials are found on project lands, it would be the responsibility of the Development Commission to clean it up. It is not a project cost. The Corps will, however, cost share an environmental audit. Mr. Gardner will follow through and obtain more information.

**Interim Flood Control Committee** - Committee Chairman Clyde Baughard stated that the dredging work at Kennedy Avenue is complete. It consisted of $24,000 worth of work by a contract let by the Lake County Drainage Board.

**Breakwaters/Marina Committee** - Committee Chairman William Tanke referred to letter staff wrote to NIPSCO transmitting the concept plan for the Development Commission's Portage marina development.

The sand removal issue is not progressing very fast. Staff will contact the Marine Corps Reserve in Gary. Commissioner Jack Swike stated he thought they would be able to do the work. Since sand removal is the largest obstacle facing the marina development, it is imperative that we find a way to move it. Staff has been in contact with the Governor's Office but they have not been able to identify an agency that can help. The Corps has not made a position statement on sand mitigation at Ogden Dunes.

Steve Davis, IDNR Lake Michigan Specialist, stated that sampling of sand material has not been done yet on the site.

Dan Gardner stated he has recently met with Portage city officials. The city has received numerous proposals for marina sites. Corps study was based on economics and not capacity. The first line of control must be by the city. The Development Commission will continue working with the city.

Mr. Gardner spoke on the Sunset Committee proposed draft legislation that would extend the life of the Basin Commission through December, 1990. He will keep Commission informed.

**Statements to the Board** - Pete Zak discussed with the Board the definition of wetlands.

Paul Hernandez from the Carpenter's Union discussed using union labor for projects at Lake Etta. He felt that if local dollars were to be used then local people should be able to do the work.
Herb Read asked to be kept informed on shoreline mitigation. The concept of using the marina site sand for levee construction was discussed.

There being no further business, the meeting was adjourned at 8:00 p.m.

The next meeting date was scheduled for December 13, 1989.

/sjm
MERCANTILE NATIONAL BANK

JANUARY 1, 1989 - OCTOBER 31, 1989

CASH POSITION - JANUARY 1, 1989

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RECEIPTS: JANUARY 1, 1989 - OCTOBER 31, 1989

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CASH POSITION - OCTOBER 31, 1989

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<td><strong>TOTAL PAYMENT DUE</strong></td>
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AGREEMENT BETWEEN THE
NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
AND THE
LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
FOR THE PROVISION OF GENERAL SERVICES

By Agreement entered into this ______ day of ______,  
by and between the Little Calumet River Basin Development Commissi-
on, hereinafter called the LCRBDC, and the Northwestern Indiana 
Regional Planning Commission, hereinafter called NIRPC, the 
following is agreed to:

WHEREAS, the LCRBDC has contracted previously for staff services
with NIRPC; and

WHEREAS, both parties have determined the advisability of
updating the existing agreement,

NOW THEREFORE BE IT RESOLVED, that the parties hereby do mutually
agree as follows:

A. NIRPC shall provide the LCRBDC services and assistance
as is required by the LCRBDC to carry out its purposes
under its enabling statute, IC 314-6-29.5 - 1 through
10, inclusive.

B. NIRPC shall assign Daniel Gardner to serve part time
(approximately 37.5% of total hours) in the capacity of
Executive Director of the Little Calumet River Basin
Development Commission and Sandra Nordus to serve part
time (approximately 75% of total hours) in the capacity
of Little Calumet River Basin Development Commission
Operations Coordinator. NIRPC shall be compensated
$3,900.00 per month for services provided by these two
staff members. This amount is intended to cover both
direct salary and fringe benefit costs. Should the
need arise to replace either of these staff members
during the course of this agreement, it will be done
with the mutual consent of both parties to this
agreement.

C. In conjunction with the above designated staff, NIRPC
shall provide adequate office space and furnishings for
their use and make available use of all common facil-
ities within the overall NIRPC offices such as con-
ference and meeting rooms, hallways, restrooms, etc.;
the provision of basic utilities such as gas, electric
and water; and the provision of reception services
including the answering of telephones and greeting of
visitors.
D. The Executive Director of the LCRBDC will continue to function as Chief Staff Officer for the LCRBDC and be responsible for the operational and administrative functioning thereof including, but not limited to, the following:

- Attendance at all regular and special meetings of the LCRBDC.
- The conduct and coordination of negotiations for the Local Cooperation Agreement with the Army Corps of Engineers and all necessary State, County, and local sub-Agreements to cause the construction and ensure funding of the flood control/recreation project and breakwater project.
- The negotiation, coordination and/or preparation of all Federal, State and local legislative contracts, hearings and presentations relative to the LCRBDC business.
- The presentation and negotiation with local municipalities, park boards, highway departments and sanitary boards relating to needed items of cooperation for the flood control, recreation and marina projects along the Little Calumet River.

E. NIRPC shall also provide the LCRBDC the following assistance through NIRPC's administrative staff:

(1) Aid the LCRBDC in preparation of its budget and provide accounting services for the receipt, investment and disbursal of its funds, all in accordance with applicable State Board of Accounts guidelines, statute, and guidelines set out by the Commission herein or otherwise.

(2) Deposit LCRBDC funds in the name of the LCRBDC and in depositories designated by the LCRBDC.

(3) Disburse LCRBDC funds only upon authorization to do so by the LCRBDC and presentation of a State Board of Accounts standard claim form signed by at least two (2) Commission members and approved by the LCRBDC at a regular or special meeting. Checks shall be drawn from an account in the LCRBDC's name and shall be signed by the Treasurer and one (1) other officer.

F. NIRPC shall make available to the LCRBDC the use of its copy machine. Copies will be billed at the rate of $.05 per copy.

G. NIRPC shall make available to the LCRBDC, as needed, printing and graphic support services and limited additional typing and clerical services. These services shall be provided only when requested by the Executive Director of the LCRBDC or his designee. A flat rate
charge of $17.50 per hour will be made for these services. No per copy charge will be made. No charge will be made for bond paper or miscellaneous printing supplies. However, special order items will be billed as material costs such as metal plates, envelopes, binders, crack 'n peel labels and other specialty items for printing and graphics work.

H. NIRPC shall provide a telephone line for the exclusive use of the Little Calumet River Basin Development Commission, Little Calumet River Basin Commission and the Kankakee River Basin Commission. The LCRBDC shall compensate NIRPC $60 per month for local service and maintenance plus long distance and other billable charges.

I. NIRPC shall make available, if requested and if possible, additional space for non-NIRPC personnel of the LCRBDC. The cost for each space requested will be $21.50 per month.

J. NIRPC shall make available use of its postage machine. Actual postage costs shall be billed to the LCRBDC.

K. NIRPC shall provide monthly financial reports and provide line item financial accounting of budgeted expenditures. The LCRBDC shall compensate NIRPC one hundred fifty dollars ($150) per month for this service.

L. NIRPC shall set the salaries for those employees working primarily for the LCRBDC at levels recommended by the LCRBDC.

M. NIRPC shall provide itemized monthly billings for services performed. Payment shall be due within 30 days after billing.

N. This agreement shall be effective January 1, 1990, and shall remain in effect through December 31, 1990. However, either party may terminate the agreement at an earlier date by providing written notice of intent at least 60 days prior to an effective termination date, which shall coincide with the last day of a calendar month.
Northwestern Indiana Regional Planning Commission

James E. Ranfranz,
Executive Director

ATTEST:

Hugh Rhein,
Director of Finance and Administrative Services

Little Calumet River Basin Development Commission

John DeMeo,
Chairman

ATTEST:

Dan Gardner,
Executive Director
30 October 1989

Real Estate Division

Subject: Revised Local Cooperation Agreement Between the USA and the Little Calumet River Basin Development Commission

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

Dear Mr. Gardner,

Enclosed is our draft Local Cooperation Agreement (LCA), dated October 11, 1989. The draft LCA, dated September 22, 1989, hand delivered to you was an unedited copy.

On 17 October 1989 a meeting was conducted in the office of Assistant District Counsel. Participants were: Messrs. Andre Bohdan Prypchan, Assistant District Counsel, Paul Benkowski, Chief, Real Estate Division, CPT Richard Thompson, Project Manager, all representing the Chicago District Office; and Mr. Louis M. Casale, Attorney, representing the Little Calumet River Basin Development Commission. The topic of the meeting was, "Article VI - Method of Payment", paragraph b., 4. of the LCA. As a direct result of discussions it was collectively agreed upon to incorporate additional language into the subject Article.

Furthermore, changes to the draft LCA, dated March 14, 1989, have been underlined to assist you in your review. At the direction of our Headquarters in Washington, paragraphs n. and o. of "Article II - Obligations of the Parties" were added. Also, at their direction additional language has been added to paragraph b. of the same Article.

It is imperative we reach an early agreement on the revised draft LCA and submit it to our Headquarters. From our experience, review and approval of LCA's have been taking in excess of five months. Considering that we are scheduling a 1990 construction start, we must expedite the LCA process.
We are requesting that you review and approve the enclosed draft LCA, dated 11 October 1989. Your approval should be in the form of a letter of commitment.

Mr. Paul Benkowski is available to assist you and make any arrangements necessary to facilitate an early LCA agreement.

Sincerely,

[Signature]

JESS J. FRANCO, Jr, P.E.
LTC, Corps of Engineers
District Engineer

Enclosures

Copy Furnished:
Mr. Louis M. Casale
Attorney at Law
8300 Mississippi Street, Suite E
Merrillville, Indiana 46410
November 28, 1989

Mr. Mark Moore
Deputy Budget Agency Director
State Budget Agency
212 State House
Indianapolis, IN 46204

Re: Information regarding Little Calumet River Basin Development Commission for response to Corps of Engineers for State Financial Picture

Dear Mark:

Enclosed for your information and use in understanding the Development Commission and our flood control/recreation project obligations with the U. S. Army Corps of Engineers is the following:

(1) Development Commission State Enabling Act (1984 as amended)

(2) Legal Memorandum of Lou Casale, Development Commission attorney outlining Commission's funding capabilities, powers and description (1989)

(3) 1981 letter from Deputy Attorney General regarding authority of the Development Commission to enter into agreement with the U. S. Army Corps of Engineers for flood control/recreation project.

(4) Final negotiated version of the "Local Cooperation Agreement" which is being proposed to be signed by the Development Commission committing to the project requirements. No construction will be initiated without this agreement signed.
(5) Current spreadsheet of projected project costs by fiscal year and cost category. (Note: These costs are total costs and do not reflect the lands, credits and funding already appropriated by the Indiana General Assembly from 1975 through 1987).

(6) Development Commission budget analysis presented to Corps of Engineers, State officials and legislators and State Budget Committee as fiscal plan to meet project requirements (Funding Conclusions and Requirements on Page 8)

Please feel free to call me to discuss any of these items. We obviously will need to work closely over the next several years to coordinate this project as it moves to construction. Thank you for your help and interest.

Very truly yours,

Dan Gardner
Executive Director

/encl.
November 7, 1989

Mr. Charles B. Bardoner
Assistant Commissioner
Office of Water Management
IN Dept. of Environmental Management
105 South Meridian Street
P. O. Box 6015
Indianapolis, IN 46206-6015

Re: Water Quality Certification for the Little Calumet River Flood Control/Recreation Project

Dear Mr. Bardoner:

I am writing you in response to your November 1, 1989 letter identifying a major obstacle to the Little Calumet River Project receiving state Water Quality Certification without mitigation of some 69.2 acres of wetlands. These wetlands are identified as being lost due to the levee construction of the project.

The Little Calumet River Basin Development Commission, the non-Federal project sponsor, believes strongly in the flood control, recreation and environmental benefits of the project and believes any delay to the earliest Federal construction start would be tragic. Some 20 years of efforts have yielded a cost effective plan that protects some 8,950 residences and businesses as well as almost 800 acres of natural/wetlands along the river. We believe that the over $14 million of State of Indiana appropriations dating back to 1975 affirms a strong commitment to the project.

Toward this end, the Development Commission board, at its November 2nd monthly meeting, approved the sending of this letter to resolve the outstanding issue to the project receiving the Water Quality Certification.
The Little Calumet River Basin Development Commission commits to identifying, planning and creating, in cooperation with the staffs of the Indiana Department of Natural Resources, the U. S. Fish and Wildlife Service, and the Indiana Department of Environmental Management, at least 69.2 acres of wetlands to offset projected losses of a like number of wetlands due to the project construction. These wetlands will be created over the project construction life, estimated to be eight years from construction start. The Development Commission is responsible for the project's maintenance and operation after construction, and as such is able and appropriate to make this commitment.

I trust this will satisfy your objection to approving Water Quality Certification for the Little Calumet River Project. Please call me if additional information is needed. We look forward to your response.

Sincerely,

[Signature]
Dan Gardner
Executive Director

Ms. Rose Austin, U.S.C.O.E.
Dave Hudak, U.S. Fish and Wildlife Service
Jerry Pagac, IDNR
Richard Wawrzyniak, IDNR
Marty Maupin, IDEM
From: Inspector-Instructor
To: Whom it may concern

Subj: REQUIREMENT FOR COMMUNITY SERVICE PROJECTS

Ref: (a) DOD Directive 5410.18 Community Relations

Encl: (1) Requirement Checklist
(2) Sample Union Release
(3) Sample Mayor's Letter
(4) Sample Hold Harmless Agreement
(5) Blank Liability Release
(6) Blank Fuel and Material Agreement
(7) Sample Project Description

1. In order to justify commitment of Department of Defense resources it must be clearly established by documentation that:

   a. The project will not selectively benefit, directly or nondirectly, any private individual, group, corporation (whether profit or nonprofit) or political organization.

   b. There does not exist sufficient local funds and/or commercial resources with which the project can be completed.

   c. The event or project is of general interest or benefit to the community as a whole and that access to facilities constructed or improved will not be restricted.

   d. Marine Corps participation will not be in competition with civilians.

2. Strict adherence to the above criteria is necessary prior to commitment of the Department of Defense resources. Appropriate community action programs which fulfill these criteria are subject to minimal legal review and will be considered by higher headquarters.

3. Enclosures (1) through (7) have been drawn up and will be used as a guide in consideration of this unit's assistance in your project

S.F. Barilich

/8
November 30, 1989

Mr. Bart Peterson
Executive Assistant to the Governor
State House
Indianapolis, IN 46204

Re: Status briefing of Little Calumet River Basin Development Commission efforts to initiate movement of ± 400,000 cubic yards of sand to lakefront breakwater for sand mitigation

Dear Bart:

Outlined below are brief updates and observations of the Development Commission's recent attempts at the Federal (Corps of Engineers) and local (U.S. Marine Reserve Unit in Gary) levels to effect a method to move the required ± 400,000 cubic yards of clean sand from our publicly-owned marina development site to the breakwater at the mouth of Portage-Burns Waterway.

FEDERAL STATUS

In discussing the situation on several occasions with Dave Hunter, Corps Project Manager for the Breakwater/Portage Marina project, he indicated that Col. Franco would publicly respond to the request for good faith Corps efforts to seek Federal funding by early November. This public announcement of position has not been made and no explanation has been given to me of why this has been delayed.

I personally believe the Chicago District Corps of Engineers is reluctant to seek Federal appropriation for mitigation because they have yet to publicly admit to the current situation of net loss from the initial deposition of sand as the result of the harbor dredging. Without a good faith effort and request by the Chicago District, I do not believe the prospects to be good for any Federal funding in the near future.
LOCAL INITIATIVES

On Friday, November 17th, I met with Major Steven Barilich of the Gary Marine Reserve Unit, Steve Davis, Lake Michigan specialist for the IDNR, and Ray Arrendondo, District Director for Congressman Visclosky at the Gary Marine Reserve headquarters to discuss the feasibility of the unit moving the sand. The meeting was very positive and the Major outlined the process to effect a "community service project". He expressed an interest in performing the project after viewing a map depicting the proposed action. He also expressed a capability to perform the work, indicating he had the necessary heavy equipment and manpower. He also did not have any current projects scheduled and commented the digging, transport and disposing of the sand would provide valuable experience to his men.

Major Barilich then outlined the criteria that must be met to qualify for the Marine Reserve participation. Basically the criteria are:

1) The project must have public benefits and be located on public lands.
2) The public entity or municipality that owns the property must agree to the project.
3) Letters of support from local, state or federal officials are helpful.
4) No private parties can directly benefit by the project.
5) A waiver must be obtained from the appropriate unions that the project will not unfairly compete or displace private bidding.
6) A waiver must be obtained from the appropriate unions that the project will not unfairly compete or displace private bidding.
7) Marine Reserve involvement can be permitted when no other source of public or private funding is available.

It is my opinion that these criteria can be met and to that end, I am beginning preparation of a proposal for submission.

Also, Mayor Sammie Maletta of Portage has agreed to set up a meeting with the appropriate local unions to explain the project and seek their support toward obtaining a waiver.
Mr. Bart Peterson  
November 30, 1989  
Page 3  

Steve Davis of the IDNR is currently finalizing necessary environmental and material suitability tests that will be required by U.S. EPA and IDEM. Once finalized, the Indiana Geological Survey will draw 6-10 sample borings for testing. The Development Commission will pay expenses and costs for the necessary tests.

Once these union waivers have been obtained, I will seek letters of support for the project from Mayor Maletta in Portage, the city of project is located; Senators Lugar and Coats; Congressman Visclosky and Governor Bayh.

Please feel free to call if you have any questions.

Sincerely,

Dan Gardner  
Executive Director

/sjm
Enclosed, for your review, is a photocopy of a letter dated October 26, 1989 from Dan Gardner, Executive Director, Little Calumet River Development Commission, to W. R. Elliott. Also enclosed are conceptual drawings, estimates and general assumptions relative to the completed conceptual plans for a Portage marina.

This developmental work was engineered by the Commission's consultants, Johnson, Johnson and Roy. Please review the attached drawings relative to our system needs and criteria. We will need to discuss our individual concerns relative to this conceptual design in the near future. A subsequent meeting with the Commission and/or consultants will undoubtedly be in order and will be arranged after you have had time to review the proposed situation. Please advise me when you have completed your analysis work so that a meeting can be arranged to assess the situation.

Your promptness in responding to this request will be greatly appreciated.

RLJ:vb
Encl.

cc: W. R. Elliott (1/0)
    R. A. Kramer (1/0)
    C. W. Kern (1/0)
    D. Gardner (1/0)
    Little Calumet River Basin Development Commission
    8149 Kennedy Avenue
    Highland, IN 46322
Mr. Donald Ewen and  
Mr. Robert A. Morgan  
2250 West 25th Avenue  
Gary, Indiana 46408

Gentlemen:

This is in further reply to your letter of September 15, 1989, to President Bush, concerning alternatives for the Little Calumet River, Indiana, project and evidence of waste of taxpayers money. Please allow me to address these concerns.

It is true that a good deal of money has been wasted in the past on some studies of water resource problems that did not identify economically justified projects or did not produce projects capable of gaining public support. All past water resource studies were performed at 100 percent Federal cost.

This situation was substantially cured in 1986, when the President and Congress reached agreement on major changes in the whole Federal program for water projects, and the Water Resources Development Act of 1986 was enacted. This legislation fundamentally reformed the water program, and specifically provided, among other things, that studies of water resource problems be conducted in two phases. The first phase is an initial, short-term reconnaissance study at Federal expense; the second phase is a full feasibility study with the local, non-Federal sponsors required to contribute 50 percent of the cost. The logic behind this provision of the law is compelling, namely, that the willingness of non-Federal interests to contribute a significant share of study costs is a solid indication that the problems being addressed are serious and that such solutions as may emerge from the study will likely receive both local and Federal support.

In the case at hand, the Army Corps of Engineers feasibility studies of flooding in the Little Calumet River basin were not cost shared because they were initiated prior to 1986. However, it is my understanding that Plan 3-A, which you oppose, was recommended by the Corps of Engineers after insistence by State and local officials that it is this plan which represents the best overall solution to the flood problems in the area. In this regard, numerous alternatives were considered during the study and the final array reported
to the sponsors included a number of variations of levees and nonstructural elements. Based upon the information available to this office, the Corps of Engineers by no means prescribed this particular solution. Finally, the basic data were updated several times since 1965 and the final plans are based on recent information.

The Water Resources Development Act of 1986 did authorize Plan 3-A, and funding to initiate construction of the project in Fiscal Year 1990 was recently appropriated by Congress. Because the instruction to undertake construction was included in the language of the Appropriations Act, the Corps has no discretion in this matter.

I am impressed with your vigorous efforts, and I am sorry that the circumstances in this case do not permit taking the action you advocate. Nevertheless, I hope you understand that President Bush and his Administration are committed to eliminating waste, wherever it might occur, and I thank you for sharing your concerns on this matter.

Sincerely,

Robert W. Page
Assistant Secretary of the Army
(Civil Works)
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## LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
### MONTHLY BUDGET REPORT
#### FOR DECEMBER MEETING

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### CLAIMS READY FOR PAYMENT

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The table above represents the budget and claims ready for payment for December meeting. The claims are for various services and expenses incurred during the month, with explanations provided for each. The total budget amount for December is $4112916.00, with claims totaling $224797.53, leaving a balance of $3880118.47.
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<tr>
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Chairman: John Demeo

Location: