MEETING NOTICE

THERE WILL BE A MEETING OF THE
LITTLE CALUMET RIVER BASIN
DEVELOPMENT COMMISSION

AT 6:00 P.M. WEDNESDAY, MARCH 4, 2009
5:30 WORK STUDY SESSION

AT THE MUNSTER TOWN HALL
1005 Ridge Road, Munster, Indiana

AGENDA

1. Call to order by Chairman Dan Dernulc

2. Pledge of Allegiance

3. Recognition of Visitors and Guests

4. Approval of Minutes from February 4, 2009

5. Chairman's Report
   • Appointment of Rudy Sutton, Porter County Commissioners’
     appointment
   • Notes from meeting with Colonel Quarles on January 28
   • Army Corps advertised Stage VII on February 17; pre-bid
     meeting will be held March 3
   • Report on Work Study Session held February 18

6. Action Required:
   Finance: Approval of claims for February 2009
   Approval of O&M claims for February 2009
   Approval of proposed response letter to RDA
   Consideration of website proposal
   Land Acq: Any Action?
   Land Mgmt: Approval of farm lease awards
   Approval of granting easement to IN Water Company
7. Standing Committees:
   A. Search Committee – Ron McAhron
      • Proposals received on December 17, 2008 from four
        engineering firms
   B. Finance Committee – Treasurer Kent Gurley
      • Financial Status Report for end of January 2009
      • NIRPC invoice for January 2009
   C. Land Acquisition/Land Management Committee – Arlene Colvin
      Land Acquisition
      • Status of Stage VIII acquisition
   D. Project Engineering Committee – Jim Pokrajac
      • Status of Stage V-2 pipeline corridor
      • Status of Stage VIII utilities
      • Status of 3 pump station contracts – 1A, 2B, and 2A
      • Meeting 2/27 with Lake County Highway Dept regarding raising of
        some bridges over the Little Calumet River
      • Design overflow sections by Army Corps
   E. Operation & Maintenance – Jim Pokrajac
      • Closure structure exercise held February 27
      • Status of Corps mandated O&M repairs from February 6 meeting
      • Final paperwork forwarded to FEMA officials for review and approval
        of emergency response reimbursement to Commission
   F. Legislative Committee – Ron McAhron
      • Update on HB 1716 - restructuring of Commission

8. Other Issues / New Business

9. Statements to the Board from the Floor

10. Set date for next meeting; adjournment
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MINUTES OF THE LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION HELD AT 6:00 P.M. WEDNESDAY, FEBRUARY 4, 2009

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

Chairman Dan Dernulc called the meeting to order at 6:05 p.m. Roll call of six (6) Commissioners declared a quorum. Pledge of Allegiance was recited. Chairman Dernulc thanked the visitors for coming.

Development Commissioners:
Mark Gordish
Dan Dernulc
Arlene Colvin
William Baker
Ron McAhron
Kent Gurley

Visitors:
Patti Mize – River Drive, Munster
Nureya Rosales – Jackson Ave, Munster
Karen Lorenz – Southmoor Rd, Hmnd
David/Burdette Piatik – Monroe, Munster
Lance/Marie Barrows – Monroe, Munster
Lynne Whelan – USACOE
Fred Connor – Munster
Sharen Grady – Monroe, Munster
Barb Spolnik
Bill Polkard - Munster
Kevin Cappo – River Drive, Munster
Jess Shesek – Jefferson, Munster
Irene Behling - Munster
Tom Drake – Columbia, Munster
James/Kalliope Dedelow - Munster
James Peterman – Lincoln, Munster
Elizabeth Jones – Baring Ave, Munster
Leon/Alice Kozlowski – Oakwood, Munster
John Mogle – Baring, Munster
Bill Petrites – Highland
Carolyn Marsh – Sand Ridge Audubon
Patricia Piekarzcyk – Munster
Pat Huber – Munster
Ruth Mores – Southmoor Rd, Hmnd
Christine Kutkoski – Southmoor Rd, Hmnd
Mike Zarantonello – Southmoor Rd, Hmnd
Carol/Don Bednar – Baring Avenue
Thomas Hayes – River Drive, Munster
Eugene Lesko – Madison St, Munster
Jill Brazinsky – Madison St, Munster
Beatrice Plunard – Howard Ave, Munster
Clarence Seagraves – Monroe Ave, Munster
John Harrigan – Northcote, Hmnd
Denis Buksa – River Drive, Munster
Bernie/Kaaren Mashwa – Monroe, Munster
Bill Knosuica – Jackson, Munster
Craig/Beatrice Hansin – Howard Ave, Munster
Jayson Reeves – 21st Ave., Gary
Bob/Kath Krol – River Drive, Munster
Susan Wood- Munster

Visitors:
Rick/Imari Grigsby – Northcote, Munster
Robert Farag – Griffith Golf Center
Bill Howard – Northcote, Munster
John Novak – Tapper, Munster
Elizabeth Howard – Northcote, Munster
Michael Jabo – DLZ, Hammond
Mike McPhillips – INDOT LaPorte District
Charles Seligman – Jackson Ave, Munster
Bob Paulson – Northcote, Munster
Bob/Wendy Carlson – Jackson, Munster
Kris Stamos – Harrison, Munster
Steve Hadnauk Forest Ave, Hmnd
Paul/Marylou Daniels – Castle Dr, Munster
Rich Kunicich – Baring, Munster
Savo Rajkovic – Monroe Ave, Munster
Elizabeth Johnson – Congressman’s Office
Dave Nellans – Munster Town Council
Roy Deda - USACE
Imad Samara - USACE
There were no changes to the minutes of January 7 and January 21. Minutes stand as posted.

Chairman's Report - Chairman Dan Dernulc presented the Right-of-Entry for Stage VII to Imad Samara, Project Manager, USACE. Stage VII construction segment is from Northcote to Columbia, both sides of the river. Bill Baker made a motion acknowledging that the Commission has acquired the easements needed for Stage VII and the attorney has attested to that fact in the signing of the Attorney Certificate accompanying the right-of-entry; motion seconded by Mark Gordish; a roll call vote was taken; motion passed 6-0. Chairman Dernulc stated that the Commission is working hard toward completing Stage VIII and we hope that it will follow in the near future.

Action Required - Treasurer Kent Gurley presented items for action.
• Mr. Gurley acknowledged the replacement monthly budget sheet distributed to the members and explained how the budget sheet is always at least a month behind the current date. The figures are always reflected for the end of the preceding month.
• Mr. Gurley referred to the claims payable for January at a total of $51,695.83 and made a motion to approve the claims; motion seconded by Arlene Colvin; motion passed with a roll call vote of 6-0.
• Mr. Gurley made a motion to approve the O&M claims in the amount of $75.93; motion seconded by Bill Baker; motion passed with a roll call vote of 6-0.
• Mr. Gurley made a motion to approve the month-to-month administrative contract with NIRPC with slight increases as well as approval of independent contractor contracts for James Pokrajac, Judy Vamos, and Lorraine Kray (all on a month-to-month basis with the same rate as last year); motion seconded by Arlene Colvin; motion passed with a roll call vote of 6-0.

Search Committee - Ron McAhron stated that the committee has not met and has not begun the process yet. At this point in time, the committee is still not certain whether to go with a firm or an individual. He hopes to have something more definitive next month. Of course, there is still the issue of not having any funds available to sign a contract with anyone.

Finance Committee - Treasurer Kent Gurley referred to the Financial Statement for the month ending December 31, 2008. He pointed out that the Statement is about six weeks behind. He referred to page 12 in the packet which is the NIRPC invoice for December 2008.
• Mr. Gurley then referred to the RDA letter dated December 31, 2008 which accompanied the check the RDA loaned to us for $1,701,742. The letter has asked the Commission to provide a plan outlining four questions. The Commission will respond to the letter within the 90 days the letter has asked for. Chairman Dernulc said a special work study session may be called to formulate a response letter to the RDA. He would like to take action on the letter at the March meeting.

Land Acquisition/Land Management Committee - Commissioner Arlene Colvin reported that there is no action to be taken. Now that the Army Corps can advertise Stage VII, we will put all our efforts into completing Stage VIII as quickly as we can. At this point, there are four acquisitions still in condemnation and there are three landowners who signed their
offers but need to sign the actual easement agreements. With no complications, the area from Calumet Avenue to the CSX RR will have acquisitions acquired by mid March. The Corps is now reviewing acquisition of the four houses west of Hohman Avenue; they will be doing a gross appraisal of the houses for fair market value for budgeting purposes.

* Commissioner Bill Baker reported that there are three areas that will be going for bids for farming. The total combined acreage is approximately 300 acres. We hope to have the bids back before the next Commission meeting. Mr. Baker also stated that he is reviewing the assets of the Commission to see if there is an opportunity to obtain additional money that might help supplement future O&M expenditures.

**Engineering Committee** – Jim Pokrajac stated that progress meetings for Stage V-2 are held weekly as per the contract, and pipeline corridor coordination is included as part of the agenda. He stated that it should be about a 60-day completion to complete all the utility relocation work on the pipeline corridor as outlined in the Stage V-2 specifications. The contractor can then start driving sheet piling. They will be working on the NSRR corridor soon.

* Mr. Pokrajac reported that Stage VII utility agreements are all completed. The last one that was just received was BP Pipelines and now that we have it in place, the Army Corps can advertise this stage.

* Mr. Pokrajac reported that we have completed Stage VIII utility relocation agreements and there are three remaining utility maintenance agreements that are out and waiting to be signed. The final back check set of engineering for VIII have been completed and submitted to the Corps. All municipalities and pipelines had the opportunity to comment on the plans one final time.

**Operation & Maintenance Committee** – Jim Pokrajac stated that he is proceeding with emergency O&M only as indicated in the approved line items as part of the RDA funding. This includes keeping the pump stations running, for removing a log jam, and some minor issues with sluice/flap gates to make sure they are in working order.

**Operation & Maintenance Funding Committee** – Commissioner Kent Gurley discussed his attendance at a Hammond City Council meeting in which he appeared before them as a Hammond resident. He asked them to consider, that given the substantial amount of Hammond residents living in the flood plain, contributing some monies toward the completion of the levee system and also toward the maintenance that will follow in future years.

**Legislative Committee** – Commissioners Ron McAhron discussed several proposed bills in this legislative session. SB185 proposes $15 million from the General Assembly to the Commission to complete the flood control project. This bill is sponsored by Senator Frank Mrvan and it has been assigned to the Appropriations Committee. This biennial budget does not start until July 1. The Commission is pursuing some avenue to acquire funds prior to that date because we do not have enough money to carry us through until then. He understands that there is still $1 million in the first year budget and he will ask that it remain there. There is a Ways & Means meeting coming up that Mr. McAhron will attend. He also mentioned that we have to start talking about O&M money.
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• Mr. McAhron referred to HB1692 which would sunset many boards and commissions, the LCRBDC being one of them. The bill was introduced by Representative Borror and it has now been sent to Rules & Legislative Procedures.
• HB1716 introduced by Representative Soliday, restructures the Commission from an 11-member board to a 5-member board. It has been assigned to a committee. Mr. McAhron talked about the most effective way would be to restructure the Board for an O&M purpose, rather than a flood control project.

Other Business – Chairman Dan Dernulc talked about the meeting that was held with Colonel Quarles, District Director Roy Deda, and Imad Samara on January 28. It was an informal meeting where the Corps provided information on the history of the project, and how we need to keep moving forward. It is in everybody’s best interest to work together, efficiently, to complete the construction as quickly as possible.
• Imad Samara stated he has updated the Corps web site. The site is located at www.lrc.usace.army.mil. Click on “Project Information”; then go to the letter “L” to find Little Calumet River. Project information will be found there and is regularly updated.

Statements from the Floor – Chairman Dan Dernulc asked that statements be kept to a “polite” 3-minute time period. Statements were received from the floor by Mike Zarantonello, Bob Farag, Jason Reeves, Kevin Cappo, Carolyn Marsh, and Bill Howard.
• Mike Zarantonello reiterated his concern about the residents wanting an independent review of the Corps design plan that affects their area on Southmoor. He has made a formal request for the Commission to pursue this. He submitted a letter to the Commission, as well as to Governor Daniels, Senators Lugar and Bayh, and Congressman Visclosky. Those letters are attached hereto and made part of these minutes as Exhibit “A” and “B”.
• Bob Farag from the Griffith Golf Center stated he has not been able to get any kind of response from FEMA for his situation. Chairman Dernulc asked Jim Pokrajac to talk to Mr. Farag and see what kind of assistance we can give him.
• Jayson Reeves from Gary suggested the Commission work closer with the storm water management firms and sanitary districts within the cities. He is concerned that a flooding situation will occur again before the project is completed. He also noted that, in his opinion, the utility relocation costs are very high.
• Kevin Cappo, whose house flooded in Munster, complimented the Munster town officials on the “build-up” of the existing levee in Munster and having that work done within a six week period. He stated his concern about sediment buildup. He reiterated that his neighborhood would prefer a floodwall rather than the proposed earthen levee. Chairman Dernulc asked him to put his request in writing and we will pass it on to the Corps.
• Carolyn Marsh, Sand Ridge Audubon Society, reiterated her concern about building in the wetlands. She stated “if you have a balance between developed areas and non-developable areas, the wetlands will save the developed areas from flooding”. She thinks that the golf courses should hold water in times of flooding. She asked for a report of what the project design is for this area and how it impacts the Griffith Golf Center. She also asked the Commission to re-consider the second phase of development at Cabela’s. She asked to go on record that her concern be addressed. Imad Samara stated he would work with Jim Pokrajac and get a response to Carolyn.
• Bill Howard confirmed that Stage VII right-of-entry was given to the Corps tonight. He asked when Stage VIII right-of-entry would be ready to do. Chairman Dernulc referred to attorney Casale. Attorney Casale stated there were three easements from residents and the
railroads that we need an easement from. He is hoping to have them in place by the end of next month. Ron McAhrn added that it is being considered to have the Southmoor area be bid as an option to the contract, which means that once all other Stage VIII easements are obtained, we can give the right-of-entry to the Corps for advertisement and then we will have one year from the Notice to Proceed to complete the acquisition of the Southmoor area.

There being no further business, the meeting was adjourned. The next meeting is scheduled for Wednesday, March 4, 2009 at the Munster Town Hall.
February 04, 2009

Little Calumet River Basin Development Commission
Entered to the Commission
Commission meeting February 04, 2009

RE: Plan review for stage VIII

Commission Members,

On January 21, 2009, we discussed the possibility of reviewing the levee plans for the Southmoor area in stage VIII.

At this time, I formally ask that you request the Governor and the USACE Chief of Engineers for an independent review of the plans. The Federal WRDA of 2007, also called The Levee Safety Act of 2007, states the following:

Section 2034 -
Requires project studies to be subject to a peer review by an independent panel of experts if: (1) the project has an estimated total cost of more than $45 million, including mitigation costs; (2) the governor of an affected state requests a peer review by an independent panel of experts; or (3) the Chief determines that the project study is controversial (in cases where there is a significant public dispute as to the nature or effects of the project or the economic or environmental costs or benefits). Limits costs of panels.

You are the sponsors of the project and some are appointed, by the Governor, to be the stewards of the project in his absence. Your job is to recommend the proper course to achieve the best results.

When Rep. Visclosky was approached about the review, he stated that the Commission was the body that would facilitate the review. That is why Professor Roy Evans wrote his request to the Commission.

Clearly, there is significant public dispute in this matter and that the economic costs are an issue.

I ask for no less than the Independent review as per the Federal law. You work under the WRDA of 1986 and I would hope that you also would abide by the WRDA of 2007.

Exhibit "A" 6
A comprehensive review should evaluate new studies as to the following factors:

* Effects of the control structure at Northcote
* Flood patterns projected by the new FEMA DFIRMS
* Effect of the TARP/Deep Tunnel Project in Illinois
* Flow patterns for the Hohman bridge.
* Analysis of the actual flood pattern of the 9/14/08 event
* Lack of watershed and overbank water retention areas
* Levee drainage system

The fate of the area Southwest of the Hohman bridge has yet to be decided. The treatment of this area will greatly affect the Southmoor area.

This procedure is meant to be an oversight mechanism for the Corps' plans. The local Corp is to have no part in this process.

The Chicago Corp responded to our request by saying that although the Southmoor residents may not flood, their neighbors to the North may flood.

If there is no overbank flooding on Southmoor and Fema has certified us to be out of the 200 year flood zone, then why are we not identifying where the flood waters are coming from and, instead, just slap up a levee on Southmoor?

I would also like to apprize you of this part of section 2033 of the WRDA of 2007:

Requires a feasibility study for a flood damage reduction project to include, as part of the cost/benefit calculation, calculations: (1) of the residual risk of flooding, of loss of human life, and to human safety following completion of the proposed project; (2) of any upstream or downstream impacts; and (3) to ensure that the benefits and costs associated with structural and nonstructural alternatives are evaluated in an equitable manner.

We have only heard of levee or no levee as the options. Are there other acceptable alternatives that would mitigate the environmental damages as well as financial damages?

I remind you that the Corps' studies for the Heron Rookery have been found to be faulty and that the Corps' sandbagging of the Northcote Bridge is not the answer.

As for our concern for reverse flooding in our backyards and basements from the levee, one of the many promises not kept was a comprehensive explanation of the drainage system. We also asked for existing use of the drainage system—surely, we are not the only place in America that has a levee so close to our homes! If our concerns are realized, you will be responsible for the costs of reverse condemnation.

I ask that you request a review for all involved.

Sincerely,

Michael Zarantonello
February 3, 2009

Governor Daniels
Via fax 317-232-3443

Senator Lugar
Via fax 202-228-0360

Senator Bayh
Via fax 202-228-1377

Representative Visclosky
Via fax 202-225-2493

RE: The Little Calumet River Levee Project

Gentlemen,

In the Fall of 2008, you received a request for a review of The Little Calumet River Levee Project along Southmoor Road in Hammond, Indiana. Your actions ranged from no response to a short justification from the Chicago Corp.

Let me remind you that my request was based on The WRDA of 2007, also named The Levee Safety Act of 2007. All U.S. Congressmen from Indiana voted for passage of this bill.

The Act states the following:

Section 2034 - Requires project studies to be subject to a peer review by an independent panel of experts if: (1) the project has an estimated total cost of more than $45 million, including mitigation costs; (2) the governor of an affected state requests a peer review by an independent panel of experts; or (3) the Chief determines that the project study is controversial (in cases where there is a significant public dispute as to the nature or effects of the project or the economic or environmental costs or benefits). Limits costs of panels.
Clearly, the Governor has the right to ask for a review and there is unparalleled dispute and concerns by your constituents.

At the January 21, 2009 Commission meeting, I once again asked the Commission to request a review of the plans for The Southmoor Road area from Lyman St. to Hohman Ave. As we engaged in a conversation about this matter, Commission members, appointed by the Governor and others, warmed to the thought that a review might be prudent. The cash strapped Commission may be able to reduce project costs with the review of the 23 year old plan. I have enclosed a NWI Times report as to their reaction. Please note that the Commission feels that a review may not delay the project.

I would hope that you would share the feelings of your appointees.

FEMA has a new DFIRM for the area and we believe that it will show that the flood threat in our area is not from the river at Southmoor, rather, for the areas to the East and West that will have levees. We are already certified by FEMA to be out of the 200 year flood zone. The Corp states that they are not in the business of taking people out of the flood zone. That is FEMA's decision.

In response to Mr. Visclosky's letter to the Corp, on this matter, they state that, although residents along Southmoor may not flood, their neighbors to the North may.

Once again, Gentlemen, I ask that you request an independent review as per The WRDA of 2007. Please contact Lt. General Van Antwerp, Chief of Engineer and the Levee Commission with your support of the review and to put this matter to rest.

Sincerely,

Michael Zarantonello
February 20, 2009

Rudolf Sutton
175 W. 1050 N.
Chesterton, IN. 46304

Dear Rudolf:

The Porter County Board of Commissioners unanimously appointed you to serve on the Little Calumet River Commission at their meeting held on February 17, 2009.

Please contact Dan Gardner, Executive Director of the Little Calumet River Commission at 763-6060 for meeting dates, times and location.

If you have any questions or concerns, please feel free to call our office.

Respectfully,
Board of Commissioners

Robert P. Harper, President

RPH/mh
NOTES FROM ARMY CORPS PRESENTATION
TO LCRBDC
HELD JANUARY 28, 2009
AT THE GRIFFITH CORPS OFFICE
GRIFFITH, INDIANA

In attendance: Corps representatives: Colonel Vincent Quaries, Roy Deda, Imad Samara, Doug Anderson, Sheldon Edd, Vic Kotwicki
LCRBDC: Commissioners Dan Denuc, Bill Baker, Mark Gordish, Ron McAhron (on conference phone)
LCRBDC staff: Jim Pokrajac, Lou Casale, Sandy Mordus

Introductions made; Imad Samara gave a brief discussion on the history of the Little Calumet River flood control/recreation project.

Items of Discussion:

Griffith Golf Center:
1. Bill Baker questioned the value of only $75,000 for the Griffith Golf Center. He requested a history fact sheet be put together for a better understanding of the situation.
   • $75,000 was offered to Mr. Farag for a flowage easement only
   • LCRBDC to work with Corps to provide bullet points.
   • The Colonel indicated this will be part of an informational sheet that will be posted on the Internet.

Forest Avenue:
1. Discussion on the houses on Forest Avenue. Ron McAhron wants this area inspected to get a punch list of what needs to be done there.
2. Imad stated they couldn’t go on the property because we do not have any kind of an easement there.

Stage VII:
1. Right-of-Entry can be released to the Corps as soon as BP Amoco is obtained.
   • Jim Pokrajac said he expects the signed agreements very soon
   • All other easements are acquired
   • Lou said we are ready to sign right-of-entry; we have easements
2. Discussion on the contract letting
   • Imad stated – 2 months to award from date the ROE is received
   • Contractor has 30 days to respond to advertisement
   • About 90 days until construction start; early May Notice to Proceed
   • Contract calls for 500 days completion (fall of 2010)
Stage VII:
- Ron McAhron questioned whether Corps could get it less than 500 days and Imad said he would check into it and will write a letter. Incentive for early completion?
- Mark Gordish questioned when we need our 7% participation
- Roy Deda said normally 30 days before their fiscal year.

Stage VIII:
1. Ron McAhron – can we separate Southmoor residents and have as option?
   - Roy Deda will check with Congressman’s Office
2. Attorney Casale said there were three parcels left in order to have an option
   - He thought all three could be settled satisfactorily and would be completed by the end of March
   1. KGM parcel (it is set up for March 2 as a condemnation – he has a conference call scheduled on Jan 29 and is pretty confident it could be worked out before hearing date
   2. DC-1303 (Botanical Gardens) – We proceeded with offering the $299,000 based upon the existing appraisal in order to close this out.
      - Imad said we need this parcel and it is a critical piece to possibly include the option
      - Vic and Lou agreed we do not need to delay the project re-appraising
      - It was also indicated the Corps had already reviewed and approved the appraisal
   3. Divine Church – Should be able to be worked out
      - Roy Deda said we could only proceed if we have the properties east of Southmoor, and to proceed to concentrate on the 3 remaining parcels

Southmoor residents:
1. Discussion on whether or not residents can be excluded from the project area
   - Corps shared maps of the area that showed proposed flooding if this area were not protected
2. Residents want Commission to ask the Governor or go to Washington for an independent review of the current design for the area where they live
   - Colonel stated that Washington would just ask Chicago District for their opinion
   - Chicago District has already responded to the residents with their position
   - Mark Gordish stated Hammond has already contracted out Christopher Burke Engineering to review the draft floodplain maps and the area to see what they would determine
3. Ron McAhron stated he and IDNR George Bowman were going to meet with some of the residents on site on February 7
   - Imad will get him copies of maps and presentation by that date; also height of closures
**Silt Build-up and Bridges:**

1. There has been ongoing concern by residents regarding silt build-up at the Columbia and Northcote bridges
   - Corps stated that they do not do bridges – only sandbag closures
   - The Corps has agreed to provide a map showing height, type, and locations of project closures
   - Jim Pokrajac asked Imad to look at silt build-up west of Kennedy Avenue in Highland (looks like an island)

**Four homes west of Hohman:**

1. Bill Baker met on site with the homeowners
2. Corps stated the homes were originally in the project in the FDM5
   - They were taken out at Commission’s request
   - They may not flood but in times of flooding, they become an island with no egress or ingress; Munster stated they could not provide any emergency services and wants us to buy them out
3. Vic said they are no worse off than before the project and that appraisals would be post-flood value
4. McAhron asked why we would be constructing at Southmoor & not by the four houses.
   - Imad said the line of protection needs to be contiguous and it does continue north of the river west of Hohman behind Forest Avenue to the state line.
5. Gordish indicated that their draft FEMA maps show both areas in the 100 year floodplain
6. Vic asked if the project induced flooding in this area
   - Imad said H&H would review & determine damages
   - It was stated the Corps review would be completed by 2/11/09
   - Vic and Imad will review the FDM5 and get back to us within 2 weeks
   - Ron McAhron says ignoring the 4 houses still leaves them in the flood plain
   - Imad says it is our decision on whether to buy them or not – we will get credit for the purchases if we decide to buy
   - One house wants to sell: three houses do not want to sell

**Stage V-2:**

1. About 70% completed; completion date spring 2010

**Funding Issue:**

1. Ron McAhron is confident Commission will receive the funding it needs to complete project and asked the Corps if the construction costs were going to go up. It is important for our budgeting purposes.
   - Imad stated that if contract price goes up, the 7% will go up
   - Max of $15 million – based upon current 7% the Corps has estimated
   - Ron says $15 million does not include the $2 million in 09/11 biennium
O&M:
1. Roy Deda says they are sending us a letter stating that the levee system in Gary is in an “unacceptable” condition due to lack of O&M (specific items are outlined in their 2008 inspection reports)
   • If levees are found to be “unacceptable” they are not eligible for any Corps funding assistance if a flooding situation occurs
   • Jim Pokrajac will put together a list of what needs to be done on the levees and come back with an estimated amount
   • Roy stated that each time any construction feature was completed, a training session was held, O&M manuals and drawings were submitted, but Gary has never accepted responsibility for O&M.
2. Jim stated that Corps estimate for maintenance of levee system was about $2 million per year (estimate about 10 years old) $1 million East Reach and $1 million West Reach
3. Everyone agreed that O&M is critical and necessary to the project
4. It is the Commission’s responsibility to assure O&M is done according to Army Corps guidelines
5. Roy Deda indicated that bridges are not part of the Army Corps responsibility (They accept closure structures).
   • Work on bridges is the responsibility of the locals

FEMA certification:
1. Corps will review what certification is needed by FEMA re: 4 houses west of Hohman
2. Ron McAhron stated not to get bogged down with FEMA certification, O&M, etc. – Focus on finishing SVII and SVIII
   • Also asked about Corps certification (corps will look at and need to do)

Flooding in Gary:
1. The Corps indicated the primary cause for flooding in Gary was their storm/sanitary infrastructure and that it is Gary’s responsibility to remediate.
2. Pokrajac indicated all completed project features served as designed by the Corps and if some items (pump stations) failed, the LCRBDC facilitated getting them back on line.
3. Corps indicated that the municipality has the first line of responsibility to install closure structures and if they do not have the manpower or equipment, they need to coordinate with the County and the State for assistance.

Betterments:
1. Corps explained that a betterment is local cost participation for paying the incremental cost difference between what the Corps is proposing and what changes or additions the locals request.
**Summary (Imad presented):**

1. Stage VII Milestones
2. Southmoor as a Stage VIII option
3. Four homes west of Hohman (2 weeks to evaluate)
4. Provide maps to LCRBDC for location, height, and type of project closures.
5. Provide digital maps of flooding
6. Provide data & correspondence for Southmoor area evaluation

**After Summary Comments:**

1. McAhron asked if post flood damages has been assessed, and if it was flood related for damage to project features (Could Corps cost participate).
   * Jim Pokrajac indicated when final 2008 inspection “unacceptable” items are summarized; he will coordinate with the Corps
2. Forest Avenue Levee (McAhron asked if IDNR could inspect)
   * Corps responded if they inspect the LCRBDC needs signed easement agreements and a right-of-entry.
NOTES FROM WORK STUDY SESSION
HELD AT MUNSTER TOWN HALL
WEDNESDAY, FEBRUARY 18, 2009

In attendance: Dan Dernulc, Ron McAhron, Mark Gordish, Arlene Colvin
Attorney Lou Casale, Jim Pokrajac, Sandy Mordus

Items of Discussion:

The main purpose of the Work Study Session was to formulate a draft letter addressing
the RDA’s request and having it ready for approval at the upcoming March 4th Board
meeting. Ron McAhron presented a draft of the response letter. After discussion, staff
was instructed to email the letter out to all commissioners for their review/comment. Staff
will send the letter to the attorney last for his input. The letter will include several
attachments, especially the overall operations costs projections through year 2012 and the
Army Corps timeline for project completion.

Discussion was held on a proposal to hire a firm to do a web site for the Commission.
Although it was determined that it would be helpful, there are no budgeted funds to allow
for the cost of the creation of a site, nor any funds for the updating. Staff expressed a
concern for the amount of time that would have to be dedicated to provide information
for the updating of the site. It was pointed out that the Army Corps already has a link to
the Little Calumet River flood protection site on their web site.

Chairman Dernulc stated that he and Ron McAhron met with some of the residents on
Southmoor Road in Hammond. The residents still oppose the levee construction in their
backyards; they believe they are at an elevation high enough that a floodwall would not
be needed in their backyards. Mr. Dernulc said they could not answer some of their
questions because they didn’t have the data. The Army Corps does all the design for the
levee system and they determined that the protection is needed. Mark Gordish
commented that the city of Hammond asked Christopher Burke Engineering to review the
area and the current floodplain mapping and give an opinion regarding the necessity of a
floodwall on Southmoor. Mr. Gordish said he hopes to have their opinion by the March 4
meeting. Discussion also took place on making the Southmoor area an option to the
contract. Attorney Casale said there are about three missing easements that are in
condemnation and he is working to complete; that does not include the two railroads. Ron
McAhron thought that the railroads would also have to be obtained and not be made part
of the option. Once they are signed, the LCRBDC could sign the right-of-entry if the
Army Corps makes the Southmoor area an option. The town officials of Munster and the
Munster residents would like to see both contracts let simultaneously, in order to
complete the lines of protection earlier than the current schedule. Mr. Casale stated that if
the contract was let with the option, he would have one year to obtain the remaining
properties that were in the option. Chairman Dernulc asked the attorney to work as
quickly as possible to finish up the three remaining easements; he would like to see the easements obtained by the meeting date of March 4. Ron McAhron asked Attorney Casale for a list of the current status of the remaining properties. Attorney Casale also stated that he needs to set up a conference call with the Army Corps to talk about at what point during the condemnation process they would allow the Commission to sign the Stage VIII right-of-entry. Ron McAhron asked attorney Casale to give him the contact person for DC-1368. It was also determined to add DC-1303 onto the Claims Payable for approval list at the March 4th meeting.

Chairman Dernulc said, although we have been meeting in Munster, we can meet in other communities. Arlene Colvin from the city of Gary and Mark Gordish from the city of Hammond both offered to check on the availability of their facilities to hold a future LCRBDC Board meeting.

Discussion ensued on HB 1716, which restructures the current Commission Board from an eleven-member board to a five-member board. It has passed the House and now will go to the Senate. If the Senate has any changes to the bill, it will either go back to the House or go to conference committee; the Governor could also veto it. Mr. McAhron stated that there was a long session on February 17 in which the bill was presented. Although he planned to attend the bill hearing, the members met at the lunch recess and had already passed it 9-0. He understands there is a proposed amendment to the bill which adds that the Commission will provide O&M training to those persons that would be responsible for the maintenance of the levees. Mark Gordish expressed a concern that the project needs to keep moving forward. He would hope that the Governor would appoint new members who currently live in the floodplain and have experience and familiarization with the project. The session concludes the end of April.

Discussion ensued on a memorandum with background, applicability, procedure, and conclusion that attorney Casale shared with members regarding the request for an independent peer review of the Southmoor area. Attorney Casale was instructed to draft a letter for Commission review.

Jim Pokrajac talked about the increasing costs for the Stage V-2 pipeline corridor. The previous estimates were given to us about a year ago. Once he receives the revised estimated costs, he will share those with the Commissioners. He talked about the priority O&M items that the Army Corps instructed us that need to be completed or the Corps will have to write us a formal letter declaring some of the levees “unacceptable”. The limited estimated costs we had for O&M earmarked in the $1.7 million will be re-prioritized to take care of the more pressing items that need to be addressed. Chairman Dernulc and Ron McAhron both agreed that the items need to be done immediately. Mr. McAhron asked Jim Pokrajac to put an agreement in place that would allow Dyer Construction to be “on call” in the event of a flooding situation to put closure structures in place. They talked about using concrete blocks instead of sand bags for closure. Jim
Pokrajac stated that he will be meeting with the city of Gary to talk about city plans for the permanent closure of Chase Street. Chairman Dermulc asked Jim Pokrajac to investigate the southwest corner of the bridge at the corner of Broadway at I.U.N. in Gary. He inquired about a “gap” there and wondered whether it is complete as it is or would something be amiss in the design.

Chairman Dermulc referred to an email from past Chairman William Biller in which Mr. Biller had asked whether or not we had responded back to the city of Hammond regarding the two proposals for raising funds to finish the project construction. Mr. Dermulc said he thought it should be discussed at a regular Board meeting. He also thinks we need to see how the Commission membership would be restructured and whether or not there will be funding in place for continuation.

The Work Study Session concluded at 6:30. The regular Board meeting will be March 4, 2009 at the Munster Town Hall.
## Monthly Budget Report - March 4, 2009

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<tr>
<th>Category</th>
<th>2009 Budget</th>
<th>Actual January</th>
<th>Actual February</th>
<th>Actual March</th>
<th>Actual April</th>
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### Administrative Budget
- 109,162.00

### Remaining State Funds
- 50,683.00
- 47,893.00
- 47,519.00
- 45,419.60

### Remaining RDA Monies
- 1,701,742.00
- 762,875.35
- 733,125.98
- 390,343.49

**Total All Funds**: 1,861,587.00
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TOTAL 356,696.88

ADMINISTRATIVE

RDA $1,701,742.

DRAW FROM STATE
APPROVAL TO PAY THE FOLLOWING INVOICES
FROM O&M FUND
FEBRUARY, 2009

- $76.14 to T-Mobile for costs incurred for cell phone for engineer field work; monthly service 1/11/09 – 2/10/09

Total $ 76.14
Web Development Proposal

To: Kent Gurley
Treasurer, Little Calumet River Commission

Date: February 16, 2009

For: Web Development Services: Plan, design, and produce complete new web site for Little Calumet River Commission. This site will inform community residents of updates and progression of the Little Calumet River Commission's ongoing projects.

Static Pages: Up to eight static pages are included for the sake of this estimate. Tentatively planned page titles/subjects are Home, About Us, Community, News, Programs, Links, Contact Us, Privacy Policy.

Images: Images supplied by you, as desired and appropriate, will be incorporated. Professional stock images may be used.

Design/Code: Site will have attractive visual design, created with your feedback and to your satisfaction, and be easily navigable and usable. Code will be W3C-standard HTML and CSS, and pages will be designed to display well on all major browsers at all common monitor resolutions.

Usability: Simplicity, cleanliness of visual design, and ease of operation for the end-user will be high-priority considerations at each stage of the design process.

Dynamic Apps: If needed, the site can have a Newsletter download link. A user would click the link and a .pdf copy of the newsletter would be saved to their hard drive. The Contact Us page can have a feedback form for the purpose of allowing visitors to ask questions pertaining to the River Commission's projects. When a visitor 'Sends' the form, it will be emailed to an approved email address.

Web Hosting: The site can be uploaded to any hosting company that is decided upon. If a hosting company is not found, FireShark Design, LLC will supply details and pricing of a service that fits the needs of the Little Calumet River Commission website.

Domain Name: The domain name of the website must be decided upon prior to any decision over web hosting service. Usually, the domain name can be registered with the same hosting company and at the same time that a hosting plan for the website is purchased.
Search Engines: Upon completion of the website, the domain name will be submitted to major search engines for the purpose of being ‘searchable’ by web users. Prior to submission, specific keyword must be decided upon that will assist in the searching by the users. The more specific the keyword, the better the search results.

Testing: Web site will be tested for compatibility with all common operating systems, browsers and monitor resolutions according to standard company policy.

Site Statistics: Detailed site statistics are provided by the web host, and will be easily accessible to you at any time.

Domain Email: Once the domain name is set and the web hosting company is chosen, specific emails can be set up.

Costs: Web development fee: $1,000.00. Maintenance fee: $1,000.00 (year). This figure is an estimate, not a quote. It is based on the information provided, and may be inappropriate if additional information is forthcoming, or specifications change.
If an existing logo is not available, FireShark Design, LLC can create one for $250.00.

Web hosting fee: This fee varies depending on hosting company. The fee is generally a 2-year agreement.

Payment Terms: One-third of total web development fee invoiced and due before work begins. A second one-third as well as the web hosting charge invoiced when page design templates are completed. Balance, adjusted for any changes, invoiced upon delivery of working application. All invoices are Net 10 Days.

Change Orders: The addition of pages or significant functions or features not specified here may result in additional costs; FireShark Design, LLC will make this clear via Change Orders.

Contract: A standard Agreement and Specification will be provided upon verbal acceptance of this estimate.

This estimate is good for 60 days from the date above.

Schedule: Work will begin within one week of signing of contract and receipt of deposit payment. Approximately 3 weeks will be required from start to finish, assuming that the processes of providing content, feedback, and approval are free from delays.

Future Updates: This estimate includes a maintenance fee for 1 year performed by FireShark Design, LLC. If training is needed for maintenance by others, there would be a $25.00 an hour fee included. This fee does not include purchase of computer software that may be needed to maintain site.
Construction-Operations Branch

Mr. Dan Dernulc
Chairman
Little Calumet River Basin
Development Commission
6100 Southport Road
Portage, Indiana 46368

SUBJECT: Little Calumet River—Permit for Project Modification Request 2007-01, Cleveland Street 30-in Water Main - Gary, IN

Dear Mr. Dernulc:

This letter is in response to a request from the Little Calumet River Basin Development Commission (LCRBDC) to have the U.S. Army Corps of Engineers, Chicago District review a design prepared by Indiana American Water Company in regards to constructing a 30-in Water Main across the Gary—South and Gary—North Levee Segments along Chase Street. This design was originally transmitted to our office March 7, 2007 and finally on December 10, 2008.

The Corps has reviewed the final plans submitted on December 10, 2008 and approves the requested modification to the levee system to construct the 30-in Water Main as shown on the enclosed drawings, provided that:

Upon termination or expiration of this permit (whether by voluntary relinquishment by the Indiana American Water Company, by revocation by the LCRBDC or otherwise) the Indiana American Water Company shall remove all structures, improvements, or appurtenances which may have been erected or constructed under this permit, and shall repair or replace any portion of the flood protection structure or right-of-way which may have been damaged by his operations (including grading and seeding, or sodding, if necessary), to the satisfaction of the LCRBDC. The structure or operation for which this permit is issued shall be maintained by the Indiana American Water Company in such manner as shall not injure or damage the flood protection structure, or interfere with its operation and maintenance in accordance with regulations of the Secretary of the Army.

The structure or operation covered by this permit may be damaged, removed or destroyed by the LCRBDC in time of flood emergency if such action is determined by the LCRBDC to be necessary in order to preserve life or property or prevent damage or impairment to the use or safety of the flood protection structure, and the LCRBDC shall not be liable to the Indiana American Water Company for such damage or destruction.

The construction, installation and maintenance of the structure or structures covered by this permit shall be subject to inspection by representatives of the LCRBDC and the United States at all reasonable times.

Indiana American Water Company agrees that it will not use the area or facilities covered by this permit, or permit such area to be used, for any purpose other than is specifically covered by this permit.
At the completion of this work, the As-Built drawings (2 paper copies and 2 electronic copies) are required to be submitted to the LCRBDC to properly maintain the levee project records.

If you have any questions, please contact Mr. William Rochford at (312) 846-5450 or me at your convenience.

Sincerely,

[Signature]
Shamel Abou-El-Seoud, P.E.
Chief, Construction-Opérations Branch

Encl: Exhibit A—West 35th Avenue
      Exhibit A—Chase Street North

cf: Vinod Barot, Ph.D—Indiana American Water Company
    Doug Corey, P.E.—GRW, Inc.
CASH POSITION - JANUARY 1, 2009

CHECKING ACCOUNT
- LAND AcQuISITION 193,123.92
- GENERAL FUND 118,336.33
- SAVINGS 28,004.80

TOTAL OF ALL ACCOUNTS 339,465.05

RECEIPTS - JANUARY 1, 2008- JANUARY 31, 2009
- LEASE RENTS 11,595.24
- INTEREST INCOME (FROM CHECKING) 90.23
- LAND ACQUISITION 9,267.88
- ESCROW ACCOUNT INTEREST 165.73
- MISC. RECEIPTS
  - KRBC REIMBURSEMENT RE. TELEPHONE CHARGE 144.21
  - TRANSFERRED FROM SAVINGS 328,102.64
  - CITY OF MUNSTER FOR PROPERTIES

TOTAL RECEIPTS 349,365.93

DISBURSEMENTS - JANUARY 1, 2008- JANUARY 31, 2009

ADMINISTRATIVE
- 2008 EXPENSES PAID IN 2009 393,148.11
- PER DIEM 4,150.00
- LEGAL SERVICES 283.33
- NRPC 37,071.82
- TRAVEL & MILEAGE 1,127.28
- PRINTING & ADVERTISING 113.13
- BONDS & INSURANCE 75.00
- TELEPHONE EXPENSE 822.98
- MEETING EXPENSE

LAND ACQUISITION
- LEGAL SERVICES 19,660.66
- APPRAISAL SERVICES 750.00
- ENGINEERING SERVICES
- LAND PURCHASE CONTRACTUAL 4,275.00
- FACILITIES/PROJECT MAINTENANCE SERVICES 15,689.90
- OPERATIONS SERVICES
- LAND MANAGEMENT SERVICES 16,322.57
- SURVEYING SERVICES 3,610.00
- MISCELLANEOUS EXPENSES
- ECONOMIC/MARKETING SOURCES
- PROPERTY & STRUCTURE COSTS 148,114.00
- MOVING ALLOCATION
- TAXES
- PROPERTY & STRUCTURES INSURANCE
- UTILITY RELOCATION SERVICES 141,291.40
- LAND CAPITAL IMPROVEMENT
- STRUCTURAL CAPITAL IMPROVEMENTS
- BANK CHARGES HARRIS BANK 7.50
- PASS THROUGH FROM SAVINGS (O&M) 75.93
- PAYBACK TO SAVINGS

TOTAL DISBURSEMENTS 393,440.50

CASH POSITION - JANUARY 31, 2009

CHECKING ACCOUNT HARRIS BANK #6100
- LAND ACQUISITION (STATE FUNDS) 180,704.98 A
- GENERAL FUND 86,514.97

TOTAL FUNDS IN CHECKING ACCOUNT

CHASE SAVINGS ACCOUNT BALANCE #4414 778,465.07
- Balance of 1,701,742.29
- O & M MONEYS **9504.43
- SAVINGS INTEREST 745.35

CHASE SAVINGS ACCOUNT BALANCE #4747 623,792.31
- ARMY CORP CONSTRUCTION MONEY 616,820.00 B
- ESCROW ACCOUNT INTEREST AVAILABLE 6,972.31

TOTAL OF BOTH SAVINGS ACCOUNTS 1,402,257.38

TOTAL OF ALL ACCOUNTS 1,669,477.33 C

COMMITTED FUNDS: (FROM ABOVE)
- LAND ACQUISITION A 180,704.98
- ARMY CORP ESCROW MONEY B 616,820.00

UNCOMMITTED FUNDS AVAILABLE) C-(A+B) 871,952.35

REMnAING STATE APPROPRIATIONS AVAILABLE (As of JANUARY 31, 2009) 47,893.00

**Note: O & M Fund comprised of remaining L&E Money, $185,000 Interest Money, and $133,721.49 Marina Sand Money
**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION**

6100 SOUTHPORT ROAD  
PORTAGE, INDIANA 46368

**INVOICE**

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**TOTAL DUE:** $9,454.12
Little Calumet basin panel seeing progress

Deals are met on pipeline relocation, right of entry

BY LU ANN FRANKLIN
Times Correspondent

MUNSTER | Progress has been made on two portions of the Little Calumet River levee project, according to reports presented at Wednesday's meeting of the Little Calumet River Basin Development Commission at Town Hall.

All the pipeline relocation agreements have been signed for Stage VII of the project, including one with BP Pipeline. The utility work on this stage is located between Northcote and Columbia avenues in Munster on both sides of the river, said Jim Pokrajac, commission member and chairman of the engineering committee.

In addition, all the right-of-entry contracts have been completed, giving crews access to areas in Stage VII between Northcote and Columbia avenues.

Both matters were turned over to Imad Samara of the U.S. Army Corps of Engineers at the meeting.

The search continues for an engineering firm to oversee the final phases of the Little Calumet River levee project. Four engineering firms submitted proposals for the project on Dec. 17.

Commission member Ron McAhron said the search committee he leads is still sorting through information.

"We're going back and forth about whether it's better to have a single individual or a firm (handling project management)," McAhron said. "We hope to have something solid next month."

In other business, the commission:

- Targeted March 30 as the deadline for answering queries by the Regional Development Authority that were spelled out in a letter accompanying the $2 million loan the RDA gave the Little Calumet River Basin Development Commission to keep operating.
- Learned that four homes that need to be acquired west of Hohman Avenue for this levee project are being appraised and that bids will be let for three parcels of land to be farmed this growing season.
- Heard about legislation introduced in the Indiana General Assembly for funding to finish the Little Calumet River levee project and then operate and maintain it once completed.
Little Cal project advances

Last utility easement acquired; Army Corps told to resume work.

By Erik Potter
Post-Tribune staff writer

MUNSTER — The Little Calumet River flood control project took a big step forward Wednesday, as the Army Corp of Engineers received the go-ahead to start work on the next-to-last phase of the project.

The Little Calumet River Basin Development Commission acquired the last utility easement it needed for Stage seven of the project, which stretches from Columbia to Northcote avenues, and gave the Army Corps of Engineers the right to enter the properties along the project line.

The Army Corps will advertise the project this month and open bids in late March, with a contract to be awarded by late April.

Construction is expected to take 500 days, which means that whichever contractor is hired will have until late 2010 to complete the work.

In order to keep up progress on the final stage of the project, from Columbia Avenue to the state line, the Army Corps plans to advertise a two-part contract that has an option for the Southmoor Road neighborhood in Hammond.

Homeowners in the area, which sits on a high ridge, are worried that a flood wall in their neighborhood will just prevent rainwater from draining off their properties into the river.

They have contested the Commission's taking of easement rights on their properties and are requesting an independent audit of the Army Corps plans to verify that no harm will be done to their land.
Munster tackles Little Cal and flood

Council OKs resolutions related to flood control plan

BY LU ANN FRANKLIN
Times Correspondent

MUNSTER | Flood prevention and the completion of the Little Calumet River levee project again came under scrutiny at Monday’s Town Council meeting.

Council members unanimously approved eight resolutions, all related to the flood control project that began in 1980. Public comment led to the amendment of two of those resolutions before the vote was taken.

In 5-0 voting, the Town Council:
• Scheduled a public informational meeting with three local members of the Indiana General Assembly at 7 p.m. Thursday at Centennial Park.

See COUNCIL, A5

Council

Continued from A3

• Threw its support behind Hammond Mayor Thomas McDermott Jr.’s proposal to use Sales Tax Increment Financing generated in the area of Cable’s for completion of the Little Calumet levee project and its future operation and maintenance.

• Resolved that if the Little Calumet River is dredged, the project must be funded from sources outside of Munster and done throughout the waterway, not just in some areas in accordance with state and federal guidelines. The council eliminated any reference to “special or hazardous waste” from dredging in the original resolution after resident Steve Enger pointed out that such waste must be acidic or flammable to be put in that category. Town Engineer James Mandon said silt in the river would contain “chemical contaminants” just as the water does.

• Called for the state of Indiana to immediately create a Little Calumet River Conservancy District to clean and maintain the river as it runs through Lake County.

• Adopted a stance on a possible income tax in Lake County, voting that if the Local Option Income Tax is imposed on the county, that money be given back to Munster for the completion of the Little Calumet River flood control project and its long-term operations and maintenance.
Little Cal commission revamp moves to House

Daniels would appoint five members of panel under bill

BY PATRICK GUINANE
pguinane@nwitimes.com
317-237-9016


See LITTLE CAL, A5

Little Cal

Continued from A3

would replace the current 11-member board with five commissioners, all of whom would be appointed by the governor. Local officials, including region mayors, would lose their appointments to the levee-building commission, which has taken the brunt of the blame for September flooding that damaged more than 4,000 homes. Soliday’s legislation would require the governor to appoint four levee commission members from Lake or Porter counties and one representative from the Indiana Department of Natural Resources.

The appointees could not hold another appointed or elected office, and three of five commission members would be required to have a background in construction management, flood control or a related field.
Little Cal project gets some traction
Last legs of levee advance, funding source still not final

BY SUSAN BROWN
sbrown@mdetimes.com
219.836.3780

MUNSTER | The U.S. Army Corps of Engineers has relented in insisting all right-of-entry be finalized before advertising construction contracts to complete the final legs of the federal levee system.

That means the way has been cleared to conduct construction concurrently on the last two segments of the levee, a goal sought by Munster and Hammond residents urging the levee's completion be accelerated.

Because of a recent settlement with BP over a stalled right-of-entry, plans to advertise contracts for Stage 7, which runs between Northcote and Columbia avenues, were launched this week and the same for Stage 8, which runs between Columbia Avenue and the Illinois state line, may not be far behind.

Ron McAhron, deputy director of the Indiana Department of Natural Resources and the Little Calumet River Basin Development Commission's point man with the governor's office, and commission Chairman Dan Dermulc recently met with the Southmoor Road residents who have opposed the levee system coming into their neighborhood.

The most significant development regarding the stalemate is that the Army Corps has now agreed to bid out Stage 8 without right-of-entry to Southmoor Road, he said Wednesday during a commission study session in Munster Town Hall.

Residents of the far west side Hammond neighborhood, already freed from having to obtain costly flood insurance because of the high elevation of their property, have long questioned the need for the levee on their part of the river.

They contend the levee can safely end at Lyman Avenue.

See LITTLE CAL, A5

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Little Cal
Continued from A3

McAhron said a tour of the vicinity proved informative. "It's a complicated situation," he said.

Dermulc said no other commitments were made to the Southmoor residents. "We didn't give them any answers because we don't have any answers," Dermulc said.

Also during the study session, Dermulc, McAhron, and fellow Commissioners Mark Gordish and Arlene Colvin reviewed a draft of a letter to the Northwest Indiana Regional Development Authority as requested when the RDA in January wrote a second check, this time in the amount of $1.7 million, to help advance the project. At the time, the RDA asked for an accounting of the spending, a payment schedule, a final cost and a construction timeline within 90 days.

The commission continues to contend uncertain funding makes it difficult to totally fulfill the RDA's request. Two versions of a funding bill are making their way through the Legislature, one asking for some $15 million to finish the levee and the other, $9 million. Only $2 million appeared in Gov. Mitch Daniels' proposed budget.

"This is a loan," Dermulc said with some frustration. "How are we going to pay this loan back?"

As currently drafted, the letter indicates a commitment by the commission to fulfill its original agreement to repay the loan as it receives state funding.

Assuming the commission receives its usual $2 million appropriation over this biennium, the commission is offering a tentative $250,000 repayment this biennium with a commitment to vigorously seek full repayment in the next biennial budget.
LAKE COUNTY

Visclosky wants $24M for Little Cal levee work


The bill is scheduled for consideration and passage Wednesday. The $24 million represents a $10 million increase over the original amount announced in July for the construction of levees between Northcote Avenue and the Illinois state line.

The question of the local match is currently pending before the Legislature.
Federal funding hike for levee under way

BY SUSAN BROWN
sbrown@nwitimes.com
219.636.3780 l Thursday, February 26, 2009 l (4 comment(s))

HAMMOND — The Little Calumet River Flood Control and Recreation Project is expected to receive a big financial boost as this year’s Omnibus Appropriations Act makes it through the U.S. House of Representatives.

Earlier this week the office of U.S. Rep. Pete Visclosky had announced a $24 million appropriation for the federal levee project, up $10 million from the $14 million Visclosky announced last July.

Late Wednesday afternoon, Visclosky spokesman Jacob Ritvo said the vote on the bill was one of a series of votes currently under way. The measure was expected to be passed later.

"Congressman Visclosky sought and delivered $24 million in federal funding for the Little Calumet River Flood Control and Recreation Project because that is half the amount of federal funds the Little Cal (River Basin Development Basin Commission) says it needs to complete the project in two years," Ritvo said. "The congressman is serious about finishing the levee construction within that two-year timeline and will do everything he can to secure the entire remainder of the federal cost next year."

Ritvo said it is critically important that all necessary local matching funds be secured to access the federal funding.

"This is a serious matter and the people of Northwest Indiana cannot afford to have completion of this project delayed any longer," Ritvo said.

A record rainfall in mid-September resulted in heavy flooding causing millions of dollars in damage to the area, particularly the town of Munster and the city of Gary.

In announcing the federal funding hike earlier this week, Visclosky said given the urgency of the matter, he hoped the state would act quickly to provide the funds to finish the project.

The financially hamstrung Little Cal commission received a small but much-needed $1.7 million boost in January to continue operations, thanks to a second advance of a $6 million loan from the Northwest Indiana Regional Development Authority, but the commission has estimated its capital needs at $13 million to finish construction to the Illinois state line.

Plans to hire a construction management firm to lead the remainder of the project are on hold until the state determines its level of funding for the project.

Most recently, the Indiana House passed a one-year budget offering $9 million in a local match for the project and also a bill reducing the 11-member Little Calumet commission to five, all to be appointed by the governor.
Bill to overhaul Little Cal commission advances

Story  Discussion

BY PATRICK GUINANE
pguinean@nwitimes.com
317.637.9078 | Wednesday, February 25, 2009 | (2 comment(s))

INDIANAPOLIS | The Indiana House voted 95-2 on Wednesday to let Gov. Mitch Daniels reslock the embattled Little Calumet River Basin Development Commission.


U.S. Rep. Pete Visclosky, D-Ind., called for the revamp in the wake of September flooding that damaged more than 4,000 region homes.

The commission, created 28 years ago to build protective levees along a 24-mile stretch of the river from Gary to Illinois, still hasn't finished the project. The panel took the brunt of the blame for the fall flooding.

"We had a number of floods, we shut down I-80/94 and we had damage to more than 4,000 homes," Soliday told House colleagues. "We need to make these changes in order to move that project forward and get it done."

The legislation requires that Daniels appoint four commissioners from Lake or Porter counties and one representative of the Indiana Department of Natural Resources. Three of the five appointees must have a background in flood prevention, construction management or related field.

The measure, which also requires annual audits of commission finances, now goes to the Senate.
HOUSE BILL No. 1716

DIGEST OF HB 1716 (Updated February 23, 2009 4:10 pm - DI 73)

Citations Affected: IC 14-13; noncode.

Synopsis: Little Calumet River basin development commission. Changes the membership of and the qualifications for membership on the Little Calumet River basin development commission (commission). Requires record keeping and audits of the commission's accounts. Requires the commission to prepare reports annually, or more frequently as required by the governor. Staggers the initial terms of the members. Requires the commission to provide or provide for the training and instruction of persons who are responsible for maintaining levees or other improvements related to flood control. Makes conforming changes.

Effective: June 1, 2009; July 1, 2009.

Soliday, Lawson L, Stevenson, Candelaria Reardon

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type:
Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in this style type. Also, the word NEW will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.
Conflict reconciliation: Text in a statute in this style type or this style type reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1716

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.

Be it enacted by the General Assembly of the State of Indiana:

SOURCE: IC 14-13-2-7; (09)HB1716.2.1. --> SECTION 1. IC 14-13-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) The commission has eleven (11) members as follows:
(1) One (1) member appointed by the county executive of Lake County:
(2) One (1) member appointed by the county executive of Porter County:
(3) One (1) member appointed by the executive of Gary:
(4) One (1) member appointed by the executive of Hammond:
(5) One (1) member appointed by the director:
(6) six (6) five (5) members appointed by the governor.
(b) Not more than six (6) members may belong to the same political party: The governor shall make appointments after all the others are made so that this requirement is feasible to implement.
(b) The governor shall appoint members of the commission so that the following requirements are met:
(1) One (1) member must be a representative of the department of natural resources. The member may not be an employee or elected official of a city, town, or county governmental unit.
(2) The remaining four (4) members must meet the following requirements:
(A) Four (4) members must reside in a:
(i) city;
(ii) town; or
(iii) township (if the member resides in an unincorporated area of the county); that borders the Little Calumet River.
(B) At least three (3) of the members must have a background in:
(i) construction;
(ii) project management; or
(iii) flood control;
or a similar professional background.
(C) A member may not be an employee or elected official of a city, town, or county
governmental unit.

SOURCE: IC 14-13-2-10; (09)HB1716.2.2. --> SECTION 2. IC 14-13-2-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. (a) The commission shall meet on call of any of the following:
   (1) The chairman.
   (2) The executive director.
   (3) Any three (3) members.
   (b) Six (6) Three (3) commission members constitute a quorum.

SOURCE: IC 14-13-2-17; (09)HB1716.2.3. --> SECTION 3. IC 14-13-2-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17. (a) The commission may provide for the construction, improvement, development, operation, and management of projects, including any facilities, betterments, and improvements that are part of projects, in the manner that the commission considers appropriate in furtherance of the purposes of this chapter.
   (b) The commission may enter into:
      (1) a lease agreement as lessor or sublessor; or
      (2) an operation or a license agreement;
   with respect to all or part of a site, a facility, a betterment, or an improvement that is part of projects with at least one (1) public or private person or entity, including political subdivisions of the state and public agencies, departments, and agencies, on the terms and conditions that the commission considers appropriate in furtherance of the purposes of this chapter.

   (c) The commission shall provide or provide for the training and instruction of persons who are responsible for maintaining any levees or other improvements related to flood control under this article. The training and instruction must be sufficient to enable those persons to properly maintain the levees or other improvements related to flood control.

SOURCE: IC 14-13-2-30; (09)HB1716.2.4. --> SECTION 4. IC 14-13-2-30 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 30. The commission is responsible for the safekeeping and deposit of money the commission receives under this chapter. The state board of accounts shall:
   (1) prescribe the methods and forms for the keeping of; and
   (2) annually audit;
   the accounts, records, and books of the commission and fund.

SOURCE: IC 14-13-2-31; (09)HB1716.2.5. --> SECTION 5. IC 14-13-2-31 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 31. (a) Subject to subsection (c), before November 1 of each year, the commission shall make a report of the commission's activities to the following:
   (1) The governor.
   (2) The legislative council.
   (b) A report made to the legislative council under this section must be in an electronic format under IC 5-14-6.
   (c) The governor may require the commission to issue reports more frequently than would otherwise be required under subsection (a).

SOURCE: ; (09)HB1716.2.6. --> SECTION 6. [EFFECTIVE JUNE 1, 2009] (a) The definitions that apply to IC 14-13-2 also apply to this SECTION.
   (b) Notwithstanding IC 14-13-2-8, the terms of the members of the commission serving on June 30, 2009, expire on June 30, 2009.
   (c) The governor shall appoint five (5) members to the commission under IC 14-13-2-7, as amended by this act. Notwithstanding IC 14-13-2-8, the members appointed under this SECTION have the following initial terms:
   (1) One (1) member has a term of one (1) year.
(2) One (1) member has a term of two (2) years.  
(3) One (1) member has a term of three (3) years.  
(4) Two (2) members have a term of four (4) years.  
(d) An individual appointed to the commission under subsection (c) becomes a member of the commission:  
(1) on July 1, 2009; or  
(2) on the date of appointment, if that date follows July 1, 2009.

However, for purposes of determining when the initial term of a member appointed under subsection (c) expires, July 1, 2009, shall be treated as the date on which the member’s term began.

(e) This SECTION expires July 1, 2013.

SOURCE: ; (09)HB1716.2.7. --> SECTION 7. An emergency is declared for this act.
March 4, 2009

The Honorable Mitch Daniels
Governor, State of Indiana
Office of the Governor
200 W. Washington St., Rm. 206
Indianapolis, IN 46204

Re: Civilian request to agency for independent peer review of flood control project

Dear Governor Daniels:

I am the Chairman of the Little Calumet River Basin Development Commission (the "Commission"), an Indiana state agency established under Indiana Code § 14-13-2-1, et seq, for the purpose of conducting flood control and other ancillary activities in land adjacent to the Little Calumet River in Indiana. The Commission is specifically authorized and empowered to exercise the power of eminent domain to acquire land for said purposes.

In accordance with the purpose for which it was established, the Commission entered into a Local Cooperation Agreement with the United States Army Corps of Engineers ("USACE") on August 16, 1990, which agreement established the parameters of the Little Calumet River Basin project (the "Project"). Since that time, the Project has proceeded pursuant to the agreed plans developed in cooperation by the Corps and the Commission and is nearing completion.

In early February, 2009, the Commission received a request in the form of two letters written by a private citizen, Mr. Michael Zarantonello. Mr. Zarantonello requested independent peer review of a portion of the Project along Southmoor Road in Hammond, Indiana. Mr. Zarantonello specifically cited Section 2034 of the Water Resources Development Act of 2007 in making his request. Copies of the letters are enclosed herein for your reference.

The Commission is referring Mr. Zarantonello's request to Lieutenant General Robert L. Antwerp, Jr., the Chief of Engineers of the USACE. Pursuant to Section 2034(a)(3)(A)(ii) of the Water Resources Development Act of 2007, as Governor, you may request independent peer review of the Project. Such request would be made to General Antwerp. If you have any questions or need additional information, please contact me.

Sincerely,

Daniel Dernulc
Chairman
March 4, 2009

Lieutenant General Robert L. Antwerp, Jr.
Chief of Engineers
Headquarters, US Army Corps of Engineers
441 G. Street, NW
Washington, DC 20314-1000

Re: Civilian request to agency for independent peer review of flood control project

Dear General Antwerp:

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The Commission now refers this request to you for your determination if independent peer review of the Project is necessary under the Water Resources Development Act of 2007. If you have any questions or need additional information, please contact me.

Sincerely,

Daniel Dernule
Chairman
COMMUNITIES WITH PUMP BIDS. NO PUMPING CHANGES WILL BE ORDERED FOR ANY OF THESE BIDS. FROM AREAS BASED UPON THEIR DETERMINATION THE HIGHEST RESPONSIVE BID AND UPON THAT BID BEING
WE RECOMMEND USING THE FARMER INDICATED BY (X) TO FARM EACH OF THE FOUR (4) SEPARATE

**RECOMMENDATION:**

ENSURE THIS WITHIN THE FIRST TO FARM. ADVERSE IN SEVERAL LOCAL ADDITION TO DIRECT INQUIRY TO FARMERS WE HAVE HAD AGREED TO

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**BREAKDOWN SHEET - FARM LICENSE BIDS**

March 4, 2009 - Bid Opening

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**TOTAL** 418,826.82

**ADMINISTRATIVE**

RDA $1,701,742.

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**Administrative Budget**
- Total: 109,162.00

**Remaining State Funds**
- Total: 50,683.00

**Remaining RDA Monies**
- Total: 1,701,742.00

**Total All Funds**
- Total: 1,861,587.00
February 26, 2009

Mr. Shamel Abou-El-Seoud, PE  
Chief, Construction-Operations Branch  
U.S. Army Corps of Engineers  
111 N. Canal Street  
Chicago, Illinois  60606-7206

Dear Shamel:

This letter is to acknowledge that the Development Commission has addressed the five items you indicated were mandatory for us to complete no later than February 27. Those items are listed as follows, along with the status of each:

1. Replace the grounding at the Burr Street Pump Station  
   - This work was completed on February 24, 2009

2. Marshalltown Pump Station – Reactivate non-functioning pumps  
   - This work was completed on February 25, 2009

3. Megger testing for all six pump stations in Gary  
   - This work was completed February 23, 2009

4. And 5. Provide closure exercise at the north line of protection on Chase Street  
   - To have plan in place to do closures during flood event  
   - The exercise for installing the closures is scheduled for February 27. After completion of this exercise, Dyer Construction Company will provide a cost to the Development Commission to install these closures upon being notified in the event of a flood.

We hope this meets your immediate needs for emergency action regarding the unacceptable and critical items as the result of the 2008 inspections. If you have any questions or need any additional information, please contact me and I will forward you what you need.

Sincerely,

James E. Pokrajac, Agent  
Land Management/Engineering

/sjm  
cc: William Rochford, Imad Samara, USACE  
    Dan Dernulc, Kent Gurley, Ron McAhron, LCRBDC
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Construction Progress Report
Thru End of February 2009

CONTRACT NO.: W912P6-05-C-0010
CONTRACT TYPE: Construction
CONTRACTOR: Illinois Constructors Corporation
DESCRIPTION: Local Flood Protection Little Calumet River, Indiana Stage VI-1 North Levee

TS-C-S
D. Andersen
Edd
Lee

30-Sep-05 5,566,871.00
19-Oct-05 5,751,905.19
21-Jul-07 640
27-Nov-07 769
27-Nov-07 0

ESTIMATED PROGRESS
A. Present Earnings as of Pay Est. No. 15 5,238,793.88
B. Estimated Earnings thru end of reporting period 287,711.31
C. Value of work Performed on Directed Mods (Earnings not paid for) 0.00
TOTAL ESTIMATED PROGRESS (A+B+C) 5,526,505.19

TOTAL ESTIMATED FINAL CONTRACT AMOUNT
D. Current Contract Amount thru Mod. 5,751,905.19
E. Current Value of Overruns/Underruns (+/-) (Variations in estimated Quantities) -33,041.65
F. Directed, Pending Modifications (Misc Changes in Progress) 14,600.00
TOTAL ESTIMATED FINAL CONTRACT AMOUNT (D+E+F) 5,733,463.54

Funds OBLIGATED FOR PAYMENT: thru Modification 5,751,905.19

ACTUAL PERCENT COMPLETE (A+B+C)/(D+E+F) 96.39%
SCHEDULED PERCENT COMPLETE (per NAS or Progress Chart) 96.00%

TOTAL EARNINGS AT THE END OF FY08 (Includes $287,711.31 accruals made in FY08) 5,526,505.19

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G. Current Projection of Total Fiscal Year Earnings 200,000.00
H. Initial Projection of Fiscal Year Earnings (From First Progress Report This FY) 200,000.00
I. Amount Ahead of Initial Earnings Projection (Negative Indicates Behind) (G-H) 0.00

ACCRAULS THIS MONTH

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FULLY FUNDED PROJECT Field work for Levee Crack investigation drilling and pit sampling was completed on 04/24/08. Contractor directed to replace non-conforming satisfactory fill, 100% Contractor respon. Work completed on removing and replacing nonconforming sat fill. Topsoil final grading and seeding remain, awaiting warm weather. Final Inspection on hold until grading/seeding are completed. Most work essentially completed. Pre-Final Punchlist assembled. ** Change orders pending for Kennedy Pump Sta outlet change, debris in the drive line, deletion of 7-1C pre-load. ** Wetland fill violation at Oxbow outside work limits an issue between LCRBDC, City of Hammond, Corps Regulatory and IDEM. RESOLUTION UNKNOWN - in hands of LCRBDC. Kroasan Properties crossed easements and tied into MH 172 with RCP outlet line and placed minor retaining wall on levee land side slope, LCRBDC informed. Waiting for final cross sections after repairs. **SUBSTANTIAL COMPLETION WAS 11/27/07 - LEVEE CRACK RESOLUTION MAY AFFECT***
Construction Progress Report
Thru End of February 2009

CONTRACT NO.: W912P6-07-C-0003
CONTRACT TYPE: Construction
CONTRACTOR: Dyer Construction Co., Inc.
DESCRIPTION: LCR, Local Flood Protection, Burr Street Phase 2 East

TS-C-S
D. Anderson
Edd/Nielsen
Craib

28-Feb-07 3,342,583.22
13-Mar-07 3,248,957.86
5-Jul-08 480
30-Jul-08 505
30-Jul-08 0
30-Jul-08

ESTIMATED PROGRESS
A. Present Earnings as of Pay Est. No. 8 2,831,385.55
B. Estimated Earnings thru end of reporting period 180,000.00
C. Value of work Performed on Directed Mods (Earnings not paid for) 0.00
TOTAL ESTIMATED PROGRESS (A+B+C) 3,011,385.55

TOTAL ESTIMATED FINAL CONTRACT AMOUNT
D. Current Contract Amount thru Mod. A00004 3,248,957.86
E. Current Value of Overruns/Underruns (+/-) 0.00
F. Directed, Pending Modifications (Mult. Changes) 90,000.00
TOTAL ESTIMATED FINAL CONTRACT AMOUNT (D+E+F) 3,338,957.86

Funds Obligated for Payment: thru Modification A00004 3,248,957.86

ACTUAL PERCENT COMPLETE (A+B+C)/(D+E+F) 90.19%

SCHEDULED PERCENT COMPLETE (per NAS or Progress Chart) 95.00%

TOTAL EARNINGS AT THE END OF FY0 (Includes $180,000.00 accruals made in FY08) 3,011,385.55

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G. Current Projection of Total Fiscal Year Earnings 360,566.31
H. Initial Projection of Fiscal Year Earnings (From First Progress Report This FY) 360,566.31
I. Amount Ahead of Initial Earnings Projection (Negative Indicates Behind) (G-H) 0.00

ACCRUALS THIS MONTH

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<th>LINE ITEM</th>
<th>WORK ITEM</th>
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<th>THIS MONTH ACCRUAL</th>
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PROJECT STATUS/MAJOR ISSUES:
This Contract is fully funded. Contract Awarded 02/28/2007. NTP Acknowledged 03/13/2007
- All current major features of work completed. RR Closure Plates installed.
- RFP sent to Contractor for miscellaneous mod, received preliminary approval from LCRBDC. Proposal being reviewed.
- Negotiations completed to extend Sheet Pile Wall with small levee at West Closure. Modification being processed.
- Final Quantities being determined, awaiting contractor resubmittal.
Construction Progress Report 
Thru End of February 
2009

CONTRACT NO.: W912P6-07-C-0011
CONTRACTOR: Dyer Construction Co., Inc.
DESCRIPTION: FCP, Local Flood Protection, Stage 5-2

TS-C-S
D. Anderson
Edd/Ibrahim
Balogh

ORIGINAL CONTRACT AWARD DATE/AMOUNT: 29-Sep-07 13,140,189.41
NTP DATE/CURRENT CONTRACT AMOUNT: Mods A00010 P00009 17-Oct-07 17,232,052.71
ORIGINAL CONTRACT COMPLETION DATE/REVISED DURATION: 5-Nov-09 750
REVISED CONTRACT COMPLETION DATE/REVISED DURATION: 5-Nov-09 750
PENDING SCHEDULED COMPLETION DATE/PENDING TIME EXTENSIONS: 5-Nov-09 0
AREA ENGINEER'S ESTIMATED SUBSTANTIAL COMPLETION DATE: 30-Jun-10

ESTIMATED PROGRESS
A. Present Earnings as of Pay Est. No. 13 10,314,228.02
B. Estimated Earnings thru end of reporting period (est. work in place) 80,000.00
C. Value of work Performed on Directed Mods (Earnings not paid for) 0.00

TOTAL ESTIMATED PROGRESS (A+B+C) 10,394,228.02

TOTAL ESTIMATED FINAL CONTRACT AMOUNT
D. Current Contract Amount thru Mod. A00010 P00009 17,232,052.71
E. Current Value of Overruns/Underruns (+/-) (over strip/imprevision) 600,000.00
F. Directed, Pending Modifications (see comments below for descr.) 1,218,000.00

TOTAL ESTIMATED FINAL CONTRACT AMOUNT (D+E+F) 19,050,052.71

FUNDs OBLIGATED FOR PAYMENT: thru Modification A00010 P00009 13,078,734.95

ACTUAL PERCENT COMPLETE (A+B+C)/(D+E+F) 53.17%

SCHEDULED PERCENT COMPLETE (per NAS or Progress Chart) 53.00%

TOTAL EARNINGS AT THE END OF FY08 (Includes $790,000.00 accruals made in FY08) 9,768,247.54

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G. Current Projection of Total Fiscal Year Earnings 6,537,722.63
H. Initial Projection of Fiscal Year Earnings (From First Progress Report: This FY) 6,508,742.15
I. Amount Ahead of Initial Earnings Projection (Negative Indicates Behind) (G-H) 28,980.48

ACCURALS THIS MONTH

| NON-FED | 0001 | KF4KFO | 0.00 | 5,600.00 | 5,600.00 |
| FEDERAL | 0002 | 1C84L4 | 0.00 | 74,400.00 | 74,400.00 |
| FEDERAL (Receiv.) | 0003 | 1C84L4 | 0.00 | 0.00 | 0.00 |
| NON-FED (Rec.) | 0004 | KF4KFO | 0.00 | 80,000.00 | 80,000.00 |

TOTAL

PROJECT STATUS/MAJOR ISSUES:

| This Contract is incrementally funded... | The Contractor has requested a total of 61 work days (not calendar days) for in-process contract modifications due to interference from utilities that were not relocated in advance, contract changes, and differing site conditions. The Contractor is also due an increase of 38 work days as compensation for unusually severe weather through October 2008. The Weather Days through October have been negotiated to a new completion date of January 13, 2010, modification being processed. The remaining 61 work days plus adverse weather experienced in November and December of 2008 and the anticipated winter shutdown period will result in a contract extension approximately to the end of June 2010. This estimate does not include additional modifications or more unusually severe weather. Sheet piling essentially installed. Working on 2N Levee. Many DSC/Debris instances, LCRBDC has taken care of some interfering existing abandoned utilities. Planning to start Utility Corridor work January 2009. |
| - Pending mods- not all listed * Abandoned Pump Sta Fdtn. * Trail/Fence Changes... RFP issued |
| * Baring Ave Pump Sta overflow outlet DSC, RFP to be re-issued with design changes. IGU in process. |
| * DSC - location of 96" pump station outfall/Deleat 96" pipe shown on Civil, RFP Issued |
| * RFP issued for 18" CMP DSC Wicker Park I-Wall. Proposal Received * Excess excav material, 6N |
| * Overstrip/Improv. fill in var. locns. - $600,000 add to contract * Riprap issues with IDEM cleared. |
| * Seepage concerns - 1040 ft of cutoff structures RFP issued, design change to impervious cut off trench, work complete Due to permit issues, will separate riprap from Hart Ditch and No. Drive I-Wall changes. IDEM approved, RFP pending. |
Construction Progress Report Thru End of February 2009

CONTRACT NO.: W81G680523765
CONTRACTOR: The Hartford
DESCRIPTION: Little Calumet River - Pump Station Phase 1A - Surety Takeover Agreement

TS-C-S D. Anderson
G. Anderson
Crab

ORIGIANL CONTRACT AWARD DATE/AMT. (SURETY TAKEOVER SIGNED): 25-Jan-08 725,845.54
NTP DATE/CURRENT CONTRACT AMOUNT: Mods 17-Jul-08 725,845.54
None

ORIGINAL CONTRACT COMPLETION DATE/ORIGINAL DURATION: 12-Jul-09 360
REVISED CONTRACT COMPLETION DATE/REVISED DURATION: 12-Jul-09 360

PENDING SCHEDULED COMPLETION DATE/PENDING TIME EXTENSIONS: 20-Sep-09 70
AREA ENGINEER'S ESTIMATED SUBSTANTIAL COMPLETION DATE: 30-Jun-09

ESTIMATED PROGRESS
A. Present Earnings as of Pay Est. No. 1 67,926.98
B. Estimated Earnings thru end of reporting period 0.00
C. Value of work Performed on Directed Mods (Earnings not paid for) 0.00
TOTAL ESTIMATED PROGRESS (A+B+C) 67,926.98

TOTAL ESTIMATED FINAL CONTRACT AMOUNT
D. Current Contract Amount thru Mod. None 725,845.54
E. Current Value of Overruns/Underruns (+/-) 25,000.00
F. Directed, Pending Modifications 0.00
TOTAL ESTIMATED FINAL CONTRACT AMOUNT (D+E+F) 750,845.54

FUNDS OBLIGATED FOR PAYMENT: thru Modification None 725,845.54

ACTUAL PERCENT COMPLETE (A+B+C)/(D+E+F) 9.05%

SCHEDULED PERCENT COMPLETE (per NAS or Progress Chart) 12.00%

TOTAL EARNINGS AT THE END OF FY08 0.00

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G. Current Projection of Total Fiscal Year Earnings 725,845.54
H. Initial Projection of Fiscal Year Earnings (From First Progress Report This FY) 725,845.54
I. Amount Ahead of Initial Earnings Projection (Negative Indicates Behind) (G-H) 0.00

ACCRUALS THIS MONTH
LINE ITEM WORK ITEM CURRENT THIS MONTH TOTAL
FEDERAL 0001 00229B 0.00 46,500.00 46,500.00
NON-FED 001A 00229C 0.00 3,500.00 3,500.00

PROJECT STATUS/MAJOR ISSUES:
Preconstruction Meeting held 11 JUN 2008.
NTP acknowledged on 17 JUL 2008.
South Kennedy SW Pump No. 3 tested 11 NOV 2008. Results appear favorable.
Removed South Kennedy SW Pump 2 - Currently being Rebuilt.
Fabrication of Walnut Avenue Pump No. 6 in Progress.
SS001 Pending Change - $15,000.00 and 10 week time extension proposed for add'l pump rehab for So Kennedy No. 2.
CONSTRUCTION PROGRESS REPORT
Thru End of February 2009

CONTRACT NO.: W9125P-08-C-0016
CONTRACTOR: Theilman Construction
DESCRIPTION: PUMP STATION 2A Rehabilitation

TS-C-S
D. Anderson
M. Ibrahim
R. Crab

ORIGINAL CONTRACT AWARD DATE/AMOUNT:
NTP DATE/CURRENT CONTRACT AMOUNT: None
ORIGINAL CONTRACT COMPLETION DATE/ORIGINAL DURATION:
REVISED CONTRACT COMPLETION DATE/REVISED DURATION:
PENDING SCHEDULED COMPLETION DATE/PENDING TIME EXTENSIONS:
AREA ENGINEER'S ESTIMATED SUBSTANTIAL COMPLETION DATE:

ESTIMATED PROGRESS
A. Present Earnings as of Pay Est. No. 3
B. Estimated Earnings thru end of reporting period 1
C. Value of work performed on Directed Mods (Earnings not paid for) 0.00
TOTAL ESTIMATED PROGRESS (A+B+C) 236,723.91

TOTAL ESTIMATED FINAL CONTRACT AMOUNT
D. Current Contract Amount thru Mod. None
E. Current Value of Overruns/Underruns (+/-) 0.00
F. Directed, Pending Modifications 0.00
TOTAL ESTIMATED FINAL CONTRACT AMOUNT (D+E+F) 1,644,000.00

FUNDS OBLIGATED FOR PAYMENT: thru Modification

ACTUAL PERCENT COMPLETE (A+B+C)/(D+E+F) 7.10%

SCHEDULED PERCENT COMPLETE (per NAS or Progress Chart) 0.00%

TOTAL EARNINGS AT THE END OF FY08 12,208.00

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<td>31,243.91</td>
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G. Current Projection of Total Fiscal Year Earnings 1,631,792.00
H. Initial Projection of Fiscal Year Earnings (From First Progress Report This FY) 1,629,000.00
I. Amount Ahead of Initial Earnings Projection (Negative Indicates Behind) (G-H) 2,792.00

ACCRUALS THIS MONTH

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PROJECT STATUS/MAJOR ISSUES
The contractor continues to submit technical submittals and is setup for temporary pumping so that he can take out the first set of pumps by the end of Dec 08. The contractor was issued a letter of concern for lack of progress. A meeting was held on 18 Dec to discuss his plan to complete work by the current contract completion date. He submitted a new schedule shown that he can. The schedule is tight, but it's possible. He is aware and the government will continue to watch.
Construction Progress Report
Thru End of February 2009

CONTRACT NO: W912P6-08-C-0027
CONTRACT TYPE: Construction
CONTRACTOR: Garner Services, LLC
DESCRIPTION: Little Calumet River, Pump Station 2B

TS-C-S D. Anderson
M. Ibrahim R. Craib

ORIGINAL CONTRACT AWARD DATE/AMT: 30-Sep-08 18,903,380.00
NTP DATE/CURRENT CONTRACT AMOUNT: Mods P00003 20-Oct-08 18,903,380.00
REvised CONTRACT COMPLETION DATE/REvised DURATION: 13-Apr-10 540
PENDING SCHEDULED COMPLETION DATE/PENDING TIME EXTENSIONS: 20-Oct-08 0
AREA ENGINEER'S ESTIMATED SUBSTANTIAL COMPLETION DATE: 30-Jun-08

ESTIMATED PROGRESS
A. Present Earnings as of Pay Est. No. 1 350,924.00
B. Estimated Earnings thru end of reporting period 75,000.00
C. Value of work Performed on Directed Mods (Earnings not paid for) 0.00
TOTAL ESTIMATED PROGRESS (A+B+C) 425,924.00

TOTAL ESTIMATED FINAL CONTRACT AMOUNT
D. Current Contract Amount thru Mod. P00003 18,903,380.00
E. Current Value of Overruns/Underruns (+/-) 0.00
F. Directed, Pending Modifications -11,800.00
TOTAL ESTIMATED FINAL CONTRACT AMOUNT (D+E+F) 18,891,580.00

FUNDS OBLIGATED FOR PAYMENT: thru Modification P00003 2,500,000.00

ACTUAL PERCENT COMPLETE (A+B+C)/(D+E+F) 2.25%

SCHEDULED PERCENT COMPLETE (per NAS or Progress Chart) 0.00%

TOTAL EARNINGS AT THE END OF FY08

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<td>Apr 1,574,076.00</td>
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<td>May 374,076.00</td>
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<td>Sep -3,875,924.00</td>
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G. Current Projection of Total Fiscal Year Earnings 6,375,924.00
H. Initial Projection of Fiscal Year Earnings (From First Progress Report This FY) 5,125,000.00
I. Amount Ahead of Initial Earnings Projection (Negative Indicates Behind) (G-H) 1,250,924.00

ACCURALS THIS MONTH

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Contract Awarded 30 September 2008
- Contractor is currently submitting pre-construction submittals.
- Modification P00003 was issued. This modification adds $1.5M to the obligated amount making it $2.5M.
March 4, 2009

Mr. Dave Woodsmall  
MARATHON PIPELINE LLC  
8106 Kickbusch Drive  
Valparaiso, Indiana 46385

Dear Mr. Woodsmall:

This letter is to acknowledge your request for an increase cost from $210,000 to $330,000 (an increase of $120,000) for the pipeline corridor on the NSSR right-of-way in Highland, and Hammond, IN. We will use this revised estimate as a basis for review and reimbursement of final invoices when they are received, once work is completed.

As per our signed agreement dated April 24, 2008 with Marathon Pipeline LLC, we are meeting our obligation to send you a letter of authorization whereby you may start this work immediately upon receipt of this letter (Section IV). If you have any concern about your ability to proceed under this contract, please contact me at 219-972-4521 or dder927@sbcglobal.net.

Sincerely,

Daniel Dernulc  
Chairman  
Little Calumet River Basin  
Development Commission

/sjm  
cc: Ryan Bandy, Farnsworth Group  
LCRBDC members  
Lou Cassale, LCRBDC attorney  
Jim Pokrajac, Agent, Engineering  
Imad Samara, Sheldon Edd, USACE
March 4, 2009

Mr. Fred Hipshear
WOLVERINE PIPELINE CO.
8075 Creekside Drive
Suite 210
Portage, Michigan 49024

Dear Mr. Hipshear:

This letter is to acknowledge your request for an increase cost from $102,200 to $221,600 (an increase of $119,400) for the pipeline corridor on the NIPSCO right-of-way in Highland, and Hammond, IN. We will use this revised estimate as a basis for review and reimbursement of final invoices when they are received, once work is completed.

As per our signed agreement dated June 23, 2008 with Wolverine Pipeline Company, we are meeting our obligation to send you a letter of authorization whereby you may start this work immediately upon receipt of this letter (Section IV). If you have any concern about your ability to proceed under this contract, please contact me at 219-972-4521 or dd2927@sbcglobal.net.

Sincerely,

Daniel Dernulc
Chairman
Little Calumet River Basin
Development Commission

/sjm

cc: LCRBDC members
Lou Casale, LCRBDC attorney
Jim Pokrajac, Agent, Engineering
Imad Samara, Sheldon Edd, USACE
March 4, 2009

Ms. Marcie Foster  
BP PIPELINES INC.  
28100 Torch Pkwy, Suite 600  
Warrenville, Illinois 60555

Dear Ms. Foster:

This letter is to acknowledge your request for an increase cost from $259,835 to $602,775 (an increase of $342,940) for the pipeline corridor on the NIPSCO right-of-way in Highland, and Hammond, IN. We will use this revised estimate as a basis for review and reimbursement of final invoices when they are received, once work is completed.

As per our signed agreement dated May 19, 2008 with BP PIPELINES (NORTH AMERICA) INC. we are meeting our obligation to send you a letter of authorization whereby you may start this work immediately upon receipt of this letter (Section IV). If you have any concern about your ability to proceed under this contract, please contact me at 219-972-4521 or dd2927@sbcglobal.net.

Sincerely,

Daniel Dernulc  
Chairman  
Little Calumet River Basin  
Development Commission

/sjm
cc: Phil Dittman, BP Pipelines  
LCRBDC members  
Lou Casale, LCRBDC attorney  
Jim Pokrajac, Agent, Engineering  
Imad Samara, Sheldon Edd, USACE
March 4, 2009

The Honorable Mitch Daniels  
Governor, State of Indiana  
Office of the Governor  
200 W. Washington St., Rm. 206  
Indianapolis, IN 46204

Re: Civilian request to agency for independent peer review of flood control project

Dear Governor Daniels:

I am the Chairman of the Little Calumet River Basin Development Commission (the "Commission"), an Indiana state agency established under Indiana Code § 14-13-2-1, et seq, for the purpose of conducting flood control and other ancillary activities in land adjacent to the Little Calumet River in Indiana. The Commission is specifically authorized and empowered to exercise the power of eminent domain to acquire land for said purposes.

In accordance with the purpose for which it was established, the Commission entered into a Local Cooperation Agreement with the United States Army Corps of Engineers ("USACE") on August 16, 1990, which agreement established the parameters of the Little Calumet River Basin project (the "Project"). Since that time, the Project has proceeded pursuant to the agreed plans developed in cooperation by the Corps and the Commission and is nearing completion.

In early February, 2009, the Commission received a request in the form of two letters written by a private citizen, Mr. Michael Zarantonello. Mr. Zarantonello requested independent peer review of a portion of the Project along Southmoor Road in Hammond, Indiana. Mr. Zarantonello specifically cited Section 2034 of the Water Resources Development of 2007 in making his request. Copies of the letters are enclosed herein for your reference.

The Commission is referring Mr. Zarantonello's request to Lieutenant General Robert L. Antwerp, Jr., the Chief of Engineers of the USACE. Pursuant to Section 2034(a)(3)(A)(ii) of the Water Resources Development Act of 2007, as Governor, you may request independent peer review of the Project. Such request would be made to General Antwerp. If you have any questions or need additional information, please contact me.

Sincerely,

Daniel Dernulc  
Chairman
March 4, 2009

Lieutenant General Robert L. Antwerp, Jr.
Chief of Engineers
Headquarters, US Army Corps of Engineers
441 G. Street, NW
Washington, DC 20314-1000

Re: Civilian request to agency for independent peer review of flood control project

Dear General Antwerp:

I am the Chairman of the Little Calumet River Basin Development Commission (the "Commission"), an Indiana state agency established under Indiana Code § 14-13-2-1, et seq, for the purpose of conducting flood control and other ancillary activities in land adjacent to the Little Calumet River in Indiana. The Commission is specifically authorized and empowered to exercise the power of eminent domain to acquire land for said purposes.

In accordance with the purpose for which it was established, the Commission entered into a Local Cooperation Agreement with the Corps on August 16, 1990, which agreement established the parameters of the Little Calumet River Basin project (the "Project"). Since that time, the Project has proceeded pursuant to the agreed plans developed in cooperation by the Corps and the Commission and is nearing completion.

In early February, 2009, the Commission received a request in the form of two letters written by a private citizen, Mr. Michael Zarantonello. Mr. Zarantonello requested independent peer review of a portion of the Project along Southmoor Road in Hammond, Indiana. Mr. Zarantonello specifically cited Section 2034 of the Water Resources Development of 2007 in making his request. Copies of the letters are enclosed herein for your reference.

The Commission now refers this request to you for your determination if independent peer review of the Project is necessary under the Water Resources Development Act of 2007. If you have any questions or need additional information, please contact me.

Sincerely,

Daniel Dernulc
Chairman
Mr. Leigh Morris,
Chariman
Northwest Indiana Regional
Development Authority
9800 Connecticut Drive
Crown Point, IN 46307

Dear Chairman Morris:

The Little Calumet River Basin Development Commission wants to sincerely thank the RDA for the December 31, check in the amount of $1,701,742. Those funds made it possible for the Commission to meet our FY 2009 Federal Escrow obligations on February 4th the Commission was able to provide the US Army Corps of Engineers the right of entry documentation necessary to enable the Corps to initiate the bid process for construction of Stage VII of the flood control project. Stage VII involved 46 property easements and 8 separate utility agreements. Without the RDA funding these prerequisite steps to actual levee construction would not have been possible.

Moreover the Commission has now obtained all right of entry agreements necessary for Stage VIII except for a contested section in South Hammond and soon the Corps will be able to bid this final section of the project. Note that Stage VII extends from Northcote to Columbia and Stage VIII picks up at Columbia and continues essentially to the State Line. This area of severe flooding last fall will soon welcome construction on the new levee system. Again thanks for your help in making this possible.

We offer the following in response to the requests in your December 31, 2008 transmittal letter:

1. The RDA is requiring assurance that these funds are being used for the purposes outlined in Exhibit A of the grant request dated April 18, 2008.
   a. Attached please find Exhibit 1 which includes copies of our request with itemized projected expenditures and our account tracking for
the project. Out of the $3,082,742 received to date from the RDA, $1,986,500 has been directly given to the Corps as the 7% project cost share consistent with the intent if not the amounts and timing specified in Exhibit A of the April 18, 2008 grant request. The remaining funds are being spent in accordance with the Budget Request included in our December 19, 2008 letter to Tim Sanders (Exhibit 2) we have also included a copy of the cost center tracking summary that categorizes each expenditure. These expenditures are consistent with the categories identified in Exhibit A although amounts and timeframes have changed with the evolution of the project. Please note that there are items included in our December 19, 2008 request that are outside of the categories identified in Exhibit A, most notably in the area of Operation and Maintenance and liability insurance coverage. The O&M items are essential to the integrity of the system and the liability insurance coverage is both good business and a Corps requirement. We ask that you allow these expenditures in these areas in accordance with our December request. We will provide itemized expenditures in these areas in subsequent reports.

2. A repayment schedule with sources of funds and a time frame for the repayment of this RDA loan.

   a. As you recall the terms of the original loan required a good faith effort to have the loan repaid from subsequent general fund budget appropriations. This was reiterated in the September 24, 2007 letter from Governor Daniels and Congressman Visclosky (Exhibit 4) committing the Commission to work with legislators to repay these funds through state appropriations in the biennial state budget over the next several years. For a variety of reasons this year's state budget will be lean and we are a long way from knowing how much will be allotted to the Commission. We are rightly focused on doing everything necessary to see that the levee system is completed as
expeditiously as possible and maintaining those sections that have been completed. We also intend to begin the repayment process out of this biennial budget and to vigorously seek the balance of the repayment in future biennial budgets.

3. A final cost, to the best of your knowledge, for the completion of this project.
   a. In our request letter dated December 19, 2008 we indicated that a project budget was being developed. Attached please find a copy of the “Overall Operations Cost Projections through Year 2012” (Exhibit 5) which reflects a cost to the LCRBDC of $13,591,344 to complete all segments of the levee project.

4. A timeline, to the best of your knowledge, for completion of this project.
   a. Exhibit 6 contains the most recent timeline from the Corps. The contracting process for the penultimate phase of the project, Stage 7. The Corps projects 500 days for the work which would make a fall 2010 completion date for Stage VII. Stage VIII should be ready to bid in April 2009 and the Corps projects a 750 day contract period for this phase which would result in project completion in mid 2011. We will work with the Corps in an attempt to accelerate project completion. The LCRBDC is responsible for rework on a section of levee in Griffith and another section of levee in Hammond west of Hohman Avenue (Forest Avenue Levee); it is our intent to have those projects completed by the fall of 2010.

I would be remiss if I did not alert you that as we keep pressing forward with the project we are making commitments for expenditures that may require further draws on the initial $6 million dollar line of credit, or even an amount beyond the $6 million. As you know monies from the biennial budget would not be available for the project until after July 1, and we may have needs to provide funding to keep construction going until those funds become available. Any funds that we
seek from you for that purpose would be sought from the State Budget Committee at their first meeting for immediate repayment.

We are excited about the progress we are making to complete the LCRBDC actions necessary to allow completion of this project. Thank you again for your assistance, past and future, and please do not hesitate to contact me with any questions you may have.

Sincerely,

Dan Dernulc,
Chairman

Enc.
Open on the distribution
Governor?
Pete?
Corps?
FISCAL IMPACT STATEMENT

LS 6569
BILL NUMBER: HB 1716

NOTE PREPARED: Feb 25, 2009
BILL AMENDED: Feb 23, 2009

SUBJECT: Little Calumet River Basin Development Commission.

FIRST AUTHOR: Rep. Soliday
FIRST SPONSOR: Sen. Charbonneau

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) Commission Membership. This bill changes the membership of and the qualifications for membership on the Little Calumet River Basin Development Commission. The bill requires record keeping and audits of the Commission's accounts. It requires the Commission to prepare reports annually, or more frequently as required by the Governor. It also staggered the initial terms of the members and makes conforming changes.

Maintaining Levees. The bill requires the Commission to provide or provide for the training and instruction of persons who are responsible for maintaining levees or other improvements related to flood control.

Effective Date: June 1, 2009; July 1, 2009.

Explanation of State Expenditures: Commission Membership. The bill reduces the membership of the Commission from 11 to 5. This provision will reduce per diem and traveling expenses associated with Commission meetings. The Commission meets monthly, and 10 members, who are local, receive $50 per meeting. (One state employee is not reimbursed.) Total commission costs are estimated at $6,000. Reducing membership by 6 could reduce costs by $3,600.

Expenses of the Commission are paid from state General Fund appropriations. For the FY 2007-2009 biennium, the Commission was appropriated $2 M for repair and rehabilitation.

Commission Reporting. Each year, the commission must report the commission's activities to the Governor and the Legislative Council. The Governor may require the commission to secure reports more frequently. These provisions will increase administrative expenses for the commission.
(Revised) Maintenance Levees. The bill requires the Commission to provide or provide for the training and instruction of persons who are responsible for maintaining levees or other improvements related to flood control. The bill contains no appropriations. As indicated above, expenses of the Commission are paid from state General Fund appropriations. For the FY 2007-2009 biennium, the Commission was appropriated $2 M for repair and rehabilitation.

State Board of Accounts (SBA): The SBA must prescribe the methods and forms for record keeping and annually audit the accounts, records, and books of the commission and fund. The provision will increase administrative expenses for the SBA. However, the SBA should be able to accomplish these tasks given its existing level of resources. The SBA reverted $463,000 in FY 2008.

Explanation of State Revenues:

Explanation of Local Expenditures: Commission Membership. The bill provides that members may not be employees or elected officials of a city, town, or county governmental unit. Therefore, there should be no local expenses related to membership of the commission.

(Revised) Maintaining Levees. The bill provides no appropriation to provide funding that may or may not be needed to provide the required training.

Preliminary information on an audit of the commission indicated that expenditures through July of the state's latest $2 M appropriation indicated that nearly $1.7 M was spent on real estate acquisition, utility relocation, railroad negotiations, and capital costs.

The commission receives other funding. In addition to state appropriations, the Indiana Economic Development Commission provided $6 M for development of a project to Northcote Avenue. The Regional Development Commission made a $6 M loan available. The commission must submit claims for reimbursement.

Explanation of Local Revenues:

State Agencies Affected: SBA.

Local Agencies Affected: Little Calumet River Basin Development Commission.


March 11, 2009

Programming and Project Management Branch

Mr. Dan Dernulc
Chairman Little Calumet River Basin Development Commission
6100 Southport Road
Portage, Indiana 46368

Dear Mr. Dernulc:

As indicated in my January 5, 2009 letter, I am requesting additional Non-Federal Matching funds since additional Federal funds have been allocated in the FY 09 Omnibus Bill. The president today signed the FY09 Omnibus Appropriations Bill which includes $16,000,000 additional Federal funds for FY09.

At this time I am requesting that the Little Calumet River Basin Development Commission provide the additional local cash contribution of $1,204,000 for the Little Calumet River Flood Protection and Recreation Project in accordance with Articles II and VI of the Local Cooperation Agreement (LCA) executed on August 16, 1990. Please deposit the funds into the established escrow account (Number 7500-0244-4747) as specified in Article VI.6.2 of the LCA.

The requested cash contribution represents the Commission’s obligation of the 7 percent of the project costs estimated to be incurred through the end of the Federal Government Fiscal Year (FY) 2009 ending on September 30, 2009. FY 2009 began on October 1, 2008.

If you have any questions, please contact me at 312-846-5560.

Sincerely Yours,

Imad N. Samara
Project Manager
I'm not sure if you have received this but here is Christopher Burke Engineering evaluation of USACE Floodwall design for the southmoor area. This was done for the City of Hammond.

Imad N Samara
Project Manager
USACE, Chicago District
Chicago, IL 60606
(W) 312-846-5560
(P) 312-353-4256
(Cell) 312-860-0123

-----Original Message-----
From: Imad Samara [mailto:isamara58@yahoo.com]
Sent: Monday, February 23, 2009 2:11 PM
To: Samara, Imad LRC
Subject:

Imad Samara
Homer Glen, IL 60491
312-860-0123
February 18, 2009

William Joseph O'Connor
President, Corporation Counsel
Board of Public Works and Safety
Hammond City Hall
5925 Calumet Ave.
Hammond, IN 46320

Subject: Southmoor Road Levee Segment

Dear Mr. O'Connor:

At the request of the City of Hammond engineering department, Christopher B. Burke Engineering, Ltd. (CBBEL) has investigated the issues that have arisen regarding the segment of the Little Calumet River Flood Control/Recreation Project in the vicinity of Southmoor Road. It is our understanding that a number of homeowners in this area have voiced opposition to the segment of the project that is proposed to be constructed across their property. The opposition centers on the fact that some of the properties have been able to obtain Letters of Map Amendments (LOMA’s) based on additional technical data such as a detailed survey that demonstrates the property was incorrectly included in the designated Special Flood Hazard Area (SFHA). The homeowners have apparently argued that since their properties are above the Base Flood Elevation (BFE) or the 100-year flood elevation as it is commonly referred to as, the floodwall through their properties is not necessary to maintain the necessary flood protection of the overall levee system.

As you may be aware, the Little Calumet River Flood Control/Recreation Project was designed by the U.S. Army Corps of Engineers (Corps) to provide a 200-year level of flood protection for the areas prone to riverine flooding from the Little Calumet River. This design level is consistent with efforts currently underway nationally to mandate a minimum of 200-year (0.5% annual exceedence chance) level of protection for levees protecting densely populated areas, such as the area being protected by the Little Calumet River Levee System. In keeping with current national standards for levee design, the Corps’ design includes an allotment for levee/floodwall freeboard above the established 200-year flood elevation to account for inherent uncertainties in the determination of that flood elevation.

The City of Hammond has indicated that one of their primary goals for the levee system is to obtain a Letter of Map Revision (LOMR) that would officially rezone most of the properties along the Little Calumet River from the high risk SFHA they are currently in to a moderate risk flood zone. To obtain a LOMR for these areas, the Federal Emergency Management Agency (FEMA) requires that the levee system provide a continuous line of protection up to the 100-year BFE plus an additional measure of freeboard which may range from 3 to 4 feet. Refer to the enclosure for the Corps’ plan and profile of the Southmoor levee segment with our annotation in red of the 100-year and 200-year flood elevations.
After reviewing the data provided to us, including design plans and specifications from the Corps, CBBEL has determined that the entire floodwall through the Southmoor Road area is necessary to provide both the 200-year level of flood protection that the project has been designed for as well as the 100-year level of protection necessary to obtain a LOMR from FEMA. The properties that have received LOMA's along Southmoor Road appear to be above the BFE but they do not necessarily provide the necessary freeboard. While some of the homes are situated on ground high enough to provide the needed freeboard for 100-year level of protection, this high ground exists only in the immediate vicinity of the homes and not along the designed alignment of the floodwall. Using this high ground would require revising the alignment of the floodwall by tying the wall into the existing high ground and would significantly encroach on one of the houses near station 4+50. This change would reduce the protection level of the overall levee system to only a 100-year level of protection, at best, and would also render the project inconsistent with the Corp's goals and certification criteria of providing 200-year level of protection. Although the 100-year level of protection is acceptable for LOMR purposes, it is widely believed among leading floodplain management experts that such level of protection is not adequate or prudent for a heavily populated area such as this. In addition, having this high area with houses on top of it as part of the "levee system" could pose future vulnerabilities to the entire levee system as residents may inadvertently create potential levee breach paths through landscape activities and drainage improvements. We acknowledge that an alternative floodwall alignment may be possible to accommodate the residents in this area. However, it is likely that any such re-alignment would require extensive closure structures that would introduce additional undesirable vulnerability to the overall levee system.

If you have any questions regarding our findings or recommendations, please contact me at (317) 266-8000. We thank you for the opportunity to work with you on this very important project.

Sincerely,

Brian W. McKenna, P.E., CFM
Water Resources Engineer

CC: Stan Dostatni, City of Hammond
Mark Gordish, City of Hammond
Mada Samar, US Army Corps of Engineers
Joel Schmidt, US Army Corps of Engineers
Siavash Beik, CBBEL
David Haas, CBBEL

Enclosure

BWM

Letter_Hammond_Southmoor_20090218.doc
March 4, 2009

Mr. Don Samala
BUCKEYE PARTNERS
9999 Hamilton Blvd.
Tek #5
Breinigsville PA 18081

Dear Mr. Samala:

This letter is to acknowledge your request for an increase cost from $441,668 to $667,000 (an increase of $225,332) for the pipeline corridor on the NIPSCO right-of-way in Highland, and Hammond, IN. We will use this revised estimate as a basis for review and reimbursement of final invoices when they are received, once work is completed.

As per our signed agreement dated April 3, 2008 with Buckeye Partners, we are meeting our obligation to send you a letter of authorization whereby you may start this work immediately upon receipt of this letter (Section IV). If you have any concern about your ability to proceed under this contract, please contact me at 219-972-4591 or ddernulc@sbcglobal.net.

Sincerely,

Daniel Dernulc
Chairman
Little Calumet River Basin
Development Commission

/sjm
cc: Brad Bonner, Buckeye
    Al Kosier, Buckeye
    LCRBDC members
    Lou Casale, LCRBDC attorney
    Jim Pokrajac, Agent, Engineering
    Imad Samara, Sheldon Edd, USACE
From: McAhron, Ron [rmcahron@dnr.IN.gov]
Sent: Wednesday, March 18, 2009 7:28 AM
To: Arlene Colvin; biller6525@comcast.net; castleridge@sbcglobal.net; dd2927@sbcglobal.net; gordishm@sbcglobal.net; GurleyRK@teng.com; Rudy Sutton
Cc: Sandy Mordus
Subject: Latest Draft

All:

I can't make it tonight but here is the draft that I sent to the RDA for their Board meeting. I understand they found it acceptable although I do not have details. This came up in a hurry and after we talked down here we decided that we should delay asking for any more money from the RDA until we saw how things were developing regarding a long term solution to our money needs, how our cash flow is going versus budget, and to give the the new Executive Director of RDA a chance to get started and so on. Perhaps most important, the RDA asked specific questions and we need to answer them and show how we are doing before we stick our hand out again. I am the one that got ahead of the task at hand so I apologize for taking you on the side trip.

I do hope we can keep our responses tied closely to the agreement and the original categories identified in the original agreement and reiterated by the letter from the Governor and Congressman. One way that helps us do that and I believe it is the right thing to do anyway is to assign staff salaries and outside contract work including Lou's time to project components. In short Jim's O&M time should be so assigned and is not creditable at this time under the terms of the RDA agreement nor for that matter the Local Cooperation Agreement with the Corps. I do believe we should ask the RDA to allow O&M expenditures as the draft does but ideally should not include them in the current accounting of the distribution of their funds. If that is not possible I do understand that our December request did address O&M expenditures. Conversely Jim's time with the pipeline relocation work is to me creditable to both. If we do not have the specific sheets on current timesheets a good estimate for the purposes of the RDA response would seem appropriate.

I note that the RDA letter to Bill conveying the check and the request for the response we are currently finalizing had no outside distribution list, I would suggest the same for our response. I would not want to run our response out to March 31 if we can avoid it but next week should be fine to get this out.

Thanks
Ron

3/18/2009
Mr. Leigh Morris,
Chairman
Northwest Indiana Regional Development Authority
9800 Connecticut Drive
Crown Point, IN 46307

Dear Chairman Morris:

The Little Calumet River Basin Development Commission wants to sincerely thank the RDA for the December 31, check in the amount of $1,701,742. Those funds made it possible for the Commission to meet our FY 2009 Federal Escrow obligations. Also on February 4th the Commission was able to provide the US Army Corps of Engineers the right of entry documentation necessary to enable the Corps to initiate the bid process for construction of Stage VII (Northcote to Columbia). Stage VII involved 46 property easements and 8 separate utility agreements. Without the RDA funding these prerequisite steps to actual levee construction would not have been possible.

Moreover the Commission has now obtained virtually all right of entry agreements necessary for Stage VIII (Columbia to State Line) and soon the Corps will be able to bid this final section of the project. This area of severe flooding last fall will soon welcome construction on the new levee system. Again thanks for your help in making this possible.

We offer the following in response to the requests in your December 31, 2008 transmittal letter:

1. The RDA is requiring assurance that these funds are being used for the purposes outlined in Exhibit A of the grant request dated April 18, 2008.
   a. Attached please find Exhibit 1 which includes copies of our request with itemized projected expenditures and our account tracking for the project. Out of the $3,082,742 received to date from the RDA, $1,986,500 has been directly given to the Corps to satisfy their requests for 7% escrow requirement for project cost share. These expenditures are consistent with the intent if not the amounts and timing specified in Exhibit A of the April
18, 2008 grant request, with the differences attributable to changes in Federal funding levels. The remaining funds are being spent in accordance with the Budget Request included in our December 19, 2008 letter to Tim Sanders (Exhibit 2) we have also included a copy of the cost center tracking summary that categorizes each expenditure. These expenditures are consistent with the categories identified in Exhibit A although amounts and timeframes have changed with the evolution of the project. Please note that there are items included in our December 19, 2008 request that are outside of the categories identified in Exhibit A, most notably in the area of Operation and Maintenance and liability insurance coverage. The O&M items are essential to the integrity of the system and the liability insurance coverage is both good business and a Corps requirement. We ask that you allow these expenditures in these areas in accordance with our December request. We would of course provide itemized expenditures in these areas in subsequent reports.

2. A repayment schedule with sources of funds and a time frame for the repayment of this RDA loan.

   a. As you recall the terms of the original loan required a good faith effort to have the loan repaid from subsequent general fund budget appropriations (Exhibit 3). This was reiterated in the September 24, 2007 letter from Governor Daniels and Congressman Visclosky (Exhibit 4) committing the Commission to work with legislators to repay these funds through state appropriations in the biennial state budget over the next several years. For a variety of reasons this year’s state budget will be lean and we are a long way from knowing how much will be allotted to the Commission. We are rightly focused on doing everything necessary to see that the levee system is completed as expeditiously as possible and maintaining those sections that have been completed. We also intend to begin the repayment process out of this biennial budget and to vigorously seek the balance of the repayment in future biennial budgets.

3. A final cost, to the best of your knowledge, for the completion of this project.
a. In our request letter dated December 19, 2008 we indicated that a project budget was being developed. Attached please find a copy of the “Overall Operations Cost Projections through Year 2012” (Exhibit 5) which reflects a cost to the LCRBDC of $13,516,344 to complete all segments of the levee project.

4. A timeline, to the best of your knowledge, for completion of this project.

a. Exhibit 6 contains the most recent timeline from the Corps. The contracting process for the penultimate phase of the project, Stage 7 is currently ongoing with contractor selection scheduled for late March. The Corps projects 500 days for the work which would make a fall 2010 completion date for Stage VII. Stage VIII should be ready to bid this Spring and the Corps projects a 750 day contract period for this phase which would result in project completion in mid 2011. We will work with the Corps in an attempt to accelerate project completion. The LCRBDC is responsible for rework on a section of levee in Griffith and another section of levee in Hammond west of Hohman Avenue (Forest Avenue Levee); it is our intent to have those projects completed by the fall of 2010.

In summary, the LCRBDC is making significant progress and pressing forward with their responsibilities in the project. We are excited about the progress we are making can say without equivocation that completion of the project is within reach. Thank you again for your assistance, past and future, and please do not hesitate to contact me with any questions you may have.

Sincerely,

Enc.
<table>
<thead>
<tr>
<th>COMPANY</th>
<th>PIPE SIZE</th>
<th>COST AGREEMENT (EST. COST)</th>
<th>HUNTINGTON APPROVED AND SENT TO</th>
<th>ARMY CORPS APPROVAL DATE</th>
<th>AGREEMENT SENT TO</th>
<th>RESPONSE FROM UTILITY -- WORKING TO</th>
<th>AGREEMENT APPROVED BY</th>
<th>REVISED COST ESTIMATE (AFTER WORK SCOPE CHANGE)</th>
<th>AMOUNT OF INCREASE</th>
<th>DATE OF LETTER OF AUTHORIZATION</th>
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<td>CONOCOPHILLIPS PIPE LINE COMPANY</td>
<td>8&quot; (Located West of NSR R/W easement line)</td>
<td>$333,000.00</td>
<td>8/7/07</td>
<td>1/14/2008</td>
<td>3/17/2008</td>
<td>Submitted modified agreement to Conoco on 6/24/2008</td>
<td>7/14/2008</td>
<td>$347,000</td>
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<td>Tulsa OK 74101-2650</td>
<td>(Located East of NSR Embankment)</td>
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<td>8/7/07</td>
<td>1/16/2008</td>
<td>3/10/2008 (Follow-up request sent 4/27/2008)</td>
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<td>8/4/2008</td>
<td>No indication of cost increase at this particular time</td>
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<td>$210,000.00</td>
<td>2/14/08</td>
<td>2/27/2008</td>
<td>3/19/2008</td>
<td>Technical Approval Agreement in hand signatures forthcoming</td>
<td>4/25/2008</td>
<td>$330,000</td>
<td>$120,000</td>
<td>12/31/2008</td>
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<tr>
<td>Level 3 Communications, LLC</td>
<td>&quot;T-Cubed&quot; (formerly Wiltel) 1025 Eldorado Blvd. Broomfield CO 80021 Communications Line in 10&quot; PVC (Located East of NSR Embankment)</td>
<td>$18,800</td>
<td>N/A</td>
<td>4/28/2008</td>
<td>5/13/2008</td>
<td>Agreement forwarded to NSR Law Dept. on 5/27/2008 LCRSCD attorney &amp; NSR attorney need to resolve</td>
<td></td>
<td>No indication of cost increase at this particular time</td>
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<tr>
<td>Buckeye Partners</td>
<td>10&quot;</td>
<td>$117,456.00</td>
<td>12/6/07</td>
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<td>14&quot; (Formerly Equalin line)</td>
<td>$117,456.00</td>
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<tr>
<td>Buckeye Partners</td>
<td>12&quot;</td>
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<tr>
<td>Buckeye Partners</td>
<td>8&quot;</td>
<td>$60,878.00</td>
<td>12/6/2007 (Follow-up request sent on 4/27/2008)</td>
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<tr>
<td>Wolverine (formerly EXXON/Mobil)</td>
<td>16&quot;</td>
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<td>NIPSCO</td>
<td>12&quot;</td>
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<tr>
<td>BP Pipelines</td>
<td>8&quot;</td>
<td>$119,667.50</td>
<td>From BP Pipelines on 12/6/2007 (Follow-up request sent on 4/27/2008)</td>
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<tr>
<td>Merriville IN 46410 (E. of East NIPSCO R/W Line)</td>
<td>22&quot;</td>
<td>$119,667.50</td>
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</table>

**COST INFORMATION**

| Total Cost on Existing Agreements | $1,737,333.00 | Amount of Money in Cost Projections | $1,800,000.00 |
| Add'l Amount above Original Agreements | $842,172.00 | Add'l Amount Anticipating Incoming | $450,000.00 |
| Total Modified Cost (after Scope of Work Change) | $2,579,505.00 | Total Amount for V-2 | $2,250,000.00 |
| Total Add'l above Projection | $329,505.00 | | |