

MINUTES OF THE LITTLE CALUMET RIVER BASIN DEVELOPMENT
COMMISSION HELD AT 6:00 P.M. WEDNESDAY, AUGUST 1, 2007
6100 SOUTHPORT ROAD
PORTAGE, INDIANA

Chairman William Biller called the meeting to order at 6:05 p.m. Eight (8) Commissioners were present. Pledge of Allegiance was recited. The guests were recognized.

Development Commissioners:

Arlene Colvin
Robert Huffman
Steve Davis
William Biller
Mark Reshkin
Charlie Ray
John Mroczkowski
Bob Marszalek

Visitors:

Bill Petrites – Highland resident
Imad Samara – Project Manager, Corps of
Engineers
Elizabeth Johnson – Congressman
Visclosky's Office
Todd Dust – Highland resident

Staff:

Dan Gardner
Sandy Mordus
Lou Casale
Jim Pokrajac
Judy Vamos

The minutes of the meeting held on July 11th were approved by a motion from Bob Huffman; motion seconded by Arlene Colvin; motion passed unanimously.

Chairman's Report – Chairman William Biller reported that he and Dan Gardner attended the State Budget Committee hearing in Ft. Wayne on July 27. The allocation of our \$2 million budget request from the 07/09 biennium budget was approved for drawdown. Mr. Gardner added that Tony Armstrong of the SBA had supported us for the entire \$2 million approval and that is what was approved.

Action Required – In Treasurer Kent Gurley's absence, Mr. Gardner presented several items for approval. He presented a request to transfer \$250,000 from Line Item 5882 (Utility Relocation expense) into Line Item 5860 (Project Land Purchase expense) in order to correct a negative in the monthly budget report. Bob Huffman made a motion to approve the transfer as presented; Arlene Colvin seconded the motion; motion passed unanimously.

- Arlene Colvin made a motion to approve the claims for July as presented in the amount of \$39,112.14; motion seconded by Bob Huffman; motion passed unanimously.
- Mark Reshkin made a motion to approve the O&M claims in the amount of \$5,552.87; motion seconded by Bob Huffman; motion passed unanimously.
- Mr. Gardner referred to the revised 2007 Operating Budget where the additional \$2 million just allocated from the 07/09 biennium was added into the Professional/Consultant Services & Land Acquisition/Easement line, revising the budget from \$776,000 to \$2,776,000. This is the project local cooperation line, from which we contract for surveys, title work, appraisals, and pay for needed land/flowage easements and fund utility

relocations. Revised 2007 operating budget was approved by a motion from Bob Huffman; motion seconded by Arlene Colvin; motion passed unanimously.

Executive Director's Report – Mr. Gardner, as well as Jim Pokrajac and Judy Vamos, met with the town of Munster staff to discuss town contributions to the project. The town staff recommended approving up to \$301,280 to finance the “just compensation” offers to private landowners in Stage VII (Northcote to Columbia, south of the river). There are 26 private landowners in this area. This will be a tremendous help to the Commission meet the current completion schedule. A motion was made by Bob Huffman to authorize the LCRBDC to create an inter-local agreement with the town of Munster for the town to commit a total not to exceed \$302,000 to be utilized by LCRBDC contractors in acquiring the Stage VII easements; motion seconded by Mark Reshkin; motion passed unanimously. The staff will recommend to the Town Council at their next Council meeting on August 13 that Munster finance these offers. Mr. Gardner added that Munster also committed to do some additional landscaping, in addition to what the Army Corps will do.

- Mr. Gardner stated that the properties on the north side of the river in Stage VII that are owned by different Hammond agencies are expected to be donated. Paperwork is being prepared.

- Mr. Gardner reported that a meeting was held at the Chicago Corps office on July 17 with FEMA to discuss what needs to be done to start the paperwork to remove the municipalities from the flood plain. Jim Pokrajac and Sandy Mordus attended the meeting. The Army Corps has assigned a person in their office to work with FEMA. Mr. Gardner added that there are three independent areas which will have their construction completed at different time intervals, that FEMA needs to consider. They are (1) Cline to Martin Luther King; (2) Cline to Northcote, including Cabelas'; and (3) Northcote to Stateline.

- Imad Samara will be writing us a letter regarding the Griffith levee. Although it was thought that the Army Corps could identify what was needed for the Griffith levee certification, it appears they cannot do the work. The LCRBDC will need to hire an engineering firm, let them define what needs to be done, and the LCRBDC will assume responsibility and remediate what needs to be done to make the levee certifiable. We had identified an estimated \$500,000 for this work. At this time, costs are not known.

- Chairman Biller questioned whether or not the area can come out of the floodplain when the levee reaches the NSRR. The original thought was that the railroad embankment was used to remove Wicker Park Manor from the floodplain and could also be used for lands to the east. The Army Corps indicated that it has to go all the way to Northcote.

Mr. Gardner added that he will be meeting with Hammond Mayor McDermott and will inform him of this.

- Mr. Gardner informed the Commissioners that two staff members from the Office of Management & Budget in Washington visited the area on July 19. There was an opportunity for staff to meet with them to discuss the project area and to visit some of the area; i.e. Stage VI in Highland, the Wicker Park Manor area, and the Cabelas site. Chairman Biller added that it was a good meeting and he seemed to understand the benefits of the project.

- Commissioner Bob Huffman commented that it appears the Cabelas' tie-back levee along Northcote is almost done. After discussion, Imad Samara said he would check with the

Griffith office to see who is the quality assurance person that is making sure that Cabelas is building the levee to Federal regulations and specifications.

- Mr. Gardner talked about the funding strategy he outlined to obtain an additional \$6 million needed for project completion. The only funding mechanism is the RDA. Dan will be meeting with Mark Lopez so we will have the Congressman's support. The Governor and John Clark (Governor's appointment to the RDA board) have been briefed and we feel support our request. The Federal money is in place for the project; they have received \$13 million for this year and \$15 million was approved by the House for FY08 next year. Mr. Gardner distributed an Economic Benefits estimate list; discussion was held. It lists out the federal benefits; the individual benefits; and the economic development benefits. Commissioner Reshkin asked if we had a benefit cost ratio analysis. Imad Samara answered that the Army Corps updates the benefit cost ratio every year. Chairman Biller asked the Board members to look the document over and make any comments they may have to Dan so he can finalize. Mr. Gardner also distributed a draft Local Project Contributions list which needs to be finalized.

Finance Committee – Finance action was already taken. The financial statement for end of June can be found on page 11 of the agenda packet.

Land Acquisition/Land Management Committee – Committee Chairman Bob Marszalek referred to the letter from NSRR saying they are in the process of having the easement offer signed. Judy Vamos stated that the NSRR will be an option to the right-of-entry. We have already eliminated four of the eleven options we had. Once we receive the railroad easements, it can be eliminated as an option also. NIPSCO and INDOT are still options, as well as the private landowners that were added at the last minute.

- Mr. Gardner talked about the letter we had sent to the Colonel last month regarding lack of funds needed to start appraisals in Stage VIII. With receiving the \$2 million allocation from the State Budget Committee, we are authorizing seven appraisers to start on the \pm 90 appraisals. The cost of the appraisal services will be about \$220,000; most of the surveys are complete. Jim Pokrajac added that 50% review will be out on August 3. We will "push" the appraisals turn-around to catch up to the schedule.

- Mr. Gardner said that INDOT has identified a person to work with an Army Corps Detroit representative for the INDOT bridge credits. INDOT has done considerable work on the bridges and we should receive credit for some of that work. Jim Pokrajac added that the team physically went out in the field to look at the bridge work, gather information, and determine which will help to determine a dollar value for the work done as part of our project.

- Jim Pokrajac stated that 3120 Gerry Street finally has tenants.

- Mr. Gardner said he would have a draft RFP for the surplus 32 acres for the next meeting.

- Chairman Biller asked if Stage V-2 was advertised on July 31st as we expected it to be. Imad Samara stated it was advertised on August 6.

Project Engineering Committee – Committee Chairman Bob Huffman referred to Jim Pokrajac for a report. Mr. Pokrajac reported that cost estimates are coming in from the utilities and pipeline companies for V-2. We have received about five estimates. We

anticipate having up to \$1,250,000 of remaining IEDC funds to help pay for the utilities. The Army Corps Huntington District is reviewing the costs to determine fair and reasonable cost.

Operation & Maintenance Committee – Committee Chairman Bob Huffman referred to Jim Pokrajac for a report. Mr. Pokrajac reported that he is coordinating with the Corps to have the 2 day levee inspections performed the week of August 13; levees are mowed. The inspection for the pump stations will be the end of August. In mid September, the sluice/flap gates inspection will be done. We are hoping for a mid to end of September completion of inspections and the process of entering into a written agreement with the city of Gary for O&M acceptance should be coming to a close. Mr. Gardner will work with attorney Casale and Gary attorney Hamilton Carmouche; they will also contact the Attorney General's office to talk about transfer of property. Commissioner Colvin offered to coordinate a meeting with GSD when we are ready.

- Jim Pokrajac reported that we will be working on an O&M agreement soon with the town of Highland for pump station and levee features turnover in Stage VI-1 South and Stage VI-2. Both segments will be completed in the very near future.
- Commissioner Huffman asked if the new pump station in VI-1 South was in operation. Imad Samara replied that the new pump station will be completed under a separate contract. Another contract will do the outfalls. The town of Highland is retaining the old pump station for additional pumping capacity.

Legislative Committee – Legislative issues have already been discussed.

Environmental Committee – Dan Gardner reported that an IDEM notification for Cabelas has been received. They are seeking to do minor wetland mitigation on their site. The notice from IDEM was incorrect; that is being corrected.

Recreation Committee – There was no report.

Policy Committee - There was no report.

Other Business – Mr. Gardner referred to the letter he wrote to the Army Corps to keeping all engineering changes within the same work limits, and not to modify the easements for Stage VII. Survey work has been completed, appraisals are done, and offers ready to go out. Any changes to design will cause the Commission to redo the survey and appraisal and any delay will set back the completion schedule.

- Mr. Gardner also talked about the resignation of George Carlson. Mr. Gardner will be meeting with Mayor McDermott next week to see what we can do in conjunction with the city. He is also contacting the Times so they can do an article on George's career in politics.

Statements from the Floor – Highland resident Todd Dust, who lives in the VI-1South construction segment, expressed his concern about the area of construction. He stated that some mowing has been done but there are still problems in the area. Imad Samara asked Mr. Dust to send him a letter or email stating his concern. Imad will take that letter to his

Real Estate department and have them make a determination if any correction needs to be done, such as fencing. As far as the “messy” area of construction, the contractor is within his work limits and the contract is not complete yet. Chairman Biller asked him to at least make a phone call to the Griffith Army Corps to see if there is anything the contractor can do, stressing to him the safety and liability issues. Imad stated that this issue will be addressed in future contracts.

There being no further business, the meeting was adjourned. The next scheduled Board meeting is set for 6:00 p.m. on Wednesday, September 5, 2007.