

MINUTES OF THE LITTLE CALUMET RIVER BASIN DEVELOPMENT
COMMISSION HELD AT 6:00 P.M. WEDNESDAY, JANUARY 9, 2008
6100 SOUTHPORT ROAD
PORTAGE, INDIANA

Chairman William Biller called the meeting to order at 6:10 p.m. Eight (8) Commissioners were present. Pledge of Allegiance was recited. Guests were recognized.

Development Commissioners:

William Biller
Robert Huffman
Steve Davis
Bob Marszalek
Charlie Ray
Kent Gurley
Arlene Colvin
Mark Gordish

Visitors:

Bill Petrites – Highland resident
Elizabeth Johnson – Congressman's Office
Steve Enger – Munster resident in V-2
Erik Potter – Post Tribune
Don Ewoldt - LEL

Staff:

Dan Gardner
Sandy Mordus
Lou Casale
Jim Pokrajac
Judy Vamos
Lorraine Kray

The minutes of the meeting held on December 18, 2007 were approved by a motion from Bob Huffman; motion seconded by Steve Davis – after a correction was made by Kent Gurley to include his question to Imad Samara as to the status of the project schedule and then Mr. Samara's answer to him that it was on schedule; motion passed unanimously, as modified.

Chairman's Report – Chairman Biller asked the Nominating Committee for their report. Commissioner and Nominating Committee Chairperson Arlene Colvin reported that the committee met and is ready to make their recommendation to the Board members. Their recommendation is to retain the existing 2007 officers, except for the office of Secretary. Since the current officers are familiar with the existing project issues, they felt it was wise to have them retain their respective office. Ms. Colvin made a motion to nominate William Biller as Chairman; motion seconded by Steve Davis; motion passed unanimously. Ms. Colvin made a motion to nominate Robert Marszalek as Vice Chairman; motion seconded by Steve Davis; motion passed unanimously. Ms. Colvin made a motion to nominate Kent Gurley as Treasurer; motion seconded by Steve Davis; motion passed unanimously. Mr. Colvin made a motion to nominate Mark Gordish as Secretary; motion seconded by Steve Davis; motion passed unanimously.

• Discussion ensued on establishing a separate committee to consider future O&M funding options to meet the Federally requirements and the creation of a policy statement. It was decided to limit the committee to 3-4 members. Their mission would be to meet and come back before the Commission in several months to present research and make any

recommendation accordingly adopting a policy statement at that time. The committee would explore options; craft them in a recommendation; present to the Commission; vote upon how to proceed; and then move forward. After a discussion of what the committee should be called, it was decided that the committee would draft their own committee name. Also, after discussion, it was decided that the position, and not the person, would comprise the committee. Kent Gurley made a motion to select the committee to comprise of the Chairman (Bill Biller), the Mayor of Gary's appointment (Arlene Colvin), the Mayor of Hammond's appointment (Mark Gordish), the Treasurer (Kent Gurley), and the Chairman of the O&M Committee (Bob Huffman); motion seconded by Bob Huffman; motion passed unanimously.

Action Required – Treasurer Kent Gurley presented items for action. He proceeded to make a motion to approve the monthly claims of \$66,984.39; the motion was seconded by Bob Huffman; motion passed unanimously.

- Mr. Gurley then made a motion to approve the O&M claims in the amount of \$52.88; motion seconded by Bob Marszalek; motion passed unanimously.
- Mr. Gurley then made a motion to approve a transfer of funds of \$120 from Budget Line 5812 (NIRPC Services) into Budget Line 5821 (Travel/Mileage) to cover year end mileage claims; motion seconded by Bob Huffman; motion passed unanimously.
- The approval of the contract for administrative services with NIRPC for the year 2008 was deferred until the Finance Committee meets with NIRPC officials for an explanation of increased costs.
- Mr. Gurley proceeded to make a motion to approve the contract for legal services with Casale, Woodward, & Bult, LLP for the year 2008 at the same rate as last year's contract; motion seconded by Bob Huffman; motion passed unanimously.
- Mr. Gurley referred to the contracts for the independent contractors. The contracts for 2008 with James Pokrajac, Judith Vamos, and Lorraine Kray were deferred until they had the opportunity to meet with the Finance Committee. Mr. Gurley proceeded to make a motion approving the crediting services contract with Sandy Mordus for the year 2008 at a hourly rate of \$26.50; motion seconded by Bob Huffman; motion passed unanimously.
- Mr. Gurley made a motion to approve the Commission's 2008 Operating Budget as proposed; motion seconded by Arlene Colvin; motion passed unanimously. The Administrative Budget is a total of \$180,000; the O&M Budget is \$46,507; and the Land Acquisition/Project Development Budget is a total of \$1,685,078 for professional/consultant services and land acquisition/easement costs; \$1,250,000 for utility relocation/railroad crossing costs (remaining IEDC monies appropriated), and \$1,226,025 for project cost share payments/ escrow account to be paid to the Army Corps in 2008. If successful in receiving \$6 million from RDA funds, the budget will be revised to reflect that increased amount. We are hopeful in having the \$6 million approved on February 12; it has already been recommended by committee to the Board.
- Land Acquisition Committee Chairman Bob Marszalek reported there is no action needed.
- Land Management Committee Chairman Bob Marszalek referred to Jim Pokrajac for an explanation of the advertising of the farm land. Mr. Pokrajac reported that the farm land was advertised. In Area #1 (between Chase & Grant, outside the levees only, approx. 140 acres), two bids were received: \$86/tillable acre from Tim & Ed Bult and \$140/tillable acre

from Plum Grove Farm. Mr. Marszalek made a motion to accept the high bid of \$140/acre for an estimated total of \$19,600; motion seconded by Arlene Colvin; motion passed unanimously. In Area #2 (north of I-80/94, west of I-65, south of the river, approx. 52 acres), one bid was received: \$75/tillable acre from Jerry Ewen. Mr. Marszalek made a motion to accept the bid of \$75/acre for an estimated total of \$3,900; motion seconded by Arlene Colvin; motion passed unanimously. In Area #3 (adjacent to both sides of Clay Street, north of Burns Ditch, approx. 112 acres), one bid was received: \$71.50/tillable acre from Gary Dunlap. Mr. Marszalek made a motion to accept the bid of \$71.50/acre for an estimated total of \$8,008; motion seconded by Kent Gurley; motion passed unanimously.

Executive Director's Report – Mr. Gardner talked about the Commission's request to the RDA for \$6 million gap funding to be used for the non-Federal project costs to complete the flood control construction. He reported that the RDA will meet tomorrow at 1:00 in their Merrillville office (January 10). The RDA has asked that an economic analysis be done on the project for economic benefits/cost purposes. That is currently being done by Bill Sheldrake. Mr. Gardner referred to the letter in the agenda packet providing him with details and a draw-down schedule of the \$6 million. Also included is information from Imad Samara listing the 7% cash escrow payments to the Corps. Mr. Gardner also reported that Leigh Morris has replaced John Clark on the RDA board. The RDA will have their board meeting on February 12 in Indianapolis.

- Mr. Gardner referred to a letter from Mayor McDermott expressing his dissatisfaction with the 750 day provision for completion V-2 contract segment. Discussion ensued on how the Army Corps estimated the contract length and how they contain the contract length. The contract for V-2 was let the end of September 2007. Options for early completion should be considered to shorten the contract duration, i.e. Cabela's has asked Dyer Construction to identify any ways to build this segment faster. We are awaiting their response.

Chairman Biller asked if Stage VIII was still scheduled for advertisement for April 2008. Attorney Casale responded that it is extremely difficult to be able to procure +90 properties by April. Chairman Biller referred to a Corps letter and said they have not met their dates. Unfortunately, we anticipate that some of these properties will be condemnations, which will take longer. Offers are starting to be sent out. There are currently 16 properties that have ongoing engineering modifications. Mr. Pokrajac indicated that the longer it takes to complete engineering that will affect real estate, the further back the acquisition completion date. It is anticipated that we should receive final engineering drawings by January 31; the Corps is asking for final review by February 21.

Stage VII is about 75% complete in land acquisition. We will be asking the city of Hammond to donate the remaining easements. Commissioner Kent Gurley commented that the schedule appears to be out of balance.

Finance Committee – Committee Chairman Kent Gurley reported that finance action was already taken. The financial statement for end of December is in the agenda packet. Mr. Gurley expressed concern that our remaining O&M funds are not adequate to cover actual O&M costs.

Land Acquisition/Land Management Committee – Committee Chairman Bob Marszalek stated action has already been taken. He referred to Judy Vamos to give the report. Mrs. Vamos distributed a real estate report to all members. Ms. Vamos reported that in Stage V, there are two options remaining – NSRR and NIPSCO. Staff is working on those to resolve complete the signing of the real estate easements. In Stage VII, we are awaiting decisions on engineering design changes from the Corps to address some residents' concerns regarding the easements. In Stage VIII, offers will begin to go out this week. Although we have not received the approval of the \$6 million of RDA funds at this point, we need to start the acquisition process for Stage VIII to meet the schedule. We have limited funds remaining to pay out accepted offers.

- Committee Chairman Bob Marszalek referred to Jim Pokrajac for a report. He reported that a RFP for the 26 acres east of Clay Street was advertised; one letter of interest with proposal was received from LEL. Mr. Gardner suggested that the committee meet with LEL to discuss their proposal.
- Mr. Pokrajac referred to the list of billboard locations and corresponding imbursement in the committee report. The majority of the locations were pre-paid to the Commission so it is not anticipated that we will receive any other income from them until after June 2008.

Project Engineering Committee – Committee Chairman Bob Huffman stated that V-2 construction (Kennedy to Northcote) has started. Residents in the Munster, Hart Ditch area have been notified by a hand-delivered letter from the town.

- Jim Pokrajac reported that we have received three more approvals from the Corps on pipeline costs being fair and reasonable. Staff will start to assemble these pipeline agreements for the attorney's and Corps Real Estate Dept's approval before mailing out. Actual pipeline costs have come in approximately \$500,000 higher than what we anticipated.
- The inspection on Stage VI-1North was cancelled due to bad weather. It has not been rescheduled to date.

Operation & Maintenance Committee – Committee Chairman Bob Huffman referred to Jim Pokrajac for a report. Mr. Pokrajac gave an update regarding the sluice gate/flap gate repairs. Weather is playing a part in the delayed repair work. Austgen is working on those gates that they can access from the road. It is so wet in some areas, there is no access at this time.

- Mr. Pokrajac talked about the recent rains/flooding that recently occurred. He met with INDOT at the sluice gate at Kennedy Avenue where water backed up to I-80/94 the last time it rained. The sluice gate was closed right away. There was good coordination which will establish responsibility for action, which will make an earlier response time. Indianapolis Blvd. was closed for a while; water was going across the roadway. Highland did pump the area; the water came from the ditch behind Tri-State. Minimal damage was done in this last rainfall. Chase Street in Gary was closed for awhile. The city of Gary did a good job responding in that area. Mr. Pokrajac stated that the Army Corps needs to improve the information they have available to municipalities regarding river elevations during flooding.
- The meeting in Chicago for the emergency response will be re-scheduled the beginning of February.

- Mr. Pokrajac reported that all the pump stations were working.

Legislative Committee – There was no report.

Environmental Committee – For informational purposes, a pamphlet on MS4 was distributed.

- There will be a watershed meeting next week. When R. W. Armstrong's report is available, he will share it with the Commission.

Recreation Committee – There was no report.

Policy Committee - There was no report.

Other Business – Happy Birthday to George Carlson on his 95th!

Statements from the Floor – Bill Petrites asked the Commission to communicate to INDOT, in writing, the importance of expediting the scheduling of the INDOT project for the segment between Ridge Road and the river, which includes the pump station west of Indianapolis Blvd. in the Highland area. Some water was flowing to the Wicker Park Manor area in this last rain event that could have been much worse with a greater event. Mr. Gardner stated he would write a letter to INDOT about moving up the pump station construction. Chairman Biller asked Dan to inquire about the flooding report that Earth Tech is doing for INDOT when the Borman Expressway was closed back in August.

- Don Ewoldt stated that he finds it ironic that the same group of Corps employees that voted against the Chase to Grant mitigation area is now going to approve the Soil Conservancy enhancement plan. Now that we acquired land in Hobart Marsh area, the Corps seems more supportive; also that the lands between the levees was adequate and millions of State dollars were wasted. He asked the Commission to fight any wetland restoration on that property. Mr. Gardner replied that we would be farming it or restoring it.

- Stage V-2 Munster resident Steve Enger informed us that Cabela's has a single point discharge pump that is pumping into the river and is causing erosion on the south side that could affect that line of protection. They are pumping 5,000 gallons of water a minute into the Little Calumet River. He will notify the Army Corps but asked the Commission to write a protest letter also. He also asked if there was a landscaping plan available from Munster yet. Mr. Gardner replied he did not think so, probably when some earthwork is started, Munster will get something together. We need to engage Munster when construction is completed, so that actual landscaping can begin. He then inquired about contractor work hours, fencing, signage, haul routes, traffic patterns, dust control, safety factors, etc. He has a concern for the residents and children in the area. Mr. Gardner will communicate his concern to the Army Corps. Mr. Pokrajac added that an Army Corps field representative from the Griffith office will be on site during construction to assure compliance with Corps specifications and local codes. Mr. Biller stated that Mr. Enger's comments and concerns are valid and we will discuss them with the Corps. Mr. Gardner will also talk to the town. Mr. Gurley asked if the contractor has to permit his construction through the community. He does have to obtain permits and the contractor will work with the community also.

- Elizabeth Johnson from the Congressman's office inquired about the discussion on forming a new O&M committee that will address O&M funding. She thought that the communities were going to take over O&M. Mr. Gardner answered by stating that, although we plan to obtain agreements with the community for O&M, the Development Commission is the underlying party through the LCA which will be responsible for O&M compliance with Corps guidelines. It is up to the Commission to ultimately assure O&M compliance. The new committee would just explore what is "out there" to be able to help communities with funding. Her concern is that the Congressman has obtained funds to build this project in order that residents would not have to pay flood insurance. If we were to initiate "user" fees to the residents, it would be unacceptable to the Congressman. Chairman Biller assured her that it is our intent that we will have individual agreements with each of the municipalities in order for them to assume O&M responsibilities; but their taking over actual O&M does not address how to fund O&M. This committee will look at viable funding options once the capital project is completed to see what options are available. It has been made clear to the Commission that future State funding is not available for O&M. We will keep the Congressman's office informed.

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