

MINUTES OF THE LITTLE CALUMET RIVER BASIN DEVELOPMENT
COMMISSION HELD AT 6:00 P.M. WEDNESDAY, JULY 2, 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:

Mark Gordish
Robert Huffman
Steve Davis
William Biller
Robert Marszalek
Kent Gurley
David Burrus
John Mroczkowski

Staff:

Dan Gardner
Sandy Mordus
Lou Casale
Judy Vamos

Visitors:

Bill Petrites – Highland resident
Ron Albin
Doug & Karen Lorenz – Southmoor Group
Imad Samara – Corps of Engineers
Erik Potter – Post Tribune
Susan Brown – The Times
Mike Zarantarello – Southmoor Road
Tina Kutkoski – Southmoor Group
David Haas – Christopher Burke Eng.
Brian McKenna – Christopher Burke Eng.
Lynne Whelan - USACOE
Vanessa Villarrel - USACOE
Stacy Broutman – Southmoor Group
Kevin Cappo – River Drive Group
Ruth Mores – Southmoor Group
Carolyn Marsh – Sand Ridge Audubon

The minutes of the meeting held on June 4, 2008 were approved by a motion from Bob Marszalek; motion seconded by Bob Huffman; motion passed unanimously.

Chairman's Report – Chairman Biller announced that the Change of Command ceremony at the Chicago District Army Corps was held on July 1. Dan Gardner and Sandy Mordus attended. The new colonel is Colonel Vincent V. Quarles. He will be coming to a Commission meeting to meet the Board members.

• Chairman Biller stated that Dan Gardner attended the Mayor's Night Out in Hammond on June 26. He gave a power point presentation of the project.

Action Required – Treasurer Kent Gurley presented items for action. He referred to the Recommendation for Fund Transfer into the Administrative Account. He made a motion to approve the transfer out of three accounts: \$5,789.72 from interest monies received on the Chase high balance savings account; \$20,720.62 from escrow account interest monies; and \$38,054.35 from in-house project funding monies remaining the \$700,000 note that we were directed to spend down back in mid-2005; the total being \$64,564.69 to be transferred into the administrative account; motion seconded by Bob Huffman; motion passed unanimously.

• Mr. Gurley will schedule a Finance Committee meeting to discuss future funding of the administrative account.

• Mr. Gurley referred to the "corrected" monthly budget report which was distributed to members. In May, the report listed expenditures of \$208,177.53 in Budget Code 5840 Professional Services line. The "corrected" copy broke down that figure with \$58,099.53

being expended for professional services and \$150,078.00 being expended in Budget Code 5860 Project Land Purchase Expense.

- Mr. Gurley made a motion to approve the claim sheet for June in the amount of \$144,251.42; motion seconded by Bob Huffman; motion passed unanimously. A correction was made that in Budget Line 5882 for Dyer Construction Company in the amount of \$36,662.00 was for utility work in Stage V-2 and not in Stage VIII as listed.
- Mr. Gurley made a motion to approve the O&M claims in the amount of \$6,795.29; motion seconded by Bob Huffman; motion passed unanimously.
- There was an increased offer on DC-1303. Original offer was for \$260,000; new offer includes a 15% increase to \$299,000 to avoid condemnation costs (because owner believes original offer is below fair market value). Bob Marszalek made a motion to approve the increase; motion seconded by Dave Burrus; motion passed unanimously.
- There was an increased offer on DC-1342. Original offer was for \$520; new offer reviewed and approved by the Corps is \$2,000 (because owner believes original offer is below fair market value). Bob Marszalek made a motion to approve the increase; motion seconded by Dave Burrus; motion passed unanimously.

Executive Director's Report – Mr. Gardner discussed the project status on Stage V-2, Stage VII, and Stage VIII. Regarding Stage V-2, Mr. Gardner stated that construction is currently ongoing in V-2. The biggest issue has been the two options to the V-2 right-of-entry, which were NSRR and NIPSCO. We have now reached an agreement with them and they are in the process of being signed. The Army Corps is working with FEMA to remove the floodplain designation from this area once construction is complete. The city of Hammond has contracted with Christopher Burke Engineering to help them with the process. The goal is for the Army Corps to be able to certify the V-2 levee so FEMA can remove the area.

- Mr. Gurley asked what Christopher Burke will do for us in regard to the Griffith levee. Mr. Gardner answered that the Griffith levee, as is, was not constructed to Federal specifications. It needs to be in compliance with Federal design so the Army Corps can certify. Without certification, the area east of Cline Avenue to Martin Luther King Drive cannot come out of the floodplain. The firm will identify and prepare whatever plans and specs are necessary for a contractor to proceed with the actual work. The Army Corps has done an "Initial Eligibility Inspection Report" of the Griffith levee already. The report we would receive from Christopher Burke would further enhance that report and bring us to a point of soliciting for bids. They will send us a scope of work identifying cost and time schedule.
- Mr. Gardner stated that in Stage VII, there were 34 offers sent to landowners; 28 have accepted; 2 are in condemnation; 1 utility is reviewing the engineering; 3 residential have accepted and we are in the process of closing. All public lands have been donated. Mr. Gardner stated that there are some utility agreements that have to be put in place. SEH has been coordinating some of the field work with the utilities, as well as Garcia Inc.
- In Stage VIII, Mr. Gardner reported that, out of 92 properties, 66 have closed. 8 are in condemnation; 4 residential have accepted and we are in the process of closing; the remainder are in negotiations (have not filed condemnations yet). A public informational meeting will be scheduled shortly with the Southmoor Group and the River Drive Group

(Monaldi sub-division). The intent of this informational meeting is to have the Commission and the Army Corps make a final presentation of their design to the residents and answer questions. Mr. Gardner stressed that we are at a critical stage and must move forward; utility agreements also have to be addressed to allow advertisement of the construction contracts by the Army Corps.

The Corps has written the Congressman a letter updating them on project status.

- Resident Ruth Mores asked the Commission to make sure any letter goes to all residents.
- Mr. Gardner referred to a draft letter to the RDA requesting the Commission's second draw of \$1.8 million, which is the estimated amount of utility relocation work that will be done in Stage V-2. Now that we are obtaining the easements from the NSRR and NIPSCO and getting utility relocation agreements, that segment of construction can be removed as an option. It is critical to have the funds to make payment to the utility/ pipeline companies.
- Mr. Gardner stated that a meeting was held at Wicker Park on June 10 for the Stage V-2 residents on Hawthorne Drive. The residents requested the meeting; North Township, the town of Munster, the Army Corps, and the Commission were represented.

Finance Committee – Committee Chairman Kent Gurley referred to the financial statement for May in the agenda packet. Finance action has already been taken. A Finance Committee meeting will be scheduled before the next Board meeting.

- Mr. Gurley referred to the State Board of Accounts audit report for years 2006 and 2007. Mr. Gardner added that all funds were properly accounted for and there were no findings of significance. There were two comments regarding bookkeeping procedure, i.e. there was not a central control ledger because manual records were being kept rather than a computerized fundware program; and receipts need to be written for all income even state draws. The Commission did respond back to those comments.
- Mr. Gurley referred to the Corps letter requesting the withdrawal of \$720,000 from the escrow account.

Land Acquisition/Land Management Committee – Committee Chairman Bob Marszalek referred to attorney Casale regarding the outstanding agreements in V-2. Mr. Casale said that it has been a lengthy process, negotiating and working out issues with NIPSCO and the NSRR. Mr. Marszalek made a motion authorizing the Chairman to sign the agreement with NIPSCO for DC-1112-1113; motion seconded by Dave Burrus; motion passed unanimously. Mr. Marszalek then made a motion authorizing the Chairman to sign the agreement with NSRR for DC-1169; motion seconded by Dave Burrus; motion passed unanimously.

Mr. Burrus asked if the contractor had been held up because these easements were not in place. Mr. Gardner answered that since they were an option to the V-2 ROE, we had until September to obtain them under the contractor's existing agreement (one year from the contract award date). The contractor has been working in other areas but will be able to work in the utility area, after the Corps executes the paperwork to remove the option.

- Attorney Casale stated that the LEL agreement for the ± 26 acres of surplus land in Lake Station is in the LEL's attorney's hands for review. Once the final agreement is agreed upon, it will come before the Board for approval.

Project Engineering Committee – Committee Chairman Bob Huffman gave the committee report. He reported that the committee met with the two representatives from Christopher Burke prior to tonight's meeting.

- Mr. Gardner stated that the daylighting for Stage VII & Stage VIII is almost complete. Dean Button from SEH Engineering has been coordinating it. Utility spreadsheets of the daylighting were distributed to Commission members.
- Surveys are ongoing for the Forest Avenue levee segment. The residents want the Army Corps and Commission to meet onsite with them to determine what needs to be done to get this levee segment certified. Mr. Gardner added that we have seen the city's as-built drawings and the levee looks stable; the down side is that no public easement was preserved after construction. This easement must be re-established.

Operation & Maintenance Committee – Committee Chairman Bob Huffman stated that inspections should be scheduled in late July or early August.

- Mr. Gardner informed the Board that a follow-up meeting with the city of Gary is scheduled for July 17 regarding the O&M turnover process. We are working toward a sign able draft agreement by August. The Burr Street East project construction is almost complete. Next we need to focus on bringing the Griffith levee up to certification. Mr. Huffman asked about the tie-in between the Gary levee and Griffith levee. Mr. Gardner replied that FEMA does not recognize the railroad as a tie back. The Griffith levee is one of the conditions that FEMA said we had to have before certification.

O&M Funding Committee – There was no report but Mr. Gardner stated that it would be discussed at the Finance Committee meeting.

Legislative Committee – Mr. Gardner stated that the pending legislation on H.R. 3121 is currently not a signed bill. Although it has passed the House and Senate, it now needs to go to conference committee. It appears that Senators Lugar and Bayh, as well as the Congressman, voted for it. Although the residents are opposed to it and have looked to us to do something about it, it is a federal bill that we have no control over. Imad Samara stated that it has zero impact on this project.

Environmental Committee – There was no report.

Recreation Committee – There was no report.

Policy Committee – There was no report.

Other Business – There was none.

Statements from the Floor – -Mike Zarantonello of Southmoor Avenue in Hammond brought up several issues. He said he was still awaiting some answers to his questions; he is still uncertain why the Corps plans require as much of his property as is proposed; he is opposed to proposed bill H.R. 3121 and the affect it would have on residents; he questioned the proposed rip-rap in the area where trees are supposed to be left.

- Mr. Gardner reiterated that H.R. 3121 is a bill before Congress. A conference committee must first reconcile differences even before the President's signature. Congressman Visclosky issued a statement that he would report to the conference committee to represent

the interests of the 1st district residents. Imad Samara added that this project is a flood protection project and getting areas out of the flood plain is just a plus.

- Resident Ron Albin stated his concern about a proposed roadway on his property. Imad Samara stated he would check with his office to confirm what will be on the property.

- Stacey Broutman expressed her concern about the proposed legislation 3121. She said that people were reluctant to sign the easement offer until they knew how this bill would affect them. Imad Samara added that FEMA will have to determine who will pay and how much would be paid and the difference it would be if you were protected by a levee. It was stated that the bill is being proposed to fund FEMA.

- Resident Kevin Cippo, representing several residences in the Monaldi sub-division, reiterated his concern about the Corps taking so much of their property. He prefers a floodwall but the plans show a levee behind their houses. He also expressed concern about the sediment that builds up in the river and even though it gets cleaned out, it comes back and the project will probably make it worse; thinks the river needs to be dredged. He agrees that the proposed legislation says everyone will have to flood insurance. He also questioned the elevation of the proposed levee since the Thornton Quarry is in place, maybe the levee in his area is actually "over-built".

- Mr. Gardner reiterated that the Commission is not the designers of the flood system. We are mandated to acquire the easements identified by the federal government, the U.S. Army Corps of Engineers. They have designed the project as close to the river as they can and still accomplish protection. Dredging of the river will not provide enough flood storage and flow capacity due in part to the high water table and the need to greatly expand river width. Further discussion can take place when an informational public meeting is scheduled.

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