

**REGULAR MEETING OF THE BOARD OF
COMMISSIONERS OF THE METRO EAST
SANITARY DISTRICT, ST. CLAIR AND
MADISON COUNTIES, ILLINOIS HELD ON
WEDNESDAY, MAY 4, 2016 AT 1800 EDISON
AVENUE, GRANITE CITY, ILLINOIS AT 9:00
A.M.**

President Pennekamp called the meeting to order and the Clerk recorded the attendance.

The following was the attendance:

Present: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.
Absent: None.

Also, attending the meeting were Executive Director Shipley, Attorney George Filcoff, Attorney Larry Calvo, Director of Operations Walter Greathouse, Lansdowne Office Manager Cindy Worthen and Treasurer Ken Davis.

REPORT OF EXECUTIVE DIRECTOR:

Executive Director Shipley presented his report:

Mr. Greathouse explained the new U.S. Army Corps of Engineers policy:

We met with the Corps of Engineers on Thursday, April 21st to discuss the Metro East Sanitary District's Periodic Inspection (PI) performed by the Corps.

Also attending that meeting were Chuck Etwert (Southwestern Illinois Flood Prevention District Council) and Randy Cook (Amec Foster Wheeler).

Two major concerns were mentioned during the meeting, the slide gate at the Blue Waters Ditch Pump Station and the 10.5' diameter sewer pipe in East St. Louis. An unacceptable rating was given to both of these items.

Once the PI is finalized and MESD receives an unacceptable rating, the MESD will be ineligible for flood damage cost reimbursement under the Public Law 84-99 (PL 84-99) program.

The Corps explained that MESD needs to complete a Letter of Intent (LOI) and a System-Wide Improvement Framework (SWIF) to address system-wide issues.

The Blue Waters Ditch Pump Station is operated and maintained by the Village of Cahokia, and the 10.5' diameter sewer pipe is owned by the City of East St. Louis. However, according to new Corps guidelines, MESD is now responsible for making sure the necessary repairs are made.

Last week, we met with the Mayor of Cahokia and he agreed to work with us to repair the slide gate.

We also met with representatives from the Corps, Amec, Southwestern Illinois Flood Prevention District Council and the City of East St. Louis to discuss the 10.5' sewer pipe. Several different plans to replace or line the pipe were discussed during the meeting.

The estimated cost to repair the 10.5' sewer pipe is Seven million dollars (\$7,000,000). This does not include pumping the groundwater around the pipe. The cost to treat the groundwater could exceed Seven million dollars (\$7,000,000), because the pipe is near a superfund site.

Once again, I told the Corps that the pipe does not belong to the Metro East Sanitary District. The Corps reiterated that their relationship is with MESD and that it is MESD's responsibility to work with the local entities.

Charlie Juneau is assisting MESD with the Letter of Intent.

President Pennekamp further explained:

An Unacceptable Rating will cause MESD to be ineligible for flood damage cost reimbursement under the Public Law 84-99 (PL 84-99) program. The Corps will still assist with flood fighting during a flood, but any monetary assistance from the Federal government to repair associated flood damages will not be available.

MESD needs to submit the LOI as quickly as possible. Once it is submitted to the St. Louis District, it will then be reviewed and forwarded to Division, and then ultimately to Headquarters. This process can take three to six months, during that time, MESD is not eligible for PL 84-99.

I recommend sending a letter to the Corps requesting that MESD be allowed to remain eligible for the PL 84-99 program during the Corps' review of the LOI.

It was agreed that a letter should be sent to the US Army Corps of Engineers requesting that MESD be allowed to remain eligible for the PL 84-99 program during the time the Corps reviews the Letter of Intent that will be submitted by MESD.

President Pennekamp volunteered to write the letter.

Treasurer Ken Davis left the meeting at 9:30 A.M.

REPORT OF LANSDOWNE OFFICE MANAGER:

Ms. Worthen reported:

1. I am continuing to research the St. Clair County Tax Sales. I am finding that people move into the homes and have the water turned on without St. Clair County's knowledge.

They do not pay their sewage treatment bills. MESD cannot file a lien against the property, because St. Clair County owns the property.

I will discuss the matter with the attorneys.

2. Illinois American Water Company disconnected water at eleven residences this week for past due sewage treatment bills. Nine of the accounts are still shut-off.

3. The Southwestern Illinois Correction Center has not made a payment since last month. I will send another letter on May 15, 2016.

MINUTES:

The minutes for the April 20, 2016 meeting were presented for approval.

Motion Commissioner Hanfelder; seconded Commissioner McCall to dispense with the reading of the minutes, approve them as submitted and place them on file.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

The Executive Session minutes for the April 20, 2016 meeting were presented for approval.

Motion Commissioner McCall; seconded Commissioner Laub to approve the Executive Session minutes as submitted and keep them closed to the public.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

GENERAL FUND CLAIMS:

The General Fund Claims and Specific Claims for the month of April 2016 were submitted for approval:

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President Pennekamp asked, "Check No. 25274 to Illinois Electric Works is this for the repairs to Pump No. 2 at South Pump Station?"

Executive Director Shipley, "Yes, it was previously approved by the Board."

Motion Commissioner McCall; seconded Commissioner Hanfelder to approve the General Fund Claims and Specific Claims for the month of April 2016 as submitted and order them paid.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

SPECIFIC CLAIMS:

The Various Specific Claims for the month of April 2016 were submitted for review:

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Motion Commissioner Laub; seconded Commissioner Hanfelder to accept the General Fund and Various Specific Claims for the month of April 2016 as submitted.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

LANSDOWNE CLAIMS & SPECIFIC CLAIMS:

The Lansdowne Claims and Specific Claims for the month of April 2016 were submitted for approval:

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Motion Commissioner Laub; seconded Commissioner Hanfelder to approve the Lansdowne Treatment Plant Claims and Specific Claims for the month of April 2016 as submitted and order them paid.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

FINANCIAL REPORTS:

The General Fund, Specific Funds and Lansdowne Financial Reports for the month of April 2016 were submitted for approval:

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Motion Commissioner Laub; seconded Commissioner Hanfelder to approve the General Fund, Specific Funds and Lansdowne Financial Reports for the month of April 2016 as submitted and place them on file for audit.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

LANSDOWNE REPORT:

The Lansdowne Adjustment Reports were presented for approval:

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Motion Commissioner Laub; seconded Commissioner Darwin to approve the Lansdowne Adjustment Reports as submitted.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

PAYROLL:

The Payroll for the period of April 10, 2016 through April 23, 2016 was submitted for approval:

Motion Commissioner McCall; seconded Commissioner Laub to approve the Payroll as submitted.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

REPORT OF ATTORNEY:

Attorney Filcoff, "I am continuing to work with the Illinois Department of Transportation (IDOT) on the water ponding problems at the Lansdowne Facility."

Commissioner Laub, "At the last meeting, the Board authorized the hiring of an appraiser. Has an appraiser been hired?"

Attorney Filcoff, "Yes, an MAI appraiser from Chicago was hired."

Attorney Calvo, "I would like to update the Board on the union contract negotiations during Executive Session."

CORRESPONDENCE: None.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

President Pennekamp gave a report on the Metro East Sanitary District finances:

Executive Director Shipley, Commissioner Hanfelder, Walter Greathouse, Rosemarie Heath, Cindy Worthen and I met with Michael Brokering (Scheffel Boyle Accounting Firm) last Friday, April 29th.

Mr. Brokering has been responsible for conducting the MESD audits.

After reviewing the audits, I wanted a more thorough understanding of the District's finances. The audits indicate that the District is losing money. And we have an obligation to the public, elected officials and employees to ensure

the long-term health of the District's General Fund and Lansdowne Departments.

We need a financial plan to move forward, so I asked Mr. Brokering for some information and assistance.

We discussed the history of the finances, and we looked at revenues and expenses.

This past fiscal year, the Lansdowne Department has encountered two sewer breaks, unusually large bills from the City of Granite City for sewage treatment and a declining customer base.

There have been several heavy equipment purchases during recent years.

Mr. Brokering is gathering additional information, so that in the future we can make sound financial decisions. I will report back to the Board, once we meet again with Mr. Brokering.

EXECUTIVE SESSION:

Attorney Calvo, "I would like to discuss the status of the union negotiations during executive session."

Motion Commissioner Hanfelder; seconded Commissioner Darwin to enter into Executive Session for the exceptions noted under 5 ILCS 120/2 Open Meetings – The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

The Board entered into Executive Session at 9:47 A.M.

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Motion Commissioner Laub; seconded Commissioner Hanfelder to return to regular session at 9:56 A.M.

The Clerk recorded the attendance:

Present: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Absent: None.

Also, attending the meeting at this time were Attorney George Filcoff, Attorney Larry Calvo and Walter Greathouse.

Attorney Calvo presented the Collective Bargaining Agreement between International Union of Operating Engineers Local 148 and Metro East Sanitary District:

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Motion Commissioner Laub; seconded Commissioner Hanfelder to approve the Collective Bargaining Agreement between International Union of Operating Engineers Local 148 and Metro East Sanitary District, and authorize the President of the Metro East Sanitary District Board of Commissioners to sign the Agreement.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

There being no further business, Motion Commissioner Hanfelder; seconded Commissioner Laub to adjourn.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

So adjourned at 9:59 A.M.

Clerk