

**REGULAR MEETINGS OF THE BOARD OF COMMISSIONERS FOR THE
METRO EAST SANITARY DISTRICT
ST. CLAIR AND MADISON COUNTIES, ILLINOIS
HELD ON TUESDAY, OCTOBER 19, AT 9:00 A.M.
LOCATED AT: 1800 EDISON AVENUE, GRANITE CITY, IL 62040**

President Oney called the Public Hearing to order, and the Clerk recorded the attendance.

The following was the attendance:

Present: Commissioners, Darwin, Dixon, Brinza, and Oney,

Absent: None

Not Present at the time of Roll Call: Lovett

Metro East Sanitary District employees attending the meeting were:

Executive Director Rick Fancher, Attorney Schooley, Attorney Sprague

Kim King-Treasurer.

Other Attendees: Joe Juneau representing Juneau & Associates

PUBLIC COMMENT: NONE

PUBLIC CORRESPONDENCE: NONE

REPORT OF EXECUTIVE DIRECTOR:

Executive Director Fancher reported:

Rick passed out some estimates regarding the sewer break down on Forrest Blvd. Rick reported to the Board that this is the same sewer line that MESD has repaired before. It has been lined and when they put in the manhole 5 or 6 years ago it has now sunk 2 feet.

There are two estimates:

- 1) Estimate from Hanks – they want to couple the two lines together and eliminate the manhole. Which after speaking with the Engineers I don't feel that would be a great idea. When you are coupling a liner piece to a piece of PVC the liners are more flexible and the PVC is not, and I think the manhole is necessary to be there.
- 2) Estimate from Keller – is to replace the manhole and repair the roadway. They will put everything back the way it should be. Also, Keller's estimate is lower than Hanks. Not to mention Hanks was the one that did the work originally.

Rick stated that we did receive another proposal from Baxmeyer however it did not include the watering, bypass pumping. Therefore, it did not meet the standards that were requested. In addition, Baxmeyer could not start work on the project for another 4 to 6 weeks.

Currently, we have the road almost completely blocked off because it is about 20 feet in the roadway. Also, we have a high-pressure gas line within 2 feet of it also.

- President Oney asked if we are bypassing pumping now?
 - o Rick stated that we are not, and the line is still flowing. He continued to explain that what has happened is where they have lined it the liner is so flexible that it actually went down with the manhole. It is still flowing. This line is the one that runs from Caseyville.
 - President Oney asked Joe Juneau if he has seen the estimates.
 - Joe Juneau stated that he had just received them but based on what Rick is stating he believes that the removal and replacement of the structure is the pertinent thing to do. Especially since this is our access point to the main.

Rick has requested that the Board award the work to Keller.

Motion Commissioner Brinza: seconded Commissioner Darwin to accept Keller to conduct the work located on Forrest Blvd.

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

Ayes: Commissioners, Darwin, Dixon, Brinza, Lovett and Oney.
Nays: None
Absent: None

REPORT OF EXECUTIVE DIRECTOR CONT'D:

Rick informed the Board that we are still working on getting the FEMA letter together. We have another week or two to get more information together for them and making sure everything is matching up. We must have it done by the end of November.

Rick stated that we are still meeting with the Corp for the TRRA on the 21st to discuss the property we purchased at 3 times what the actual value was on the cut off wall.

Now TRRA is stating that they are only giving us credit for what they are saying that its worth. We requested that Colonel Dillion Horst be present at the meeting.

- Attorney Schooley stated that what is critical about that is because we got taken a little bit financially. He also stated that since he was not the attorney at that time, he was looking back at all the emails. He found that since there was a lot of pressure to keep that particular job on schedule, we were pressured to obtain the easement from TRRA.
- We had an appraisal and we paid over the appraised value in order to get that easement so that the project could be completed on time.
- We spoke to the same staff of the Corp of Engineers that were handling the matter then and they are disputing the validity of that appraisal and the fact that we paid over three (3) times as much.
- The rub with it all is the difference between what should have been paid versus what was paid comes out of MESD. Unfortunately, we were told that this is not an approved expenditure through the Southwest Illinois Flood Protection District.
- Attorney Schooley went on to say that it is his understanding through talking with Jeremy and Charlie at no time the issue about the appraisal not being a valid appraisal. It was never brought up during those prime negotiations. If you look at the TRRA correspondence during this period that negotiations were going on in order to obtain the easement, there was no way TRRA was coming off that dollar amount.
- Attorney Schooley informed the Board that is why we are in litigation now with TRRA for other easements in that area.
 - o President Oney stated that he thought Southwestern Illinois Flood Protection District was pushing us to get this done, so now why are they backing out of it?
 - Rick stated that whatever the overage is on the approved amount that the Corp said, that is the difference MESD has to pay.
 - President Oney stated that he would hope before we pay anything that we would threaten litigation.
 - o Attorney Schooley stated that we are not at that point yet but that is why we want the Colonel there so he can understand that 3 years ago the Corp was saying “this” and now you are saying something completely different.

- Commissioner Brinza stated that he remembered talking about Southwest Illinois Flood Protection District paying that back when it was approved for Bauer.
 - Rick informed the Board that was correct and that Chuck with IFPD paid it and his Board approved to pay. Now he came back and said if the Corp doesn't approve the amount that you paid, then MESD is responsible for paying the difference between the two amounts.
 - He stated that the Corp is being adamant about not going after the amount because they feel that it is not worth the money.
 - They were pushing us to get it done so that we stayed on schedule with the flood wall. Otherwise, the project would have been stopped.
- Attorney Schooley stated that when he first came on in January 2020 one of the first things, he had done was prepared a "Justification Memorandum" and submitted it to the Corp. All the correspondence between Jeremy Dressel and TRRA you can clearly see in the correspondence they weren't very friendly and there would be no negotiations.
- Attorney Schooley proceeded to say that as it is with any easement if you can't come to an understanding then a "Condemnation Proceeding"(which is a court proceeding) is in order which could delay the project a year ½ to 2 years. That is what happened with our other litigation. This was not a route the Corp or MESD wanted to take and is one of the reasons we paid that amount.

Rick informed the Board that we were contacted by Illinois American Water again to purchase the Lansdowne sewer system. We have not heard much from them until recently. They have submitted a new proposal. I did not think we would receive them in time that is why this is not on the agenda. However, this gives every Board member an opportunity to review it but as of today it is not a voting item it will be place on next month's agenda.

Rick stated that we are going to go through it to make sure the rates are structured the same as ours. This will ensure that our constituents are not being price gouged. He also stated that Illinois American Water's purchase price has substantially changed.

- President Oney stated that he has been through a sale with Illinois American Water and dealing with the ICC and purchase agreements this process could take a year to complete. So, we would be looking at the earliest December 2022.

REPORT OF ENGINEER:

Please see attached report from Charlie Juneau.

MINUTES:

The Regular Minutes for the September 21, 2021, were presented for approval.

Motion Commissioner Brinza: seconded Commissioner Dixon 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, Darwin, Dixon, Brinza, Lovett and Oney.
Nays: None
Absent: None

The Executive Minutes for the September 21, 2021, were presented for approval.

Motion Commissioner Love: seconded Commissioner Darwin 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, Darwin, Dixon, Brinza, Lovett and Oney.
Nays: None
Absent: None

CLAIMS AND SPECIFIC CLAIMS:

The General Fund and Specific Claims were submitted for approval:

Motion Commissioner Brinza; seconded Commissioner Darwin to approve the General Fund and Specific Claims as submitted and order them paid.

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

Ayes: Commissioners, Darwin, Dixon, Brinza, Lovett and Oney.
Nays: None
Absent: None

The Lansdowne Claims and Specific Claims were submitted for approval:

Motion Commissioner Darwin: seconded Commissioner Dixon to approve the Lansdowne and Specific Claims as submitted and order them paid.

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

Ayes: Commissioners, Darwin, Dixon, Brinza, Lovett and Oney.
Nays: None
Absent: None

FINANCIAL REPORTS:

The General Fund Financial Reports for the month of September 2021 was submitted for approval:

Motion Commissioner Brinza, seconded Commissioner Lovett to approve the General Fund Financial Report as submitted and place them on file for audit.

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

Ayes: Commissioners, Darwin, Dixon, Brinza, Lovett and Oney.
Nays: None
Absent: None

The Special Funds Financial Reports for the month of September 2021 was submitted for approval:

Motion Commissioner Darwin: seconded Commissioner Brinza to approve the Special Funds Financial Report as submitted and place them on file for audit.

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

Ayes: Commissioners, Darwin, Dixon, Brinza, Lovett and Oney.
Nays: None
Absent: None

PAYROLL:

The Payroll for the period of September 5, 2021, through September 18, 2021, were submitted for approval.

Motion Commissioner Brinza; seconded Commissioner Darwin to approve the Payroll as submitted.

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

Ayes: Commissioners, Darwin, Dixon, Brinza, Lovett and Oney.
Nays: None
Absent: None

The Payroll for the period of September 19, 2021, through October 2, 2021, were submitted for approval.

Motion Commissioner Darwin; seconded Commissioner Dixon to approve the Payroll as submitted.

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

Ayes: Commissioners, Darwin, Dixon, Brinza, Lovett and Oney.
Nays: None
Absent: None

LANSDOWNE ADJUSTMENT REPORT:

The Lansdowne Adjustment Reports were presented for approval:

Motion Commissioner Lovett; seconded Commissioner Darwin to approve the Lansdowne Adjustment Report as submitted.

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

Ayes: Commissioners, Darwin, Dixon, Brinza, Lovett and Oney.
Nays: None
Absent: None

REPORT OF ATTORNEYS:

Attorney Sprague informed the Board that Rick and himself worked out the El Ranchito matter.

- Rick stated that the owner came in and made a \$1,000 payment and is required to pay the remainder of the balance at the end of the month.

Attorney Schooley had nothing further to report

NEW BUSINESS:

RATE STUDY

President Oney informed the Board that at the Regional Board Meeting we were informed that our rates would increase by 1/2 million dollars. Everyone's rates were increasing. There is a lot of issues with the sewer plant like maintenance issues that they were not aware of

It was almost a million dollar increase but we negotiated with them in order to get the rates down and not collect up front.

We do not have the ability to pass the cost on, so we have 1.2 to 1.4 million dollars in reserve if we had to pay out 1 million dollars then that takes our reserve down to \$400,000. If we had a sewer break like we do now, then it would take it all away.

There are other factors. The EPA is pushing for Waste Treatment Plant to remove the phosphorus out of their water. That is an happening all over the country. Which will be a 1/2 million-dollar operating cost to the plant each month.

After speaking with Rick and Joe Juneau even if we might sell Lansdowne, we still should be proactive and conduct a rate study to see where rates are and where they should be.

So basically, I would like to hire Juneau to conduct the rate study. We have not increased our rates since 2017.

Motion Commissioner Brinza, seconded Commissioner Darwin to hire Juneau and Assoc. to conduct a rate study.

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

Ayes:	Commissioners, Darwin, Dixon, Brinza, Lovett and Oney.
Nays:	None
Absent:	None

NEW BUSINESS CONT'D

BOARD DISCUSSION TO INCREASE THE BOD AND TSS CHARGES

Executive Director Rick Fancher informed the board that current BOD / TSS charges to our customers is just a breakeven point. What we pay is literally what we collect.

Rick's suggestion and recommendation is to study those charges to see what we can increase those to so that we can have a fund set up for any improvements that we need to make with the system itself. Along with money set aside for maintenance and man hours to offset those cost instead of being the responsibility of the District. The only cost that is being covered is what the treatment plant charges MESD.

- Commissioner Brinza stated that we need to make sure this is publicly known that there will be a raise because MESD has been at a loss.
 - o President Oney stated that this will basically affect the industrial and commercial users.
 - Rick concurred with President Oney by stating that this will not affect the average customer. We will let everyone know prior to the increase.

Motion Commissioner Brinza, seconded Commissioner Dixon to conduct a study to see about increasing the BOD and TSS charges.

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

Ayes: Commissioners, Darwin, Dixon, Brinza, Lovett and Oney.
Nays: None
Absent: None

NEW BUSINESS CONT'D.

EPA LOAN

President Oney stated that he believes that it is time to make a decision if we are going to move forward with this loan. He also stated that if we do decide to sell the plant that does not mean that we will stop the process of the loan. There is no obligation until we get into the construction.

If the Board approves us to move forward, then we would need to discuss with Illinois American Water if we decided to sell Lansdowne.

President Oney also stated that Illinois American Water did not this project done. They thought that they could do it cheaper. President Oney stated that if the sale doesn't go through and we let this go it would not be in the best interest since we did receive the referendum. Especially since it was originally at 45% forgiveness now its down to 30%.

- Commissioner Brinza stated that they can lower it again since the percentage has changed twice.
 - o President Oney said in his opinion is to get this project going. Also, the repayment of the agreement will be brought into the new rate study.
 - Commissioner Brinza asked if the motion was to start the project and not the digging.
 - President Oney stated "That is correct" until we put our name on the line, we can always stop it.

Motion Commissioner Brinza, seconded Commissioner Darwin to move forward with the EPA loan.

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

Ayes: Commissioners, Darwin, Dixon, Brinza, Lovett and Oney.
Nays: None
Absent: None

An Ordinance to discuss and or approve the renewal of Ordinance number 81-0-11 for Illinois American Water's 8' water pipeline across Monsanto Ave. Ordinance number 2021-0-015 was assigned to this document.

- Attorney Schooley informed the Board that this ordinance along with the next one is both for Illinois American Water Line Ordinances.
- One is in Granite City on St. Clair and the other one is down in Cahokia near Monsanto Ave.
- Attorney Schooley continued to inform them that these are renewal of Ordinances that expired within the last 15 to 20 years.
- These Ordinances are modeled after the ones that were passed at the July meeting.
- The annual amount that Illinois American Water will be \$11,732 for the easement the 1st five (5) years and the prices will increase \$3.00 per lineal foot.
- These are perpetual easements meaning that the price increase will be \$3.00 per lineal foot for the first 20 years and the price will increase by 3% thereafter. They do bring in a lot of money.
- When this particular easement expired it was only bringing in \$1,600 a year. We are now bringing it more into reality of what rates are today.

Motion Commissioner Darwin; seconded Commissioner Lovett to adopt Ordinance No. 2021-0-015 approving the renewal of Ordinance number 81-0-11 for the Illinois American Water's pipeline across Monsanto Ave.

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

Ayes: Commissioners, Darwin, Dixon, Brinza, Lovett and Oney.
Nays: None
Absent: None

An Ordinance to discuss and or approve the renewal of Ordinance number 81-0-13 for Illinois American Water's 8' water pipeline across St. Clair Ave. Ordinance number 2021-0-016 was assigned to this document.

- Attorney Schooley wanted the Board to be aware that some of these Ordinances expired about 10 years ago so there is some arrearage amount. The arrearage amount is based upon what they were required to pay under the last Ordinance. This will bring them all up to date.
 - o Commissioner Brinza asked if they are aware of that this is coming?
 - Attorney Schooley stated that some do, and some don't such as Ameren they have agreed to pay.
 - Rick stated that Ameren has agreed to pay 3 to 4 of them that we will have at the next meeting. The water company is also aware that these Ordinances are expired, and we are working on new Ordinances and rates.
- Attorney Schooley informed Commissioner Brinza that when Carrie Fowler finds an expired easement whenever she makes her initial contact, she sends out the remodeled Ordinance showing what the new rate will be so that they have some idea as to what to expect. Then whenever we agree to the terms, we customize that Ordinance like you see in these two.
- Attorney Schooley also stated that these will also tie into the Right of Entry to where if 5 years from now Illinois American Water does work on this easement, they will have to comply with the terms of the Right of Entry document. Which in turn will cover the fee, insurance, and all other terms and conditions.

Motion Commissioner Brinza; seconded Commissioner Darwin to adopt Ordinance No. 2021-0-016 approving the renewal of Ordinance number 81-0-13 for the Illinois American Water's pipeline across St. Clair Ave.

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

Ayes: Commissioners Darwin, Dixon, Brinza, Lovett and Oney.
Nays: None
Absent: None

the motion carried by the following vote:

ANY FURTHER BUSINESS PLACED BEFORE THE BOARD:

President Oney has requested that the November Board Meeting be changed to November 23, 2021

Motion made by Commissioner Darwin; seconded Commissioner Lovett.

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

Ayes: Commissioners Darwin, Dixon, Brinza, Lovett and Oney.

Nays: None

Absent: None

the motion carried by the following vote:

There being no further business, Motion Commissioner Darwin seconded Commissioner Brinza to adjourn.

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

Ayes: Commissioners Darwin, Dixon, Brinza, Lovett and Oney.

Nays: None

Absent: Dixon

So, adjourned at 9:33 A.M.

Clerk