

**REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE METRO EAST SANITARY DISTRICT, ST. CLAIR AND MADISON COUNTIES, ILLINOIS HELD ON WEDNESDAY, AUGUST 19, 2015 AT 1800 EDISON AVENUE, GRANITE CITY, ILLINOIS AT 9:00 A.M.**

President Economy called the Regular Meeting to order and the Clerk recorded the attendance.

The following was the attendance:

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

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

James Rossel and Luke Borrenpohl representing Haier Plumbing & Heating, Inc. and Michael Codd with Phillips 66 Company were also in attendance.

**ROCK SPRING ROAD BRIDGE BIDS:**

President Economy asked Mr. Rossel to address the Board concerning the Rock Spring Road Bridge bids.

Mr. Rossel explained:

I know the name "Haier Plumbing and Heating, Inc." does not sound like a company that builds bridges but we are capable of performing the work and have the expertise.

We have several employees that have been with the company for over thirty (30) years. We also hired an employee that has thirty (30) years of experience with the Illinois Department of Transportation.

We are currently working on a Sixteen million dollar (\$16,000,000) project for the Illinois Department of Transportation. We recently completed work on an Eleven million dollar (\$11,000,000) wastewater treatment plant.

We have been in business for forty-nine (49) years and have always completed the job. We have also never been late, unless there were justifiable reasons.

I understand we were not awarded the bid, even though we were the low bidder, because of a project we are currently working on for AMEC and the Illinois Flood Prevention District.

We have experienced several delays while working on the relief well pump station. First, we had a fence issue with Conoco Phillips. Then the contractor redesigned one well. Next the Mississippi River went up and we had to stop work. I would be happy to submit a packet explaining all of the problems we have experienced.

I believe we are very capable of constructing the Rock Spring Road Bridge over Harding Ditch.

I brought Luke Borrenpohl with me today; Luke is in charge of the relief well pump station project.

Mr. Borrenpohl provided additional information:

Thank you for allowing us to address the Board today.

I take pride in myself and Haier Plumbing and the work we do. We try to keep the work site clean and well maintained. However, the contract states that all work must stop if the Mississippi River reaches twenty-five feet (25') on the St. Louis gage. The Mississippi River went up to 25 feet and we had to stop work.

May 2015 – AMEC and the Illinois Flood Prevention District stopped work on the project to revise the plans and asked for a new cost estimate. We provided the new cost estimate and have never heard back from AMEC.

Mr. Greathouse explained:

Bob Shipley, the MESD St. Clair County Superintendent and I have all been to the work site.

The relief well pump station that you were to install has not been completed, while Korte & Luitjohan Contractors completed the work on three relief well pump stations.

Your scope of work was different and may have been a little more difficult, but all we can judge the Rock Spring Road Bridge project on is the work we have seen. The other three relief well pump stations are completed and working and your relief well pump station has not been completed.

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St. Clair County and the Illinois Department of Transportation are both on the District to get the new Rock Spring Road Bridge completed. We have to get this project done in a timely manner.

This is our first experience with Haier Plumbing and unfortunately the relief well pump station is the only thing we can base our decision on.

Mr. Greathouse provided photos of the site where Haier Plumbing is working on the relief well pump station.

Mr. Rossel provided additional clarification on the project:

Our project was different from the other relief well pump stations, we had to drill the wells. Our goal was to get the wells in before the pump station. The focus was on the entire project, it had to be staged properly.

If the Rock Spring Road Bridge has to be completed in a timely manner, we will do that. If necessary we will work on Sundays.

Attorney Filcoff, "The Board awarded the bid to Keeley & Sons, Inc. during the last meeting."

Mr. Rossel, "According to the terms of the contract, the bid cannot be awarded until after the protest is heard."

Attorney Filcoff, "The Board does have additional information now, but must award the bid on experience and the information provided."

Mr. Rossel, "We have the experience."

Commissioner Hanfelder asked, "Have you worked on the project in the past two to three weeks?"

Mr. Rossel, "We have been waiting for the Mississippi River to go down."

Mr. Borrenpohl explained, "One week ago, we met at the AMEC office and went over the blueprint. We had all of our equipment ready to start stripping the dirt and AMEC stopped the project. They said the elevations they provided at the meeting were no longer good. This delayed the project another two days, while the weather was good."

Executive Director Shipley, "Yes, Haier Plumbing has recently been at the site working."

Mr. Borrenpohl, "We have been there and have mowed your levee and cleaned the area."

Attorney Filcoff, "I understand the project better now that I have heard from you."

Mr. Rossel, "I do not understand why the bid award cannot be changed at this time."

President Economy, "The Board will consider the information you have provided today."

Mr. Rossel and Mr. Borrenpohl left the meeting at 9:25 A.M.

President Economy, "Is there any chance the District can purchase the property on the other side of the Rock Spring Road Bridge?"

Attorney Filcoff, "No, the Board will need to award the bid."

Mr. Greathouse, "As you can see from the pictures, Haier Plumbing has not completed the project and it is a mess."

Motion Commissioner Laub; seconded Commissioner Darwin after hearing the formal protest by Haier Plumbing & Heating, Inc. to remain with the original award to Keeley & Sons, Inc. for the Rock Spring Road Bridge over Harding Ditch Superstructure Replacement.

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

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

Nays: None.

Absent: None.

#### **REPORT OF EXECUTIVE DIRECTOR:**

Executive Director Shipley presented a report:

President Economy, “Your report indicates that Superintendent Presswood does not believe the hole has been found where water is entering the sewer line.”

Executive Director Shipley, “The hole they found in Lansdowne Ditch appears to be a small hole and not the large one that is allowing millions of gallons of water into the system.”

Commissioner Hanfelder, “If fish and turtles are entering the sewer line, the water must be entering from a ditch.”

Mr. Greathouse, “We have walked and smoked the line. We have not been able to find the leak. The next step is to have the lines televised.”

#### **REPORT OF LANSDOWNE OFFICE MANAGER:**

Ms. Worthen reported:

1. Collections have been good and we have not experienced any unusual problems.
2. Illinois American Water Company is continuing to disconnect water for past due sewage treatment bills.
3. We are talking to a Representative from Pitney Bowes about reducing the cost of certified mail. It should save the District thousands of dollars in postage.
4. The office staff is working on old debt and cleaning it up.

#### **MINUTES:**

The minutes for the August 5, 2015 meeting were presented for approval.

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Motion Commissioner Hanfelder; seconded Commissioner Laub 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 Economy, Hanfelder, Laub, McCall and Darwin.

Nays: None.

Absent: None.

**GENERAL FUND CLAIMS & SPECIFIC CLAIMS:**

The General Fund Claims and Specific Claims were submitted for approval:

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

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

Ayes: Commissioners Economy, Hanfelder, Laub, McCall and Darwin.  
Nays: None.  
Absent: None.

**LANSDOWNE CLAIMS & SPECIFIC CLAIMS:**

The Lansdowne Claims and Specific Claims were submitted for approval:



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

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

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

Nays: None.

Absent: None.

### **LANSDOWNE REPORT:**

The Lansdowne Adjustment Reports were presented for approval:

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

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

Ayes: Commissioners Economy, Hanfelder, Laub, McCall and Darwin.  
Nays: None.  
Absent: None.

**PAYROLL:**

The Payroll for the period of July 19, 2015 through August 1, 2015 was submitted for approval.

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

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

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

Nays: None.

Absent: None.

**REPORT OF ATTORNEYS:**

Attorney Filcoff reported that he is still working on the expired Ordinances.

**CORRESPONDENCE:** None.

**UNFINISHED BUSINESS:** None.

**NEW BUSINESS:**

Attorney Filcoff presented an Ordinance granting Phillips 66 Carrier, L.L.C. its successors, grantees and assigns the nonexclusive right, privilege, authority and franchise to construct, operate, maintain, remove, replace, and repair three new pipeline facilities together with equipment and appurtenances thereto, for the transportation of liquid petroleum products and byproducts within and through the property of the Metro East Sanitary District, Madison and St. Clair Counties, Illinois.

Attorney Filcoff, "Mr. Codd is in attendance today to discuss this Ordinance."

Mr. Codd stated:

I would like to build a business relationship with the District and resolve some of the current issues.

Several years ago, Phillips 66 felt they overpaid the District and quit paying the yearly fees.

Phillips originally had seventeen (17) lines going through District property in St. Clair County. Seven (7) of those lines have been sold to Buckeye Pipeline and one (1) to Laclede Gas.

Phillips now owns nine (9) pipelines that run through the Metro East Sanitary District property. Seven (7) of the lines are no longer in use. They have been cut and capped, but not filled with slurry.

Mr. Greathouse, "They need to be filled with slurry, so they do not present any future problems to the levee system."

Mr. Codd continued:

I have requested a cost analysis to fill the pipelines. Phillips will certainly fill the pipes at their cost.

That leaves two active pipelines. Phillips quit paying the yearly fee to the District in 1999. The fee at that time was Fifty cents (\$0.50) per square foot. The total cost to bring these up to date is Thirty-two thousand dollars (\$32,000).

Phillips also owes the District for three other pipelines which total Twenty thousand, one hundred dollars (\$20,100).

I want to propose bringing the accounts up to date and paying the District Fifty-two thousand, one hundred dollars (\$52,100) and grouting the unused pipelines. If we choose not to grout or slurry the lines, we will continue paying for them at the rate of Fifty cents (\$0.50) per square foot.

Phillips would like a perpetual easement for the two active pipelines.

Attorney Filcoff, "The District has an Ordinance setting the rates for pipelines. The rate is Six dollars and fifty cents (\$6.50) not Fifty cents (\$0.50). We cannot change the rate for Phillips 66."

Mr. Codd, "What did you base these numbers on?"

Attorney Filcoff, "The rates are based on the cost of maintaining the property."

Mr. Codd, "The price is normally based on the value of the property. The pipeline is forty feet (40') under the bottom of the canal and will not affect the levee or drainage."

Attorney Filcoff, "The District is responsible for the integrity of the levee and the cost of any repairs or maintenance."

Mr. Codd, "The agreement states that Phillips will be liable for any damage to the levee. According to your rate Ordinance, Phillips will pay Three hundred fifteen thousand dollars (\$315,000) to go forty feet (40') under the canal for twenty-five (25) years."

Attorney Filcoff, "The District has signed agreements with other companies using the rate Ordinance. We cannot charge them that rate and charge Phillips a reduced rate."

Mr. Codd, "I cannot find another business or entity that charges these rates. If Fifty cents (\$0.50) is not fair, then charge Two dollars (\$2.00)."

Commissioner Hanfelder, "How large are the pipes?"

Mr. Codd, "There are two eight inch pipelines and one fourteen inch pipeline. Each pipeline goes through four hundred feet (400') of District property.

I cannot justify the rate based on the real estate market or other agreements."

Attorney Filcoff, "The rates are stated in an Ordinance approved by the Metro East Sanitary District Board. The Ordinance applies to everyone."

Mr. Codd, "Just because the Ordinance was approved, does not mean it is right."

Attorney Filcoff, "Where were you ten years ago, when Phillips refused to negotiate with the District?"

Commissioner Hanfelder asked, "Why did Phillips quit paying the District?"

Mr. Codd, "In 1999, Phillips renewed the Ordinance for Five thousand dollars (\$5,000) for twenty-five (25) years. When signing the Ordinance Phillips paid Five thousand dollars (\$5,000) for the year instead of Two hundred Dollars (\$200). Phillips felt a mistake had been made and they had overpaid."

Attorney Filcoff, "The people at Phillips have been very rude when I talked to them in the past."

Commissioner Hanfelder, "Phillips should not have quit paying, until the problem was resolved."

Attorney Filcoff, "The District has signed agreements, using the current rate Ordinance, with Shell Pipeline and Buckeye Pipeline."

Commissioner Laub, "If we have a rate Ordinance and other companies have agreed to the rates then we should not deviate."

Mr. Codd, "Thank you for your time today."

Mr. Codd left the meeting at 9:54 A.M.

Attorney Filcoff presented an Ordinance granting to Ameren Illinois Company d/b/a Ameren Illinois, an Illinois Corporation, its successors and assigns (collectively, "Grantee") the nonexclusive right, privilege, authority and easement to construct, reconstruct, use, operate, maintain, inspect, add to the number of and patrol a natural gas line or lines consisting of piping, hardware, valves, communication lines, and other

appurtenances thereto, upon, over and across, and under property of the Metro East Sanitary District, St. Clair County, Illinois. Number 2015-0-008 was assigned to this document.

Attorney Filcoff, "Ameren Illinois is in agreement with the rates stated in this Ordinance. The rates are as stated in the MESD rate Ordinance. I recommend the Board approve this Ordinance."

Motion Commissioner Laub; seconded Commissioner Hanfelder to adopt Ordinance Number 2015-0-008.

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

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

Nays: None.

Absent: None.

A letter from Pontoon Beach regarding the installation of a new flap gate was presented:

Motion Commissioner Laub; seconded Commissioner Hanfelder authorizing Metro East Sanitary District staff to install a new flap gate at Cahokia Canal near the intersection of Horseshoe Lake Road and Arlington Drive with the stipulation that Pontoon Beach will reimburse the Metro East Sanitary District for all costs related to the flap gate and the installation of the flap gate.

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

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

Nays: None.

Absent: None.

**EXECUTIVE SESSION:** None.

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

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

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

Nays: None.

Absent: None.

So adjourned at 9:58 A.M.

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Clerk