

**REGULAR MEETING OF THE BOARD OF
COMMISSIONERS OF THE METRO EAST
SANITARY DISTRICT, ST. CLAIR AND
MADISON COUNTIES, ILLINOIS HELD ON
WEDNESDAY, SEPTEMBER 7, 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, Roger Morthland and Treasurer Ken Davis.

Ryan Matthews with Dimond Bros, LLC, Michael Brokering representing Scheffel Boyle Certified Public Accounts and Linda Knogel were also in attendance.

INSURANCE RENEWALS – ADVERTISE FOR BIDS:

President Pennekamp introduced Ryan Matthews and asked Mr. Matthews to address the Board at this time.

Mr. Matthews explained that he works for Dimond Bros. Insurance, which was previously Lueders Agency. Mr. Matthews worked with Tom Ross for several years before Mr. Ross retired. Mr. Matthews has been working with the Metro East Sanitary District staff regarding all insurance claims and questions for the last few years.

The current policies expire December 1, 2016, and Mr. Matthews has started reaching out to different insurance carriers for the best insurance and rates. Dimond Bros. is the largest broker for public entities.

Mr. Matthews thanked the Board for their time, and said that he would be happy to answer any questions or attend future Board meetings if needed.

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Executive Director Shipley, “Mr. Matthews has done an excellent job of assisting the District with insurance claims and answering our questions.”

President Pennekamp asked for a motion to advertise for bids for insurance.

Motion Commissioner Laub; seconded Commissioner Hanfelder to Advertise for Bids for the purchase of insurance for blanket building, contents, auto coverage, employment practices liability, inland marine, public officials liability, blanket coverage on contractor equipment and worker’s compensation insurance for the period from December 1, 2016 through December 1, 2017.

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

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

Nays: None.

Absent: None.

Mr. Matthews left the meeting at 9:07 A.M.

LANSDOWNE ANNUAL FINANCIAL REPORT:

Mr. Brokering explained the Lansdowne Annual Financial Report for Year Ended March 31, 2016:

The Independent Auditor’s Report is on pages 1 and 2. Scheffel Boyle prepared the audit, and we believe that we obtained sufficient information to provide an opinion.

The Board members should read “Management’s Discussion and Analysis” as it gives a summary and an analysis of the last two years. This can be found on pages 3 – 7.

Page 8, Exhibit A provides the Statement of Net Position. Lansdowne’s total assets are \$7,006,465; total liabilities \$2,404,122; total net position \$4,602,343 making the total liabilities and net position \$7,006,465.

Exhibit B on page 9 shows that Lansdowne had loss of \$1,172,389.

Page 11, Exhibit D breaks down expenses. Secondary Treatment was the largest expense at \$1,678,933. Secondary Treatment expenses last year were approximately \$1,000,000.

Exhibit E on page 12 shows the beginning of year cash and cash equivalents as \$1,744,835 and the end of year cash and cash equivalents as \$908,801.

Page 13 states there have been no changes to the accounting policies.

Note 4: Long-Term Debt lists the Illinois EPA Loan and accumulated vacation and sick pay. A total of \$1,795,746 is owed to IEPA, and the loan will be paid off in the year 2031.

Page 21 provides a schedule of revenues, expenses and changes in net position for the last five fiscal years.

Pages 22 and 23 compare the budget with the actual revenue and expenses. Secondary Treatment was budgeted at \$1,200,000, but the actual expense was \$1,641,685.

President Pennekamp explained, “We are aware of the problems within the Lansdowne system: the aging infrastructure and the sewage treatment expense. We are taking steps in the right direction by meeting with the mayors and asking for their assistance in stopping the stormwater infiltration; looking into an Illinois Environmental Protection Agency low interest loan for sewer repairs, which is 60% forgivable; and having an engineer examine the sewage treatment expense.”

Mr. Brokering, “Please let me know if there is anything Scheffel Boyle can do to help, we want you to succeed.”

Mr. Brokering left the meeting at 9:15 A.M.

REPORT OF EXECUTIVE DIRECTOR:

Executive Director Shipley presented his report:

Executive Director Shipley explained:

The Mississippi River went down, and we were able to close the pump stations yesterday.

The Corps of Engineers had a clogged pipe near Chain of Rocks Road, which resulted in MESD manning the Chouteau, Nameoki and Venice (CNV) Pump Station for ten shifts.

The Lansdowne Accounts Receivable department collected \$312,000 in sewage treatment payments during the month of August, 2016. They had an outstanding month.

I think we need to examine ownership of the Twin 60" lines.

The sink hole at the North Pump Station is getting worse. The Corps is waiting on funding to repair the problem.

If the Mississippi River gets low enough, we are going to pull the pump at North Pump Station. We are not going to wait on the Corps for financial assistance. The pump needs to be repaired as soon as possible.

REPORT OF LANSDOWNE OFFICE MANAGER:

Mr. Roger Morthland reported:

1. Ms. Worthen is on vacation and asked me to give the report.
2. The residential and commercial sewage treatment bills were mailed on time.
3. The Southwestern Illinois Correction Center made seven payments during the month of August for a total of \$91,715.80. The current balance is \$38,544.60.
4. We had a problem a few months ago and lost some computer files. I have been researching other ways to save files. We have decided to use the Cloud for storage, at a cost of three cents per gigabyte. The District has less than 40 gigabytes of data.

MINUTES:

The minutes for the August 17, 2016 meeting were presented for approval.

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 Hanfelder, Laub, McCall, Darwin and Pennekamp.
Nays: None.
Absent: None.

The Executive Session minutes for the August 17, 2016 meeting were presented for approval.

Motion Commissioner Laub; seconded Commissioner McCall to approve the Executive Session minutes as submitted and order 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 August 2016 were submitted for approval:

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Motion Commissioner Laub; seconded Commissioner Hanfelder to approve the General Fund Claims and Specific Claims for the month of August 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 August 2016 were submitted for review:

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Motion Commissioner Laub; seconded Commissioner McCall to accept the General Fund and Various Specific Claims for the month of August 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 August 2016 were submitted for approval:

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Motion Commissioner Laub; seconded Commissioner Darwin to approve the Lansdowne Treatment Plant Claims and Specific Claims for the month of August 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 August 2016 were submitted for approval:

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Motion Commissioner McCall; seconded Commissioner Laub to approve the General Fund, Specific Funds and Lansdowne Financial Reports for the month of August 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 August 14, 2016 through August 27, 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 Calvo reported, "I have a meeting later today with Charlie Juneau to discuss the proposed Lansdowne Special Service Area."

CORRESPONDENCE: None.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

Attorney Filcoff is still researching the sewage treatment rate increase, and is not ready to set a date for the public hearing.

A proposal from Hank's Excavating & Landscaping, Inc. to slip line the existing 54" concrete sanitary sewer pipes was presented:

Mr. Roth explained the sewer break and proposal:

The existing sewer line runs along Route 40 in Fairmont City and was built in 1937.

The soil has been removed to expose the line. The line is leaking, allowing surface water to enter the line.

Hurst-Rosche recommends Option C to line only one pipe run with 48" HDPE at a cost of \$125,800.00. The District will need approval from IEPA to line the pipe with a 48" liner.

I am concerned that if you try to patch the pipe, then cover it with plastic and dirt that it might cause scouring. If the pipe was to drop, raw sewage would run into the Lansdowne Ditch. Because of the ditch, there are very few options.

A discussion was held to determine if the District had the finances available to slip line the pipe and which option would be the most beneficial.

Motion Commissioner Laub; seconded Commissioner Darwin to declare the sewer break at Route 40 in Fairmont City, Illinois an emergency, and authorize Hank's Excavating & Landscaping, Inc. to line only one pipe run with 48" HDPE (Option C) for a total cost of One hundred twenty-five thousand, eight hundred dollars (\$125,800.00).

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

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

Nays: None.

Absent: None.

EXECUTIVE SESSION:

Attorney Filcoff, "I would like to discuss a personnel matter during executive session."

Motion Commissioner Hanfelder; seconded Commissioner Laub 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 9:50 A.M.

Motion Commissioner Laub; seconded Commissioner Hanfelder to return to regular session at 10:26 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 Executive Director Shipley, Attorney George Filcoff and Attorney Larry Calvo.

President Pennekamp, "At this time, I need a motion to reprimand Director of Operations Walter Greathouse for the unauthorized use of Metro East Sanitary District property."

Motion Commissioner Laub; seconded Commissioner Hanfelder to give Director of Operations Walter Greathouse a written reprimand and one day off without pay for the unauthorized use of Metro East Sanitary District property.

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

Ayes: Commissioners Hanfelder, Laub, Darwin and Pennekamp.

Nays: Commissioner McCall.

Absent: None.

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There being no further business, Motion Commissioner Laub; seconded
Commissioner Darwin 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 10:30 A.M.

Clerk