

South Sangamon Water Commission
Minutes of Special Meeting of the Board of Commissioners
August 9, 2011 – 8:30 a.m.
Rabin & Myers conference room, 1300 S 8th St, Springfield IL

Commissioners:

Present: Del McCord, William Pfeffer

Absent: Craig Hall

Quorum: yes

Others Present:

Herb Butler (EMC), John Myers (Rabin & Myers), Mike Southworth (Hart, Southworth & Witsman), Laura VanProyen (SSWC), Mike Williamsen (Chatham)

Proceedings:

- Meeting was called to order at 8:55 a.m. by Chairman, Del McCord and roll taken.

Cost Overrun Financing:

- Bill Pfeffer presented the possibility of borrowing a line of credit of up to \$5,200,000 from Bank of Springfield at 2.49% for 5 years. No payments would be due until July, 2012; payments of interest only would be due until the first principal payment which would be due in January, 2014. Commissioners would prefer to begin payments of principal also in July, 2012.

- Herb Butler presented his cost projections to complete the project. Discussion of uncertainties and possible problems. Commissioners agreed \$5,200,000 is the amount we want to borrow.

- The \$500,000 grant money was not considered in these calculations due to the uncertainty of timing on the receipts. When extra money is received it can be paid on the debt without prepayment penalty.

- Mike Southworth will talk to Bank of Springfield about a 7% interest cap and have an ordinance for approval at a future meeting.

Herb Butler was excused from the meeting.

EMC Management Contract:

- Mike Southworth stated there are IRS rules about management contracts paid by tax profit. Include a qualifier in the contract that it must comply with IRS requirements.

Mike Southworth was excused from the meeting.

- John Myers presented the EMC contract proposal with comments from his review with Mike Williamsen of its details. He noted some things are different now after American Water bought EMC from what they were when the Village of Chatham initially met with EMC several years ago.
- Our options include: hiring another operating company (and there aren't many); finding and hiring our own qualified people (and we don't have much time to locate them); or negotiating the best deal we can with EMC for 3 to 5 years until we are ready to run it ourselves. Commissioners agreed we need the depth of knowledge and experience EMC can give us for start up and we should try to negotiate an acceptable contract with them.
- Discussion of details. Myers will send our revisions with a cover memo to Del McCord and Mike Williamsen for review before forwarding them to Herb Butler asking for EMC's response within ten days.

Adjournment:

- The next regular meeting of the South Sangamon Water Commission will be August 16, 2011, at 8:30 a.m. in the conference room of Greene & Bradford, 3501 Constitution Dr, Springfield IL.

MOTION by Pfeffer, second by McCord to adjourn.

Voice vote: Motion carried.

- The meeting adjourned at 10:50 a.m.

Respectfully submitted,


Clerk