

South Sangamon Water Commission
Minutes of the Regular Meeting of the Board of Commissioners
September 16, 2019
Water Plant, 9199 Buckhart Road, Rochester, Illinois

Commissioners:

Present: Lee Bloome, Cindy Morris, Dave Johnson

Absent: none

Quorum: yes

Others Present:

Stephen Bivin, Kevin Canham & Laura VanProyen (SSWC), Randy Segatto (Barber, Segatto, et al), Max Middendorf (MECO Engineering), John Vezetti & Kevin Wills (Bernardi Securities), Neil Pritz & John Balzano (Piper Jaffray)
Dan Lewis

Proceedings:

- The meeting was called to order at 5:30 p.m. by chairman Lee Bloome and roll was taken.

Bond Refunding Presentation – Bernardi Securities:

- John Vezetti and Kevin Wills introduced themselves and shared information about Bernardi Securities. They specialize in selling bonds to end-buyers starting locally.
- They distributed copies and presented their proposal for refunding Series 2010 B and C bonds. Interest savings could be structured for level savings, level coverage, monetized savings (cash up front) among many other options. Repayment time frame would be the same as for the current bonds.
- Some of the services they offered included help with continuing annual disclosure, the rating process and handling the entire bond package.
- Interest rates were at an almost historic low making this a good time to consider refunding.
- Their fee would not exceed 1% and could be lower depending on the details of the restructuring.
- The amount of the debt reserve might be able to be reduced depending on the details of the refunding.
- No referendum would be needed for refunding; only a board vote.

The Bernardi Securities representatives left the meeting.

The Piper Jaffray representatives joined the meeting.

Operating Report by Stephen Bivin:

- August water production was down due to being offline for 9 days
- New filtration train were up and running, doing well.
- Commissioner Johnson asked about the critical review status. Bivin stated that is reviewed only about once per year, so there is no change yet.
- Advanced Automation was working with Lee Electric to get all current projects scheduled to be handled at one time.

Engineering Report by Max Middendorf:

Pigging Stations:

- The change order approved in August would no longer be needed. The hatch lid may be raised to allow for easier insertion of the large pigs.
- Initial pigging would need to be coordinated with plant personnel.

New Berlin Master Meter:

- New location of master meter just north of the existing one could have several benefits, require no additional SCADA site and allow for little or no down time during the switch over.
- Commissioners agreed to have the new plan drawn up for review by the board and the village.

- Commissioner Bloome said it the commission's goal to be independent, not relying on equipment, etc. from either of the villages.

- Commissioner Morris asked about what happened with the relocation of the meter. Middendorf explained the IDOT application did not get processed. Failures in follow up and difficulties in communication with the commission caused the hold up on the project.

Public Comments:

- Dan Lewis introduced himself as a resident of Chatham who was running to fill a recent vacancy on the Chatham Utilities Oversight Committee.

MOTION by Bloome, second by Morris to move the second bond refunding presentation from the end of the agenda to before item #6.

Roll call vote: Morris – yes Johnson – yes Bloome – yes Motion carried.

Bond Refunding Presentation - Piper Jaffray:

- Neil Pritz and John Balzano introduced themselves and shared information about Piper Jaffray. They are a New York Stock Exchange company with extensive resources for placing bonds across a wide base of investors and experience with transactions of all sizes.
- They distributed copies and presented their proposal for refunding. Savings could be structured to be monetized for use up front or spread over time. Refinancing everything together may make it more attractive to investors; this would also eliminate the move to variable interest on Series 2011 bonds set to begin July, 2021.
- Private placement with banks could be an option by sending a term sheet to 50 to 60 banks for bids. This could save CUSIPS, administration fees, ratings and can sometimes be done without requirements for reserve funds.
- Commissioner Morris asked about their fee structure. It was not included in the presentation because they didn't know what the commission might want. They stated fees for straight refinancing could be a one-time fee of .625% to .75% which would cover everything; future assistance with disclosure, ratings, etc. would be add-ons charged separately. They would provide fee information by email to the clerk to be forwarded to all commissioners within the week.

The Piper Jaffray representatives left the meeting.

Approval of Minutes:

MOTION by Johnson, second by Morris to approve the minutes of the August 19, 2019 regular meeting as presented.

Voice vote: Motion carried.

Treasurer's Report by Laura VanProyen:

- There were no questions regarding draft financial reports previously emailed to commissioners.
- Treasurer reported the greenhouse on New City Road was delinquent over \$7,000. Attorney Segatto had contacted them with a demand letter with no response.
- Commissioners authorized Segatto to move forward with collection action.

Approval for Payment of Invoices:

-VanProyen distributed a list of open invoices totaling \$56,472.57 for approval and payment along with a list totaling \$364.57 of amounts for telephone and trash hauling that were prepaid to meet due dates.

MOTION by Bloome, second by Morris to approve payment of all invoices on the list totaling \$56,472.57.

Roll call vote: Morris - yes Johnson – yes Bloome - yes Motion carried.

Old Business:

Purchase Order Limits:

- When asked, Bivin suggested \$1,500 to \$5,000 as a reasonable range to consider as a new spending limit without the need for purchase orders.
- Commissioner Bloome recommended \$2,000.
- Attorney Segatto will prepare an ordinance for approval at the October meeting.

Status Update:

- Segatto reported the Motion to Dismiss regarding Vulcan matter failed.

New Business:

- Bloome asked who prepared the shape data for locating in the New Berlin area. Middendorf stated that came from Pat McCarthy.
- There was some initial discussion regarding the bond refunding proposals.
- Segatto suggested a special meeting with Mike Southworth for further discussions and questions.

At 7:40 p.m.:

MOTION by Bloome, second by Johnson to move into Executive Session to discuss personnel matters per Section 2(c)(1).

Voice vote: Motion carried.

Commissioners returned from Executive Session at 7:51 p.m.

Adjournment:

- The next regular meeting of the South Sangamon Water Commission will be held Monday, October 21, 2019 at 5:30 p.m. at the water plant at 9199 Buckhart Road, Rochester, Illinois.

MOTION by Morris, second by Johnson to adjourn.

Voice vote: Motion carried.

- The meeting adjourned at 7:52 p.m.

Respectfully submitted,



Laura VanProyen, Clerk