

JOURNAL OF THE SPECIAL (1403rd) MEETING OF THE
BOARD OF TRUSTEES
THE METROPOLITAN ST. LOUIS SEWER DISTRICT
APRIL 1, 2004 - 5:00 P.M.

The Trustees of the District met in Rooms 111/112 at 2350 Market on the above date. Present at meeting:

Board of Trustees

R. J. Baer, Chair
H. Crumpton, Vice Chair
B. J. Margiotta, excused
M. A. Rhodes
D. J. Hayes
J. M. Swartz, by conf. call

Staff Members

J. L. Theerman, Acting Executive Director
R. E. Hayman, General Counsel
K. J. Tyminski, Secretary-Treasurer
G. Rhodes, Interim Internal Auditor
J. M. Zimmerman, Director of Finance
B. Hoelscher, Director of Engineering
D. St. Pierre, Asst. Director of Operations

Also present were Tom Sullivan, 35 N. Central; Jim Touslee, B & V; J. Vanda, PFM; Curtis Robinson, TKG; Joan Matzeder, Hardwick Law Firm; Rich Ryffel, BAS; Bob Ballsrud, Gilmore & Bell; Gerald Anderson, TSI Engineering; Mike Lause, Thompson Coburn; Worshen G. Cochran Firm; Vicki Taylor Edwards, Director of Human Resources; Worris Levine, Director of Information Systems; Theresa Bellville, Assistant Director of Finance; Bob Breig, Assistant Secretary-Treasurer; Lance LeComb, Public Affairs Specialist; and Sheri Nackley; Secretary to Board of Trustees.

Mr. Baer opened the meeting pursuant to notice and call.

(Ms. Joyce-Hayes had not yet arrived.)

Mr. Baer, in his comments by the Chair, congratulated the staff on their presentations to the rating agencies.

He then gave the report on the Finance Committee meeting held March 25, 2004.

Financial statements were presented for January 2004 and February 2004. An update was given on the 2004-2005 budget development, Alliance project and collection efforts. The Adjustment Review Committee monthly summary of adjustments was also accepted. The Committee was updated on various aspects of the 2004A Bond documents that will be presented at the meeting tonight. The Committee concurred with the staff's recommendation for Board approval of these documents necessary to proceed with the sale of bonds.

Mr. Baer called for public comments.

Mr. Sullivan stated his disapproval once again on the way the bond underwriters were selected.

He also commented that he thought this was the year that there would be changes to the Charter by petitions. One, he believes, is that the District would need approval by the voters for rates.

Mr. Tyminski introduced Ms. Vanda who gave a presentation on the rating agencies and how they rated the District.

Ms. Rush and Mr. Caldwell were introduced to give the presentation on the preliminary official statement.

Mr. Ballsrud and Ms. Matzeder gave the presentation on the master bond ordinance, which will govern the District's debt for the next 30 years.

(Ms. Joyce-Hayes arrived.)

Ms. Vanda presented the information on the debt management policy.

Mr. Tyminski and Mr. Touslee gave the final presentation on the feasibility study.

CONSENT AGENDA

ADOPTION OF PROPOSED ORD. NO. 158-04 (ORDINANCE NO. 11703) RELATING TO THE MARKETING AND SALE OF WASTEWATER SYSTEM REVENUE BONDS, SERIES 2004A, OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT AND AUTHORIZING CERTAIN ACTIONS AND DOCUMENTS RELATING THERETO.

Proposed Ord. No. 158-04 was again presented and read.

Motion made by Mr. Crumpton, seconded by Ms. Rhodes, that proposed Ord. No. 158-04 be adopted.

Motion passed – 5 ayes, no nays

Poll taken:	M. A. Rhodes	aye	H. Crumpton	aye
	D. J. Hayes	aye	R. J. Baer	aye
	J. M. Swartz	aye		

The Chair declared proposed Ord. No. 158-04 adopted and it was assigned Ordinance No. 11703.

NEW BUSINESS

Ordinances

INTRODUCTION AND ADOPTION OF PROPOSED ORD. NO. 169-04 (ORDINANCE NO. 11704) AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO A CONTRACT WITH PAYMENTECH, L.P., WHEREBY PAYMENTECH, L.P. WILL PERFORM PAYMENT CARD PROCESSING SERVICES ASSOCIATED WITH THE COLLECTION AND PROCESSING OF AUTOMATIC DEBIT AND CREDIT CARD PAYMENTS FOR THE DISTRICT.

Proposed Ord. No. 169-04 was presented and read. This ordinance authorizes the District to enter into a 1-year agreement with 2 optional years with Paymentech, L.P. (low bidder) for payment card processing services associated the collection and processing of automatic debit and credit card payments for billed services. These services are a component of a comprehensive redesign of the District’s billing and collection operations and will work in coordination with the implementation of the new Alliance Billing & Collection system.

Motion made by Mr. Crumpton, seconded by Ms. Swartz, that proposed Ord. No. 169-04 be introduced.

Motion passed – 5 ayes, no nays

Poll taken:	M. A. Rhodes	aye	H. Crumpton	aye
	D. J. Hayes	aye	R. J. Baer	aye
	J. M. Swartz	aye		

Motion made, seconded and unanimously adopted to suspend the rules to allow for adoption of proposed Ord. No. 169-04.

Motion made by Ms. Rhodes, seconded by Ms. Joyce-Hayes, that proposed Ord. No.169-04 be adopted.

Motion passed – 5 ayes, no nays

Poll taken:	M. A. Rhodes	aye	H. Crumpton	aye
	D. J. Hayes	aye	R. J. Baer	aye
	J. M. Swartz	aye		

The Chair declared proposed Ord. No. 169-04 adopted and it was assigned Ordinance No. 11704.

INTRODUCTION OF PROPOSED ORD. NO. 170-04 A MASTER BOND ORDINANCE RELATING TO THE ISSUANCE OF WASTEWATER SYSTEM REVENUE BONDS OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT; AUTHORIZING THE ISSUANCE OF (\$175,000,000.00) PRINCIPAL AMOUNT OF WASTEWATER SYSTEM REVENUE BONDS, SERIES 2004A; PRESCRIBING THE TERMS, PROVISIONS AND CONDITIONS FOR THE ISSUANCE OF ADDITIONAL BONDS AND OBLIGATIONS OF THE DISTRICT; AND AUTHORIZING CERTAIN ACTIONS AND DOCUMENTS AND PRESCRIBING OTHER MATTERS RELATING THERETO.

Proposed Ord. No. 170-04 was presented and read. The District has been debt free for a few years. As such, the District does not have a Master Trust Ordinance in place that would preserve the rights of the bondholders. This ordinance establishes this Master Trust Ordinance for the current and future debt authorizations.

Motion made by Ms. Rhodes, seconded by Ms. Swartz, that proposed Ord. No. 170-04 be introduced.

Motion passed – 5 ayes, no nays

Poll taken:	M. A. Rhodes	aye	H. Crumpton	aye
	D. J. Hayes	aye	R. J. Baer	aye
	J. M. Swartz	aye		

Resolutions

ADOPTION OF RESOLUTION NO. 2553 WHEREAS, PURSUANT TO THE BOND ISSUE ELECTION OF FEBRUARY 3, 2004, THE DISTRICT IS DESIROUS OF ESTABLISHING AND IMPLEMENTING A COHESIVE POLICY FOR THE USE OF DEBT TO FINANCE CAPITAL PROJECTS.

Resolution No. 2553 was presented and read. For the past 15 years, the District has financed its Capital Improvement and Replacement program on a cash basis known as Pay-Go. Because of this fact, the District does not have a debt policy. With the shift from a pure pay-go policy to a mixture of cash and debt financing, it is important for the District to establish parameters in policy form on the use of debt financing. This resolution establishes these guidelines.

Motion made by Ms. Rhodes, seconded by Mr. Crumpton, that Resolution No. 2553 be adopted.

Motion passed – Voice vote – all ayes

ADOPTION OF RESOLUTION NO. 2554 WHEREAS, PURSUANT TO THE BOND ISSUE ELECTION OF FEBRUARY 3, 2004, THE DISTRICT IS DESIROUS OF PERFORMING A FINANCIAL FEASIBILITY STUDY FOR THE ISSUANCE OF SERIES 2004A AND 2004B BONDS.

Resolution No. 2554 was presented and read. As part of the due diligence process in preparing for a Revenue Bond Issue, it is prudent to perform an engineering feasibility study to assure the bondholders that the rate structure and management practices are adequate to handle the increased debt burden. This resolution formally accepts the findings of Black & Veatch related to the issuance of 2004a & 2004b bonds.

Motion made by Mr. Crumpton, seconded by Ms. Rhodes, that Resolution No. 2554 be adopted.

Motion passed – Voice vote – all ayes

Motion made by Mr. Crumpton, seconded by Ms. Rhodes, that the Board go into Closed Session to discuss legal, confidential or privileged matters under §610.021(1), RSMo 1988 Supp.

Motion passed – 5 ayes, no nays

Poll taken:	M. A. Rhodes	aye	H. Crumpton	aye
	D. J. Hayes	aye	R. J. Baer	aye
	J. M. Swartz	aye		

No formal action was taken during closed session regarding legal, confidential or privileged matters under §610.021(1), RSMo 1988 Supp.

Motion made by Mr. Crumpton, seconded by Ms. Rhodes, to reconvene into open session.

Motion passed – 5 ayes, no nays

Poll taken:	M. A. Rhodes	aye	H. Crumpton	aye
	D. J. Hayes	aye	R. J. Baer	aye
	J. M. Swartz	aye		

Upon motion made by Ms. Rhodes, seconded by Mr. Crumpton, and unanimously passed, the meeting adjourned at 6:25 P.M.

Secretary-Treasurer