

JOURNAL OF THE (1435th) SPECIAL MEETING OF THE
BOARD OF TRUSTEES
THE METROPOLITAN ST. LOUIS SEWER DISTRICT
August 31, 2006 - 4:30 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

D. J. Hayes, Chair
C. Karam, Vice Chair
E. Harshman
J. H. Goffstein
D. B. Rosenberg
J. H. Buford

Staff Members

J. L. Theerman, Executive Director
R. E. Hayman, General Counsel
K. J. Tyminski, Secretary-Treasurer
J. M. Zimmerman, Director of Finance
B. Hoelscher, Director of Engineering (excused)
D. St. Pierre, Director of Operations

Also present were Tom Sullivan, 35 N. Central; Derrick Harden, KPMG; Rick Olson, Woolpert; Jeanne Vanda, PSM; Tionna Pooler, PFM; Phil Rooney, Merrill Lynch; M. L. Stron; Eric Cowan, Bank of America; Vicki Larego, CDI; Laura Radcliff, A.G. Edwards; Dave Hasty, HNTB; Tom Curran, St. Louis County Government Center; Dan Wilson, KDG; Elliott Davis, Fox 2; Larry Washington; Fox 2; Vicki Taylor Edwards, Director of Human Resources; Marie Collins, Assistant Director of Engineering; Bruce Kozozenski, Manager of Risk Management; Lance LeComb, Public Affairs Specialist; and Helen Williams, Senior Office Associate..

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Ms. Joyce-Hayes opened the meeting pursuant to notice and call.

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Mr. Rosenberg requested that the report of the Finance Committee be held until Item No. 24 on the agenda was read.

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There was no report from the Executive Director.

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Mr. Sullivan asked the District to better explain the issues associated with the selection associated with the underwriting team for the 2004 bond issue. He also asked for the District to explain how that team was picked. He questioned how the security firm in Item No. 26 was selected and asked the District to explain \$300,000 versus \$500,000 cost estimate.

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CONSENT AGENDA

ADOPTION OF PROPOSED ORD. NO. 16-07 (ORDINANCE NO. 12277) AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO A CONTRACT WITH XL CONTRACTING, INC. FOR THE CONSTRUCTION OF STORM SEWERS IN NORTH BEMISTON #325 STORM SEWER IMPROVEMENTS (INFRASTRUCTURE REPAIR) (2005098), IN THE CITY OF CLAYTON, MISSOURI.

ADOPTION OF PROPOSED ORD. NO. 17-07 (ORDINANCE NO. 12278) APPROPRIATING \$1,160,000.00 FROM THE SANITARY REPLACEMENT FUND TO BE USED FOR PROJECT COSTS FOR THE CONSTRUCTION OF SANITARY SEWERS IN OAK DRIVE TO BOPP LANE SANITARY RELIEF PHASE II (99104B), IN THE CITIES OF TOWN AND COUNTRY, AND FRONTENAC, MISSOURI; AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO A CONTRACT WITH KARSTEN EQUIPMENT COMPANY FOR THE CONSTRUCTION OF THE AFORESAID SANITARY SEWERS.

ADOPTION OF PROPOSED ORD. NO. 19-07 (ORDINANCE NO. 12279) APPROPRIATING \$2,600,000.00 FROM THE SANITARY REPLACEMENT FUND TO BE USED FOR PROJECT COSTS FOR THE CONSTRUCTION OF HARLEM-BADEN RELIEF PHASE III (HIGHLAND) (2001138), IN THE CITY OF ST. LOUIS, MISSOURI; AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO A CONTRACT WITH GERSHENSON CONST. CO., INC. FOR THE AFORESAID CONSTRUCTION.

ADOPTION OF PROPOSED ORD. NO. 20-07 (ORDINANCE NO. 12280) APPROPRIATING \$200,000.00 FROM THE OPERATION, MAINTENANCE AND CONSTRUCTION IMPROVEMENT FUND OF THE LOWER MERAMEC RIVER BASIN TO REIMBURSE AMERICAN HERITAGE HOMES, L.L.C. FOR THE COSTS OF CONSTRUCTION OF SANITARY SEWERS AS UNDERTAKEN BY AMERICAN HERITAGE HOMES, L.L.C. IN WILLIAMS CREEK SANITARY INTERCEPTOR PHASE IIB (2000046B) IN ST. LOUIS COUNTY, MISSOURI; AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO A CONTRACT WITH AMERICAN HERITAGE HOMES, L.L.C. WHEREBY THE DISTRICT WILL REIMBURSE

AMERICAN HERITAGE HOMES, L.L.C. FOR THE CONSTRUCTION OF SAID SANITARY SEWERS.

ADOPTION OF PROPOSED ORD. NO. 22-07 (ORDINANCE NO. 12281) APPROPRIATING \$1,500,000.00 FROM THE IMPROVEMENT FUND FOR THE REPAIR, REMOVAL, REHABILITATION AND MODIFICATION OF EXISTING SEPARATE SEWER SYSTEM OVERFLOWS IN SEPARATE SEWER OVERFLOW MODIFICATION AND MONITORING PROGRAM (2006174).

ADOPTION OF PROPOSED ORD. NO. 23-07 (ORDINANCE NO. 12282) APPROPRIATING \$1,195,000.00 FROM THE SANITARY REPLACEMENT FUND FOR ENGINEERING SERVICES FOR THE DESIGN OF CREVE COEUR CREEK SANITARY TRUNK SEWER RELIEF PHASE II (2003063B) AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO CONTRACT E-1181 WITH ABNA ENGINEERING, INC. FOR THE AFORESAID ENGINEERING SERVICES.

ADOPTION OF PROPOSED ORD. NO. 24-07 (ORDINANCE NO. 12283) APPROPRIATING \$485,000.00 FROM THE SANITARY REPLACEMENT FUND FOR ENGINEERING SERVICES FOR THE DESIGN OF GRAVOIS TRUNK (WHITECLIFF TO RDP) SANITARY RELIEF PHASE IV (E-1182 & 90032C) AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO CONTRACT E-1182 WITH HNTB CORPORATION FOR THE AFORESAID ENGINEERING SERVICES.

ADOPTION OF PROPOSED ORD. NO. 25-07 (ORDINANCE NO. 12284) APPROPRIATING \$1,297,000.00 FROM THE SANITARY REPLACEMENT FUND FOR ENGINEERING SERVICES FOR THE DESIGN OF RIVERSIDE AND YARNELL SANITARY RELIEF (SKME-400) (2006050) AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO CONTRACT E-1183 WITH FRU CON ENGINEERING, INC. FOR THE AFORESAID ENGINEERING SERVICES.

ADOPTION OF PROPOSED ORD. NO. 27-07 (ORDINANCE NO. 12285) APPROPRIATING \$1,073,000.00 FROM THE SANITARY REPLACEMENT FUND FOR ENGINEERING SERVICES FOR THE DESIGN OF VALLEY SANITARY RELIEF (SKME-014) (2006052) AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO CONTRACT E-1185 WITH GEORGE BUTLER ASSOCIATES, INC. FOR THE AFORESAID ENGINEERING SERVICES.

ADOPTION OF PROPOSED ORD. NO. 28-07 (ORDINANCE NO. 12286) APPROPRIATING \$795,000.00 FROM THE SANITARY REPLACEMENT FUND FOR ENGINEERING SERVICES FOR THE DESIGN OF MISSOURI WWTP SECONDARY TREATMENT EXPANSION AND DISINFECTION AT VARIOUS TREATMENT PLANTS (2006168) AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO CONTRACT E-1186 WITH BLACK & VEATCH CORPORATION FOR THE AFORESAID ENGINEERING SERVICES.

ADOPTION OF PROPOSED ORD. NO. 30-07 (ORDINANCE NO. 12288) APPROPRIATING

\$280,000.00 FROM THE SANITARY REPLACEMENT FUND FOR ENGINEERING SERVICES FOR THE DESIGN OF CSO – FERGUSON AND RAYMOND CSO INTERCEPTOR (I-134, L-074) (2005106) AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO CONTRACT E-1188 WITH ENGINEERING DESIGN SOURCE, INC. FOR THE AFORESAID ENGINEERING SERVICES.

ADOPTION OF PROPOSED ORD. NO. 31-07 (ORDINANCE NO. 12289) APPROPRIATING \$144,500.00 FROM THE SANITARY REPLACEMENT FUND FOR ENGINEERING SERVICES FOR THE DESIGN OF NATURAL BRIDGE BRANCH SANITARY RELIEF (SKME-221) (2006048) AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO CONTRACT E-1189 WITH ACCESS ENGINEERING, LLC FOR THE AFORESAID ENGINEERING SERVICES.

ADOPTION OF PROPOSED ORD. NO. 33-07 (ORDINANCE NO. 12290) APPROPRIATING \$46,000.00 FROM THE GENERAL FUND OF THE DISTRICT FOR A FINANCIAL FEASIBILITY STUDY FOR THE PLANNED SALE OF SEWER REVENUE BONDS; AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO A CONTRACT WITH BLACK & VEATCH CORPORATION WHEREBY BLACK & VEATCH CORPORATION WILL PERFORM SAID FINANCIAL FEASIBILITY STUDY.

Plan Approval

None.

Motion made by Mr. Rosenberg, seconded by Ms. Harshman, that the Consent Agenda be adopted.

Motion passed – 6 ayes, no nays

Poll taken:	D. B. Rosenberg	aye	J. H. Buford	aye
	E. Harshman	aye	C. Karam	aye
	J. H. Goffstein	aye	D. J. Hayes	aye

The Chair declared the Consent Agenda adopted and proposed Ord. Nos. 16-07, 17-07, 18-07, 19-07, 20-07, 22-07, 23-07, 24-07, 25-07, 27-07, 28-07, 30-07, 31-07 and 33-07 and were assigned Ordinance Nos. 12282, 12283, 12284, 12285, 12286, 12288, 12289 and 12290.

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ADOPTION OF PROPOSED ORD. NO. 29-07 (ORDINANCE NO. 12287) APPROPRIATING \$305,000.00 FROM THE SANITARY REPLACEMENT FUND FOR ENGINEERING SERVICES FOR THE DESIGN OF KEHRS MILL TRAILS SUBDIVISION SANITARY SEWERS (S.D. #2003144) AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER

ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO CONTRACT E-1187 WITH KUHLMANN DESIGN GROUP, INC. FOR THE AFORESAID ENGINEERING SERVICES.

Motion made by Mr. Rosenberg, seconded by Ms. Harshman, that proposed Ord. NO. 29-07 be adopted.

Motion passed – 5 ayes, 1 abstention

Poll taken:	D. B. Rosenberg	aye	J. H. Buford	aye
	E. Harshman	aye	C. Karam	abstain
	J. H. Goffstein	aye	D. J. Hayes	aye

The Chair declared proposed Ord. No. 29-07 adopted and it was assigned Ordinance No. 12287.

(HELD)

ADOPTION OF PROPOSED ORD. NO. 18-07 APPROPRIATING \$43,000.00 FROM THE OPERATION, MAINTENANCE AND CONSTRUCTION IMPROVEMENT FUND OF THE UNIVERSITY CITY BRANCH OF RIVER DES PERES TO BE USED FOR PROJECT COSTS FOR THE CONSTRUCTION OF STORM SEWERS IN FAIRHAM #7619 STORM SEWER (2005140), IN THE CITY OF SHREWSBURY, MISSOURI; AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO A CONTRACT WITH EDWARD'S CONSTRUCTION CO. FOR THE CONSTRUCTION OF THE AFORESAID STORM SEWERS.

UNFINISHED BUSINESS

Ordinances

None.

Resolutions

None.

NEW BUSINESS

Ordinances

INTRODUCTION AND ADOPTION OF PROPOSED ORD. NO. 38-07 (ORDINANCE NO. 12291) REPEALING ORDINANCE NO. 12222, ADOPTED JUNE 8, 2006, AND ENACTING A NEW ORDINANCE IN LIEU THEREOF, DETERMINING THE AMOUNT OF TAXES WHICH SHALL BE LEVIED, ASSESSED, AND COLLECTED IN THE YEAR 2006 ON ALL TAXABLE TANGIBLE PROPERTY IN THE DISTRICT WITHIN THE CORPORATE LIMITS OF THE CITY OF ST. LOUIS AND ST. LOUIS COUNTY, RESPECTIVELY, AND IN SUBDISTRICTS WITHIN THE CORPORATE LIMITS OF ST. LOUIS COUNTY AS FOLLOWS: COLDWATER CREEK TRUNK SUBDISTRICT, GRAVOIS CREEK TRUNK SUBDISTRICT, MALINE CREEK TRUNK SUBDISTRICT, WATKINS CREEK TRUNK SUBDISTRICT, SUBDISTRICT NO. 88 (FOUNTAIN CREEK), SUBDISTRICT NO. 89 (LORETTA-JOPLIN), BENEFIT SUBDISTRICT NO. 111 (MARLBOROUGH), SUBDISTRICT NO. 325 (PADDOCK CREEK), SUBDISTRICT NO. 342 (CLAYTON-CENTRAL), SUBDISTRICT NO. 366 (UNIVERSITY CITY BRANCH OF RIVER DES PERES STORMWATER SUBDISTRICT), SUBDISTRICT NO. 367 (DEER CREEK STORMWATER SUBDISTRICT), SUBDISTRICT NO. 369 (SUGAR CREEK), SUBDISTRICT NO. 374 (WEDGEWOOD CREEK), SUBDISTRICT NO. 376 (BLACK JACK-DELLWOOD CREEK), SUBDISTRICT NO. 380 (UPPER PADDOCK CREEK), SUBDISTRICT NO. 448 (MISSOURI RIVER – BONFILS), SUBDISTRICT NO. 449 (MERAMEC RIVER BASIN M.S.D. SOUTHWEST), SUBDISTRICT NO. 453 (SHREWSBURY BRANCH OF RIVER DES PERES), SUBDISTRICT NO. 454 (SEMINARY BRANCH OF RIVER DES PERES), SUBDISTRICT NO. 455 (BLACK CREEK), SUBDISTRICT NO.1 OF THE RIVER DES PERES WATERSHED (CREVE COEUR-FRONTENAC AREA), SUBDISTRICT NO.4 OF THE RIVER DES PERES WATERSHED (NORTH AFFTON AREA), AND SUBDISTRICT NO.7 OF THE RIVER DES PERES WATERSHED (WELLSTON AREA), WITH AN EMERGENCY CLAUSE.

Proposed Ord. No. 38-07 was presented and read. Tax levies require adjustment to properly reflect final assessed property valuation per County Board of Equalization which occurred after Ord. No. 1222 was adopted in June 2006.

Motion made, seconded and unanimously adopted to suspend the rules to allow for adoption of proposed Ord. No. 38-07.

Motion made by Mr. Rosenberg, seconded by Ms. Harshman that proposed Ord. No. 38-07 be adopted.

Motion passed – 6 ayes, no nays

Poll taken: D. B. Rosenberg aye J. H. Buford aye

E. Harshman	aye	C. Karam	aye
J. H. Goffstein	aye	D. J. Hayes	aye

The Chair declared proposed Ord. No. 38-07 adopted and it was assigned Ordinance No. 12291.

Mr. Tyminski noted that this ordinance will rollback taxes in four Subdistricts so that the District is in compliance with the Hancock Amendment.

INTRODUCTION OF PROPOSED ORD. NO. 39-07 AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO CONTRACTS WITH A. G. EDWARDS, BANC OF AMERICA SECURITIES, EDWARD JONES, AND STIFEL NICOLAUS WHEREBY A. G. EDWARDS, BANC OF AMERICA SECURITIES, EDWARD JONES, AND STIFEL NICOLAUS WILL SERVE AS BOND UNDERWRITERS FOR THE DISTRICT.

Proposed Ord. No. 39-07 was presented and read. The District desires to select an investment banking team to market the \$100 million bond financing. Proposals were solicited from thirty-eight firms and twenty-three firms responded. The District seeks a team to both market long-term debt and commercial paper. Based on the proposals received, a team consisting of A. G. Edwards, Banc of America Securities, Edward Jones, Banc of America Securities and Stifel Nicolaus is recommended with Banc of America Securities to serve as the lead banker for the commercial paper program and A. G. Edwards to serve as the lead banker for long-term debt issued in fiscal 2006-2007.

Mr. Rosenberg reported that the Finance Committee met on August 21, 24 and 31, 2006. In attendance were Trustees Buford, Harshman and Rosenberg. Also in attendance at the August 21 and August 31 meetings was Trustee Karam. At the August 21, 2006 meeting, the Finance Committee interviewed six investment banking firms: A. G. Edwards, Merrill Lynch, Bear Stearns, Edwards Jones, Banc of America and Stifel Nicolaus. The committee did not reach an agreement at that meeting and reconvened on August 24, 2006, where based upon a recommendation by the District's finance advisor that the remaining \$100 million bonds issued be subdivided into two pieces – the \$60 million long-term debt issue and \$40 million commercial paper issue. It was felt that this split issue would provide more flexibility for cash flow purposes. At that meeting the committee recommended that the firms of A. G. Edwards, Edward Jones, Stifel Nicolaus and Banc of American handle the long- term debt portion with A. G. Edwards as the lead. Merrill Lynch was to handle the \$40 million commercial paper issue. At the August 31, 2006 meeting, the committee reevaluated their decision and removed Banc of America from the long-term debt team and replaced Merrill Lynch with Banc of America on the commercial paper team. Mr. Tyminski indicated that in 2004 one of the District's trustees was on the Board of Directors of Stifel Nicolaus, that trustee abstained in the selection process. Additionally, the District switched from Bear Stearns to Banc of America because the District was unable to reach terms of agreement with Baer Stearns. Mr. Tyminski summarized by indicating that of the first \$500 million authorizations for bonds, approximately half would have been issued through the Missouri SRF and half by MSD. Ms Joyce-Hayes asked if any of the trustees served on the Board of any of the firms involved with the banking team. There were no conflicts of interest. Mr. Tyminski pointed out that at the September 14, 2006 meeting that the District would come back

with the minority business component, which would be approximately 15 percent of this transaction.

Upon completion of Mr. Rosenberg's report a Motion was made by Ms. Harshman, seconded by Mr. Buford that proposed Ord. No. 39-07 be introduced.

Motion passed – 6 ayes, no nays

Poll taken:	D. B. Rosenberg	aye	J. H. Buford	aye
	E. Harshman	aye	C. Karam	aye
	J. H. Goffstein	aye	D. J. Hayes	aye

Resolutions

ADOPTION OF RESOLUTION NO. 2669 WHEREAS, ORDINANCE NO. 11846, ADOPTED SEPTEMBER 9, 2004, AUTHORIZED THE EXECUTIVE DIRECTOR AND SECRETARY-TREASURER ON BEHALF OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT TO ENTER INTO A CONTRACT WITH SECURITAS SECURITY SERVICES USA, INC. WHEREBY SECURITAS SECURITY SERVICES USA, INC. WOULD PROVIDE SECURITY FOR THE DISTRICT'S HEADQUARTERS BUILDING, DISTRICT EMPLOYEES AND THROUGHOUT THE DISTRICT AS NEEDED.

Resolution No. 2659 was presented and read. This resolution will authorize the District to exercise the second one-year option and enter into a contract with Securitas from October 1, 2006 to September 30, 2007.

Motion made by Mr. Rosenberg, seconded by Ms. Harshman that Resolution No. 2669 be adopted.

Motion passed – voice vote – 6 ayes, no nays

Ms. Edwards indicated that Securitas provide security service primarily at 2350 Market Street, but the firm can also be called upon to handle any of the District outlying locations. The difference between the \$300,000 and \$500,000 estimates represents Securitas monitoring of outlying locations. Mr. Karam questioned if there are any instances of security problems handled by Securitas? Ms. Edwards indicated that the 2350 Market Street is situated in a high crime area for car theft. She also noted that MSD did not have any thefts in recent years. Mr. Rosenberg noted for the record that ten firms were solicited, and five submitted proposals for the security service.

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Motion made by Ms. Joyce-Hayes, seconded by Mr. Rosenberg, that the Board go into closed session to discuss legal, confidential or privileged matters under §610.021(1), RSMo 1988 Sup.; leasing, purchase or sale of real estate under §610.921(2).

Motion passed – 6 ayes, no nays

Poll taken:	D. B. Rosenberg	aye	J. H. Buford	aye
	E. Harshman	aye	C. Karam	aye
	J. H. Goffstein	aye	D. J. Hayes	aye

Upon motion made by Mr. Goffstein, seconded by Mr. Rosenberg, and unanimously passed, the meeting adjourned at 4:50 P.M. and went into closed session.

A formal vote was taken on the introduction of an ordinance regarding leasing, purchasing or sale of real estate under §610.021(2) authorizing the District to enter into a contract for the lease of certain real property owned by the District.

Secretary-Treasurer