

**KINKAID-REED'S CREEK CONSERVANCY DISTRICT  
BOARD OF TRUSTEES MEETING  
WEDNESDAY, October 14, 2020**

The Board of Trustees of the Kinkaid-Reed's Creek Conservancy District held its monthly meeting on Wednesday, October 14, 2020. President Steve McGriff called the meeting to order at 7:00 p.m. at the KC Hall, 606 Plum Street in Murphysboro, Illinois.

<b>ROLL CALL:</b>	Chuck Novara	Present
	Don Siefert	Present
	Ken Carr	Present
	Steve McGriff	Present
	Tony Mileur	Present
	Mike Barone	Present
	Dale Jones	Present

**Also, Present:** Manager Scott Wilmouth, Cathy Rothe, JT Jenkins, Ed Heller, Mark Dallas, Tim Rogers, Angie Rogers, Jack Huppert, Bobby Bower, Stephanie Alkan, Matthew Ferrell, Mark Rampley, Agan Alkan, Travis Loft, Gary Rains, Larry Macke, Amber Leslie, Mark Dirnberger, Brittany Dirnberger, Peter Hanson, Chris Rosem, Tonya Knust, Tammy Ryan, Lisa Woodson and Jason Peach.

**MINUTES:** Trustee Mike Barone made a motion to approve the minutes of the September 09, 2020 Board of Trustees meeting. Trustee Tony Miluer seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

**PUBLIC COMMENT:** Jason Peach stated he was with Hill Top Campground, he would like permission for Saturday, October 10, 2020, to run a tractor and hayride through the preserve, for one trip. President McGriff stated he has spoken with Manager Wilmouth about this today and Manager Wilmouth didn't think that would be a problem. It's something you do for the children, so that is fine. Mr. Peach thanked President McGriff.

President McGriff stated there is going to be a change in the order of the agenda. We have the District's auditors here this evening. We are going to go to the financial reports, so the auditors can do their presentation then they can either stay or leave.

**FINANCE CHAIRMAN REPORT:**

**Audit Report Approval – Mark Dallas – Kerber, Eck & Braeckel:**

Marl Dallas gave a brief overview of the audit report for the Kinkaid Reed’s Conservancy District and thanked Manager Wilmouth and Cathy Rothe for being accommodating during the audit.

Secretary Miluer made a motion to accept the audit report for the Conservancy District. Trustee Chuck Novara seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

**Approval of FY20 Year End Adjusting Journal Entries:**

Secretary Miluer made a motion to approve the FY20 yearend adjusting journal entries. Trustee Carr seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

**District Account Balances Approval:**

Secretary Mileur has reviewed and made a motion to approve the District Account Balances as of October 14, 2020. Trustee Barone seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

**District Budget vs. Actual Report Approval:**

Secretary Mileur made a motion to approve the current District Budget vs. Actual Report. Trustee Barone seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
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Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

**District Bills:**

Secretary Mileur made a motion that payment of the Conservancy District bills be approved. Trustee Barone seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

**FINANCE COMMITTEE – Kinkaid Area Water System:**

**Audit Report Approval – Mark Dallas – Kerber, Eck & Braeckel:**

Secretary Miluer made a motion to approve the audit report on the Water System. Trustee Barone seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

President McGriff thanked Mark Dallas for the report.

**Approval of FY20 Year End Adjusting Journal Entries:**

Secretary Miluer made a motion to approve the FY20 yearend adjusting journal entries. Trustee Barone seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
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Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

**Water System Account Balances Approval:**

Secretary Miluer has reviewed and made a motion to approve the Water System Account Balances as of October 14, 2020. Trustee Barone seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

**Water System Budget vs. Actual Report Approval:**

Secretary Miluer made a motion to approve the Water System Budget vs. Actual Report. Trustee Barone seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

**Approval of the Water System Bills:** Secretary Miluer made a motion to approve the Kinkaid Area Water System bills. Trustee Barone seconded this motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

**KINKAID-REED'S CREEK CONSERVANCY DISTRICT**

**OLD BUSINESS:**

**CONSERVANCY COMMITTEE'S REPORT:**

**Fish Management:** Nothing to report

**Fish Tournament Requests and Fish Tournament Regulations:** Nothing to report

**Deck/Shed Requests:** Manager Wilmouth reported that the District has one deck and shed request for CB-19, it is below 300 square feet. Trustee Miluer made a motion to approve the deck and shed request on CB-19. Trustee Jones seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

**319 Update: ET Simonds Pay Request # 1:** Manager Wilmouth reported that there is a pay estimate for ET Simonds Construction for the silt dam construction and the gulley project, they are complete as of today. There is additional cost for rock that had to be put in the silt dam, they had to use more than what was estimated. The total pay request is \$127,005.08. Trustee Barone made a motion to approve pay estimate #1 to ET Simonds in the amount of \$127,005.08. Trustee Novara seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

**Marina/Campground:**

**Consideration of Concession Contracts Termination:** Attorney Ed Heller stated he wanted to confirm that the September 15, 2020 document change is the only document that has been submitted in response to the (inaudible) last time. (Inaudible response from Matt Ferrell).

President McGriff stated that the Board is going into Executive Session. Attorney Heller stated the Board is going into Executive Session under section 2C11 of the Open Meetings Act. Trustee Novara made a motion to go into Executive Session. Trustee Barone seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
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Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

Trustee Novara made a motion to resume regular session. Trustee Barone seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried

President McGriff stated that the Board is under marina campground consideration at this time and I call for a motion to declare the concession contracts of DAR Investors, Inc., terminated for a serious default for violation of Paragraph 5 of the main contracts and Paragraph 28 of Addendum A agreed by the parties, in that without consent of the District, the concessionaire has assigned to MRV Bank collateral security right in concessionaire's infrastructure, and campground and marina slip leases, and after being granted a period of time to cure that default, the concessionaire has failed to remove the collateral liens on docks, leasehold improvements and other infrastructure. Trustee Novara made a motion to terminate the contract. Trustee Barone seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	No
Ken Carr	No
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Abstain

President McGriff declared the motion carried

President McGriff stated that the concession contract for the Kinkaid Marina and Campgrounds are hereby terminated and are null and void.

President McGriff stated that he would like to make a motion to grant DAR Kinkaid Investors Inc., until 5pm December 30, 2020, to present to the District an acceptable person or entity who is willing to purchase DAR Kinkaid Invertor's concession rights and leasehold improvements and infrastructure on terms agreeable to the District, or to remove the property they own from the leased premises. Trustee Novara made a motion to grant DAR Kinkaid Investors Inc., until 5pm December 30, 2020, to present to the District an acceptable person or entity who is willing to purchase DAR Kinkaid Investors concession rights and leasehold improvements and infrastructure on terms agreeable to the District, or to remove the property they own from the leased premises. Trustee Miluer seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes

Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Abstain

President McGriff declared the motion carried

President McGriff stated that he would like for Ed Heller, the Districts attorney to please briefly explain to the public present why this default is serious and why this action is necessary.

Attorney Heller stated that this contract has been in place for a lot of years. The basis of this contract is this property is owned by the government, this is a political body which is charged with the responsibility of maintaining water systems, overseeing a marina campgrounds, which we do from Conservancy contracts. Those contracts prohibit consignment of any rights, under those contracts to any outside party without prior consent of this Board. The reason for that is, the reason we are here right now is because this concessionaire without consent or even asking for consent of this Board have granted collateral security interest in all these assets to the bank. Putting the bank in a position, that bank is a third party in which this Board, this government entity has no contractual relationship whatsoever. With that collateral assignment, puts that bank in a position where they can determine contrary to the interest of the Conservancy District, that the marina is going to shut down, close and go away. We have never given permission to anyone to assign any rights to enter this activity, that would put someone else in a position of being able to shut down the marina operation. Dig up the sewer lines, take down the buildings, remove the docks, shut down the marina campground operation and leave it without any facilities whatsoever. Right now that collateralization attempts to give that right to MRV Bank. This District has not consented to that and that is the reason this contract is terminated. This contract, provision here, there are a number of things in these contracts that can constitute breach of the contract, is specified in the contract to be a serious default, which can result in immediate termination.

President McGriff stated we recognize that this action creates some uncertainty as to what happens next. It is possible that this could result in some disruption of facilities and service. We want to assure all boaters, campers, and users of these facilities that the District is committed to continuing to have a campground and marina operating at this location. Any disruption of services will be temporary and not permanent. We ask everyone to be patient while we work through this transition.

Attorney Heller asked Matt Ferrell if he had anything to present to the Board? Attorney Ferrell stated that he didn't know what we are asking for to present. Obviously, we have a strong disagreement on the Board's action and decision. We don't think it's in the best interest of the public. I don't know if I sat here and explained all the different reasons why (inaudible) it's going to help. The Board has made its decision. Rest assured that we are going to have forces to review this and find out if it was a viable decision, if not, the sad and unfortunate thing is if the court disagrees with the Board's decision, we are all going to be sitting right back here again across from this table looking at each other trying to figure out a way to work with each other. Had this been done (inaudible) Obviously we disagree with the Board's decision. We will let the chips fall where they may.

Attorney Heller thanked Attorney Ferrell.

**Watershed Management:** Nothing to report

**OSLAD Grant:** Tabled

**Concessionaire's Report:** Mr. Alkan reported that on the August 21, 2020, dated letter, there was a couple of things with an October 1<sup>st</sup> due date. So, number 4 was a boat inspection and sewer holding tanks. We have accomplished that. Number 5 was a sewer pump out log and we have accomplished that. We have somebody actually doing to the pump out station every time somebody wants to be there doing the pump out. This created an extreme amount of labor, additional labor and we will be looking at that at a later time. So fuel dock renovation, this was on the addendum, we were done with this renovation, we had leveled the dock off and there was a building there falling apart, we have removed that and we had to replace the fuel dispenser at that point. After that renovation was completed, we decided to add onto more on that building and we have we have tripled the size of that building and since then we have finished the siding of the building. Number 7 was the copies of all campsites, boat slip leases, insurance registration, pictures and all. And that was also done and put up on the drop box. That is continuous process, it will never stop, because everybody has a different insurance date, everybody has a different registration and so on and so forth. So we can go ahead a keep using the drop box to fix that issue. Now, the past several meeting's we had talked about the number 1 issue being the sewer in the boats. And we said, I believe it was you Chuck that said, well that's the biggest issue that we have. There was evidence that somebody was dumping their septic into the lake. Well IDRN had mentioned this. Apparently, the most it would be is about 80 gallons and if the was apparent to an IDNA officer, I'm not so sure why right then and there they didn't issue a ticket, to the vessel that has done this. I made a comment, I said there is actually much bigger issues on this lake that can contaminate this lake. So, we have been working on that. And ah, I had asked for a voluntary inspection by fire Marshall because we have 10,000 gallons on this lake that could at any give point dump onto the lake. Now that is a major concern.

That is not on the addendum, it's not on the contract, it's not on anywhere, other than I, we, have been working on this project because we are worried about this becoming a major issue. Now recently Golconda has had a problem and they are probably are going to stop doing fuel on the water, because the expense is major. Rend Lake as we got compared to, when the rates were actually being talked about, they do not have fuel on the water. The houseboats have to carry their fuel to the end of the dock and fuel by 5-gallon jugs. So, I have email showing that this has been failing at least over 5 years and the old concessionaire knew about this. We made a plan to fix all of these issues. Roughly about \$70,000 cost over the \$30,000 that we have spent. Which will basically add \$100,000 additional expense to this marina alone this year. I wanted to give a report on that. There is a couple of items that you guys want to talk about, I'm here to talk about it. So, you know, the roof to be installed over the outdoor coolers at the restaurant, well, I'm not so sure that was engineered in the past. However, the cooler had, both coolers on the cooler box above the coolers, which was doing nothing but creating leaks and so on and so forth. Luck or unlucky you can say, both of those coolers had to be replaced due to major fault. So each one of them was \$7,000. We put new coolers, one on each side. This happened during the Covid, so we had everything moved to the freezer. We did lose about \$6,000 worth of food. So kind of take our game plan to install the roof over the restaurant cooler. In business you do have continuously change as everything happens. Gaming machines, well, we couldn't just install gaming machines, but we asked permission, we had to agree to have to put them in a location where no kids could be close it to. Which we think that is reasonable. However, the only way to do it was to add on a patio onto the building and tried to have a conversation a couple of times but again, Covid got in the middle of it. Without adding onto the building we are not going to be able to put gaming machines on the location that the Board allows us to do, which is away from children. Manager Wilmouth asked Mr. Alkan, may I interrupt you? Mr. Alkan replied, sure. Manger Wilmouth stated that was in the original things we discussed, but the Board backed off and said, no we are not going to require them to be in a separate room because, the Gaming Commission governs that. Mr. Alkan stated, okay well then there was a misunderstanding, that definitely helps us out. Because



gaming does create revenue. We will definitely go after that. It was my understanding, I didn't disagree with you Scott at the time, to keep the kids away from that situation. If we can do that, it will definitely change and help us out. Relocating of the rental boat docks, so the curtsey docks could be placed where the rental boats are currently docked. Well, this year they shut the ramps, hardly anybody was using the lake to start with. We don't have the restaurant therefore we don't have need for a curtsey dock. We are running at the most budgeted stages because we didn't know what this year was going to bring. At that point we don't think it's again a smart business decision not knowing what your supply and demand is going to be to spend extra money on making improvements on something we had to type it up and see where we ended up at the fiscal year. The Blimp tower to be installed, well that was going to be installed, however, Blimp actually made a couple of changes to that to put a tower at a (Inaudible) and during that time, the tower goes in, then we can get internet more efficient and obviously, during the Covid we decided to wait on Blimp tower and see if that is the reality and then we don't have to spend near the money to go ahead a get internet. We can get it a lot more feasibly and reasonable prices. The road along the boat docks to be widened to accommodate golf cart parking. We have already done part of that, it actually happened when I was creating, fixing all the erosion by the roadway. All the rocks that was coming up, washing away. So we did rocks around there to keep the erosion going and that actually created golf park parking. I want to do more of that this year, depending on the budget that we have. I want to address these 5 issues, does the Board have any question about that or you Scott? Do you have any questions? Anyone? Okey, I think that is what we got, I thank you for your time.

**Manager's Report:** Manager Wilmouth reported on the RCPP Grant application, NRCS, Manger Wilmouth, USFS and HMG are beginning to put together a grant proposal to do some projects on private ground, we have done this in the past. The District budgets \$20,000 per year for b these types of projects. A couple of years ago we were talking about this and we were waiting on the Farm Bill to pass. Things just got away from us. They need someone to be a lead partner. I would like approval from the District to be the lead partner on another RCPP grant application. President McGriff stated he would like to have a motion from the Board to have the Kinkaid Reed's Creek Conservancy District be the lead partner on the RCPP grant application. Trustee Miluer made a motion. Trustee Novara seconded the motion.

Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

Manager Wilmouth reported that the Joint Chiefs Grant was put on the agenda if anything arose. In your packet is the actual application that was submitted for the Joint Chiefs grant. We have not heard anything back from them.

Manager Wilmouth reported that the 319 grant, has about \$35,000 left. The contract came in under what we where expecting, so HMG and myself have located a gully off of Lone Oak Road, it has been there for a long time. Many people were aware of it. It is fairly simple to get to, we are going to utilize the rest of that money to fix that gully.

Manager Wilmouth reported that Tyler Carpenter with the Grater Egypt Planning Commission has completed the watershed plan they received a grant for. Manager Wilmouth has a copy, if any board member would like a copy.

Manager Wilmouth reported that the dove field was re-seeded and fertilized this month.

Manger Wilmouth reported there was 50 loads of dredge material sold since the last Board meeting.

Manger Wilmouth reported in your packet is an example of what the website for the District could look like. At the top you can see about KRCCD, which is a history, it lists the Board members, this is just a preliminary design. There will be better pictures. I wanted to make sure the Board is comfortable with the way this is looking before he proceeds. Does anyone have any comments or suggestions? President McGriff stated he thought it looked good. We are moving forward with the website.

#### **New Business:**

**Legal Report – Ed Heller:** Attorney Heller reported the lawsuit that Edward Kindle filed against the District in Federal court a couple of years ago, the District was granted summary judgement this past month in our favor of disposing this case.

**Kinkaid-Area Watershed Project:** Nothing to report

**USFS – Brooke Hagarty:** Nothing to report

### **KINKAID AREA WATER SYSTEM**

#### **OLD BUSINESS:**

**Legal Report – Ed Heller:** Attorney Heller reported that the District still has the lawsuit filed by Mrs. Scott having to deal with the bad mechanic she claims she got from Mac's repair shop. This case was in Federal court, it got dismissed out of Federal court and refiled in State court. Auto Insurance is the District's coverage provided to us by McDonald Inc., under its concession contract. So we have insurance coverage on this. They refunded to the District the attorney fees, that my firm charged to the District for getting that defense ready. The District is not out of pocket on this. My expectation is that will resolve itself without any judgement or finding any fault by the District. If there is a finding of fault by the District, it's an action in which McDonald has to indemnify us and that is why we have insurance company. This could go on for a couple of years.

**Manager's Report:** Manager Wilmouth reported that he met with Marla Dallas from Ozburn Insurance Agency. She contacted me stating she had discovered a new insurance provider that specialized in water districts and asked me if she could give a quote to the District. I told her that would be find that I wouldn't promise her anything, but I have not had a chance to review it yet. However, the brief overview of it looked like it was favorable for the District. It might save the District some money and get us better coverage. I will have something at the Board meeting next month on this.

Manager Wilmouth reported the District received the Ava tank inspection report from Mid-South Tank Consultants. The reports indicates the tank in good condition but will need to be repainted in 5 to 7 years. We will begin budgeting for this.

**REDGL Project:** Manager Wilmouth reported the District has been awarded the REDGL loan. This is the 0% interest loan to do electrical upgrades to the water treatment plant. Brooke Guthman has informed Manager Wilmouth that they are planning a closing in the near future. The President and the Secretary will probably have to sign the loan paperwork.

**New Business:**

**Tap Requests – None**

**OTHER MATTERS TO DISCUSS:** President McGriff stated that the Board of Trustees meeting set for next month, falls on Veterans Day, which is a holiday for the District. The Board agreed to have the meeting on Thursday, November 12, 2020.

Trustee Siefert stated that the Water system received an award from the Illinois Department of Health. They awarded us a certificate of accommodation for the Kinkaid Water Department in recognition of achieving the highest standard of compliance in accordance with the Illinois Fluoridation Act in 2019. Congratulations to Manager Wilmouth and I appreciate all he has done. Manger Wilmouth stated the employees do a very good job.

**ADJOURNMENT:**

President McGriff asked for a motion to adjournment until next month's regular Board meeting scheduled for November 12, 2020. Trustee Carr made the motion to adjourn. Trustee Barone seconded the motion.

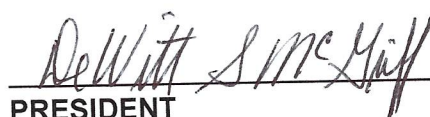
Roll Call Vote:

Chuck Novara	Yes
Don Siefert	Yes
Ken Carr	Yes
Steve McGriff	Yes
Tony Mileur	Yes
Mike Barone	Yes
Dale Jones	Yes

President McGriff declared the motion carried



SECRETARY



PRESIDENT