

**LOWER BUCKS COUNTY JOINT MUNICIPAL AUTHORITY
BOARD MEETING MINUTES
DECEMBER 16, 2009**

The Board Directors of Lower Bucks County Joint Municipal Authority held their monthly meeting on Wednesday, December 16, 2009, at the Authority's Administration office located at 7811 New Falls Road, Levittown, Pennsylvania, 19055.

Call to Order

Mr. Verduci, Chairman, called the meeting to order at 7:00 P.M., which was followed by the Pledge of Allegiance and a moment of silence.

Roll Call

Mrs. DeRosier Secretary took roll call as follows:

Board Member's Present: Edmund Armstrong
Susan DeRosier
James Chase
Anthony Verduci
Edward Czyzyk

Also Present: Vijay Rajput, Acting Managing Director
Pat Koszarek, Finance Director
Gary Tosti, Plant Manager
Phil Smythe, Field Technician
Vince Capaldi, Superintendent, WTP
Mickey Perrone, Asst. Superintendent, WTP
Nancy Burnell, Supervisor, Meter Department
James A. Downey III, Esquire

Absent: John Monahan

**Approval of Payment of December 2009 Accounts Payable as Presented
Motion**

Mr. Chase made a motion, seconded by Mr. Czyzyk, to approve the payment of the December 2009 accounts payable as presented to the Board of Directors.
Motion carried unanimously.

**Approval of the November 18, 2009 Minutes as Presented
Motion**

Mr. Chase made a motion, seconded by Mr. Armstrong, to approve the Board meeting minutes for November 18, 2009 as presented to the Board of Directors.

Roll Call on the Minutes

Mr. Verduci Aye
Mr. Czyzyk Abstain (absent from the November meeting)
Mr. Armstrong Aye
Mr. Chase Aye
Mrs. DeRosier Aye
Motion passed: 4 Aye votes - 1 abstention

Approval of the Authority's 2010 Insurance Renewal Policies

Jack Patton and Marty Wilson of JM Patton Associates presented the Lower Bucks Authority's Renewal Insurance Policies effective January 1, 2010.

Mr. Patton explained that premiums are driven by losses. This year the Authority experienced a large number of sewer back up claims as well as a large increase on workers' compensation. Mr. Patton informed the Board that they did quite a bit of number crunching with various insurance companies in order to obtain a fair rate for the Authority.

Motion

Mr. Chase made a motion, seconded by Mr. Armstrong, to accept and approve the Authority's Renewal Insurance Policies, effective January 1, 2010 as presented by Jack Patton and Marty Wilson, JM Patton Associates.
Motion carried unanimously.

Pretreatment Variances

Because Mrs. Wallover was called away on a family emergency the following motion was made.

Motion

Mr. Armstrong made a motion, seconded by Mr. Chase, to table any pretreatment variances until the January Board meeting when Ms. Wallover will be present.

Acting Managing Director/Director of Operations Report

Dr. Rajput reported on the following items.

Contract WWTP-286: Sludge Cake Loading Area Modifications

Bids were received on December 4, 2009 for the above project. The bid results are presented below.

No.	Bidder	Total Base Bid Price
1	Dutton Construction, Inc. 1510 B Haines Road Levittown, PA 19055	\$139,440.00
2	Municipal Maintenance 1352 Taylors Lane Cinnaminson, NJ 08077	\$212,450.00
3	Henkel & McCoy, Inc. 985 Jolly Road Blue Bell, PA 19422	\$249,958.00

After reviewing the above contract with the Authority's Solicitor and the Authority's Consulting Engineer, it is recommended awarding Contract WWTP-286 Sludge Cake Loading Area Modifications to Dutton Construction, Inc., located at 1510 B Haines Road, Levittown, PA, for the total base bid amount of \$139,440.

Motion

Mr. Chase made a motion, seconded by Mrs. DeRosier, to award Contract WWTP-286, Cake Loading Area Modifications, to Dutton Construction, Inc., located at 1510 B Haines Road, Levittown, PA, for the total base bid amount of \$139,440.

Roll Call on the Motion

Mr. Verduci Aye
Mr. Czyzyk Abstain (conflict of interest)
Mr. Armstrong Aye
Mr. Chase Aye
Mrs. DeRosierAye

Motion carried - 4 Aye votes – 1 Abstention

Bulk Water Purchase by Bucks County Water and Sewer Authority Through the Existing Interconnection

On December 7, 2009, Benjamin Jones, Chief Executive Officer, John Butler, Director of Operations and John Swenson, Consulting Engineer, representatives from Bucks County Water and Sewer Authority (BCW&S), met to discuss their interest to purchase an additional 3.0 MGD (approximately 2083 GPM) bulk water from Lower Bucks Authority through their connection at the K-Mart Pump Station (Woodbourne Pump Station).

Currently they purchase approximately 250,000 GPD to 500,000 GPD from the Authority. BCW&S will need to upgrade the pump station in order to adequately accept the additional bulk water.

On December 9, 2009 testing was performed and it was determined that the Authority's system has adequate capacity to supply the requested bulk water.

Modifications to the existing operational procedure will require some adjustment at the Highland Park Pump Station as well as the Five Points Pump Station. An emergency procedure will also need to be developed in the event of an emergency so that both pumps are in operation in order to satisfy the additional water supply demand.

At the current bulk water rate of \$2.65/1000 gallons it is estimated to bring in approximately \$238,500 per month of gross revenue for the Authority. BCW&S would like to finalize a bulk water purchase and emergency interconnection agreement as soon as possible.

Questions/Comments

Mr. Verduci asked Dr. Rajput what the bottom line profit will be for the Authority. Jim Chase asked that Dr. Rajput work up the estimated figures for the Board to review.

Motion

Mr. Armstrong made a motion, seconded by Mr. Chase, giving authorization to Dr. Rajput to enter into negotiations for the possible sale of additional bulk water to Bucks County Water and Sewer Authority.
Motion carried unanimously.

Purchase of Jet Truck for Sanitary Sewer Pipe Cleaning

The existing jet truck is old and requires continuous repairs. As you are aware the jet truck is a critical part of the Authority's collection system maintenance. Considering the reliability and maintenance/repair costs of the existing jet truck, it is recommended purchasing a new jet truck through the State Bid (Costar). Gary Tosti is working with a supplier on obtaining a firm quotation. Based on preliminary estimates the approximate cost would be \$200,000 to \$225,000.

Questions/Comments

Mr. Armstrong stated that it might be prudent for the Authority to put some of the restoration work that the field crew does now out to bid. This would enable them to spend more time inspecting and jetting the lines.

Mrs. DeRosier stated that after purchasing the new Jet Truck what will be done with the existing Jet Truck. Dr. Rajput replied that presently the Authority has two (2) Jet Trucks. The newer one we will keep and we will try to sell the older one.

Motion

Mr. Chase made a motion, seconded by Mr. Armstrong, to approve the purchase of a new Jet Truck through the State Bid (Costars) with the purchase price not exceeding \$225,000.

Motion carried unanimously.

Sale of Vehicle S-3 and W-4

Vehicle S-3 is a 1993 Ford F-150 with approximately 175,000 miles. This vehicle no longer runs. Vehicle W-4 is a 1993 Ford F-150 with approximately 77,000 miles.. Dr. Rajput is requesting permission from the Board to advertise for the sale of the above vehicles.

Questions/Comments

Gary Tosti wanted the Board to know that S-3 is no longer running. We do not want to put any money into repairing it due to the fact that it would be put up for sale.

Mr. Verduci wanted to make sure that the Authority really does need all the trucks that are being purchased and replaced. Mr. Tosti replied absolutely.

Mr. Chase asked what the cost was to advertise for bids. Mrs. Magro replied approximately \$1,000 for one (1) bid. Mr. Verduci asked if it would be cost effective to advertise more than one truck at a time. Mr. Tosti suggested waiting until the Jet Truck was available to sell.

Motion

Mr. Chase made a motion, seconded by Mr. Czyzyk, giving authorization to Dr. Rajput to advertise for the sale of vehicles S-3 a 1993 Ford F-150, W-4 a 1993 Ford F150 and the 1987 Jet Truck.

Motion carried unanimously.

The remainder of Dr. Rajput's report is for informational purposes for the Board.

Solicitor's Report – James A. Downey III, Esquire **Executive Session**

At 7:52 P.M. Mr. Downey requested an executive session. The regular Board meeting reconvened at 8:15 P.M. Mr. Downey stated that during the executive session litigation and personnel matters were discussed.

Public Participation

Joe DeGeorgio, owner of All Clean Laundromat & More located at 4157 Woerner Avenue addressed the Board and stated that his quarterly bills continue to increase. The water portion of the bill is fine; it's the sewer portion that is terrible. I have called the office several times and they tell me maybe I have a leak.

Mr. Armstrong asked Mr. DeGeorgio if he is disputing the dollar amount that he is being charged or the gallons. Mr. DeGeorgio replied that he is disputing the rates that keep going up. Mr. Armstrong asked for input from Nancy Burnell.

Mrs. Burnell replied that with the 20% rate increase that has gone into effect, his bill has increased considerably in turn increasing his sewer charges, which is what his concern is. Mrs. Burnell went on to explain that the usage has been pretty consistent; however, because of his usage it does effect the sewer charges more than the water charges. Mr. Chase stated that the cost of treating sewer is more than the cost of treating water. Mr. Armstrong added that this Authority has the 3rd lowest rates in the state of Pennsylvania.

After further discussion, Mr. Armstrong asked Mrs. Burnell for a three (3) year history of the property in order to analyze the account.

Finance Director's Report

Ms. Koszarek reported as follows:

- Revenue Account Balance \$5,247,961
- Penn Vest Account Balance: \$ 732,858

Budget

Ms. Koszarek stated that Dr. Rajput gave the Board Directors a two (2) year plan for the capital improvements needed. Should the Board wish to do any of these projects we need to have the money. Mr. Chase added that according to the budget that the Board received, we don't have the money. Dr. Rajput advised the Board that there are three (3) projects at the top of the capital improvements list. The continuation of the sewer relining project, various improvements at the Water Filtration Plant and the digester project at the Wastewater Plant.

Ms. Koszarek advised the Board that she had met with a financial representative to discuss the possibility in refinancing the bond just to get a feel of where we would be. However, it is her feeling that if the Board was interested in completing these projects the Board would need to increase the rates. If the Authority needs to do something then let's keep it all in-house rather than paying interest fees, etc., and just spend the money and not pay the interest.

Dr. Rajput feels that the Authority has three options; (1) to acquire another bond, (2) obtain a loan from the bank, and (3) it may be more beneficial and long term to increase the water and sewer rates and put that money directly into a Capital Improvement Account.

Mrs. DeRosier asked how much of a rate increase would be suggested. Ms. Koszarek replied that rates were increased last year and the numbers are what the numbers are referring to the budget reports previously sent to the Board. Mr. Chase added that the Authority raised the rates 20% and our expenses have increased 20%. Ms. Koszarek stated that is why the 20% increase was suggested because it was enough to cover costs. Mr. Chase stated that for the coming year the expenses have gone up 20% and it's eating up all of the 20% rate increase.

Ms. Koszarek stated that we are in a sixty year old community and we also don't want to be the ones that are on the news where there's a river flowing down the street somewhere because we are not taking care of our system.

Mr. Czyzyk asked if the Authority is able to obtain grant money. Mr. Chase stated we were denied previously and were told that our rates are too low. Ms. Koszarek stated that we were advised that the Authority's rates should be a percentage of the median income, which in our case would be approximately 2%. Mr. Armstrong stated that the Authority is being punished because the Authority maintains their system. Mr. Downey stated that if you do your job, you lose out on the grants. After further discussion the Board Directors reluctantly made the following motion:

Motion

Mr. Chase made a motion, seconded by Mr. Czyzyk, to raise the water and sewer rates 10% beginning January 1, 2010 as well as directing administration to further evaluate the budget to find any way possible to cut additional costs.
Motion carried unanimously.

Phil Smythe addressed the Board stating some of the employees have suggestions on saving energy and other efficiency issues. If the Board ever decided to start some type of committee there are several employees that would like to volunteer.

The following motion was made:

Motion

Mr. Armstrong made a motion, seconded by Mr. Chase, to form a Board level committee to study the Authority's energy usage that will include every type of energy there is. This is to include supervisory staff, as well as plant and office personnel.
Motion carried unanimously.

Administration/Supervisor's Reports

The administration/supervisor's reports were previously distributed to the Board for informational purposes.

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| • Vince Capaldi, Superintendent | Water Plant |
| • Gary Tosti, Plant Manager | Wastewater Plant |
| • Phil Smythe, Field Technician | Wastewater Plant |
| • Nancy Burnell, Meter Dept Supervisor | Administration |

Salary Increase – Acting Managing Director

Mr. Chase stated that the Board gave a 3% raise effect January 1, 2010 to all its employees. Two (2) of these people were not included in this raise so he will make the following motion:

Motion

Mr. Chase made a motion, seconded by Mr. Czyzyk, to grant a three percent (3%) annual wage increase to the Director of Operations and the Wastewater Plant Manager effective January 1, 2010.

Motion carried unanimously.

Old Business

At this time there was no old business brought before the Board.

New Business

Dr. Rajput advised the Board that Janet Keyser, previous Director, sent a thank you note to the Board thanking them for the retirement gift and years of employment.

Christmas Luncheon

Dr. Rajput requested permission from the Board Directors to grant the employees a paid half-day on Friday, December 18th, for the employees annual Christmas Party. Mr. Verduci stated that he knows the administration office has a party tomorrow and they are usually asked to come back to work for the remaining two (2) hours. Mr. Verduci would like to close the office at 12:00 PM on Friday, December 18th.

Motion

Mr. Chase made a motion, seconded by Mr. Czyzyk, granting non-critical personnel a paid half-day (PM) on Friday, December 18th, the day of their Christmas party, as well as Christmas Eve.

Motion carried unanimously.
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Public Participation

There was no public participation.

Adjournment of Board Meeting

Mr. Chase made a motion, seconded by Mr. Czyzyk, to adjourn the Board meeting at 9:20 P.M.
Motion carried unanimously.

Respectfully Submitted by:

Susan DeRosier, Secretary

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