

**LOWER BUCKS COUNTY JOINT MUNICIPAL AUTHORITY
BOARD MEETING MINUTES
December 17, 2008**

The Board Directors of Lower Bucks County Joint Municipal Authority held their monthly meeting on Wednesday, December 17, 2008, at the Authority's Administration office located at 7811 New Falls Road, Levittown, Pennsylvania, 19055.

Call to Order

Mr. Armstrong, 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

Mr. Czyzyk, Secretary, took roll call as follows:

Board Member's Present: Edmund Armstrong
John Monahan
Susan DeRosier (arrived at 7:13 PM)
James Chase
Anthony Verduci
Edward Czyzyk

Also Present: Janet A. Keyser, Managing Director
Pat Koszarek, Finance Director
Vijay Rajput, Director of Operations
Gary Tosti, WWTP Plant Manager
Mickey Perrone, Asst. Superintendent, WTP
Nancy Burnell, Supervisor, Meter Department
James A. Downey III, Esquire
Robert Serpenti, Consulting Engineer

Public Participation

At this time no one in the audience wished to address the Board.

Executive Session

Mr. Armstrong requested an executive session at 7:02 P.M. to discuss a personnel matter. The regular Board meeting reconvened at 7:13 P.M.

Approval of Payment of the December 2008 Accounts Payable

Motion

Mr. Chase made a motion, seconded by Mr. Monahan, to approve the payment of the December 2008 Accounts Payable as presented.
Motion carried unanimously.

Approval of the November 19, 2008 Minutes as Presented to the Board of Directors

Motion

Mr. Monahan made a motion, seconded by Mr. Chase, to approve the Board meeting minutes for November 19, 2008 as presented to the Board of Directors.
Motion carried unanimously.

Approval of the Authority's 2009 Insurance Renewal Policies presented by Jack Patton and Marty Wilson

Jack Patton presented the Renewal Insurance Policies effective January 1, 2009. The insurance renewals are attached and made part of the minutes.

Mr. Patton wanted to bring to the Board's attention the following information. Along with the insurance renewal information he has included information on Public Entity Employee Benefit Plan and Trustee Fiduciary Liability Policy. This policy would pertain to individuals who manage, oversee or administer public entity employee benefit plans. While these plans are not subject to the Employee Retirement Income Security Act (ERISA), they are regulated at the State, and local level, and are subject to scrutiny from many parties. When allegations such as mismanagement and underfunding of plans emerge, public entity plan trustees can find themselves the target of lawsuits even when the actions that led to the allegations were beyond their control.

Motion

Mr. Monahan made a motion, seconded by Mr. Chase, to accept and approve the Authority's Renewal Insurance Policies, effective January 1, 2009 as presented by Jack Patton and Marty Wilson.
Motion carried unanimously.

Pretreatment Variances

Mrs. Wallover reported on the following Pretreatment Variances:

Italian Peoples Bakery – 1140 Oxford Valley Road. Owner, Carmen Guagliardo Present

Facility is planning to move into the shopping center behind their current location. At the November Board meeting Mr. Guagliardo requested a variance for the installation of the exterior 1,000 gallon baffled grease trap and to be permitted to use an internal grease trap. Mr. Guagliardo was to submit internal grease trap sizing and proofer temperatures. To date no information has been submitted.

Mr. Guagliardo has supplied all the requested requirements and it has been determined that a 100 lb. grease trap will be adequate.

Questions/Comments

Mrs. Wallover asked Mr. Guagliardo what was going to be tied into the trap. Mr. Guagliardo responded that there will be a three (3) bay sink tied into the trap. Mrs. Wallover informed Mr. Guagliardo that the proffer also needed to be tied in, the hand sink does not need to be tied in.

Motion

Mr. Verduci made a motion, seconded by Mr. Monahan to approve the variance request for the installation of an exterior 1,000 gallon baffled grease trap and to allow Italian Peoples Bakery – 1140 Oxford Valley Road, to install a 100 lb (50 gallon) interior grease trap with quarterly testing.

Tullytown Pub & Grille – 363 Main Street, Tullytown – Permit No. F142-2007 10/16/2007 – 10/15/2008. Roberto Campanaro, Owner Present

This facility was previously granted a variance to install a 50 gallon internal grease trap with quarterly monitoring for TSS and oil & grease. The facility failed the oil & grease samples on 01/16/2008, 02/20/2008, 04/16/2008 and 08/20/2008. Board direction is needed. Presently, this facility has a 50 lb. interior grease trap.

Mr. Campanaro feels that there is a problem with the spectral testing. It depends on who comes out to do the testing as to whether we pass or fail.

Mrs. Wallover stated that the present permit has expired and another permit cannot be issued with the existing failures. The facility must pass four (4) acceptable tests. Two (2) for oil & grease and two (2) for solids.

It was suggested that Mr. Campanaro look into finding another company to perform his testing or install a second grease trap.

After further discussion the following motion was made.

Motion

Mr. Verduci made a motion, seconded by Mr. Chase, granting a six (6) month temporary permit to allow for two (2) testing periods in order to see if the facility can pass their required tests.

Motion carried unanimously.

**Sonic Restaurant – Levittown Shopping Center. Patrick Lim Owner Present
Facility was not listed on Pretreatment Report**

The facility is requesting a variance for the installation of floor drains.

Mr. Lim informed the Board that everything that is done in the restaurant with the exception of the restrooms.. After further discussion the following motion was made.

Motion

Mr. Verduci made a motion, seconded by Mr. Chase, to grant a variance for the installation of floor drains for the Sonic Restaurant located at the Levittown Shopping Center.. Motion carried unanimously.

Solicitor’s Report – James A. Downey III, Esquire

Executive Session

At 7:55 P.M. Mr. Downey requested an executive session. The regular Board meeting reconvened at 10:10 P.M. Mr. Downey stated that during the executive session contract negotiations, personnel matters and ongoing litigation were discussed.

Motion

Mr. Chase made a motion, seconded by Mrs. DeRosier, to accept the settlement recommended by the United States District Court, in an ongoing lawsuit (BA). Motion carried unanimously.

***Note:** Mr. Czyzyk left the Board meeting at 9:00 P.M. (during the executive session).

Managing Director’s Report

Customer Letter – Robert Putnam

Mrs. Keyser reported that she received a letter from Robert Putnam, an Authority customer, who resides at 33 Vitaloak Lane in the Vermilion Hills section asking if the Board Directors could give some form of consideration to customers who are using their water for their pools, gardening, etc., and not charge the customers for the sewer. Mrs. Keyser further stated that the Authority’s billing procedure has always been by meter readings for both water and sewer charges. Since sewer use cannot be metered, the sewer charges are based on the water usage. Mrs. Keyser will send a letter to Mr. Putnam explaining the Authority’s billing procedure.

Finance Director

2009 Operating Budget and Proposed Rate Increase

Mrs. Koszarek previously sent to the Board Directors a copy of the 2009 Operating Budget and Proposed Rate Increase. Mrs. Koszarek would like to review the following.

The rates that are included in the report are as of January 1, 2009. Since the Board is not voting on the budget tonight, the first quarter of 2009 are not included in the first quarter.

Mrs. Keyser stated that last year the Authority ended up with a 2 ½ % increase for six (6) months of the year will be short one quarter of the rate increase for 2009 if the Board does not vote on this tonight.

Mrs. Koszarek stated that she has taken considerable time with this and has tried to be very practical. She has looked very hard at where we are on our revenues this year. We are going to be hurting and all the figures are there for you to look at. Mrs. Koszarek also advised the Board that she has revised the Budget in that for the present time she has placed the Meter Department and Lift Stations in their own category to afford a better view of the Budget. As time goes on there might be some further changes. A separate line item for all overtime will also be included.

Mrs. Koszarek also supplied three separate rate scenarios regarding the 2009 rate increase for the Board's review, 10%, 15% and 20%. Mrs. Keyser recommended a 20% rate increase for 2009 due to the Authority's revenues decreasing.

Mrs. Keyser stated for the Board to realize that anything you vote on is now not going to take effect for the first quarter of 2009, so we are already behind no matter what you do and you have to consider that when you're looking at all the information. Mrs. Koszarek stated that the Board could call her with any questions they may have.

Mr. Armstrong asked Mrs. Koszarek if she has factored in that the fuel price, as well as the surcharges will probably be down. Mrs. Koszarek explained that on the expenditures she did try to include that, however, that is not a given and electric is going up. Mrs. DeRosier stated that in all honesty the Board knew this was coming.

Mr. Chase questioned that you have the meter shop pulled out and you had the meter program that has been ongoing for years is listed under a capital expense, shouldn't this be included in the yearly expense? Mrs. Koszarek replied that it should not because it is a capital project. You want it there so you can expense it out.

Mr. Armstrong asked if the Authority ever considered contracting out the retro-fitting of the meters. Dr. Rajput responded that the Authority only purchases the actual meters, most of the other work is performed in-house. Mrs. Keyser responded that it would be very expensive to get a contractor to perform the same work that the employees are now doing. Mr. Armstrong replied that right now in a bad economy you get a lot of nice prices. I'm surprised that we never looked into this.

Mr. Armstrong stated that the Authority is slowly changing over all the meters. Put it out for bid to contractors.

Mrs. Koszarek asked, a bid package verses just buying the meters and having our men put them in? Mrs. Keyser responded that the Authority only purchases so many meters per month due to the cost. Mr. Armstrong stated that he understood that.

Mr. Chase stated you also have to realize that it would be an additional cost to the Authority. Mrs. DeRosier stated you also have to realize we have a Union. Mr. Armstrong responded that he understands that we have to do a meet and discuss. I'm well aware of that, but I'm just asking if anyone ever looked at the economics of it. Mrs. Koszarek replied that she has not. Mr. Armstrong feels that it would be worthwhile. Mr. Chase stated how can it be economically better for us. Our employees are doing it in-house so technically it's costing us nothing. Mr. Verduci stated that it is taking a long time. Mr. Chase replied what's taking a long time is buying the meters. Mrs. Koszarek added that we can only afford to buy so many meters per month. Mr. Verduci stated that if we got an outside contractor they would put in five (5) to our two (2). Mr. Chase and Mrs. Koszarek stated they can do that, however, the Authority cannot afford it.

Mr. Chase and Mrs. Keyser stated whether we have a contractor or not is not going to increase the amount of meters that we are purchasing because that is all the Authority can afford per month. Mr. Armstrong stated that we would have to look at the big issue and the fact that we do them in-house does not mean we can't have a contractor do them. Our meter department has grown.

Mrs. Keyser stated that it is not that they are only putting in two a day because they don't feel like working that day. They are doing many different things that they are getting pulled off of other projects. Mr. Chase added that they are still installing every meter purchased each year. Mrs. DeRosier asked if they are getting overtime for this. Mr. Chase responded that they are not. Mr. Armstrong stated that should not negate us looking at the economics of putting it out on the street for bid. We should look at everything that way.

Mrs. DeRosier asked for both Mrs. Keyser and Mrs. Koszarek's recommendation for a rate increase in order to keep the Authority operational. Mrs. Keyser responded that after careful review and consideration of all aspects of the operation of the Authority, which a 20% rate increase is recommended. Mrs. Koszarek added that when she started in September 2008 the numbers did not look as bad as November when I pulled the real revenue. So when you see that revenue in November that is actual dollars and cents, that is not projected. It's projected out to December but when you're only taking 1/12th of that it is not a big projection. **The bottom line is the Authority is not meeting its revenue budget.**

Mr. Armstrong stated we just have a flat fixed rate for anything over the minimum for each 1,000 gallons. Have we ever tried looking at a system in order to encourage people to conserve. To actually have it flipped around so that the more the customer uses the more they start paying for 1,000 gallons. Mrs. Keyser asked if Mr. Armstrong meant just putting an increase on the excess amount. Mr. Armstrong stated PECO does it. Mr. Downey responded that the Authority is not limited by the PUC you are an Authority. It is at the Authority's discretion.

Mr. Armstrong stated there could very well be something there and at the same time you're doing it in the name of conservation, then you are helping the people, the senior citizens that we are concerned about, as well as the fact that people that are conserving. Mr. Chase stated the thing is as soon as you put a rate increase of any kind there's going to be conservation. Every time there's a rate increase you see a decrease in the usage of water. What you're saying makes sense; however, if you don't put something on every bill we will not get enough revenue in to take care of what we're doing. Mrs. DeRosier stated your talking a rate increase plus that, correct. Mr. Armstrong responded yes, have a rate increase and at the same time initiate some type of conservation incentive.

After the discussion the Board agreed to review the 2009 Operating Budget and proposed rate increase for 2009 and vote on it at the January 2009 Board meeting.

Director of Operation's Report

Dr. Rajput reported on the following items:

PCB Monitoring

Dr. Rajput stated that as a result of a meeting with the PADEP and DRBC on October 30, 2008 and subsequent submission of hydraulic loading data to the DRBC, the PADEP granted permission to the Authority to remain with two (2) sampling events per year as opposed to four (4) sampling events per year. This will result in an annual savings of approximately \$7,000 and a savings of approximately \$28,000 - \$30,000 for the duration of the current NPDES permit.

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

Supervisors Reports

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

New Business

Mrs. Koszarek took this opportunity to thank Mr. Smythe for his input regarding the lift stations for the 2009 Budget.

Mr. Armstrong added that Mr. Smythe has also helped in the Authority's insurance costs pertaining to sewer backups.

Old Business

There was no old business brought before the Board.

Public Participation

There was no public participation.

Adjournment of Board Meeting

Mr. Chase made a motion, seconded by Mrs. DeRosier, to adjourn the Board meeting at 10:32 P.M.

Motion carried unanimously.

Respectfully Submitted by:

Edward Czyzyk, Secretary

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