

**LOWER BUCKS COUNTY JOINT MUNICIPAL AUTHORITY
BOARD MEETING MINUTES
June 24, 2010**

The Board Directors of Lower Bucks County Joint Municipal Authority held their monthly meeting on Thursday, June 24, 2010 at the Authority's Administration office located at 7811 New Falls Road, Levittown, Pennsylvania, 19055.

Call to Order

Mrs. Chase, 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 Members Present: Edmund Armstrong
Susan DeRosier
James Chase
Anthony Verduci
John Monahan
Edward Czyzyk

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

Public Participation

There was no public participation at this time.

Approval - Payment of June 2010 Accounts Payable as Presented to the Board of Directors

Questions/Comments

Mr. Chase questioned the following invoices:

Analytical Laboratories
Invoice # 234110
Storm water samples taken
\$165.00

Dr. Rajput explained that the Authority is required to collect one sample one time per year from the discharge at the Wastewater Treatment Plant.

Chemical Equipment Labs, Inc.
Invoice # 46030
49 bag solar salt water softener – Kenwood P.S
\$257.25

Dr. Rajput explained that this is used for the scrubber at the Kenwood Pumping Station.

Mr. Verduci questioned the following invoice:

Dutton Construction, Inc.
Invoice # Payment 2
WWTP 286 Sludge Cake Area
\$34,138.00

Mr. Verduci asked if there was a change order for the footings. It originally called for continuous footings, now spot fittings are being used. Dr. Rajput stated that there have been no change orders and only one footing is to be used.

Motion

Mr. Monahan made a motion, seconded by Mr. Czyzyk, to approve the payment of the June 2010 accounts payable as presented to the Board of Directors.
Motion carried unanimously.

Approval of the May 27, 2010 Minutes as Presented to the Board of Directors

Motion

Mr. Czyzyk made a motion, seconded by Mr. Armstrong, to approve the May 27, 2010 minutes as presented to the Board Directors.
Motion carried unanimously.

Questions/Comments

Mrs. DeRosier asked for clarification relative to Authority Board Meetings being held/canceled, and questioned if the Authority will be holding meetings during the months of July and August. Mr. Czyzyk replied that the Board can discuss tonight if they would like to suspend the July and August meetings.

Pretreatment Variances

**Kari's Cheesecakes – 6906 Emilie Road Permit F177-2010 – 06/11/2010 – 06/12/2011
Mr. Roger Hawryliak, Co-owner present.**

The facility has been issued a variance for an internal 40 gallon grease trap with quarterly monitoring for TSS and Oil & Grease. They are requesting the quarterly monitoring of TSS and Oil & Grease be reduced to semi-annual testing with the same parameters.

Motion

Mr. Czyzyk made a motion, seconded by Mr. Monahan, to reduce the testing for TSS and Oil & Grease from quarterly to semi-annual with the existing parameters and with the stipulation that if the facility fails any testing then the testing cycle will return to quarterly.

Motion carried unanimously.

Managing Director's Report

Bond Refinancing

Dr. Rajput reported that after reviewing the financial condition of the Authority and the future financial projections with Peter Place, Auditor for the Authority and Pat Koszarek, Finance Director it is recommended to refinance the bond series of 1998 and 2005. The final payoff would be due in 2017. As a result of the refinancing, the Authority could realize a net savings of approximately \$230,000.00. It is also recommended to pay off the Authority's PENNVEST Loan which is approximately \$368,000.00 this would result in a savings of approximately \$70,000.00 in interest payments.

Mr. Peck of Concord Public Financial Advisors is asking the Board to authorize to proceed to finish up the pre work we started and an official statement that entails operating, economic demographic financial. Where we would go from here is to finish up the offering document and go out and get a bond rating for the Authority which is very important in today's market. We could be ready for a bond sale as early as the week of July 5th or possibly July 12th. What the Board will be acting on tonight is to establish a savings threshold or a lowest amount you would accept. After this is completed closing could be in early August.

Mr. Verduci asked how Concord Public Financial makes their money. Mr. Peck responded that their fee is fixed at \$23,000.00 based on a successful completion. Mr. Armstrong asked if the fee is fixed by law. Mr. Peck responded that it is consistent with the fee that was charged to the Authority when Concord worked on the last refinancing in 2005.

Mr. Verduci asked for Mr. Downey's opinion. Mr. Downey replied that if his client can save a quarter of a million dollars, not borrow any additional money, pay off two old bonds with almost double the interest rate and the capital improvements that are discussed each month can be made it is a win, win, win.

Questions/Comments

Mr. Downey referred to section six of the Resolution where it indicates the need for signatures. Dr. Rajput, Ms. Koszarek as well as some of the Authority's Board Directors are available for signature; however, not all parties whose signatures are required are readily available. Mr. Downey stated that he has prepared a document that would permit Dr. Rajput to stand in the place of the Secretary or the Assistant Secretary if they are not available. Ms. Santana stated that what some of the issuer choose to do is sign some of the documents ahead of time.

Mrs. DeRosier stated that in Dr. Rajput's report he states that there will be no need to borrow further money for any projects. Dr. Rajput replied that in reviewing the Authority's finances it looks like the Authority is doing well. With the savings we will realize with the Bond Refinancing we can use the money for the Authority's Capital Improvement projects.

Motion

Mr. Czyzyk made a motion, seconded by Mr. Armstrong, to adopt the Resolution for the Bond Refinancing as presented by Daryl Peck of Concord Public Financial Advisors and Megan Duryea Santana of Fox Rothschild, LLP.

Roll Call on the Motion

Mr. Czyzyk	Aye
Mr. Chase	Aye
Mr. Armstrong	Aye
Mr. Verduci	Aye
Mr. Monahan	Aye
Mrs. DeRosier	Aye

Motion carried unanimously.

Mrs. DeRosier took this time to acknowledge the excellent job everyone did in preparing for the Bond Refinance.

Failure of Transformer for High Service Pump #4

Dr. Rajput stated that in Vince Capaldi, Water Treatment Plant Superintendent's monthly report he stated that the transformer for the High Service Pump No 4 failed. The transformer is beyond repair and needs to be replaced on an emergency basis. We will be replacing the damaged transformer with an oil filled transformer.

The total estimated cost is \$70,000.00. We will be contacting our insurance company to see if we will be able to recoup some of this money. A large portion of this project will be done in-house.

Mrs. DeRosier asked even though this is an emergency does it still need to be put out for bid. Dr. Rajput replied that even though this is considered an emergency, does not need to be put out for bid. We have received a letter from Mr. Downey with reference to this.

Motion

Mr. Armstrong made a motion, seconded by Mr. Verduci, granting permission to Dr. Rajput to proceed with the needed repairs to the Transformer for High Service Pump #4 which is on an emergency basis.
Motion carried unanimously.

Contract WWTP-294: Rehabilitation of Kenwood Pump Station

On June 14, 2010 the pump station was taken off line and the bypass system was placed in operation by the contractor. On June 21, 2010 the Authority received a telephone call that there was a pipe break at the station and wastewater was leaking. Dr. Rajput added that this is what happens with old systems. As it is the responsibility of the contractor to install, operate and maintain the bypass system, the contractor was called to the site to take the pump with the leaking joint connection out of service. Phil Smythe, Field Technician notified the Bucks County Department of Health and PADEP.

After inspection it was discovered that coming out from the pumping station are 90 degree elbows which are corroded and need to be replaced. There are several options, however, the most cost effective is to remove the existing corroded pipes, put the elbows in and put link seal to prevent any leaks. The total estimated cost for the change order is \$42,500.00 plus \$2,800.00 totaling \$45,300.00. Mr. Verduci asked if this is the total cost. Dr. Rajput replied that he believes that it will be, however, the contractor is still digging.

Mr. Armstrong stated that the Authority has had odor problems there with sulfate gas and that's why DEP forced the Authority to install the chemical air scrubber which has been very expensive with chemicals. Phil Smythe, Field Technician, has taken Levitt's design and made a few improvements so there will not be as much turbulence therefore we should not be releasing as much sulfate gas which will solve some issues.

Motion

Mr. Verduci made a motion, seconded by Mr. Armstrong, granting permission to Dr. Rajput to proceed with the requested change order in the amount of \$45,300 for the needed repairs to the Kenwood Pump Station, Contract WWTP-294.
Motion carried unanimously.

Ultra Sonic Flow Meters

The Meter Department has installed the Ultra Sonic Flow Meters in the Snowball Gate section. As a result of this the Authority will realize a savings of approximately \$5,000.00, possibly higher per month.

Workshop/Garage – Meter Reading Department

Dr. Rajput stated that at the September 24, 2009 meeting a motion was made by Mrs. DeRosier, seconded by Mr. Chase, approving \$150,000.00 for the purchase of a workshop/garage for the Meter Reading Department to be located at the Administration building. In the September 24, 2009 minutes, Dr. Rajput further stated that we can prepare the plans and advertise. In the mean time he will get together with Vince Capaldi, Superintendent, and WTP. Right now we have the meter repair shop at the water plant. So we can also revisit that and see if we can use that or if we need to put up the building.

Mrs. DeRosier stated that in September of last year \$150,000.00 was approved. Now you are asking for an additional \$40,000.00.

Nancy Burnell, Supervisor of the Meter Department stated that what she proposed was to eventually house the entire department together in order to keep better inventory. It would be more advantageous to have the entire meter department at the Administration office. Also, we need to house all the meter equipment. Right now anything that needs to be stored is done in the existing shed which is almost filled to capacity. The meter readers are also working on a makeshift bench. When meters are brought in and need to be cleaned prior to testing, they are presently being cleaned in the administration office kitchen sink.

Mr. Chase stated that he was under the impression that the building was to be used for storage. Mrs. DeRosier stated that she does remember Nancy saying to the Board about moving the meter mechanics up to the Administration office. Mr. Armstrong added that approximately a year or two ago the Board directed that the meter department be moved into the LD Davis Building. Dr. Rajput replied that space in the LD Davis Building has already been allocated. The lab will be moved there as well as space for the field crew and storage for the mechanics. Mr. Armstrong stated that he would like the Board to be given a general overall outline of what is being done as far as the meter reading department, meter repairs and what the overall intention is. Dr. Rajput stated that he will prepare a report for the Board. Dr. Rajput added that first he will sit down and prepare the overall plan as to what we are trying to accomplish and what we are anticipating using the building for. Mr. Verduci also requested an outline of each area and what each area has been designated for.

After further discussion the following motion was made.

Motion

Mr. Verduci made a motion, seconded by Mr. Monahan, authorizing Dr. Rajput to prepare specifications and put out for bid for the construction of a building for the Administration office to house the Meter Reading Department, Meter Mechanics as well as utilizing the building for storage.

Roll call on the Motion

Mr. Czyzyk	Aye
Mr. Chase	Aye
Mr. Armstrong	Nay
Mr. Verduci	Aye
Mr. Monahan	Aye
Mrs. DeRosier	Aye

Motion passed 5 Aye votes 1 Nay Vote

Peter Place, Lopez, Teodosio and Larkin – Presentation of the 2009 Financial Audit

Peter Place, Auditor for the Authority, reviewed the 2009 Financial Audit with the Board.

After some discussion the following motion was made.

Motion

Mr. Czyzyk made a motion, seconded by Mr. Verduci, to accept the 2009 Audit as presented by Peter Place, CPA, Lopez, Teodosio & Larkin.

Motion carried unanimously.

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

Executive Session

At 8:20 P.M. Mr. Downey requested an executive session. The regular Board meeting reconvened at 8:45 P.M. Mr. Downey stated that during the executive session, personnel matters, and ongoing litigation were discussed.

Finance Director's Report

Ms. Koszarek reported on the following:

- Revenue Account Balance \$6,895,065.07
- Pennvest Account Balance \$ 704,450.02

The payoff amount for the Pennvest Loan is \$364,614.68 which would leave an account balance of \$ 339,800.35. Our goal is to close the PENNVEST account. There is no reason to have two (2) fees and two (2) accounts.

Savings

Ms. Koszarek informed the Board that she did not receive anything from the Water or Wastewater Plant. The first aid kits in all the vehicles at the Administration office needed to be replaced. Dennis Burnell, Meter Department and Safety Committee member shopped around and was able to save a little over ten dollars. And Debbie Barnes who purchases the Administration offices supplies saved a considerable amount in purchasing ink cartridges just by talking to another vendor. Ms. Koszarek also added that recently she attended a conference and carpooled and was able to save \$112.00.

The remainder of Ms. Koszarek's report is for the Board's review.

Administration/Supervisor's Reports

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

- V. Capaldi, Superintendent Water Filtration Plant
- G. Tosti, Plant Manager Wastewater Treatment Plant
- P. Smythe, Field Technician Wastewater Treatment Plant
- N. Burnell, Meter Dept Supervisor Administration

Old Business

Compressed Natural Gas

Mr. Armstrong reported that at the Philadelphia Airport there is a complete compressed natural gas refueling system. This was to go to another Municipality in Bucks County; however, the deal fell through. To have a complete turnkey installation of this refueling system would be approximately \$20,000 to \$60,000.

What this would allow is us to sell compressed natural gas to anyone in the area such as Bensalem, PECO, etc. Mr. Armstrong added that he received a report that there is plenty of gas available to us through PECO. If we were to go this way our fuel cost for vehicles would be shaved at least 60%.

I-Pads

Mr. Armstrong stated that previously the Board had discussed the possibility of the use of I-Pads or something similar. Tullytown Borough purchased two of them so they could experiment with them. Mr. Armstrong further stated that there are two ways you can go with this. The first is if you have a built in wireless system within your house you can buy the version that just talks to that or if you want to be on the road and be able to receive information you can tie in through AT &T at a cost of approximately fourteen or fifteen dollars per month. Mr. Verduci asked the cost of one Armstrong replied that these are approximately \$600.00. Mr. Chase stated that he feels that they would be an asset to those Board members that want one.

July/August, 2010 Board Meetings

Motion

Mr. Verduci made a motion, seconded by Mr. Armstrong to cancel the July and August, 2010 meeting.
Motion carried unanimously.

Bristol Township Sewer Authority – Palmer Avenue Station

Mrs. DeRosier asked what the outcome was of the independent meter readings for Bristol Township. Mr. Downey replied that he contacted BCW &S and they gave him the name of the person that checks their meters. He gave the name to Bristol Township; however, they do not like him. Bristol Township then gave Mr. Downey three (3) names which he passed on to Dr. Rajput who is checking them now. Dr. Rajput in turn gave three (3) names. Mr. Downey forwarded those names to Bristol Township who is checking them now. Dr. Rajput added that the only question that should be asked is why their meter is reading low and our meter is reading high. The Authority has tested their meters and our meter is reading what it is suppose to read within the parameters. Dr. Rajput does not feel it is worth arguing on the accuracy of either meter.

Mrs. DeRosier stated that this is something she brought before the Board before. She recently received her water and she also received paperwork from Home Service USA which is a service that you can purchase in the event something happened to your water lines. The cost is \$71.88 per year. Mrs. Burnell stated that this company or companies like it buy your customer base, send out these brochures to all customers within your district with your name on it so the people get the impression that it is through the Authority. It is basically insurance you may or may not use. Mrs. DeRosier added that she was aware that the insurance was not through Aqua.

Mr. Downey replied that while Mrs. DeRosier was aware of this, Mr. Downey replied that while you are knowledgeable when it comes to this I would venture to say that 90% of customers would believe it is this Authority insuring the lines. Mr. Downey added the he and Mrs. Burnell expressed concern that if there was an issue the Authority would get caught up in something that we have no business getting caught up in.

Engineering Intern

Mrs. DeRosier questioned Dr. Rajput regarding the Engineering Intern. Dr. Rajput replied that he received an offer at another company. Dr. Rajput added that he has started his search again. Mrs. DeRosier stated that she is not sure if the following would pertain to the internship that Dr. Rajput is looking into but read the following; the Department of Labor and Industry is offering a new program called Pennsylvania's Way to Work which is designed for public sector organizations to hire new employees and have 100% of their gross wages covered up to \$13.00 an hour. Employers are responsible for the employer share of relevant federal and state taxes. Jobs must be a minimum of 20 hours per week. Subsidiaries will end by September 30, 2010. They are not required to hire the participants at the end of the initiative but the hope is the program would lead to permanent employment.

Dr. Rajput stated that the Authority can look into this.

New Business

Newsletter

Mrs. DeRosier stated that she has some unused medication at home and I read previously how to dispose of them but I honestly forget how to go about that. I think it would be beneficial to add something like this to the Authority's next newsletter.

Conference

Dr. Rajput informed the Board that he recently attended a conference given by the National Algae Association. It is interesting to see that in the future they are looking into growing Algae in Wastewater. We will look into this option for the Authority. I think this has great potential.

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Public Participation

There was no public participation at this time

Adjournment of Board Meeting

Mr. Verduci made a motion, seconded by Mr. Czyzyk, to adjourn the Board meeting at 10:00 P.M.

Motion carried unanimously.

Respectfully Submitted by:

Susan DeRosier, Secretary

/dm