

Lower Bucks County Joint Municipal Authority

Board Meeting Minutes ~ December 12, 2013

The Board Directors of Lower Bucks County Joint Municipal Authority held their monthly meeting on December 12, 2013 at the Authority's Administration office located at 7811 New Falls Road, Levittown, Pennsylvania 19055.

Call to Order

Mrs. Keyser, Chairperson, called the meeting to order at 7:16 P.M., which was followed by the Pledge of Allegiance and a moment of silence. Mrs. Keyser asked that everyone keep Debbie Barnes, an employee of the Authority in their thoughts and prayers.

Roll Call

Mrs. DeRosier, Secretary, took roll call as follows:

Board Members Present:

Janet Keyser
James Chase
Susan DeRosier
Joseph Glasson
Edward Czyzyk
Sandra Della-Croce

Also Present:

Vijay Rajput, Ph.D., PE, Managing Director
Pat Koszarek, Finance Director
Nancy Burnell, Meter Department Supervisor
Vince Capaldi, Superintendent, WTP
Phil Smythe, Field Technician
Michael Andrews, Engineering Assistant
James A. Downey III, Esquire
Robert Serpente, Consulting Engineer

Christmas Treats

Ms. Della-Croce was kind enough to bring some delicious goodies for everyone.

Public Participation

Mr. & Mrs. Krispel of 2 Elderberry Drive informed the Board that they have been dealing with dirty water for the past two (2) years. Each time this occurs someone comes out to flush the lines. Vince Capaldi has been out to the property and reported to the Board that their property is at a dead end. This was brought to my attention approximately 2 months ago. A solution would be to loop the line. Dr. Rajput stated that he will meet with Vince Capaldi, Jim Coon & Mike Andrews to discuss the best way to resolve this problem, as well as what is the cause of the problem.

If it is a dead end problem then looping the line would be the best way to go or it might be feasible to move the line to the other side as there appears to be an 8 inch lateral on the opposite side. We will also meet with other neighbors to ascertain if Mr. & Mrs. Krispel are the only ones having this problem. Dr. Rajput will report back to the Board with his findings.

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JM Patton Associates – Jack Patton and Marty Wilson

Jack Patton of JM Patton Associates, Inc. along with Marty Wilson were present at tonight's meeting in order to answer any questions the Board Directors may have regarding the Authority's 2014 Insurance Renewal.

Mrs. Keyser stated that the Board is aware of the situation that occurred with Traveler's Insurance Company coming back with a lower proposal after the Board voted on the 2014 Insurance Package. Mr. Patton explained that he made arrangements for Traveler's to come tonight to explain their position to the Board. Mr. Patton added that he was disappointed that they did not do this beforehand. We did have a phone meeting and Dr. Rajput, Phil Smythe and Mr. Patton were present. There were questions afterwards but the fact still remains that this should have been done beforehand. The Traveler's representative indicated that it reflected on some experiences they had in Delaware County. She explained that they do a fair amount of Municipality business and that they go through these kinds of things all the time. Mr. Patton explained that this Authority is not like that.

Ms. Koszarek asked Mr. Smythe if he was comfortable with the insurance carrier that we have now. Mr. Smythe replied that he was. They have been very vigilant in defending a lot of the claims that we shouldn't be paying out. We have had problems in the past with other companies who just settled.

Approval of the December 2013 Accounts Payable as Presented to the Board

Mr. Chase made a motion, seconded by Mr. Czyzyk, to approve the December 2013 Accounts Payable as presented to the Board.

Questions/Comments

Mr. Chase questioned the following invoice(s):

K.E.Seifert, Inc.

In#935988

Amount: \$13,044.16

Repair Primary Tank #5 Sludge Valve

Dr. Rajput replied that the job was too big for the Authority employees to perform.

Ms. Della-Croce questioned the following invoice(s):

Hajoca Corporation

Invoice: S013911284.001

Amount: \$38,196.00

(9) 4' (9) 4 ½ 'fire hydrants – replenish stock

Ms. Della-Croce questioned the amount. Dr. Rajput explained that this is a contract and it is used to replenish stock for fire hydrants and parts that are put out to bid.

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Roll Call

Mrs. Keyser Aye
Mr. Chase Aye
Mr. Czyzyk Aye
Ms. Della-Croce Aye
Mrs. DeRosier Aye
Mr. Glasson Aye
Motion carried unanimously

Approval of the Board Meeting Minutes for August 7, 2013

Motion

Mr. Chase made a motion, seconded by Mr. Glasson, to approve the Board Meeting Minutes for August 7, 2013 as presented to the Board.

Roll Call

Mrs. Keyser Aye
Mr. Chase Aye
Mr. Czyzyk Aye
Ms. Della-Croce Abstain – Not present at the August 7th Board Meeting
Mrs. DeRosier Abstain – Not present at the August 7th Board Meeting
Mr. Glasson Aye
Motion passed: 4 Aye Votes – 2 Abstentions

Approval of the Board Meeting Minutes for November 26, 2013

Motion

Mr. Chase made a motion, seconded by Mr. Glasson, to approve the Board Meeting Minutes for November 26, 2013 with changes as approved by the Board.

Roll Call

Mrs. Keyser Aye
Mr. Chase Aye
Mr. Czyzyk Abstain – Not present at the November 26th Board Meeting
Ms. Della-Croce Abstain – Not present at the November 26th Board Meeting
Mrs. DeRosier Aye
Mr. Glasson Aye
Motion passed: 4 Aye Votes – 2 Abstentions

Pretreatment Variances

There were no Pretreatment Variances brought before the Board.

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Managing Director's Report

Computer Network upgrade Proposal

The existing Computer Network System of the Authority consists of multiple Windows XP Workstations and Windows 2003 servers which are located at all three (3) of the Authority's locations. We have learned that Microsoft will be ending their support as of April 8, 2014. This means that the Authority will no longer receive Microsoft Security updates leaving our network system vulnerable. Also various application software companies who currently support us will be reluctant, or more likely, unwilling to support us in the current network environment therefore, the Authority needs to upgrade. The HP Computer and Hardware system will be purchased and supplied under PA COSTARS Contract. The total quoted cost for the complete upgrade is \$112,603.58.

Motion

Mrs. DeRosier made a motion, seconded by Mr. Chase, to upgrade the computer system throughout the Authority at a cost of \$112,603.58.

Roll Call

Mrs. Keyser	Aye
Mr. Chase	Aye
Mr. Czyzyk	Aye
Ms. Della-Croce	Aye
Mrs. DeRosier	Aye
Mr. Glasson	Aye

Motion carried unanimously

PECO Contract for Commercial & Industrial Class Electric Service

On December 4, 2013 a meeting was held with PECO representatives to discuss their proposed contract for electric service. Review of the electric supply data for the Authority's Wastewater Treatment Plant from January 2012 to November 2013 varied between approximately 284kW and 474kW. This is attributed to our ongoing aggressive Inflow/Infiltration Control Program, the replacement and installation of energy efficient equipment and efficient operation of the Plant. Based on the discussion with PECO the Authority always gets charged for a minimum contract billing demand of 600kW even when the actual electric consumption is below 600kW. Based on review of the data, it would be beneficial for the Authority to lower the current contract maximum billing demand from 1500kW to 1200kW and the current minimum billing demand from 600kW to 480Kw. This change is expected to produce savings in electric power supply. The existing contract maximum/minimum electric billing demand for the Water Treatment Plant is in an acceptable range and as a result no changes will be made. The duration of these Contracts/Agreements is three (3) years.

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Motion

Mr. Chase made a motion, seconded by Mrs. DeRosier, granting permission for Dr. Rajput to proceed with execution of the contract with PECO and for the Wastewater Treatment Plant to lower the maximum billing demand from 1500kW to 1200kW and to lower the minimum billing demand from 600k to 480kW and to leave the Water Filtration Plant as is.

Roll Call

Mrs. Keyser	Aye
Mr. Chase	Aye
Mr. Czyzyk	Aye
Ms. Della-Croce	Aye
Mrs. DeRosier	Aye
Mr. Glasson	Aye

Motion carried unanimously

Acquisition Levittown Plot Plans from William G. Major Associates, Inc.

Dr. Rajput reported that William G. Major Associates, Inc. is selling their files containing the Levittown Plot Plans. These plans are very valuable and useful to the Authority as well as their customers. The plans are being sold for \$22,500.00.

Motion #1

Mr. Chase made a motion, seconded by Mr. Glasson, to approve the acquisition of the Levittown Plot Plans from William G. Major Associates, Inc. in the amount of \$22, 500.00. Mr. Downey will draw up a purchase agreement for the plot plans.

Roll Call

Mrs. Keyser	Aye
Mr. Chase	Aye
Mr. Czyzyk	Aye
Ms. Della-Croce	Aye
Mrs. DeRosier	Aye
Mr. Glasson	Aye

Motion carried unanimously

William G. Major Associates, Inc. was selling them for \$75.00 each to residence. Dr. Rajput is suggesting in order to help recoup the cost of the above purchase, the Authority could sell them at a cost of \$35.00 which would also be a savings to the Authority's customers that need to purchase them.

Mr. Smythe added that there is only one other place that supplies the plot plans and the cost is comparable to what Major's has been charging. No one else in the area has them. The Townships and the County don't even have them. Mr. Smythe added that he is a little uncomfortable telling the customer they need a plot plan then charging them \$35.00. Mr. Czyzyk suggested putting a notice on our water/sewer bills that we now have plot plans available to our customers at a cost of \$35.

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Motion #2

Mr. Chase made a motion, seconded by Mr. Czyzyk, to sell the Plot Plans for \$35.00 each to help recoup the cost of the purchase of the Plot Plans.

Roll Call

Mrs. Keyser	Aye
Mr. Chase	Aye
Mr. Czyzyk	Aye
Ms. Della-Croce	Aye
Mrs. DeRosier	Aye
Mr. Glasson	Aye

Motion carried unanimously

Employee's Christmas Luncheon

Each year the Board Directors are asked to approve a Christmas Luncheon for the employees. It is one way to thank the employees for a job well done. Dr. Rajput is requesting Board approval to disburse funds to each department for the employees Christmas Luncheon in the same amounts as were given last year.

Motion

Mr. Chase made a motion, seconded by Mr. Czyzyk, to have the funds disbursed to each department for the employees Christmas Luncheon in the same amounts as were given last year.

Questions/Comments

Mrs. DeRosier asked if that was going to be enough. Mrs. Keyser asked Mrs. Marterella, Senior Accounts Payable Clerk, for the figures from last year. Mrs. Marterella stated that \$400.00 for the Wastewater Plant, \$325.00 for Administration and \$300.00 for the Water Plant were dispersed in the prior year. Mrs. Keyser stated why not make it \$400.00 across the board?

Motion #2

Mrs. Keyser made a motion, seconded by Mr. Chase, to give each of the three (3) departments \$400.00 for their Christmas Luncheon.

Roll Call

Mrs. Keyser	Aye
Mr. Chase	Aye
Mr. Czyzyk	Aye
Ms. Della-Croce	Aye
Mrs. DeRosier	Aye
Mr. Glasson	Aye

Motion carried unanimously

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Contract WTP 320A & WTP 320B: Water Treatment Plant Sedimentation Basin Improvements General & Electrical Construction

The project is progressing well. The Contractor is presently doing concrete work. There were some concerns regarding the concrete work which have been resolved.

Cleaning of Two (2) Flow Equalization Tanks at the Wastewater Treatment Plant

Cleaning of the two flow equalization tanks was completed on December 6, 2013. The Contractor is now scheduling the cleaning of the Aerated, Raw Wells and Grit Channel.

Demand Response Program

Dr. Rajput has started requesting proposals for the 2014-2015 Demand Response Program. A meeting has been scheduled for December 16, 2013 with Constellation Energy Company to discuss their Demand Response Program. A meeting with Hess Marketing/Direct Energy Company and other DR Program providers will also be scheduled.

Contract WWTP 335: Installation of Cured-In-Place Sanitary Sewer Lining in Various Locations - Phase III

This project is on schedule. The Contractor has completed the lining of 13,397 feet of 8 inch sewer pipe and 390 linear feet of 12 inch sewer pipe.

PA Turnpike/I-95 Interchange Project - Relocation of a Water Main and Sanitary Sewer Force Main

As per PA Turnpike's request, a copy of the plans on file for the Laurel Bend Wastewater Pump Station was sent.

Contract WWTP-341: Furnish and Provide Services for Tree Trimming and Removal

Notice to Proceed was issued to Paul Johns who was awarded the contract. We are currently waiting for the executed contract forms and documents along with the required Bonds and Insurance Certificates. These will be forwarded to Jim Downey, III Esquire for review.

Contract WWTP 340: Furnish and Deliver Rock Salt (Sodium Chloride) for the 2013-2014 Season through the Bucks County Consortium Salt Bid

We are currently waiting for the executed contract forms and documents along with the required Bonds and Insurance Certificates. These will be forwarded to Jim Downey, III Esquire for review.

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Contract WWTP 318 A&B: Wastewater Treatment Plant Aeration Blower No 1 & No 2 Motor Control Upgrade

Testing is being scheduled for the LD Davis Transformer with the Contractor. A test of the blower transformer is also being scheduled.

Addition to the Administration Building – Meter Work Area, Offices, Map/File Room & Board Meeting Room

A meeting is being scheduled with the Township Engineer to review the submitted plans for a waiver request from land development for the Township. We would like to thank Joe Glasson for his assistance in regards to the waiver request.

Pretreatment Local Limits Re-Evaluation - Headwork Analysis

The required Head Work Analysis and Local Limit Evaluation have been completed per the USEPA requirements. Dr. Rajput would like to thank Susan Wallover for her assistance in completing the above Analysis.

Proposed 2014 Operating Budget

The proposed draft of the Operating Budget for 2014 was presented to the Board at the November 24th meeting for review. The revenue and expenditure projections presented in the draft were based on the first nine months of actual and budget figures for 2013. Since the projected excess revenue over the projected expenditure was low and they were based on significantly higher projected bulk water sale revenues, the Board wanted to evaluate rate increase options for additional revenue to maintain the ongoing needed Capital Improvement Program. Below are two water and sewer rate options:

Option #1

This option has been evaluated considering that Bucks County Water and Sewer Authority will purchase close to the *maximum* agreement amount of bulk water and could generate additional revenue of approximately \$1,839,600 during 2014. The expenditures have been revised based on eleven months of expenditures. Under this option, the Authority is projected to generate excess revenue of \$1,381,168 and \$2,675,672 for a 3% and 5% rate increase respectively.

Option #2

This option is evaluated considering that Bucks County Water and Sewer Authority will purchase close to the *minimum* agreement amount of bulk water and could generate additional revenue of \$919,973 during 2014. Similar to option #1, expenditures have been revised based on eleven months of expenditures. Under this option, the Authority is projected to generate excess revenue of \$183,690 and \$1,454,942 for a 3% and 5% rate increase respectively.

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Based on the two options presented, the excess revenue over expenditure is mainly dependent on the bulk water sale to Bucks County Water and Sewer Authority. It appears that option #2 is more conservative in terms of bulk water sales revenue as it is based on the conservative amount of bulk water sale and may be more attainable and guaranteed than that of the maximum amount presented. It is our opinion that a 5% water and sewer rate increase will compensate for any further reduction of water and sewer revenue and will provide additional revenue for the Capital Improvements Program.

Mrs. DeRosier questioned the amount of money the Authority may be losing with regards to Bristol Township water usage. After further discussion the following motion was made.

Motion

Mr. Chase made a motion, seconded by Mr. Czyzyk, to go with Option #2 showing the lower bulk amount with a 5% increase on the minimum effective January 1, 2014 and the 5% increase on the excess effective April 1, 2014.

Roll Call

Mrs. Keyser	Aye
Mr. Chase	Aye
Mr. Czyzyk	Aye
Ms. Della-Croce	Aye
Mrs. DeRosier	Aye
Mr. Glasson	Aye

Motion carried unanimously

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

Mr. Downey reported that the Executive Session was held from 6:00 P.M. to approximately 7:10 P.M with litigation, potential litigation and personnel matters being discussed.

12 Sunflower and 20 Sunflower Roads

Mr. Downey had the opportunity to speak with Phil Smythe, Field Technician, and Robert Serpente, Consulting Engineer, the situation regarding the above two addresses. There are various types of easements throughout Levittown which enable the Authority access to the wastewater sewer lines for repairs, however between these two properties there is no sewer easement.

After further discussion the following motion was made:

Motion

Mr. Chase made a motion, seconded by Mr. Czyzyk, to have the Authority's Consulting Engineer, Robert Serpente, prepare a description for a sewer access easement between 12 Sunflower and 20 Sunflower Roads, Middletown Township.

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Finance Director's Report

Ms. Koszarek reported on the following:

Unadjusted Balances

Beginning Balance (Unadjusted)	\$12,906,453.32
Accounts Payable	< 182,854.28>
Committed Funds (including the computer and plot plans)	<4,333,308>
Unadjusted Bank Balance	\$ 8,390,291

Investment Policy

Ms. Koszarek asked Mr. Downey where the Authority stood with this. Mr. Downey replied that he has had no direction. Mrs. Keyser asked that Ms. Koszarek and Mr. Downey get together before the January meeting to discuss the Investment Policy and report back to the Board.

Tree Loan Program - Penalties

Ms. Koszarek explained that there are quite a few of the Authority's customers that have taken advantage of this program since the Authority has taken aggressive action in the removal of trees from properties that have trees over the sewer easements. In order to help alleviate some of the burden to our customers, the Authority has developed a Tree Loan Program where the customer chooses a tree service for the tree removal. They enter into an Agreement with the Authority where the Authority pays the tree service up front then the customer pays the Authority back in interest free monthly installments for one, two or three years. This would apply to accounts that are not kept up to date. So far we have not enforced the 6% penalty portion of the agreement. Ms. Koszarek is requesting permission from the Board to proceed with charging the 6% penalty to those customers that default on their payments.

Motion No. 1

Mr. Chase made a motion, seconded by Mr. Czyzyk, to allow a six (6) month grace period prior to enforcing the Tree Loan Agreement 6% penalty charge.

Roll Call

Mrs. Keyser Aye
Mr. Chase Aye
Mr. Czyzyk Aye
Ms. Della-Croce Aye
Mrs. DeRosier Aye
Mr. Glasson Aye
Motion carried unanimously

Ms. Koszarek stated that nothing is set on how long the loan can be for. We have tried to keep it at 3 years, we do have a few at 4 years, and we now have someone who would like to be able to take it out for 5 years.

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After further discussion the following motion was made:

Motion No. 2

Mrs. DeRosier made a motion, seconded by Mr. Chase that for any removal of tree loans up to \$5,000.00 can be taken out for three (3) years and above \$5,000.00 up to five (5) years.

Questions/Comments

Jennifer Smythe, employee of the Authority, stated she doesn't mean to sound harsh but why are we giving them a six (6) month grace period, they're signing a contract and you are letting them know up front that they are going to pay the interest.

Ms. Koszarek explained that since the penalty charge has not been enforced in the past she would like to give the customers that have already signed agreements ample notice. This would not apply to anyone that signs a contract in the future.

Roll Call

Mrs. Keyser	Aye
Mr. Chase	Aye
Mr. Czyzyk	Aye
Ms. Della-Croce	Aye
Mrs. DeRosier	Aye
Mr. Glasson	Aye

Motion carried unanimously

New Business

Dr. Rajput stated that each year the Authority give employees a \$25.00 gift card at Christmas and would like to do this again this year.

Motion

Mr. Chase made a motion, seconded by Mr. Czyzyk, to distribute the \$25.00 gift cards to the Authority employees as has been done in the past.

Roll Call

Mrs. Keyser	Aye
Mr. Chase	Aye
Mr. Czyzyk	Aye
Ms. Della-Croce	Aye
Mrs. DeRosier	Aye
Mr. Glasson	Aye

Motion carried unanimously

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Old Business

Motion

Mr. Chase made a motion, seconded by Ms. Della-Croce, to approve the October 24, 2013 Board meeting minutes presented with corrections.

Roll Call

Mrs. Keyser	Aye
Mr. Chase	Aye
Mr. Czyzyk	Abstain – not present at the October meeting
Ms. Della-Croce	Aye
Mrs. DeRosier	Aye
Mr. Glasson	Abstain – not present at the October meeting

Motion carried 4 Aye votes – 2 Abstentions

Copier Lease

Mrs. DeRosier asked when the copier leases will be up so that they can all be placed on one lease together. Dr. Rajput responded that the pricing is good and each location has different needs. Mr. Chase asked if they were the same brands. Mrs. Marterella responded that the Water Plant and Administration already have the same copier's just different models. Mrs. DeRosier asked what is different with the Wastewater Plant that they can't be on the same lease. Mrs. Marterella stated the Wastewater Plant chose to go with a different company. Dr. Rajput stated that we will look into it.

2 Elderberry Drive

Mr. Chase stated that he has concerns with the couple that attended our meeting and spoke earlier regarding them having bad rusty water for 2 years. The Authority is the ones that have the problem not the homeowners and this is costing them money. Mr. Chase asked if there was anything that the Authority could do to defray some of the cost to them.

After further discussion Mrs. Keyser asked Nancy Burnell and Laureen Marterella to look into the customer's account to see what problems have been reported, how long the problems have been reported and if their water/sewer quarterly invoices are higher than normal and to report this information back to the Board at their January 2014 meeting.

New Business

Motion

Mr. Chase made a motion, seconded by Mr. Glasson, to offer the same 3% raise to the three (3) non- union employees, Managing Director, Finance Director and the Engineering Assistant that were given to all union employees effective January 1, 2014.

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Roll Call

Mrs. Keyser Aye
Mr. Chase Aye
Mr. Czyzyk Aye
Ms. Della-Croce Aye
Mrs. DeRosier Aye
Mr. Glasson Aye
Motion carried unanimously

Public Participation

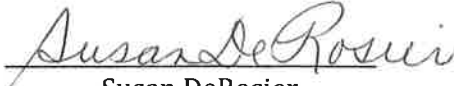
Vince Capaldi, Superintendent at the Water Treatment Plant, wanted to inform the Board that John Mills, Operator at the Water Treatment Plant, who has been with the Authority for a little over two (2) years and has passed all required tests for his water license, as well as his Associates Degree. Mr. Chase asked if Dr. Rajput if any type of letter is sent. Dr. Rajput replied that it has not in the past but he will be glad to send one to Mr. Mills.

Adjournment

Mr. Chase made a motion, seconded by Mr. Czyzyk, to adjourn the Board meeting at 8:28 P.M.

Motion made and carried unanimously by the Board to adjourn the meeting at 8:28 PM.

Respectfully submitted by:


Susan DeRosier
Board Secretary

SDR/dm
DPM: 0039/#15