

Minutes of the Public Meeting held on November 5, 2008

Members Attending: Antonio Albano, Chairman
John T. Jim, Vice Chairman
Sheila Bass, Treasurer
Gretel Bleich, Asst. Secretary-Treasurer

Others Attending: Thomas A. Zeuner, Executive Director
Edward Rudolph, Esquire, Solicitor
Christopher S. Walker, P.E., Consulting Engineer
Carol A. Boston, Stenographer

AN EXECUTIVE SESSION WAS HELD PRIOR TO THE PUBLIC MEETING TO DISCUSS PERSONNEL MATTERS.

Mr. Albano, Chairman, called the meeting to order at 8:35 p.m.

1. Pledge of Allegiance

Mr. Albano led the Pledge of Allegiance.

2. Approval of Minutes from October 1, 2008

A motion (Jim-Bleich) adopting a resolution to approve the Minutes from October 1, 2008 passed with 4 ayes.

3. Citizens Concerns

Mr. Zeuner provided the Board with a report prepared by PFM regarding the Authority's arbitrage calculation for the Bonds. The report shows a cumulative rebate liability in the amount of \$68,995.15 for our 2006 Construction Fund and zero for the 1990 Bond Indenture.

The residents who addressed the Board regarding the western end sanitary sewer project were Mr. Gold – 999 Almshouse Road; Mr. Bushnell – 91 Hunt Drive; Mr. Guzy – 1309 Almshouse Road; Mrs. Gold; Mr. Hentshel – 47 S. Traymore Avenue; Mr. Duhaime – 88 N. Traymore Avenue; Mr. Parke – 116 Barley Road; Mr. Lou Hirsh – 51 Rotterdam West; and Mr. Bailey – 133 Gwyn Lynn Drive.

4. Check Requisitions

A motion (Bass-Bleich) adopting a resolution to approve Bond Redemption & Improvement Fund Requisition No. 448 dated August 27, 2008 in the amount of \$57,706.41; Revenue Fund Requisition No. 1889 dated October 15, 2008 in the amount of \$126,535.34; Construction Fund Requisition No. 1035 dated October 15, 2008 in the amount of \$366,439.79; Bond Redemption & Improvement Fund Requisition No. 451 dated October 15, 2008 in the amount of \$25,144.14; Revenue Fund Requisition No. 1890 dated November 5, 2008 in the amount of \$1,137,497.09; Bond Redemption & Improvement Fund Requisition No. 452 dated November 5, 2008 in the amount of \$277,306.21; and Construction Fund Requisition No. 1036 dated November 5, 2008 in the amount of \$340,379.39 passed with 4 ayes.

The major items paid under Requisition No. 448 were for compensation for easements taken for the Western End Sewer Extension Project as follows: Edward Magid - \$3,108.00; Richard Dettore - \$3,108.00; Russell George - \$3,108.00; Victoria Sweitzer - \$2,608.00; William Hludzinski - \$7,811.21; James Tanner - \$22,245.20; Frederic Ewald - \$6,843.00; and Sean Borden - \$8,875.00.

The major items paid under Requisition No. 1889 were as follows: Corrpro Waterworks - \$1,580.00; Exeter Supply - \$1,216.97; William Hludzinski - \$1,000.00; Michael Lefkowitz - \$1,592.98; PECO - \$1,987.89; Pennoni Associates - \$39,568.28; Quality Control - \$2,202.10; J. H. Shanahan Inc. - \$1,235.00; State Workers Insurance Fund - \$7,635.00; Video Gold Productions - \$2,852.06; and a \$60,000.00 payroll transfer.

The major items paid under Construction Fund Requisition No. 1035 were as follows: In Line Service under Contract No. 1-W-07 - \$259,532.40; Private Utility Enterprises under Contract No. 1-W-07 - \$8,463.75; Valley Painting under Contract No. 4-W-08 - \$33,750.00; and Pennoni Associates (I&I) - \$64,693.64.

Requisition No. 451 in the amount of \$25,144.14 was paid to Wexcon Inc. under Contract No. 16-S-07.

The major items paid under Requisition No. 1890 were as follows: Hartford (October billing) - \$4,084.60; Aetna - \$1,642.00; Aqua PA Inc. - \$1,760.00; BCWSA (Tapping Fees) - \$3,050.00; BCWSA (Water) - \$91,755.16; Brinker's Fuels - \$2,688.56; Hamburg, Rubin, Mullin - \$9,604.00; Hartford (November billing) - \$4,084.60; Independence Blue Cross - \$34,721.35; MRM Property & Liability - \$109,577.50; Northampton Township - \$1,668.12; Paist & Noe - \$5,750.00; PECO - \$22,845.11; J. H. Shanahan Inc. - \$8,162.00; Video Gold Productions - \$1,300.00; Warminster Municipal Authority - \$18,118.38; Wexcon Inc. (Contract No. 16-S-07) - \$1,557.30; Zupito Lawn Care - \$1,334.00; and a \$60,000.00 payroll transfer.

The major items paid under Requisition No. 452 were as follows: Gilmore & Associates - \$19,519.64; CKS Engineers - \$6,781.78; Tri-State Grouting (Contract No. 2-S-A-08) - \$37,629.00; Associated Paving Contractors (Contract No. 1-A-A-07) - \$3,102.49; and Joao & Bradley Construction (Contract No. 3-S-08) - \$210,273.30.

The major items paid under Requisition No. 2036 were as follows: BCWSA (Pipelining / Insituform) - \$273,149.39; and Valley Painting Inc. (Contract No. 4-W-08) - \$67,230.00.

5. Maintenance Report for September 2008

Mr. Zeuner stated that water production both produced and purchased was 76,877,004 as compared with 86,614,489 gallons for the same period last year. There were no new customers added. Fifty customers were posted and ten turned off for non-payment. 9,842 feet of sewer mains were televised and 16,523 feet were cleaned. There were no sewer blockages. There was one water main break on North Rotterdam Drive with no major disruption of service. Five curb boxes were excavated and repaired.

Executive Director's Report

- Chairman Albano acknowledged that an information session by Mr. Andrew A. Schafer, Bureau Chief, Division of Environmental Health for the Bucks County Department of Health was conducted just prior to the Public Meeting of the Authority. This information session allowed members of the public to question Mr. Schafer on their concerns relating to on-lot sanitary sewer systems and conversion to public systems.
- Mr. Zeuner reported that construction was started on October 2, 2008 on the Harvest Acres, Phase I of the Western End Sewer Extension Project. All pipes and manholes are now installed. We are performing the testing at this time. The permanent trench restoration may wait until Spring. We must wait thirty days for mandrel test before paving.
- Mr. Zeuner reported that a settlement has been made with many of America's leading oil companies over the gasoline additive methyl tertiary butyl ether (MTBE). The settlement terms from a lawsuit filed by this Authority which was consolidated in a Federal Multi-District Litigation Court (MDL) in New York established to hear MTBE cases nationwide. The settlement will allow the Authority to invest in its water system and help protect the long term viability of its water resource. The settling defendants in the case include BP Amoco, Atlantic Richfield, Chevron, Conoco Phillips, Shell, Marathon, Valero, Citgo, Sunoco, Hess, Flint Hills, El Paso Merchant Energy, and Tesoro. These companies, representing approximately 70% of the country's oil refiners, have made a cash payment of \$210,463.00 to the Authority which is associated with current detects of MTBE. The settlement also requires the settling defendants to pay their share of treatment costs for wells owned or operated by the Authority that become contaminated by MTBE in the future and qualify for treatment over the next thirty years. The Authority was the only party in the State of Pennsylvania that participated in the litigation. The Authority is being represented by Scott Summy, a shareholder in the Dallas Law Firm of Baron & Budd, PC and Rob Gordon and Perry Weitz, of the New York Law Firm of Weitz & Luxenberg, PC, and Robin Greenwalk also of Weitz & Luxenberg, PC, is liaison counsel for the MDL. Mr. Summy and Mr. Gordon were designated by the MDL Court as co-lead counsel for all plaintiffs in the litigation.
- Mr. Zeuner stated that regarding the I&I Abatement Program for 2008, Pennoni has prepared the report; the report has been submitted to BCWSA through Carroll Engineering; and the report is to be submitted to USSA and PA DEP.
- Mr. Zeuner stated that Insituform Industries is sponsoring a seminar for utility industry executives, engineers, finance managers to update them on technical advances within the water and wastewater industries, asset management tools and programs, tools for asset management practices as endorsed by the EPA, current regulatory issues including GASB34. The forum will be held at our offices on Wednesday, November 19, 2008. Continuing credits from this session are available. We do expect a full house. The forum is open only to utility representatives by pre-registration with Insituform.
- Mr. Zeuner stated that Keystone Alliance Consulting will be submitting a written report and making a powerpoint presentation to the Board at the December 3, 2008 meeting about the sanitary sewer extension, tapping fees and sewer assessment analysis. A notice will be posted on the website and letters will be sent to all the Harvest Acres residents affected by the sewer project.

6. Award of Contract No. 4-A-A-08 – Annual Paving Restoration

A motion (Jim-Bass) adopting a resolution to award Contract No. 4-A-A-08 for the annual paving restoration work to the low bidder, Associated Paving Contractors, Inc. in accordance with their bid received on October 29, 2008 in the amount of \$94,250.00 passed with 5 ayes.

7. Extension Agreement – Northampton Gate, Phase V

A motion (Bass-Bleich) adopting a resolution to approve and execute the one year extension agreement with Toll PA IV, LP by Toll PA GP Corp, general partner for Northampton Gate, Phase V passed with 4 ayes.

8. Extension Agreement – Northampton Gate, Phase VI

A motion (Bleich-Jim) adopting a resolution to approve and execute the one year extension agreement with Toll PA IV, LP by Toll PA GP Corp, general partner for Northampton Gate, Phase VI passed with 4 ayes.

9. Dedication – Woods at Northampton – Resolution No. 2008-961

A motion (Jim-Bleich) accepting the Deed of Dedication dated November 11, 2002 from K. Hovnanian at Northampton, LLC for the sanitary sewer and public water facilities installed within the Woods at Northampton development and, further, adopt Resolution No. 2008-961 passed with 4 ayes.

10. Dedication – Woods at Northampton Pump Station - Resolution No. 2008-962

A motion (Bass-Bleich) accepting the Deed of Dedication dated April 17, 2006 from K. Hovnanian at Northampton, LLC for the pump station facilities and appurtenances at the Woods at Northampton development on Lot #50 and, further, adopt Resolution No. 2008-962 passed with 4 ayes.

11. Change Order No. 1 – Contract No. 16-S-07 – Bristol Road Sewer Relocation

A motion (Bleich-Bass) adopting a resolution to approve Change Order No. 1 in the amount of \$1,639.28 under Contract No. 16-S-07 for the hand excavation around the duct bank that was not identified passed with 4 ayes.

12. Change Orders No. 1 & 2 – Contract No. 3-S-08 – Harvest Acres Sanitary Sewer Extension

A motion (Bass-Bleich) adopting a resolution to approve Change Order No. 1 under Contract No. 3-S-08 for the removal of three trees and stumps located within the sanitary sewer easement at 28 Clover Road in the amount of \$6,750.00 and Change Order No. 2 for the installation of a cut-in wye connection at 42 Clover Road in the amount of \$1,475.00 passed with 4 ayes.

13. 2008-2011 Master Casting Agreement with PennDOT – Resolution No. 2008-965

A motion (Bleich-Jim) approving and executing the 2008 – 2011 Master Casting Agreement with PennDOT for the adjustments of incorporated utility facilities to be performed by PennDOT while performing a repaving contract in Northampton Township and, further, adopt Resolution No. 2008-965 passed with 4 ayes.

14. AIG Pension Amendment – Resolution No. 2008-967

A motion (Bass-Bleich) adopting Resolution No. 2008-967 regarding the amendment to Section 415 of the Internal Revenue Code that is part of our AIG Retirement Plan increasing the amount of the annual maximum allowable additions/contributions from \$45,000 to \$46,000 passed with 4 ayes.

15. Principal Financial Group Amendment – Resolution No. 2008-966

A motion (Jim-Bass) adopting Resolution No. 2008-966 resign its employee pension annuity contract No. 4-15463 with the Principal Financial Group and, further, authorize the expenditure of costs for the preparation and restating our document with Principal Financial Group passed with 4 ayes.

16. - Financial Management – Fox Chase Bank Payment Processing

A motion (Jim-Bleich) approving Option No. 1 as outlined in the September 29, 2008 memorandum from Kathie Cop, Directors of Administration and Finance, for lockbox and bank processing arrangements for customer payments including the transfer of certain accounts from Commerce Bank to Fox Chase Bank and, further, that Fox Chase Bank sign and follow the investment policy statement as adopted by this Authority passed with 4 ayes.

17. Contract No. 10-S-08 – Capacity Upgrade at Langhorne Avenue (Ironworks Creek) including the Siphon Chamber – Authorization to Prepare Bid Documents and Specifications and Advertise for Bids

A motion (Bleich-Bass) authorizing Pennoni Associates to prepare the bid documents and specifications and the Authority staff to advertise for bids under Contract No. 10-S-08 for the capacity upgrade at the Langhorne Avenue (Ironworks Creek) including the siphon chamber passed with 4 ayes.

18. Holiday Schedule for 2009

A motion (Bass-Bleich) adopting a resolution approving the 2009 Holiday Schedule as presented passed with 4 ayes.

19. 2009 Budget – Operational and Capital

A motion (Bass-Jim) adopting the 2009 capital and operational budgets for fiscal year 2009 as presented and dated October 31, 2008 passed with 3 ayes and 1 abstention by Mrs. Bleich.

Miscellaneous

“A” – Employment Contract - A motion (Bass-Jim) approving the Employment Contract for Thomas A. Zeuner as the Executive Director of the Authority passed with 4 ayes.

“B” - Contract No. 4-W-08 – Rehabilitation of two Water Tanks at Upper Holland Road - Mr. Walker stated that the progression of the project is moving along. Mr. Walker explained that cages on the ladder of the tank needed to be welded. This requires a change order in the amount of \$1,250.00. After a brief discussion, a motion (Albano-Bleich) approving Change Order No. 1 in the amount of \$1,250.00 for the welding of cages on the ladder of one of the tanks at Upper Holland Road passed with 4 ayes.

THERE BEING NO FURTHER BUSINESS TO DISCUSS, A MOTION FOR ADJOURNMENT (BLEICH-BASS) AT 9:37 P.M. PASSED WITH 4 AYES.

THE NEXT MEETING IS SCHEDULED FOR DECEMBER 3, 2008.