

WESTERN WESTMORELAND MUNICIPAL AUTHORITY

REGULAR MONTHLY MEETING – JUNE 17, 2010

The Board of Directors of the Western Westmoreland Municipal Authority held a regular monthly meeting on Thursday, June 17, 2010 at 7:00 P.M. in the Authority conference room, duly advertised, as required, and with the following persons in attendance:

1. Roll Call:

Board Members in Attendance:

Mr. Stan Caroline	Mr. Larry Chrzan	Mr. Charles Konkus
Mr. Anthony Marks	Mr. Robert Pioth	Mr. Leonard Santimyer
Mr. Jared Squires	Mr. Tim Watson	

Absent:

Mr. John Nabuda	Mr. Mark Wolinsky
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Others in Attendance:

Mr. John Campfield, Solicitor
Mr. Mark Poole, Consulting Engineer
Mr. Kevin Fisher, General Manager
Mrs. Johanna Wtorkowski, Assistant Secretary-Treasurer/Recording Secretary
Mr. Henry Fisher, of Financial Services, Inc.
Ms. Marcia Rojcewicz, of Financial Services, Inc.
Mr. James Webster, Esq., of Houston Harbaugh

2. Mr. Pioth led the Pledge of Allegiance and moment of silence for our troops.

3. Public Comments: None

4. 2010 Bond Issue: A motion was made by Mr. Konkus, and seconded by Larry Chrzan, to approve Resolution No. 2010-02, authorizing the issuance of Western Westmoreland Municipal Authority Sewer Revenue Bonds Series A of 2010 and Series B of 2010. The motion passed unanimously.

Ms. Marcia Rojcewicz presented updated information concerning the proposed 2010 Bond Issue. Ms. Rojcewicz stated that the Authority will realize a savings in the amount of \$182,000.00 by refunding the Series of 2005 Sewer Revenue Bonds. A sample Official Statement was distributed to those in attendance. Ms. Rojcewicz reviewed the schedules, which included the debt service schedule, a listing of bond closing costs, a copy of the bond purchase agreement with PNC Bank, and a copy of the credit rating statement. Ms. Rojcewicz stated that the Authority received a credit rating of A+, without bond insurance. The rating agency was impressed with the Authority's administrative, budgeting, and accounting operations. Ms. Rojcewicz commended Mr. Fisher and Mr. Poole for the good job that they did with the rating agency's interview, which was conducted in the form of a telephone conference call.

Mr. Webster stated that the bond closing will occur on July 20, 2010. At Mr. Webster's suggestion, it was decided that Board Chairman Robert Pioth and Board Secretary Leonard Santimyer will meet with Mr. Webster on Monday, July 19, 2010, at 3:00 P.M., to sign the bond closing documents.

5. Communications:

- a. Mr. Pioth referred to the CHAR Report, which was distributed to those in attendance.
- b. Mr. Pioth referred to a CET Engineering Services Technical Bulletin, which was distributed to those in attendance for information purposes, only. There was a brief discussion regarding the information contained in the bulletin.

6. Secretary's Report – Mr. Santimyer presented the minutes of the May 20, 2010 minutes for approval. Mr. Konkus asked that the minutes be corrected to reflect a question that he asked of Mr. Sarp during the discussion of the audit.
 - A. A motion was made by Mr. Chrzan, and seconded by Mr. Watson, to approve, with the correction previously described, the minutes of the May 20, 2010 regular meeting. The motion passed, 6-0, with an abstention by Mr. Squires, who stated that he did not attend the meeting, and an abstention by Mr. Konkus, who stated that he arrived late for the meeting, and did not hear Mr. Sarp's complete audit report presentation.
 - B. A motion was made by Mr. Chrzan, and seconded by Mr. Squires, to approve a correction to the minutes of the February 18, 2010 regular meeting, to reflect that Mr. John Nabuda attended the meeting. The motion passed unanimously.

This concluded the Secretary's report.

7. Treasurer's Report – Mr. Watson – Mr. Watson presented the following Revenue Fund requisitions for approval:
 - A. A motion to approve for payment Revenue Fund Requisition No. 125, in the amount of \$90.69, for payment to Scott Electric was made by Mr. Chrzan, and seconded by Mr. Squires. The motion passed 7-0, with one abstention from Mr. Konkus, who stated that there is a possible conflict due to his employment with Scott Electric. A memorandum, signed by Mr. Konkus, is attached to these minutes.
 - B. A motion to approve for payment Revenue Fund Requisition No. 126, in the amount of \$138,194.57 was made by Mr. Squires, and seconded by Mr. Chrzan. The motion passed unanimously.

This concluded Mr. Watson's report.

8. General Manager's Report – Kevin Fisher – Mr. Fisher reviewed his written report dated June 17, 2010, which was distributed on June 11, 2010.
 - A. Mr. Fisher reported that Robert Shuster paid a capacity fee for 26 EDUs today for the Kingsbury Court Development, located in North Huntingdon Township. Mr. Fisher stated that he signed off on the planning module exemption request, and stated that the request will be hand-delivered to Judy Self, of the PaDEP.
 - B. Mr. Fisher reported that the Cleaveland Price building addition has been approved, although the developer has not been in contact with him regarding required information for the expanded use request. Mr. Pioth stated that he did not believe that there was anything involving sewage treatment in the addition. Mr. Fisher stated that the Authority previously sent letters to the Member Municipalities, explaining Western Westmoreland Municipal Authority's requirements, but it seems that the letters are being ignored.
 - C. The plant discharge for May was in compliance with the discharge permit.
 - D. Mr. Fisher has received flow monitoring reports. Mr. Fisher supplied revised rainfall data to ADS Environmental, but he has not yet received revised reports from ADS. Employees will receive computer training during the third week of July.
 - E. Mr. Fisher reported that the Authority is in the process of completing an application for the SARA Site of Distinction Award, due to the Authority's recent hosting of Westmoreland County's 2010 offsite emergency response plan exercise.
 - F. Mr. Fisher reported that he received a proposal from Eaton Electrical today, for the repairs to the switchgear system. Mr. Fisher stated that he has not yet had a chance to review the proposal in detail, but stated that the prices were as follows:

Materials to Repair Three 2000 amp Breakers	\$ 5,600.00
Two Power Expert 6000 Meters	\$15,000.00
Two 250 KA Surge Protection Units	\$12,815.00, installed
(One surge protection unit for each of the two incoming service lines)	

 Mr. Fisher explained that the power will have to be disconnected in order to install the equipment. Since the plant cannot be left without power, generators will have to be rented in order to complete the installation. Mr. Fisher received a quotation from Cleveland Brothers, of Ruff's Dale, PA, for generators. Generators must be rented by the week. A 600 amp generator, which would provide power for the control building, the two raw pumps, and the primary clarifier, would cost \$2,000.00 per week. A 400 amp generator, which would provide power for part of the sludge building, part of the maintenance

- building, which also provides power for the return sludge coming from the final clarifiers, would cost \$1,500.00 per week. A 350 amp generator, which would provide power for the aeration blowers, would cost \$1,000.00 per week. Mr. Konkus suggested that Mr. Fisher obtain a quotation from Palco Sales Corporation, a company that deals with Kohler generators. Mr. Fisher stated that a representative from Godwin will be meeting with him tomorrow, but he does not know if they can provide generators of this size. Mr. Fisher stated that the other alternative being considered is to install a jumper across the two incoming lines, and have Allegheny Power turn off one feed at a time, switching the power source each time, rather than renting generators. Mr. Fisher stated that he does not know if Allegheny Power will be willing to do this. Mr. Caroline asked if the work has to be bid. Mr. Fisher stated that this is a repair of existing equipment, and therefore, does not need to be bid. Mr. Fisher stated that he would like to discuss this issue further with Mr. Konkus. Mr. Konkus stated that it may be more beneficial for the Authority to purchase three replacement breakers, rather than repair the existing ones, because competitors are lowering prices significantly. Mr. Fisher stated that he will look into this option. Mr. Watson asked if the Authority has insurance to cover damage caused by power surges. Mr. Fisher stated that the Authority did not have that type of coverage.
- G. Mr. Fisher reported that he attended a meeting at the Larimer Fire Hall, which ended up being a steering committee, for which volunteers are needed. Approximate six people attended the meeting. The Irwin Mine Discharge program plans to install a 30" line that would run from Alfieri's scrap metal yard, down Tinker's Run, through the old railroad, connecting to the railroad right-of-way and to the old pond, to vacant property that they are planning to purchase for use as a drainage site. Mr. Squires asked about the content of the mine discharge. Mr. Fisher stated that the discharge has a very high iron content. He explained that this company removes the iron, and sells it for use in paints, pharmaceuticals, etc.
 - H. Mr. Fisher reported that the Authority is again looking into the possibility of obtaining flood insurance. Mr. Fisher stated that FEMA is revising the flood maps, and, if the Authority secures flood insurance before the maps are finalized, the Authority would be grandfathered in under the current maps, which would mean lower insurance premiums. Mr. Campfield stated that the deadline to comment on FEMA's proposed map is June 23, 2010.
 - I. Mr. Fisher reported that the Authority received its Industrial Appraisal report, which was forwarded to the Authority's insurance agency and Mr. Squires, Chairman of the Authority's Insurance Committee.

This concluded Mr. Fisher's General Manager's report. The complete report is attached to these minutes.

9. Consulting Engineer – Mark Poole, Wade Trim, Inc.:

Mr. Poole reviewed his written report dated June 17, 2010, which was distributed this evening.

A. Solids Processing Project:

- 1. Mr. Poole reported that the PaDEP is still in the process of reviewing the Authority's Part II Construction Permit application. The PaDEP requested additional backup calculations, which were provided to them. It appears that Mr. Rick Palmer, P.E., who is the responsible project manager for the PaDEP, does not have many comments. Mr. Poole stated that a best-case scenario would be the Authority's receipt of the permit by the end of July.
- 2. Mr. Poole reported that he met with Board Chairman Robert Pioth and Tony Marks, Chairman of the Legal and Engineering Services Committee, to discuss Wade Trim's request for an increase in the design budget for completion of the design. Mr. Poole stated that there were some items that were out of the scope, as well as some items that took more time to complete than was originally anticipated. Mr. Poole requested an increase in the amount of \$49,000.00. A motion was made by Mr. Marks, and seconded by Mr. Caroline, to approve an increase in the amount of \$49,000.00 for design costs (for the Solids Processing and Improvements Project). Mr. Marks stated that he reviewed Mr. Poole's request in some detail, and he is satisfied that the request is justified, because there were many design issues that were not part of the original scope, mainly the digesters and the gas line. There was also time spent in eliminating the co-generation unit from the current project. The motion passed unanimously.
- 3. Mr. Poole stated that the H2O grant application has been prepared, and the Authority is required to approve a resolution authorizing the filing of the grant application and authorizing the proper officers to sign the required documents. Mr. Poole reported that he made a telephone call to Sandy Orth, of DCED, who informed him that several costs are ineligible, such as buildings, roofs, doors, windows, etc. However, Mr. Poole was informed that bond closing costs are eligible, and the Authority could qualify

for 66.66% of the eligible costs, rather than 50%. A motion was made by Mr. Konkus, and seconded by Mr. Caroline, to approve Resolution No. 2010-03, authorizing the filing of an application for an H2O Grant in the amount of \$5,379,920.00 for the Solids Processing and Plant Improvements Project, and authorizing the proper officers to execute the application. The motion passed unanimously.

4. Mr. Poole requested that a Legal and Engineering Services Committee meeting be scheduled to discuss the bidding construction phase and the Long-Term Control Plan.

B. Wet Weather Issues:

1. Long-Term Control Plan:

- a. Mr. Poole reported that a meeting was held with representatives of the PaDEP, to discuss the Long-Term Control Plan response letter that the Authority received in March 2010. Mr. Poole stated that Kevin Fisher; Tony Marks, Chairman of the Legal and Engineering Services Committee; and Mark Poole; as well as Tony Igwe, of Wade Trim, who is a wet weather specialist and former regulatory agent, attended the meeting. Mr. Poole stated that a revised compliance schedule is currently being prepared for submission to the PaDEP. The revised schedule will get the Authority back to the 10-year implementation schedule, rather than the 8-year schedule. Mr. Campfield asked if there was any information regarding a tap allocation plan. Mr. Poole stated that representatives of the PaDEP discussed a tap allocation plan and a corrective action plan, due to the plant by-passing. Mr. Poole stated that Mr. Fisher is making adjustments to the operations in an attempt to reduce the occurrences of by-passes. Mr. Poole stated that he expects that the Authority will be placed on a tap allocation plan or a corrective action plan by the PaDEP. Mr. Caroline asked if the sludge project would be taken into consideration in the event a plant expansion was required in the future. Mr. Poole stated that the Solids Processing and Plants Improvements Project would be considered when determining future increase to capacity, but an increase in capacity would most likely be in the form of a combination of storage and interceptor improvements, rather than a plant expansion. Mr. Poole stated that he does not like the idea of a storage tank, because it is just a “band-aid”, but, if a storage tank was used, it should be constructed at the plant, so that it could have the combined use of an additional clarifier, as well as storage. Mr. Squires asked if all of the by-passes are due to storm water. Mr. Poole stated that infiltration is a contributing factor, as are flows from drains and downspouts. Mr. Caroline asked if the flows are improving since Irwin Borough completed its combined sewer separation project. Mr. Fisher stated that the Authority did not have flow data prior to the completion of the project, so it is difficult to determine the amount of flow reductions, although the last few by-pass events seem to show an improvement. Mr. Fisher stated that the combined sewer separation work is completed, but the sanitary sewer infiltration and inflow correction work remains to be completed. Mr. Marks stated that the PaDEP does not want the bad publicity, so they want the municipalities to coordinate the efforts of member municipalities. Mr. Poole referred to a letter from the PaDEP that was received today by the Authority. The letter includes a sentence stating “By copy of this letter, we are notifying all of the tributary municipalities of the need to cooperate with the Authority in the preparation of the Act 537 Special Study.” Mr. Marks stated that, if a Member Municipality does not provide the information, the Western Westmoreland Municipal Authority is permitted to submit estimates, based on population. Then, the Member Municipalities would have to either sign an agreement, or provide their own estimates. Mr. Squires asked whether the tap allocation would affect just Western Westmoreland Municipal Authority, or whether it would affect other municipalities, as well. Mr. Fisher stated that it would affect all municipalities who enter the Western Westmoreland Municipal Authority’s system. Mr. Squires asked how long a tap allocation plan could be in place. Mr. Fisher stated that a tap allocation plan could remain in effect for ten (10) years or more. A discussion followed.
- b. Mr. Fisher reported that Robert Shuster will be paying a capacity fee tomorrow for 82 EDUs in the Carradam Plan, which Mr. Fisher feels will prompt action by the PaDEP.
- c. Mr. Poole requested Board approval to proceed with revising the Long-Term Control Plan implementation schedule, for submission to the PaDEP. Mr. Konkus asked if the ten (10)-year schedule was really an eight (8)-year schedule. Mr. Poole stated that the Authority will again be requesting a ten –year implementation schedule. A motion was made by Mr. Marks, and seconded by Mr. Chrzan, to authorize the Consulting Engineer to finalize a draft schedule and submit the schedule to the PaDEP. The motion passed unanimously.
- d. Mr. Poole reported that he and Kevin Fisher met with representatives of Manor Borough. Mr. Poole stated that he would like to meet with the other member municipalities, as well. Mr. Konkus stated

that the Authority Board understands what is going on, and the Board assumes that the member municipalities are “in the loop”. Mr. Konkus stated that the meetings can provide the Member Municipalities with a better comprehension of the issues of the Authority. Mr. Poole requested that a Legal and Engineering Services Committee meeting be scheduled.

2. Mr. Poole reported that the June Eastern Basin Manager and Engineer meeting has been cancelled. A combined basin meeting will be held on September 29, 2010, at 9:00 A.M., at the Green Tree Municipal Building. There will be a Thompson Run Turtle Creek Planning Basin Meeting on June 29, 2010, at 1:00 P.M., at Monroeville Fire Company No. 4.
3. Mr. Poole reported that he calculated the quarterly tap fee adjustment for the extended service area in Penn Township, which he provided to Johanna Wtorkowski.

This concluded Mr. Poole’s Engineer’s report. The complete report is attached to these minutes.

10. Solicitor’s Report – John Campfield –

- A. Mr. Campfield requested that a Finance and Budget Committee meeting be scheduled to review a proposed resolution adopting a revised pension agreement. The committee needs to review the numbers regarding this agreement. After a brief discussion, a Finance and Budget meeting was scheduled for Monday, June 21, 2010, at 4:00 P.M.
- B. Mr. Campfield referred to a letter addressed to the Authority’s health care provider (Mockenhaupt Benefits Group, MEIT, and HM Benefits Administrators), containing questions regarding coverage of dependents who are under age 26. The questions were posed for two reasons: Two employees have requested that the Authority add dependents now to our health care coverage, and Mr. Campfield stated that he is trying to get answers about whether the Authority is required to provide the coverage now, and what the impact would be, and what impact adding the dependents now would have on the Authority’s grandfathering status under the new law, since the Authority has a labor agreement that was in effect at the time the law was enacted. Mr. Campfield stated that, in all likelihood, the Authority will be required to cover all dependents under the age of 26, and the Authority may have to go back and pick up any dependents who were previously terminated from coverage, and who are not yet age 26. The Authority has not yet received a response from the provider.
- C. Mr. Campfield referred to the William Penn Care Center. Mr. Fisher stated that Mr. Caroline had requested that this item be included in the agenda for this evening’s meeting. Mr. Caroline stated that the owner of the William Penn Care Center plans to construct a separate building on the same parcel as the William Penn Care Center. Mr. Marks stated that this gentleman came to the Zoning Board for approval, and that the individual has a reputation as a litigant. Mr. Marks stated that the individual must obtain an easement from the original property owner, who does not appear to be willing to grant an easement. Mr. Fisher stated that the plan has been pulled for thirty (30) days by Penn Township, because no paperwork was submitted by the individual. Mr. Campfield explained that the Western Westmoreland Municipal Authority’s viewpoint is that this area is included in the Authority’s 1984 agreement with Penn Township. Mr. Campfield recommends that, at the point in time where it reaches a stage where this plan could be approved by Penn Township, the Authority send a letter stating that this property is located within the Authority’s Service Area, and that the Authority is not consenting to the action being proposed by Penn Township. A motion was made by Mr. Chrzan, and seconded by Mr. Squires, to authorize the Solicitor to send a letter to Penn Township, stating that the property is located within the Authority’s Service Area, and that the Authority is not consenting to action being taken by Penn Township. The motion passed 7-1, with Mr. Marks voting no.
- D. Mr. Fisher referred to a letter that was received by the Authority from Kate Petrosky, Manager of the North Huntingdon Township Municipal Authority (NHTMA), in which NHTMA has unilaterally decided that they will proceed with past practice of connecting certain properties that are located within Western Westmoreland Municipal Authority’s Service Area to the NHTMA system. Mr. Campfield reported that, in the past, when developers desired to connect property within the disputed Service Area to the sewer system, the Authority agreed to deposit the capacity fee into an escrow account, and provide a letter of understanding which stated that when the litigation was resolved, this would be part of the resolution of the litigation. Mr. Campfield stated that NHTMA has now altered course. Mr. Campfield recommended that the General Manager send a letter to NHTMA stating that the developer remit to the Western Westmoreland Municipal Authority the capacity fee, which will be deposited into an escrow account, and that a letter of understanding be issued, until such time when the litigation is resolved. Mr.

Campfield stated that, if NHTMA does not agree to this provision, he will have to add this development to the lawsuit that was filed by WWMA against NHTMA. After a brief discussion, a motion was made by Mr. Chrzan, and seconded by Mr. Caroline, to authorize the solicitor to give NHTMA the option to escrow the capacity fees for the Parry Development with the Western Westmoreland Municipal Authority, and to let the lawsuit determine the outcome, or Mr. Campfield will amend the lawsuit, and add the property to the lawsuit. Mr. Pioth asked if this discussion was a conflict issue for Mr. Caroline. Mr. Campfield stated, since the item has been brought up for open discussion, there is not a conflict issue. The motion passed unanimously.

- E. Mr. Campfield reported that two issues need to be discussed during the executive session. The first deals with the deductible that the Authority owes its insurance company regarding the defense of Mr. Eathorne. The second issue deals with the intervention that will be presented tomorrow to Judge Anthony G. Marsilli by the Penn Township Sewage Authority and the Penn Township Commissioners.

This concluded Mr. Campfield's report.

11. Reports of Committees:

- A. Grounds and Maintenance Committee – Mr. Caroline – Mr. Caroline reported that plant grounds are in good condition, and the landscaping looks good.
- B. Personnel Committee – Mr. Chrzan reported that one employee remains on a short-term disability leave.
- C. Finance and Budget Committee – Larry Chrzan:
 - 1. A motion was made by Mr. Squires, and seconded by Mr. Watson, to approve the 2009 Audit, as presented at the May 20, 2010 regular meeting. The motion passed, 7-0, with Mr. Santimyer abstaining, stating that he did not attend the meeting.
 - 2. A motion was made by Mr. Squires, and seconded by Mr. Caroline, to close out the S&T Bank money market account. The motion passed unanimously. It was noted that this account was never used, since the Authority purchased a certificate of deposit instead of depositing funds into the money market account.
 - 3. Mr. Chrzan reported that the Authority received \$1,009.60 in interest in May, for a year-to-date total of \$49,680.44.

This concluded Mr. Chrzan's report.

- D. Insurance Committee – Mr. Squires reported that the Authority received the Industrial Appraisal report, and he provided a brief summary of the report. Mr. Squires asked if the Authority sustained any damage during the flooding on June 17, 2009. Mr. Fisher stated that the Authority had some clean-up work, but there was no damage to property. Mr. Squires reported that the replacement cost of the plant and equipment was estimated to be \$23,500,000.00, and the sound value was estimated to be \$17,000,000.00. The topic of flood insurance was discussed. Mr. Fisher explained that the Authority had previously considered insuring the equipment with flood insurance, but not the buildings. Mr. Fisher stated that any equipment that is bolted to the floor is considered to be part of the building, and not equipment, which will change how the Authority addresses the issue of flood insurance. Mr. Campfield stated that the Authority currently is not required to have flood insurance, but there could be a point in time in the future when the Authority will be required to obtain flood insurance. Mr. Fisher stated that he plans to meet with the Authority's insurance agent before the July 15, 2010 regular meeting.
- E. Sludge Committee – Due to Mr. Wolinsky's absence, there was nothing to add to the report that was previously distributed.
- F. Legal and Engineering Services Committee – Anthony Marks: Mr. Marks reported that the Legal and Engineering Services Committee will schedule a meeting for June.

12. Change Orders and Pay Estimates – NONE

13. Requisitions:

Mr. Pioth presented the following requisition with the motion to approve as follows:

- A. 2005 Construction Fund Requisition No. 2005-62 in the amount of \$2,515.25. Motion to approve was made by Mr. Squires, and seconded by Mr. Chrzan. The motion passed unanimously.

14. Board Member Comments: Mr. Caroline stated that he will not be attending the July 15, 2010 regular meeting, because he will be on vacation.

15. Executive Session: A motion was made by Mr. Squires, and seconded by Mr. Konkus, to enter into an executive session to discuss matters of current litigation with Trafford Borough, North Huntingdon Township Municipal Authority, and the Penn Township Sewage Authority and Penn Township Commissioners. The motion passed unanimously. The time was 8:52 P.M.

Mr. Caroline excused himself from the executive session and the meeting at 9:00 P.M.

A motion to return to the regular order of business was made by Mr. Squires, and seconded by Mr. Chrzan. The motion carried unanimously. The time was 9:16 PM.

A motion was made by Mr. Marks, and seconded by Mr. Chrzan, to authorize the Solicitor to send the EMC Insurance bill to Mr. Robert Eathorne. The motion passed unanimously.

A motion was made by Mr. Marks, and seconded by Mr. Squires, to authorize payment of the EMC Insurance bill in the amount of \$2,500.00. The motion passed unanimously.

A motion was made by Mr. Squires, and seconded by Mr. Santimyer, to authorize the Solicitor to file an answer opposing the intervention by the two Penn Township entities to enter the lawsuit, and to authorize Chairman Robert Pioth to sign the answer. The motion passed unanimously.

16. A motion to adjourn the meeting was made by Mr. Squires, and seconded by Mr. Chrzan. The motion carried unanimously. The time was 9:18 P.M.

Leonard L. Santimyer
Secretary