

WESTERN WESTMORELAND MUNICIPAL AUTHORITY

REGULAR MONTHLY MEETING – NOVEMBER 20, 2008

The Board of Directors of the Western Westmoreland Municipal Authority held a regular monthly meeting on Thursday, November 20, 2008 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. Larry Chrzan	Mr. Dan Hall	Mr. Charles Konkus
Mr. Anthony Marks	Mr. Robert Pioth	Mr. Sam Testa
Mr. Robert Zentner		

Absent:

Ms. Pat Altman	Mr. John Shepherd	Mr. Tim Watson
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Others in Attendance:

Mr. John Campfield, Solicitor
Mr. Dan Goodwin, Consulting Engineer
Mr. Kevin Fisher, General Manager
Mrs. Johanna Wtorkowski, Assistant Secretary-Treasurer/Recording Secretary

2. Mr. Pioth led the Pledge of Allegiance and moment of silence for troops overseas.
3. Public Comments: None – Ms. Carolyn Dimmick and Mr. Jim Beninati, of HDR Engineering Co., Inc., and Mr. John Thornton, visitor were in attendance.

Mr. Goodwin introduced to those in attendance Ms. Carolyn Dimmick, HDR's new Section Manager, and Mr. Jim Beninati, who has completed much of the work on the Facilities Plan.

4. Communications:

- A. Mr. Pioth referred to the ALCOSAN News Release Regarding the 2009 Rate Increase.
- B. Mr. Pioth referred to the invitation to the 60th Annual Allegheny County Boroughs Association Banquet, to be held on February 7, 2009.
- C. Mr. Pioth referred to the November 2008 CHAR Report.

5. Secretary's Report – Mr. Marks – A motion was made by Mr. Marks, and seconded by Mr. Chrzan, to approve, as presented, the minutes of the October 16, 2008 Regular Meeting. The motion passed unanimously.
6. Treasurer's Report – Mr. Zentner – Nothing was added to the written report that was previously distributed.

- A. A motion to approve for payment Revenue Fund Requisition No. 96, in the amount of \$134,309.32 was made by Mr. Zentner, and seconded by Mr. Chrzan. The motion passed unanimously.
- 7. General Manager's Report – Kevin Fisher – Nothing was added to the written report that was previously distributed.
 - A. Mr. Fisher referred to a memo that was presented to the Board Members, along with revisions to the Facility Plan, asking the Board Members to replace the original pages with the revised pages.

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

8. Consulting Engineer – Dan Goodwin, HDR Engineering Co., Inc. (HDR):

Mr. Goodwin reviewed the written report dated November 20, 2008, which was presented to those in attendance. The complete report is attached to these minutes.

A. Wet Weather Improvements Project:

Mr. Goodwin reported that the Authority is working diligently to get together with the General Contractor, the Solicitor, the General Manager, and the Consulting Engineer, to determine the causes for the construction delays and resolve the issue with Westmoreland Electric. Mr. Goodwin anticipates meeting very soon with the General Contractor, in the hopes of closing out the project.

Mr. Goodwin reported that there are no pay estimates to be submitted for this project this evening.

B. Long-Term Control Plan/COA/NPDES Compliance Schedule:

- 1. Mr. Goodwin reported that there have been no comments received from PaDEP since submission of the Final Long-Term Control Plan in October 2007.

C. Mr. Goodwin reported that there have been no comments received from the PaDEP regarding the Plant's NPDES Permit Renewal Application that was submitted in July. The application has been deemed "technically complete," but no comments have been received from the PaDEP.

D. WWTP Facilities Planning Study: Mr. Goodwin reported that a Legal and Engineering Services Committee meeting was held on October 29, 2008, at which time Mr. Beninati presented additional information that was requested of them. After additional discussion, the Legal and Engineering Services Committee prepared their recommendations regarding which portions of the plan should be completed as part of the next project.

E. Mr. Goodwin stated that he, Mr. Fisher, and Mrs. Wtorkowski have finalized the draft of the 2008 annual report and the 2009 budget. A final draft has been presented to the Board

Members for their review and approval. Mr. Goodwin commended Mrs. Wtorkowski for her contributions to the budget preparation.

This concluded Mr. Goodwin's Engineer's report. The complete report is attached to these minutes.

Mr. Marks expressed concern regarding the price of the centrifuge unit, and asked Mr. Goodwin to explain why the cost is so high, when there is already an existing sludge press, and pumps that work. Mr. Goodwin explained that the centrifuge unit cannot simply be connected to the existing equipment. He stated that there is a lot of additional piping that must be installed, demolition of existing piping must be completed, there is a different introduction in terms of the sludge, and the need for centrate pumps, which pump the water from the centrifuge to another location within the plant.

Mr. Beninati explained that the capital cost of the centrifuge unit is approximately \$400,000.00. He stated that engineers typically add 10% to the cost of the equipment for engineering, or 15% for engineering and construction oversight. He stated that the detailed engineering proposal for the project more closely reflects actual costs. He stated that additional costs will depend on the Board's requirements for the level of detail in terms of piping diagrams.

Mr. Fisher explained that the cost includes not only the centrifuge unit, but also includes the polymer feed system, which includes the polymer tanks, the mixers, the delivery system to go from a 250-gallon carboy to take the polymer emulsion to the polymer mix tanks, the mixer motors and variable frequency drives (VFDs), the polymer feed pumps and VFDs, which deliver the polymer to the centrifuge, and the cake pumps, which take the cake from the centrifuge into the hopper, or a conveyor.

Mr. Beninati explained that, if the Authority decides to go with a cake pump rather, than a conveyor belt, the piping of a cake pump system is more involved than with a conventional conveyor system.

Mr. Marks asked why the polymer could not be mixed in the same manner that it was mixed during the on-site centrifuge demonstration. Mr. Fisher explained that, if the Authority does not replace the delivery system for the new centrifuge system, more polymer would be required, because the curing time would not be long enough, resulting in increased costs related to the purchase of polymer.

Mr. Konkus asked if the Authority would consider purchasing the large equipment separately from the contract. Ms. Dimmick stated that a chain of custody guarantee is required for large pieces of equipment, so that the contractor will maintain the guarantee on the equipment. She explained that an alternative is for the Authority to obtain a price from the equipment vendor. This price would be included on the bid sheet, which would prevent the bidders from marking up the price of the equipment. Mr. Hall stated that he is familiar with this procedure, but stated that, even though you list a price for the equipment on the bid proposal, the price of the equipment will likely increase.

Mr. Fisher stated that the Authority is considering purchasing some items, rather than having the contractor purchase them.

9. Solicitor's Report – John Campfield –

- A. Trafford Borough and North Huntingdon Township – Mr. Campfield stated that the Trafford Borough and North Huntingdon Township issues would be discussed during the executive session.
- B. Westmoreland Electric Lawsuit – Mr. Campfield reported that, on behalf of the Authority, he filed preliminary objections to the lawsuit that was filed against the Authority by Westmoreland Electric. He stated that he also filed a brief on behalf of the Authority. The case is scheduled for argument before Judge Ackerman. Mr. Campfield received a call from the Attorney for Westmoreland Electric, indicating that they would probably try to amend their complaint, in an effort to get around WWMA's preliminary objections. The attorney indicated that his client would like to sit down with WWMA to try to resolve this issue. Mr. Campfield told the Westmoreland Electric's attorney that the WWMA Board would be amenable to discussions, that WWMA did not think that all of Westmoreland Electric's complaints were valid, and that WWMA still needed to arrange a meeting with Mr. Spaeder, Westmoreland Electric, and WWMA.
- C. Mr. Campfield reported that he will have an updated Right-to-Know policy prepared for the December 2008 meeting.
- D. Mr. Campfield referred to the PMAA's CHAR Report for Red Flag Rules for Identity Theft, explaining that, although WWMA technically only has six customers, it would be a good idea for the Board to adopt a policy, since the Authority does interact with other people, where the identity theft issue may come into play. Mr. Campfield will have a policy prepared for the Board's consideration for the December 2008 meeting.
- E. Mr. Campfield stated that a resolution must be approved regarding the Capital Improvements Projects which tie into the Facilities Plan and Annual Budget.

This concluded Mr. Campfield's report.

10. Reports of Committees:

- A. Grounds and Maintenance Committee – Dan Hall – No report.
- B. Personnel Committee – Due to Ms. Altman's absence, there was no report. Mr. Fisher reported that Michael Diana passed his operator's exam on October 16, 2008.
- C. Finance and Budget Committee –
 - 1. Mr. Chrzan reported that the Authority received \$16,225.81 in interest in the month of October, bringing the year-to-date total to \$225,030.52.
 - 2. Mr. Chrzan reported that the Finance and Budget Committee met several times to work on the 2009 budget. Mr. Chrzan thanked the members of the Finance and Budget Committee, the Board Chairman, the professional consultants, and the administrative

staff for their efforts. Mr. Chrzan reported that there will not be a rate increase for 2009. A motion was made by Mr. Chrzan, and seconded by Mr. Zentner, to approve, as presented, with no rate increase, the 2009 budget. Mr. Hall stated that the Board has not seen the budget. Mr. Chrzan and Mr. Fisher stated that the budget was mailed to the Board Members on November 7, 2008. Mr. Konkus asked why the budget was not listed as an agenda item, stating that it is a matter of principle to include on the agenda items that are being brought to the Board for a vote. Mr. Pioth stated that the 2009 budget was listed on the agenda, under item 10c, #3. Mr. Konkus apologized for his oversight. Mr. Marks voted against the motion, stating that there was a line item on the budget with which he disagreed. Mr. Hall abstained. A roll call vote was requested.

Mr. Chrzan – yes

Mr. Hall – no, stating that he would have to give a reason for abstaining, and that he agreed with Mr. Marks.

Mr. Konkus – yes

Mr. Marks – no

Mr. Pioth – yes

Mr. Testa – yes

Mr. Zentner – yes

The motion passed, 5-2.

Mr. Chrzan reported that the swap agreement is currently valued at \$-59,433.37. Mr. Hall asked if the Authority would lose money if the agreement was sold at the present time. Mrs. Wtorkowski explained that the Authority would lose money at this time. Mr. Marks asked if there was a ceiling to potential losses for the Authority. Mr. Campfield stated that there was no limit to potential losses. Mr. Fisher stated that the Authority may terminate the swap agreement at any time.

D. Insurance Committee – Mr. Fisher reported that the Legal and Engineering Services Committee recommended that the Authority not purchase pollution liability insurance. Mr. Fisher stated that the Authority would have to pay a three-year premium in the amount of \$15,000.00, now, and that this item was not included in the 2008 Operating Budget. No action is required of the Board.

E. Sludge Committee – There was nothing to add to the report that was previously submitted.

F. Legal and Engineering Services Committee –

1. Mr. Testa reported that the committee met on October 29, 2008 to discuss recommendations regarding the Facility Plan. Mr. Testa stated that the committee prepared a list of recommended projects, which he distributed to those in attendance.

The recommendations include the following:

- Replacement of the anaerobic sludge digester covers and all ancillary equipment, including, but not limited to the covers, sludge mixing and heating equipment, methane gas utilization equipment, gas monitoring equipment, electrical upgrades, and SCADA controls.
- Replacement of the belt filter presses with a centrifuge, including sludge feed pumps, polymer mix system, cake sludge pumps, all other ancillary equipment, electrical and SCADA controls.

- Replacement of four motor control centers in the control building (1), maintenance building (1), and sludge building (2), including a coordination study and SCADA monitoring.
- That a portion of the current belt filter press room be converted into a new laboratory for performing NPDES and process control testing.
- That Waste Activated Sludge (WAS) pumps and associated piping and appurtenances be installed in order to improve waste sludge processing and overall solids handling.
- That the existing chlorine room be upgraded to meet current safety and security standards.

Total project costs, including Engineering, Legal, and Administrative costs, (as per Page 51 of the Facilities Plan):

Digester Upgrades	\$3,683,625
Dewatering upgrades (centrifuge)	\$ 928,125
Electrical upgrades	\$ 330,000
Laboratory upgrades	\$ 245,300
WAS pumping	\$ 213,125
Chlorine room upgrades	<u>\$ 178,750</u>
 Estimated Project Cost	 \$5,578,925

Mr. Chrzan asked if the list included the UV system. Mr. Testa stated that the UV system was not included in the proposed list. Mr. Testa stated that some of the upgrades will be completed in-house, if possible.

A motion was made by Mr. Zentner, and seconded by Mr. Chrzan, to proceed with plans to upgrade the Authority's system, as recommended by the Legal and Engineering Services Committee. The motion passed unanimously.

Mr. Testa reported that the committee discussed the acceptance of brine water. Mr. Fisher brought in some people to explain the gas well drilling procedures to the committee. Mr. Fisher reported that the committee is still attempting to obtain information about the gas well water issues. Mr. Fisher stated that anyone who was accepting gas well water is currently not accepting water, due to the uncertainty regarding the PaDEP's requirements.

This concluded Mr. Testa's report.

11. Change Orders and Pay Estimates – None

12. Requisitions:

Mr. Pioth presented requisitions with the motions to approve as follows:

- A. Capital Improvement Fund Requisition No. 78, in the amount of \$304.50. Motion to approve was made by Mr. Zentner, and seconded by Mr. Chrzan. The motion passed unanimously.

- B. 2005 Construction Fund Requisition No. 2005-43 in the amount of \$3,879.02. Motion to approve was made by Mr. Zentner, and seconded by Mr. Chrzan. The motion passed unanimously.

13. Board Member Comments – None

A motion was made by Mr. Chrzan, and seconded by Mr. Zentner, to approve Resolution No. 2008-05, A RESOLUTION OF THE WESTERN WESTMORELAND MUNICIPAL AUTHORITY ADOPTING A CAPITAL PROJECTS PLAN FOR THE CAPITAL IMPROVEMENTS TO BE UNDERTAKEN IN CONJUNCTION WITH THE SEWER REVENUE BONDS, SERIES OF 2005 AND FOR CAPITAL ADDITIONS AND IMPROVEMENTS REQUIRED BY THE TRUST INDENTURE, SERVICE AGREEMENT AND REGULATORY PERMIT. Mr. Hall asked if the Board would be locked into individual items. Mr. Campfield responded that, as in previous years, the Board would not be locked into items listed, because it is a plan. The motion passed unanimously.

14. A motion was made by Mr. Chrzan, and seconded by Mr. Konkus, to enter into an executive session to discuss personnel matters and matters of potential litigation with Trafford Borough and North Huntingdon Township. The motion passed unanimously. The time was 7:46 P.M.

A motion to return to the regular order of business was made by Mr. Chrzan, and seconded by Mr. Konkus. The motion carried unanimously. The time was 8:42 PM.

A motion was made by Mr. Konkus, and seconded by Mr. Chrzan, to authorize Mr. Campfield to notify Trafford Borough that the WWMA Board has rejected their offer, and to inform them that the Authority Board is giving them thirty (30) days to respond, or the WWMA will pursue legal action against Trafford Borough. The motion passed unanimously.

Mr. Fisher was instructed to obtain information to prepare a scope of engineering services.

15. A motion to adjourn the meeting was made by Mr. Chrzan, and seconded by Mr. Konkus. The motion carried unanimously. The time was 8:44 P.M.

Anthony Marks
Secretary