

WESTERN WESTMORELAND MUNICIPAL AUTHORITY

REGULAR MONTHLY MEETING – November 17, 2009

The Board of Directors of the Western Westmoreland Municipal Authority held a regular monthly meeting on Tuesday, November 17, 2009 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. John Nabuda	Mr. Robert Pioth
Mr. Leonard Santimyer	Mr. Sam Testa	Mr. Tim Watson

Absent:

Mr. Jared Squires

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. James Webster, Houston Harbaugh, Bond Counsel
Mr. Henry Fisher, Commonwealth Securities and Investments, Inc., Financial Adviser
Ms. Marcia Rojcewicz, Commonwealth Securities and Investments, Inc., Financial Adviser

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

3. Public Comments: None – Mr. Norm Vargo, of the Pittsburgh Post Gazette, and Mr. Chris Foreman, of the Greensburg Tribune-Review, were in attendance.

4. Communications:

- A. Mr. Pioth referred to the CHAR Report dated October 21, 2009, which was distributed to the Board Members on November 12, 2009.
- B. Mr. Pioth referred to the ALCOSAN Wet Weather Quarterly Activity Report. A copy of the report is attached to these minutes.

5. Secretary's Report – Mr. Marks –

- A. A motion was made by Mr. Nabuda, and seconded by Mr. Chrzan, to approve, as presented, the minutes of the October 15, 2009 Regular Meeting. The motion passed 8-0. Mr. Konkus abstained from voting, stating that he did not attend the meeting.
- B. Mr. Marks stated that he must be recused from the consideration of the purchase of a 2010 Chevy Pickup Truck, because the proposed purchase is from the Central Westmoreland Council of Governments (COG), and Mr. Marks serves on the Board and receives a pay check from COG.

This concluded Mr. Marks' report.

6. 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. 111, in the amount of \$154.82, payable to Scott Electric was made by Mr. Chrzan, and seconded by Mr. Nabuda. The motion passed 8-0, 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. 112, in the amount of \$137,230.15 was made by Mr. Chrzan, and seconded by Mr. Nabuda. The motion passed unanimously.

This concluded Mr. Watson's report.

7. General Manager's Report – Kevin Fisher – Mr. Fisher added the following to the written report that was previously distributed.

A. Mr. Fisher requested Board authorization to award the contract for the purchase of nine (9) flow meters for the combined sewer overflow (CSO) locations and the interceptors. Mr. Fisher stated that bid specifications were sent to five vendors: ADS Environmental Services, Environmental Management Corporation, Greensburg Environmental Contracted Systems, Inc., Schultheis Automation Control Systems, Inc., and Utility Systems Science and Software. The bid specifications called for cafeteria-style prices, allowing the Authority to select the items that would best fit the Authority's needs. ADS Environmental Services was the only vendor to submit a bid. The bid consisted of the following:

Nine (9) ADS Triton Flow Meters and Sensors	\$58,635.00
Three (3) CSO Installations	\$11,356.65
Six (6) Interceptor Installations	<u>\$22,713.30</u>
Sub-Total	\$92,704.95
Software	\$ 2,802.00
Training	<u>\$ 830.00</u>
Sub-Total	\$ 3,632.00
Three (3) Months of Field Service (\$439.93/month/meter)	\$11,878.00
Three (3) Months of Reports (\$215.00/month/meter)	<u>\$ 5,824.00</u>
Sub-total	<u>\$17,702.00</u>
Total	\$114,038.95

Possible Additional Costs: Mounting Rings (where applicable), and SIMS

Mr. Caroline questioned the cost for installation. Mr. Fisher explained that this cost may go down once Authority staff has observed a few installations, but he stressed the importance of proper training for Authority employees in order to ensure the safety of the employees. Mr. Caroline stated that Penn Township Sewage Authority has a flow meter installed within 100 ft. of one proposed site, and he questioned whether the Authority could use Penn Township Sewage Authority's flow data. Mr. Pioth explained that the Authority has requested flow information in the past, but has not received it. Mr. Fisher explained that the software associated with the ADS flow meters is different than Penn Township's software, and that is necessary for all of WWMA's flow meters to communicate with WWMA's equipment. After a lengthy discussion, a motion was made by Mr. Chrzan, and seconded by Mr. Nabuda, to award the contract for the purchase of nine (9) Triton flow meters and sensors, and mounting rings where applicable, from ADS Environmental, at a cost not to exceed \$114,038.95. Mr. Testa asked for clarification on what was being approved. Mr. Fisher stated that the request was for the purchase of the meters, installation, training, and field service. A roll-call vote was requested.

Mr. Caroline – no
Mr. Marks – yes
Mr. Santimyer – yes

Mr. Chrzan – yes
Mr. Nabuda – yes
Mr. Testa – yes

Mr. Konkus – no
Mr. Pioth – yes
Mr. Watson – yes

The motion passed, 7-2.

B. Mr. Fisher requested Board approval to purchase a 2010 Chevy Silverado ½ Ton 4x4 Crew Cab Pickup Truck through the Central Westmoreland COG, at a cost of \$27,365.00. This price includes a trailer package, and excludes the XM Radio and On-Star package. Mr. Konkus questioned the purpose of the 1998 Chevy Tahoe. Mr. Fisher explained that the vehicle is used to purchase supplies for the plant, and the Foreman uses the vehicle, because he is on-call 24 hours per day. A motion was made by Mr. Chrzan, and seconded by Mr. Testa, to purchase the pickup truck, and to advertise the 1998 Chevy Tahoe for sale. The motion passed 7-1, with Mr. Konkus voting no, and Mr. Marks abstaining, stating that he

serves on the COG Board and receives a pay check. A memorandum, signed by Mr. Marks, is attached to these minutes.

- C. Mr. Fisher requested Board approval to purchase two all-weather composite samplers and related accessories. This purchase would include an all-weather refrigerated effluent sampler with a heater for outside use, at a cost of \$3,611.50, and an all-weather refrigerated influent sampler for inside use, at a cost of \$3,397.60, both from Hach Company. Also included is an Isco flow thru sample chamber from Advance Instruments, at a cost of \$165.00, and two ISCO signal cables from USA BlueBook, at a cost of \$134.00, for a total cost of \$7,308.10. A motion was made by Mr. Konkus, and seconded by Mr. Marks, to purchase two composite samplers from Hach Company, a flow thru chamber from Advance Instruments, and two ISCO signal cables from USA BlueBook. The motion passed unanimously.
- D. Mr. Fisher requested Board approval to purchase security lighting for the plant perimeter. This purchase will finish the light and light pole replacement project that was started three years ago. The lowest quote was submitted by Scott Electric, with a quote in the amount of \$4,980.80. A motion was made by Mr. Chrzan, and seconded by Mr. Watson, to purchase security lighting from Scott Electric, at a cost of \$4,980.80. The motion passed 8-0, 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.
- E. Mr. Fisher requested Board approval to purchase two Rotork electric actuators from Rotork Process, Inc., at a cost of \$5,906.00. The actuators are for two of the four aeration basins. The other two actuators will be purchased in late spring or early summer of 2010. Mr. Fisher stated that the actuators will enable better control of the aeration system as part of the overall sludge processing improvements project. Authority personnel will install the actuators, and the only other expense will be for computer programming. A motion was made by Mr. Nabuda, and seconded by Mr. Santimyer, to purchase two Rotork electric actuators from Rotork Process, Inc., at a cost of \$5,906.00. The motion passed unanimously.
- F. Mr. Fisher requested Board approval to accept the proposal for arbitrage rebate analysis for the 2005 Bond Issue to Arbitrage Rebate Counselors, of Ardmore, Pennsylvania, at a cost of \$2,200.00. Three proposals were received, including proposals from Lindquist & Vennus P.L.L.P., at a cost of \$2,920.00, and PFM Asset Management, LLC, at a cost of \$4,000.00. A motion was made by Mr. Chrzan, and seconded by Mr. Nabuda, to accept the proposal for arbitrage rebate analysis from Arbitrage Rebate Counselors, in the amount of \$2,200.00.
- G. Mr. Fisher reported that Phase II of the Irwin Borough storm separation project is complete. This phase includes the area below Pennsylvania Avenue, and Route #30. Phase III will be completed within days. The only item to be completed in Phase III is along Route #993, where the storm sewer needs to be run from the manhole to a new headwall, and discharged into the creek. This will complete their storm separation project. Mr. Fisher stated that the members of Irwin Borough Council deserves a lot of credit for the work that they have completed in order to proceed with the project, and the residents of Irwin Borough deserve credit, as well, for their patience during construction.

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

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

Mr. Poole reviewed his written report dated November 17, 2009, which was distributed this evening.

A. Solids Processing Project:

- 1. Mr. Poole reported that an Engineering and Legal Services Committee meeting was held last week. The project was reviewed. A main decision was to hold off on installation of the cogeneration system. Space for the cogeneration unit will be included with the construction, in order to allow for a later installation. Mr. Poole reported that he and Mr. Fisher have spoken with several Authority managers, who have stated that they are not utilizing their cogeneration units. Until the new system is up and running, and the

amount of gas usage and the quality and quantity of generated gas are determined, it won't be known if the cogeneration unit can be used.

2. The cost estimate for the project was also discussed. The total project costs are estimated to be \$9,036,689 with the cogeneration unit, and \$8,445,014 without the cogeneration unit.

B. Wet Weather Issues:

1. Mr. Poole reported that the Authority has not received approval of the Authority's Long-Term Control Plan, which was submitted to the PaDEP in 2007. The NPDES Permit Renewal application, which was submitted over a year ago, has not been approved, because the Long-Term Control Plan has not yet been approved.
2. Mr. Poole stated that the ALCOSAN Planning quarterly report was included in the meeting packet for Board review. Mr. Poole reported that the work is moving on schedule. All of the flow monitoring has been completed. Basin planners have submitted their flow monitoring reports to ALCOSAN's Program Manager for review. ALCOSAN is in the process of determining sites and alternative technologies.

C. Annual Report and Budget:

1. Mr. Poole stated that the Finance and Budget Committee has met several times, and the annual report and 2010 budget will be discussed in detail during the Finance and Budget Report.

Mr. Marks asked if the design costs were included in the cost estimates for the Solids Processing Project. Mr. Poole stated that the design costs were not included in the cost estimates.

Mr. Marks commended Mr. Fisher for agreeing to exclude the cogeneration unit from the project.

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

9. Solicitor's Report – John Campfield –

- A. Mr. Campfield reported that the Authority filed discovery requests of Trafford Borough, which consist of interrogatories and requests for documents. Trafford Borough is close to providing the documents.
- B. Mr. Campfield reported that the North Huntingdon Township Municipal Authority litigation has been filed. After the complaint was filed, the Authority received word that the North Huntingdon Township Municipal Authority's solicitor, Mr. McCabe, resigned. The Authority's new Solicitor, Mr. Snyder, has requested additional time in which to file a response to the pleading in the lawsuit. Mr. Campfield recommended that the Board approve an extension. A motion was made by Mr. Chrzan, and seconded by Mr. Caroline, to grant the North Huntingdon Township Municipal Authority a thirty (30) calendar-day extension. The motion passed unanimously.

This concluded Mr. Campfield's report.

10. Reports of Committees:

A. Grounds and Maintenance Committee – Leonard Santimyer –

Mr. Santimyer mentioned the previously-approved purchase of security lighting for the plant perimeter.

B. Personnel Committee – John Nabuda – Mr. Nabuda reported that two employee remain on short-term disability leaves.

C. Finance and Budget Committee – Larry Chrzan:

1. Mr. Chrzan reported that the 2010 Operating budget has been presented to committee members, and he offered to present the budget in detail to the Board. There were no requests for a detailed review of the budget. Mr. Chrzan requested Board approval of the 2009 Annual Report and the 2010 Operating and Capital Budgets, with the understanding that there is a proposed rate increase in the amount of \$3.70 per EDU, per month, for the Brush Creek System, effective April 1, 2010. There were questions on the motion.
 - a. Mr. Caroline questioned the amount of the rate increase. Mr. Caroline questioned the \$4,500.00 that was budgeted for maintenance of the flow monitors, when the purchase of the flow meters

was approved this evening. Mr. Fisher explained that the \$4,500.00 was for maintenance of those meters. Mr. Caroline stated that, in his opinion, some of the line items could be reduced. Mr. Caroline questioned how the remainder of the project will be funded. Mr. Poole explained that the Authority will be using the remaining funds in the 2005 Construction Fund, first. The required debt service reserve of approximately \$483,000.00 will be paid with funds in the Capital Improvement Fund. This will save the Authority a substantial amount of money, compared to funding the debt service reserve through the Bond Issue. Mr. Caroline questioned why more funds were not being used from the Capital Improvement Fund. Mr. Poole explained that funds from the Capital Improvement Fund will be used for items listed on the Capital Projects List. Mr. Caroline asked that the Capital Projects List be amended by removing from the list the items that were approved for purchase at this evening's meeting. Mr. Poole explained that the Capital Projects List can be amended at any time. Mr. Caroline asked what the funds in the Capacity Fee Account is used for. Mr. Campfield stated that the funds in the Capacity Account are not dedicated to a specific purpose, but there are members of the Board who feel that the funds should be used for capital expenditures that increase capacity. While this project will make improvements to the plant, it will not increase the plant's capacity. Mr. Caroline asked when capacity at the plant would be increased. Mr. Poole explained that the installation of a wet weather storage tank, or increasing the interceptor capacity would also be considered to increase plant capacity, and could be done at any time. Mr. Caroline asked what the funds in the Penn Township Guarantee Expansion Fund could be used for. Mr. Campfield explained that those funds are specifically ear-marked for increased capacity at the plant, and he referred to the Fourth Amendment to the Service Agreement. Mr. Caroline asked why the first year debt service payment couldn't be paid out of existing funds, and he questioned why we wouldn't use more of existing funds, in order to reduce the borrowing amount. Mr. Caroline also questioned whether a bank loan would be more cost effective. Mr. Marks stated that S&T Bank and PNC Bank are interested in submitting a proposal. Mr. Fisher stated that he has spoken with two bank representatives, who said that they would not be interested in a \$6,000,000.00 loan. Mr. Konkus stated that bank loans should be considered before deciding on a Bond Issue. Mr. Marks stated that S&T was not hesitant on the amount, but he said that they may not agree with the Authority's terms.

- b. Mr. Marks asked why the Authority couldn't deplete Capital Improvement funds, and reduce the amount that must be borrowed. Mr. Poole explained that the Authority would not want to use all of the funds in the Capital Improvement Fund. Mr. Testa explained that there are several items from the Capital Projects list coming up, and those funds will be used to pay for these items. Mr. Caroline stated that there will be transfers from the Revenue Fund to the Capital Improvement Fund in the future, and those funds could be used for the Capital Projects List. Mr. Fisher explained that an additional \$44,000.00 has been taken out of the 2010 Operating Budget, and he stated that future transfers will not be large. Mr. Pioth asked for clarification from the Bond Counselors in attendance. Mr. Marks asked if approving the budget this evening would lock the Authority into a Bond Issue. Mr. Pioth explained that the Authority would be approving the budget, this evening, but would not be approving the rate increase. Once the Authority has received firm numbers regarding financing the project, the amount of the rate increase can be approved. The Authority is merely stating a possible rate increase amount. Mr. Campfield explained that the Authority is required to adopt a budget by December 1, 2009.
- c. Mr. Konkus expressed his disapproval of an amount that is included in the Conventions and Seminars Expense for an AWWA/WEF Utility Management conference that is scheduled to be held in San Francisco. Mr. Fisher explained that this is a conference that is held every two years. Mr. Konkus stated that, in his opinion, when the Authority is looking at a rate increase, and with what is going on in DC and Harrisburg, the Authority should not send anyone to San Francisco. Mr. Chrzan stated that the Authority should send the Manager to the conference. Mr. Konkus disagreed. Mr. Marks asked if the item could be reduced. Mr. Testa stated that the conferences have to be approved by the Board. Mr. Caroline and Mr. Konkus stated that the item should be removed from the budget. Mr. Pioth asked the members of the Finance & Budget Committee if they wanted to remove the item from the budget. Mr. Chrzan

recommended that the budget be approved as presented. Mr. Konkus stated that the expense item should be reduced.

A motion was made by Mr. Chrzan, and seconded by Mr. Nabuda, to approve the 2009 Annual Report and the 2010 Operating and Capital Budgets. A roll-call vote was requested.

Mr. Caroline – no	Mr. Chrzan – yes	Mr. Konkus – no
Mr. Marks – no	Mr. Nabuda – yes	Mr. Pioth – yes
Mr. Santimyer – no	Mr. Testa – yes	Mr. Watson – yes

The motion passed, 5-4.

Mr. Caroline requested that, in the future, the budget information be presented to the Board sooner, so that those Board Members who are not on the committee can have time to review the budget, and submit their questions or comments. Mr. Fisher explained that the Authority is required to submit the annual report and budgets by December 1st of each year. The budget preparation does not begin until the third quarter reports are completed. The budget was submitted to the Board as soon as it was approved by the Finance & Budget Committee. Mr. Pioth explained that the budget needs to be approved in a timely manner, so that the Member Municipalities will have time to incorporate the rate information into their budgets. Mr. Marks suggested that, in the future, a special meeting may be in order, so that all Board Members would have the opportunity to submit their questions or comments.

2. A motion was made by Mr. Caroline, and seconded by Mr. Marks, to approve Resolution No. 2009-05: 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, with the condition that the items that were approved at this evening's meeting be removed. The motion passed unanimously.
3. A motion was made by Mr. Chrzan, and seconded by Mr. Nabuda, to approve Resolution No. 2009-06: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN WESTMORELAND MUNICIPAL AUTHORITY INCREASING THE RATE FOR THE CAVETTSVILLE-ARDARA AREA RATE DISTRICT AND AMENDING THE SCHEDULE OF RATES AND CHARGES FOR SEWER SERVICES, EFFECTIVE AS OF JANUARY 1, 2010, FOR THE CAVETTSVILLE-ARDARA AREA RATE DISTRICT. This resolution increases the monthly rate by \$.66 per EDU, per month, bringing the monthly rate to \$30.61 per EDU. The motion passed unanimously.
4. A motion was made by Mr. Chrzan, and seconded by Mr. Santimyer to discuss the Bond Issue. Due to the fact that a motion is not necessary to discuss a bond issue, the motion and second were withdrawn. Mr. Henry Fisher, of Commonwealth Securities and Investments, Inc. (CSI), presented information regarding a proposed \$6,000,000.00 Bond Issue. Mr. H. Fisher reviewed market trends of bond rates. Mr. H. Fisher stated that this is a good time to consider a bond issue. Ms. Marcia Rojcewicz explained that the trends are not a guarantee of interest rates. Ms. Rojcewicz explained that interest rates could drop at the end of the year, due to the need for end-of-the-year tax planning for bond buyers. Ms. Rojcewicz reviewed a projected debt service schedule for the proposed \$6,000,000.00 bond issue. Ms. Rojcewicz explained that the Trust Indenture dictates what covenants the Authority must meet in order to issue additional debt. She stated that, if the Authority issues additional debt, the Authority must show the ability to produce enough revenues to pay for the bonds, not only in the first year, but in subsequent years. Ms. Rojcewicz explained the Authority's rates must cover the annual debt service of \$455,000.00, plus 10%. She explained that the 10% will flow into the Capital Improvement Fund, or would be used to pay for extraordinary expenses. Mr. Poole asked if each year must stand on its own when determining rates. Ms. Rojcewicz stated that each year must stand on its own, and, if you end up short in a year, it's not that you can't draw on funds that you have on hand to meet your legal requirements before a default occurs in the Indenture, but, when it's time to prepare the budget, you must cover current expenses with current revenues.

Ms. Rojcewicz explained that the bond estimates include an amount for market fluctuation. She stated that, when it is time to close on the bonds, the Board could make a determination as to the required rate increase. Ms. Rojcewicz stated that the Finance & Budget Committee's recommendation to fund the debt service reserve out of Capital Improvement Funds was a good decision. Ms. Rojcewicz reviewed a projected list of expenses related to the proposed bond closing. Costs include bond issuance costs in the amount of \$65,000.00, which include bank fees, legal fees, printing, preparation of the official statements, computer expenses, magnetic identification, and clearing. Ms. Rojcewicz explained that a large item is bond insurance, which is estimated to be \$66,000.00. She explained that the cost of insurance is compared to the increased interest rate resulting from a lower rating, and she stated that, usually, the bond insurance is worth the price. Other costs included credit rating (\$11,000.00), which is necessary in order to present the bonds to the market, and miscellaneous costs, which rounds the figure to the next \$5,000.00. The Bond Discount expense (\$51,000.00) is the amount that CSI would receive for selling the bonds.

Mr. Marks asked for clarification about the original issue discount, specifically, if the amount is listed in the event a buyer is willing to purchase the bonds at a lower interest rate in exchange for a lower purchase price. Ms. Rojcewicz stated that Mr. Marks was correct. Mr. Marks asked if Authorities ever receive AAA ratings without bond insurance. Mr. H. Fisher stated that Authorities usually do not receive the AAA rating without the bond insurance. Mr. Webster stated that the AAA rating is based upon the insurer's financial credibility, not the Authority's.

Mr. Campfield asked Mr. Webster to comment on bank loans, versus bond issues. Mr. Webster stated that bank loans are typically issued for a period of ten years or less. He explained that a bank will not want to commit to an interest rate for a period of eighteen years. Mr. Caroline stated that a Municipal Authority would be a better risk for a bank than other borrowers. Mr. Webster stated that you want to press the bank for an answer as to whether they would provide a fixed rate over a period of eighteen years. Mr. Marks stated that the Authority is looking at \$483,000.00 in fees, not counting the principal. Mr. Caroline corrected Mr. Marks, stating that the costs are \$265,000.00. Ms. Rojcewicz explained that the \$483,000.00 was the amount of the debt service reserve.

Mr. Rojcewicz stated that the Board should not have the Authority's name put forth into the national market unless they authorize CSI to do so.

A motion was made by Mr. Caroline, and seconded by Mr. Chrzan, to explore the bank loan possibility, and, if a bond issue is a better deal, to go ahead with the bond issue. Mr. Caroline added the following to the motion: that the Authority approach three or four different banks, and in the mean time, let Commonwealth Securities and Investments, Inc. do what they need to do to get the Authority's credit information started, to the point where the Authority is not committed, and to where the Authority is not incurring any fees. Ms. Rojcewicz cautioned the Board that S&T Bank will lend you their own capital, and that PNC offers direct loans, as well as bond issues. Ms. Rojcewicz advised the Board to request a proposal for a fixed rate loan. Mr. Caroline asked why we couldn't pursue a bond issue with a bank. Mr. Rojcewicz explained that if a bank offers a bond issue for an amount lower than what CSI offers, she doesn't know how the banks would make their profit. She explained that CSI discloses how their profit is calculated. Ms. Rojcewicz explained that the banks will list a discount price that is lower than that of CSI, but they could make their profit in other areas. Mr. Caroline restated his motion as follows: get some quotes from several (three or four) banks for a fixed-rate loan, and let CSI proceed with obtaining credit information, without committing the Authority to a bond issue, and without incurring costs to the Authority. If the banks offer a bond rate, the Authority will go with the best deal. Mr. Fisher explained that CSI cannot compete with a hidden competitor, stating that the bond market is very transparent. Mr. Caroline withdrew the statement regarding the lowest bond rate, and restated his motion as follows: that the Authority shop with several banks for a fixed-rate bank loan. If a bond issue is the better deal, the Authority will go with CSI for the bond issue. The motion was seconded by Mr. Chrzan. A roll-call vote was requested.

Mr. Caroline – yes
Mr. Marks – yes
Mr. Santimyer – yes

Mr. Chrzan – yes
Mr. Nabuda – no
Mr. Testa – yes

Mr. Konkus – yes
Mr. Pioth – yes
Mr. Watson – yes

The motion passed, 8-1.

This concluded Mr. Chrzan's report.

5. Insurance Committee – Due to Mr. Squires' absence, there was no report.
6. Sludge Committee – There was nothing to add to the report that was previously distributed.
7. Legal and Engineering Services Committee – Sam Testa: Mr. Testa stated that Mr. Poole and Mr. Fisher covered most of the information related to the Legal and Engineering Services Committee meeting, and he referred to the minutes of the committee meeting for any information that was not covered during this evening's meeting.

This concluded Mr. Testa's report.

11. Change Orders and Pay Estimates – NONE

12. Requisitions:

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

- A. 2005 Construction Fund Requisition No. 2005-55 in the amount of \$54,125.46. Motion to approve was made by Mr. Chrzan, and seconded by Mr. Caroline. The motion passed unanimously.

13. Board Member Comments – NONE

14. There was no executive session.

15. A motion to adjourn the meeting was made by Mr. Nabuda, and seconded by Mr. Chrzan. The motion carried unanimously. The time was 9:47 P.M.

Anthony Marks
Secretary