

**WILLIAMSPORT MUNICIPAL WATER AUTHORITY
MINUTES OF REGULAR MEETING**

12:00 Noon, Wednesday, May 26, 2010
Authority Conference Room, 253 West Fourth Street, Williamsport, PA

PRESENT

William E. Nichols
Thomas A. Frazier
Gregory Zeitler
Dean P. Muller
Eiderson A. Dean
Matthew G. Rebeck
William Ertel
Robert W. Engel
Marshall D. Welch
Thomas J. Marnon

ABSENT

ALSO PRESENT

D. A. DiNicola
W. A. Nicholson
D. E. Keith
C. A. Fink
Michael H. Collins
John Amend, Malcolm Pirnie
Jeff Wilkes, Malcolm Pirnie
Rick Walker, Sun-Gazette

Chairman Nichols called the meeting to order at 12:00 PM by stating that in accordance with Section 6 of Act 84 of 1986, today's meeting was advertised in the January 5, 2010 edition of the Williamsport Sun-Gazette and a quorum was present.

Chairman Nichols asked for approval of the minutes of the meeting of April 28, 2010. Mr. Muller made a motion to approve the minutes of the April 28, 2010 meeting, and Dr. Welch seconded the motion. The motion passed unanimously.

Executive Director DiNicola presented the Planning/Operations Committee recommendations that are on the Agenda for Board approval. Mr. DiNicola stated that proposals were received to design, bid and inspect water main improvements for the Pennsylvania Department of Military and Veterans Affairs (DMVA) training facility that is being built at the Penn Street Armory site. Larson Design Group, Inc. submitted the low proposal in the amount of \$28,000 and Mr. DiNicola stated that both staff and Planning/Operations Committee recommend acceptance of their proposal. Mr. DiNicola noted that the Authority will enter into an Agreement with the DMVA that will require all costs for the project to be paid for by the DMVA. After a brief discussion, Mr. Dean made a motion to accept Larson Design Group's proposal in the amount of \$28,000 to design, bid and inspect water main improvements for the DMVA training facility at the Penn Street Armory site and to authorize the staff to execute an Agreement with the DMVA for this project and to recover the cost. Mr. Muller seconded the motion, and the motion passed unanimously.

Executive Director DiNicola stated that proposals were received for electrical services modifications at the Wellfield and that Larson Design Group submitted the low proposal in the amount of \$9,700 for design, bid and perform administrative services. Mr. DiNicola further stated that modifications to the Wellfield electrical service are needed in order for the electrical generator to supply power to the Garage/Equipment Storage Building during power outage events. Mr. Muller made and Mr. Dean seconded the motion to accept the low proposal in the amount of \$9,700 submitted by Larson Design Group for design, bid and administrative services for modifications to the Wellfield electrical

service that are needed in order for the electrical generator to supply power to the Garage/Equipment Storage Building during power outages. The members carried the motion.

Executive Director DiNicola stated that as part of the SCADA upgrade program, proposals were received for the installation of a SCADA tank level control between the East Seventh Avenue Pump Station and the Hill Street Tank which will allow for the tank level to be seen from the Office. Mr. DiNicola further stated that currently the tank is run on a pressure switch which does not allow the water level in the tank to be seen, and that in order to take the tank out of service for sandblasting and painting, it is necessary to install a tank level control with a SCADA system to operate the pumps. Mr. DiNicola noted that a temporary tank will be used during the sandblasting and painting work and that once that work is completed, the tank level control will be moved permanently to the Hill Street Tank. Martz Technologies, Berwick, PA, submitted the low, proposal in the amount of \$52,660 to perform this work, and Mr. DiNicola stated that both the staff and the Planning/Operations Committee recommend acceptance of the Martz proposal. Mr. Muller made a motion to accept the Martz Technologies proposal in the amount of \$52,660 to perform the aforesated SCADA tank level control installation work. Mr. Dean seconded the motion, and the members carried the motion.

Executive Director DiNicola stated that proposals were received for a similar project to be performed at the new Arlington Pump Station which was recently approved by the Board, and that Martz Technologies submitted the low proposal in the amount of \$29,500 and that the staff and the Planning/Operations Committee recommend acceptance of their proposal. Mr. Dean made and Mr. Muller seconded the motion to accept the Martz Technologies proposal in the amount of \$29,500 to install a SCADA pump control system at the new Arlington Pump Station. The members carried the motion.

Mr. Walter Nicholson, Director of Operations, presented a report on a water quality study of the Lycoming Creek Watershed to be performed by the United States Geological Survey (U.S.G.S.). Mr. Nicholson advised the Board that he is working with U.S.G.S. to perform the study as this area could be impacted by the Marcellus gas well drilling operations which could in turn impact the Authority's Wellfield which is part of the Lycoming Creek Watershed. Mr. Nicholson stated that the study will provide a snapshot of the water quality as it is currently which can then be used to determine the impact of the Marcellus gas well industry as operations continue to grow in the future. Mr. Nicholson further stated that the U.S.G.S. was chosen to perform the study as they are the most credible science organization available and will give an independent, unbiased approach to this study. Mr. Nicholson noted that they have quality assured data, 125 years experience in performing this type of study, and the stature and professionalism to coordinate all the different agencies involved with the drilling activities. The estimated cost of the study is \$130,000, \$55,000 of which is the U.S.G.S.'s share, and the remaining \$75,000 being the local match, and Mr. Nicholson stated that he has been in contact with some of the gas drilling companies and they have expressed a willingness to share in the cost of study. After a brief discussion, Mr. Nicholson stated that no Board action is needed at this time.

Mr. Douglas Keith, Director of Finance, stated that the April Financial Report was reviewed by the Finance/Personnel Committee and is recommended for approval. Mr. Engel made a motion

to approve the April Financial Report and Mr. Dean seconded the motion. The motion passed unanimously.

Mr. Keith stated that the Finance/Personnel Committee recommends changing the Authority's health insurance provider from Employers Insurance Providers to Health America with a high deductible and a reimbursement account. Mr. Keith further stated that it would have cost the Authority an additional \$87,000 to remain with Employers Insurance Providers but by moving to Health America with a reimbursement program, at best it could cost an additional \$10,000 and at worst an additional \$50,000. Mr. Dean made a motion to accept the Finance/Personnel Committee's aforesated recommendation to change the Authority's health insurance provider to Health America. Dr. Welch seconded the motion, and the members carried the motion.

Mr. Keith stated that he has received a proposal from Parente Beard for the annual audit and that the proposal reflects an increase of \$325 over last year or about 3%; it also includes a three year proposal that reflects an approximate 3% increase each year. Mr. Muller made and Mr. Engel seconded the motion to accept the Parente Beard proposal for the annual audit which includes a 3% increase each year for the next three years. The members carried the motion

Mr. Nicholson presented the Water Supply Report.

There being no further business, Chairman Nichols adjourned the meeting at 12:50 PM to meet again June 23, 2010 or earlier at the call of the Chairman.

Respectfully submitted,

Eiderson A. Dean
Secretary

Cheryle A. Fink
Recorder

**WILLIAMSPORT SANITARY AUTHORITY
MINUTES OF REGULAR MEETING**

12:00 Noon, Wednesday, May 26, 2010
Authority Conference Room, 253 West Fourth Street, Williamsport, PA

PRESENT

Thomas A. Frazier
William Ertel
Gregory Zeitler
Dean P. Muller
Eiderson A. Dean
Matthew G. Rebeck
William E. Nichols
Robert W. Engel
Marshall D. Welch
Thomas J. Marnon

ABSENT

ALSO PRESENT

D. A. DiNicola
W. A. Nicholson
D. E. Keith
C. A. Fink
Michael H. Collins
John Amend, Malcolm Pirnie
Jeff Wilkes, Malcolm Pirnie
Rick Walker, Sun-Gazette

Chairman Frazier called the meeting to order at 12:50 PM by stating that in accordance with Section 6 of Act 84 of 1986, today's meeting was advertised in the January 5, 2010 edition of the Williamsport Sun-Gazette and a quorum was present.

Chairman Frazier asked for approval of the minutes of the meeting of April 28, 2010. Mr. Marnon made and Mr. Dean seconded a motion to approve the minutes of the April 28, 2010 Board meeting. The motion passed unanimously.

Executive Director DiNicola stated that Lamar Advertising is prepared to move their sign to another site on Authority property at the Central Plant because the sign is in the way of the current construction project, and Lamar is requesting reimbursement from the Authority for the cost to move the sign. Mr. DiNicola further stated that Lamar solicited proposals from three contractors to move the sign, with a low proposal of \$33,000 being submitted. Mr. Nichols stated that another issue with the sign is electrical service which would add another \$10,000 to the cost of the project if it's necessary to install a separate electrical service, which could be solved by allowing Lamar to tap onto the Central Plant's electric service, Lamar would then reimburse the Authority for it's share of the monthly electrical service based on their past usage. After a brief discussion, Mr. Engel made a motion to authorize the payment of \$33,000 for the relocation of the Lamar sign at the Central Plant and to allow Lamar to tap into the Central Plant electrical service, the cost of which will be reimbursed to the Authority by Lamar on a monthly basis based on their past usage. Mr. Muller seconded the motion, and the members carried the motion. Mr. Dean opposed the aforesaid motion.

Mr. Walter Nicholson, Director of Operations, presented a draft procedure for approving Act 537 Planning Modules for the tributary communities and after a brief discussion, it was agreed to table this item to a later date and pending further discussion by the Planning/Operations Committee.

Mr. Douglas Keith, Director of Finance, stated that the Finance/Personnel Committee reviewed the Financial Report for the period ending April 30, 2010 and recommends it for approval by the

Board. Mr. Ertel made a motion to approve the Financial Report for the period ending April 30, 2010, and Mr. Dean seconded the motion. The members carried the motion.

Mr. Keith stated that the change in health insurance provider that was presented during the Water Authority meeting also needs Sanitary Board action, and Mr. Keith noted that the cost of health care insurance is shared by both Authorities. Mr. Marnon made a motion to approve the change in health insurance provider from Employers Insurance Providers to Health America with a high deductible and a reimbursement account. Mr. Dean seconded the motion and the motion passed unanimously.

Mr. Keith stated that the Parente Beard proposal for the annual audit is slightly different for than the Water Authority proposal. Because the Sanitary Authority incurred significant debt during the 2010 fiscal year, there is much more work involved in preparing the annual audit, therefore, the cost has increased by \$4,000 over last year's cost, from \$11,400 to \$15,400. Mr. Keith stated that he also received a three year proposal from Parente Beard that involved ranges due to the anticipated additional debt to be incurred and noted that he is not recommending acceptance of the three year proposal at this time. Mr. Engel made and Mr. Ertel seconded the motion to accept the one year proposal submitted by Parente Beard in the amount of \$15,400 to prepare the annual audit. The members carried the motion.

Mr. John Amend, Malcolm Pirnie, Inc., presented the Engineer's Report, which is attached hereto and made a part of these minutes. Mr. Amend stated that bids were received on May 11, 2010 for Contract W1, and that Board approval is needed to award Contract W1-G, General Construction to G.M. McCrossin in their low, complying bid amount of \$2,561,250; Contract W1-P and W1-H, Plumbing Work and HVAC work to Eshenaurs Fuels, Inc., in their low, complying bid amount of \$191,400; and Contract W1-E, Electrical Contract, to TRA Electric, Inc., for their low, complying bid in the amount of \$504,865. Mr. Amend noted that these bid awards are recommended by the Finance/Personnel Committee, and after a brief discussion, Mr. Dean made and Mr. Muller seconded the motion to award the aforesaid contracts, as presented. The members carried the motion.

Mr. Amend stated that Board action is needed to advertise Contract C4 on June 14, 2010, with an anticipated bid opening of July 22, 2010, pending review by the Authority's Solicitor. Mr. Amend noted that the project is estimated at \$56,000,000. Mr. Engel made and Mr. Marnon seconded the motion to authorize advertising Contract C4, pending review by the Authority's Solicitor. The members carried the motion.

Mr. Amend stated that he previously briefed the Board regarding a Contingency Allowance. Mr. Amend further stated that because of an aggressive regulatory mandated schedule at the Central Plant and in order to help meet those compliance deadlines for the Project, it is recommended that the Board approve a Resolution authorizing a Contingency Allowance which will be incorporated in Contracts C4 and C5. (A copy of the Resolution is attached hereto and made a part of these minutes.) The Contingency Allowance will be used to facilitate rapid approval and implementation of time sensitive changes to the Project and approval of the Resolution will authorize the Executive Director to sign individual change item requests up to \$100,000 for each

change to each contract in accordance with the procedures set forth in the attached Resolution. After a brief discussion, Mr. Dean made a motion to approve the Resolution authorizing Contingency Allowances in Contract C4 and C5. Mr. Engel seconded the motion, and the members carried the motion. Mr. Nichols opposed approval of the Resolution.

There being no further business, Chairman Frazier adjourned the meeting at 1:32 PM to meet again June 23, 2010 or earlier at the call of the Chairman.

Respectfully submitted,

Eiderson A. Dean
Secretary

Cheryle A. Fink
Recorder



Williamsport Sanitary Authority
Central and West Wastewater Treatment Plants
Chesapeake Bay Nutrient Removal Process Upgrades and
CSO Long Term Control Plans Implementation

May 26, 2010

**ENGINEER'S SUMMARY REPORT FOR THE WSA BOARD OF
DIRECTORS**

**1. New Information or Progress Since the May 12 Planning and Operations
Committee Meeting**

- a) May 13: Submitted C5 Part II Application.
- b) May 18: Received letter from PADEP that C5 is administratively complete.
- c) May 25: Met with DCED regarding round 2 CFA grant applications.
- d) May 25: Met with Tributary Community Engineers to coordinate force main routes, schedule and tie-ins at the Central Plant.

2. Actions Requested

- a) Approve W1 contracts consistent with the recommendation to award letter from Gannett Fleming to the WSA Finance Committee.
- b) Authorize the advertisement of Contract C4 pending Malcolm Pirnie's receipt and incorporation comments from Legal Review and final coordination with the WSA Engineering Committee.
 - Engineer's estimate: \$56 million.
 - June 14: C4 advertisement date.
 - July 22: Anticipated C4 bid opening.
 - June 22 to August 21: Anticipated Part II Permit approval time frame.

3. C2 Update

- a) The Contractor has increased his shoring and excavation manpower.
- b) The dewatering system is functional and keeping up with the Contractor's excavation requirements.
- c) Excavation is at 26 feet deep. 18 feet to go (13 to 15 days of remaining excavation) before he begins to drive the Headworks pilings
- d) The Contractor has provided a revised schedule to coordinate the progress on the lagging and tie-back installation for the deep excavation shoring with the remaining excavation and pile driving. The Contractor's schedule progress will be further assessed at the June 8 construction progress meeting with additional adjustment made at that time.
- e) Headworks substructure structural modifications (reduction in piles and wall modifications) - a proposal is forthcoming from the Contractor.

Resolution

No. 5-26-2010

Procedure to Authorize Individual Change Items under the Contingency Allowances Provided in Contracts C4 and C5

WHEREAS, the compliance work at the Central Plant, consisting of Contracts C2 through C5, is on an aggressive regulatory- mandated schedule; and

WHEREAS, in order to help meet the compliance deadlines for the project, Malcolm Pirnie, has recommended a "Contingency Allowance" be incorporated into Contracts C4 and C5 in order to facilitate rapid approval and implementation of time-sensitive changes to the project during construction; and

WHEREAS, the Williamsport Sanitary Authority (WSA) Engineering Committee has reviewed Malcolm Pirnie's recommended Contingency Allowance amounts of \$1.8 million and \$480,000 for Contracts C4 and C5 respectively and is recommending that the WSA Board approve the establishment of Contingency Allowances in these amounts for these contracts; and

WHEREAS, the WSA requires an internal procedure to administer the use of the Contingency Allowances for Contracts C4 and C5; therefore be it

RESOLVED that the WSA Board of Directors directs that separate Contingency Allowances be established for Contracts C4 and C5 in the amounts of \$1.8 million and \$480,000, respectively and that these Contingency Allowances be administered as follows:

1. Malcolm Pirnie and Gannett Fleming shall review all change item requests made under the Contingency Allowance for each Contract, review and recommend that the change is necessary, review the Contractor's pricing, perform a parallel cost estimate, negotiate the value of the change item with the appropriate Contractor, and document the change item request in writing to the WSA Director of Engineering.

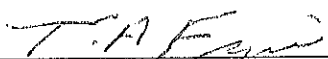
2. The Director of Engineering, after consultation with Malcolm Pirnie, the WSA Staff and the Chairman of the Engineering Committee, shall recommend acceptance of the change item to the Executive Director in a timely manner within the necessary time frame for action established by Malcolm Pirnie for each change item.

3. The Executive Director is authorized to sign individual change item requests in the amount of up to \$100,000 for each change to each contract under the Contingency Allowances contained in Contracts C4 and C5 that have been reviewed in accordance with steps 1 and 2 above and which in the judgment of the Executive Director, are time-sensitive and necessary to meet the project schedules.


4. Malcolm Pirnie and the Director of Engineering shall report on the amount of the Contingency Allowance expended under each contract during each WSA Board meeting and answer Board member questions regarding the rationale for changes made.

5. Malcolm Pirnie shall maintain an accounting of the change items authorized under the Contingency Allowances and present a summary of the change items for Board approval as part of a formal change order during project closeout in accordance with requirements of the C4 and C5 Contract Documents.

6. Change items that are not time-sensitive or that constitute a change from the intent of the design or that are in excess of \$100,000 shall be handled in accordance with the Board's existing Change Order procedures. In these cases, steps 1 and 2 above will be followed and then the Change Order will be presented for Board approval. Time sensitive Change Items that are above the Executive Directors \$100,000 authorization limit may require special meetings of the Board which will be called by the Executive Director as necessary.



Chairman



Secretary