

**WARREN CITY COUNCIL  
SPECIAL MEETING  
AUGUST 26, 2013 – 5:15 PM**

---

**OPENING OF MEETING**

Mayor Mark A. Phillips presided over the August 26, 2013 special meeting of Warren City Council in Council Chambers of the Municipal Building and opened the meeting with the Pledge of Allegiance.

**ROLL CALL**

Members present and responding to roll call were: Mayor Mark Phillips, Maurice Cashman, Samuel Harvey, John Lewis, and James A. Zavinski, Sr. Dr. Howard Ferguson and Joseph Sprentz were absent. Mrs. Freenock, Mr. Holtz, Mrs. Leary, and Ms. Stapleford of City staff were also in attendance. Gus Maas represented Hill Engineering, Inc.

**RECOGNITION OF VISITORS**

Mayor Phillips welcomed all visitors. Present were:

- Mike Arnold: Waste Treatment Corp.
- Lisa To: South Side Oil/Gas Well
- Ross Hawks: South Side Oil/Gas Well
- Dawn Hagberg: South Side Oil/Gas Well
- Jason Hagberg: South Side Oil/Gas Well
- Gregory Fraser, 17 Fourth Avenue: Observing
- Brian Ferry: Times Observer Reporter

**CORRESPONDENCE**

Council members acknowledged receipt of correspondence sent to Mr. Terry Pearson thanking him for, and accepting, his offer to take responsibility for the upkeep of greenery in the downtown area; most specifically, the plantings within the Downtown Streetscape Project area.

**ORDINANCE NO. 1835: WASTEWATER TREATMENT FACILITIES PROJECT INTERIM FINANCING**

Ms. Stapleford stated that in preparation for closing the PennVest Funding Package (as approved at the Special Meeting of Council on February 11, 2013), it is necessary to file certain documents with the Department of Community and Economic Development (DCED). Among the required documents is an ordinance memorializing the City's indebtedness for short-term interim financing provided by Erie Bank in the amount of \$2.5 million as approved by City Council at its regular meeting on August 19, 2013. Ms. Stapleford noted an inconsistency regarding the per annum interest rate as stated in Section 9 of the Guaranteed Revenue Note and indicated that it would be corrected prior to execution of the Note.

Mr. Lewis made the motion to approve the ordinance providing for Wastewater Treatment Facilities Project Interim Financing with the noted change regarding the General Revenue Note per annum interest rate to be corrected by Ms. Stapleford. The motion was seconded by Mr. Cashman and carried unanimously among the Council members present.

**AGREEMENT: DIRECT ENERGY BUSINESS, LLC**

Mr. Holtz stated that the electrical rate cap removal (deregulation) became effective in January, 2011. At that time, the City entered into a 36-month agreement with Constellation NewEnergy (CNE) to provide electricity which is transmitted via Penelec (FirstEnergy) lines. This agreement

ends in December, 2013. Therefore, over the past several months the City researched electrical supply options.

BidURenergy is an energy supply consulting firm from Buffalo, NY, with whom the City had discussions in its search for an electrical provider. The firm was provided with copies of bills for the City's 61 electrical accounts which were then used to compare various providers. BidURenergy's research indicates that a savings of approximately \$31,500 per year may be realized by entering into an agreement with Direct Energy Business for a period of 36 months (total savings of approximately \$94,500). By entering into such an agreement, the City's electric supply would be locked at the rate in effect at the time of signing.

The cost of electricity is set each day per the New York Mercantile Exchange (NYMEX) and, historically, the rates begin a downward slide during the spring months, taper off, and then begin to climb upward in early fall. It has been indicated to the City that rates are beginning to climb. Therefore, City staff suggested that it would be advantageous to now move forward with an agreement for a 36-month period which would commence at the expiration of the current agreement with Constellation NewEnergy. The rate to be in effect for the new agreement would be locked at the NYMEX rate established on Monday, August 26, 2013.

Mr. Lewis made the motion to accept the BidURenergy proposal for a 36-month electrical supply agreement with Direct Energy Business to be locked at the August 26, 2013 New York Mercantile Exchange electric supply rate. The motion was seconded by Mr. Zavinski and carried unanimously among the Council members present.

#### **ALLEGATIONS REGARDING WASTE TREATMENT CORPORATION DISCHARGES**

Mike Arnold, of Waste Treatment Corporation, was present at the invitation of Councilman Harvey and spoke regarding allegations that Waste Treatment Corporation has made discharges into the Allegheny River which are in violation of Department of Environmental Protection (DEP) regulations. He provided Council with information regarding wastewater received by Waste Treatment Corporation from the oil and gas industry and the manner in which it is treated and the resultant wastes are disposed of.

#### **CONCERNS REGARDING OIL/GAS WELL ON BIDDLE STREET – KOEBLEY PROPERTY**

Lisa To, representing Biddle Street neighborhood residents addressed Council regarding their concerns pertaining to an oil/gas well which was drilled approximately four years ago on a Biddle Street property owned by Timothy Koebley. Mrs. To expressed frustration that the well has not yet been sealed despite the City of Warren Zoning Hearing Board's denial of a variance request. Ms. Stapleford stated that Mr. Koebley has filed an appeal to the Board's decision and the matter is now before the Common Pleas Court. Ms. Stapleford indicated that a Court decision in favor of the City could then be appealed by Mr. Koebley to the Commonwealth Court thereby further delaying action that may be taken by the City. Mrs. Freenock noted that the City retained special counsel for the handling of this matter and has also been in communication with the Department of Environmental Protection.

Mr. Lewis made the motion to require City Staff to order the sealing of the well at the earliest possible time once a decision is made by the Court. As there was not a second, the motion failed.

#### **ADJOURNMENT**

There being no further business to come before Council, Mayor Phillips declared the meeting adjourned and announced that Council would then meet in Executive Session regarding matters of litigation and matters pertaining to the Wastewater Treatment Facilities Project.