

FREDERICKSBURG SEWER & WATER AUTHORITY
MEETING MINUTES
February 2, 2009

The February 2, 2009 meeting was called to order by Chairman, Jim Heisey. Roll call was taken by Lorrie Wright. Those in attendance were Jim Heisey, Rick Rudy, Bob Webber, Leonard Snavely, Dale Bevans and Kevin Organtini. Also in attendance were Tony Fitzgibbons, Scott Lutz, Paul Lutzkanin, Jeff Steckbeck and Lorrie Wright.

COMMENTS/COMPLAINTS

Terry Knapp appeared before the Board to request an adjustment be applied towards his last quarterly water and sewer bill. Mr. Knapp stated that his water and sewer bill was about five times higher than the historical average. He also stated that there was no leak and that he could not understand why the bill, which is sent by Oak Ridge Estates (Palmyra Homes) was so high. After a discussion, the board voted to grant a credit to Oak Ridge for about \$400, provided that the entire credit be applied to Mr. Knapp's account.

Paul Mamzic, from Allied Controls Services, voluntarily appeared before the Board to address any concerns and/or questions regarding the problems or issues in the past with the SCADA system.

MEETING MINUTES

The January 19, 2009 meeting minutes were approved without objection.

TREASURER'S REPORT

Bills Payables – Bob Webber made a motion to approve the F'burg Sewer Payables in the amount of \$28,334.87, the F'burg Water Payables in the amount of \$48,209.06 and the Monroe Valley Sewer Payables in the amount of \$6,827.10. Kevin Organtini seconded the motion. All voted in favor and the motion carried.

Financial Statement – Lorrie Wright indicated that the Monroe Valley Account refunded the Water Account in the amount of \$25,000.00. Dale Bevans made a motion to approve the financial statement as submitted. Bob Webber seconded the motion. All voted in favor and the motion carried.

ENGINEER'S REPORT

ACT 63 H2O Grant Application - A handout of the 2008 water records was presented to the Board for discussion. Well water consumption for 2008 shows 262,376 gallons per day. A 12 month report of purchased Lebanon water shows an average usage of 302,384 gallons per day. This is a grand total of 564,760 gallons per day. A November 2008 Farmers Pride report shows an average usage of 313,000 gallons per day. A letter from Farmers Pride dated March 2008 indicates they will need an additional 235,000 gallons per day (over 1100 EDU's) by the Spring of 2011. This would increase their average daily usage to 548,000 gallons per day which would almost be 100% of FSWA's current supply. An

historical and projected report of the annual well supply and usage indicates by the year 2012 the FSWA will need another water source. This information will be submitted to DEP and the grant agency to justify our need. The grant rider will accentuate Farmers Pride's water increases plus their infrastructure investment plus their employment growth as a basis for the Authority to get the grant.

The engineer discussed the total project costs for the following projects:

1) 1.0 Million Gallon Tank & Piping	\$ 1,674,540
2) Well Number 8 & Piping to Water Plant	\$ 2,467,067
3) S. Fredericksburg Water Extension Project	<u>\$ 3,223,351</u>
Grand Total	\$ 7,364,958

The grant application will be eligible for two-thirds (\$ 4,909,967)

The Chairman and Engineer plan to meet with the First National Bank of Fredericksburg to discuss financing the balance in the amount of \$ 2,454,991

McCullough Consulting fees \$ 751,494
Total Costs to Finance **\$ 3,206,486**

Mr. Steckbeck presented sheets of the actual breakdown of each project showing the general descriptions and categories. Maps were presented to the Board identifying a new well source near the Swatara Creek. Eric Slavin from Earth Resources, identifies this location has the potential for some sandstone embedments that will allow water from the Swatara to filter through and get to our well. Mr. Steckbeck informed the Board that if the Authority would not obtain a grant or obtain a grant as high as anticipated, this project could be set aside or another location considered to help reduce costs. A Pre-Drilling Plan, prepared by Eric Slavin, was presented to the Authority for their files. This report is a data base verification from state, federal and local agencies for contamination in the area. It also identifies the well location, shows aerial photography for the state, includes a description of the geology and identifies other wells in the area. The H2O program and the grants that might be available give the Authority the opportunity to possibly construct \$7.3 million dollars of water improvements by only borrowing a little over \$3 million dollars. For grant application purposes, Mr. Steckbeck asked the Board's approval to file Mr. Slavin's Pre-Drilling Plan with DEP, for the Chairman to sign the DEP permit application for Well #8, and to sign the DEP application for the S. Fredericksburg Water Line extension. Kevin Organtini made a motion authorizing the engineer to file the well permit application, to authorize signature of well #8 and S. Fredericksburg applications. Bob Webber seconded the motion. All voted in favor and the motion carried.

Mr. Steckbeck noted that the request from Farmers Pride for 235, 000 gallons of water equates to over 1100 EDU's. The current tapping fee rate of \$2,000 would equal \$2.35 million. Board members raised concerns of relying on one large customer and the possibility of their financial trouble resulting in revenue

problems for the Authority. Mr. Steckbeck suggested that Farmers Pride should post a Letter of Credit in case they run into financial difficulty.

Fredericksburg Plant Expansion / South Fredericksburg – The Act 537 Update Plan has been finalized and was formally presented to the Bethel Township Planning Commission at their January 27th meeting. It's on the agenda to present to the Bethel Township Supervisors at their February 12th meeting. The Plan will be advertised in the Lebanon Daily News at the end of the week for a 30 day public comment period, with a second presentation to the Bethel Supervisors at their March meeting to inform them of the comments and our responses.

Fredericksburg WWTP Operations Support – Engineering is supporting the operations staff as requested and continue to monitor the laboratory test results. In response to DEP's Notice of Violation, flow paced influent sampling and testing is required. There are two options to implement: 1) install wiring in trenches cut across the yard area for hard wired connection to the flow meter; or 2) modify the SCADA set up to provide a remote read to send flow pace data wirelessly. Cost estimates will be presented to the Board at the next meeting. Mr. Heisey stated that he felt installing conduit at a plant that will be abandoned in the near future was not cost effective.

Mr. Heisey commented that the December DMR indicates that the ammonia continues to rise and other nutrients remain relatively well. Mr. Lutzkanin could not provide an explanation but would look into the matter.

Monroe Valley WWTP Operations Support – Operations did not request assistance since the last meeting. Engineering reports the plant has been running well.

FSWA Water System Operations Support – Engineering is implementing a variety of potential solutions to improve water pressure in Richard Hills. The water operators are running a 75 gpm sysecon pump full time. As soon as there is a period of warm weather, some lines will be flushed and re-valving of the water piping system (on a temporary basis) will be done to allow the Lebanon valve to be open nearly full time. The east end of the system would be supplied almost entirely from our wells. This is an alternative to the booster pumping station discussed at the Authority's January 5th meeting.

Dale Bevans will contact Elvin Shilling for a copy of the Richard Hills As-Builts for the water and sewer system or request that he attend a future meeting.

Mr. Heisey recommended that some type of emergency procedure be established in order to unify the system for fire availability.

Administration Support – The office staff requested assistance reviewing several issues including new software formulas for calculating sewer surcharge invoices for the chicken processors.

SOLICITOR'S REPORT

Wilmer Weaver Development - Tony Fitzgibbons reported that he prepared and submitted the deed of dedication to Mr. Weaver's attorney. Mr. Fitzgibbons discussed the option of requiring a maintenance bond.

Resolution 2009-1 / Request an H2O Grant – In order to apply for the H2O grant the Authority is required to approve a resolution formally requesting money from the program. This resolution authorizes the Authority to request an H2O grant under Act 63 of 2008 from the Commonwealth Financing Authority to be used for the construction of the new water tank, the new well, and supply and distribution lines. The Authority is requesting a grant from the CFA under the H2O PA Act in the amount of \$4,909,967.00. Bob Webber made a motion to approve Resolution 2009-1 authorizing the Authority to apply for the grant in the amount of \$4,909,967.00 and designate the chairman and secretary to execute the necessary documents. Dale Bevans seconded the motion. All voted in favor and the motion carried.

Resolution 2009-2 / Right-To-Know Policy for Public Records – As a follow up to the Authority's re-organizational meeting appointing a Right-to-Know officer, the solicitor submitted a resolution stating that all local agencies shall provide public records in accordance with the Right to Know Law. Any request will be submitted to the Right to Know officer for processing. The Board indicated that the resolution should record the Chairman as the Right to Know Officer instead of a specific name. Dale Bevans made a motion to adopt Resolution 2009-2 as amended. Rick Rudy seconded the motion. All voted in favor and the motion carried.

Crissey Foreclosure – Mr. Fitzgibbons informed the Board that the Crissey foreclosure is scheduled for Tuesday, February 10, 2009. The solicitor requested that the Board authorize a representative to appear at the foreclosure to bid up to the amount of our lien. Rick Rudy made a motion to authorize the solicitor to appear at the Crissey foreclosure on Tuesday, February 10, 2009. Leonard Snavelly seconded the motion. All voted in favor and the motion carried.

OFFICE MANAGER'S REPORT

PMAA Board Member Training – The Board was informed of a PMAA Board Member Training seminar scheduled for March 12, 2009 in Bethlehem, Pa. Anyone interested in attending should contact the office. Deadline for registration is February 20, 2009.

Monroe Valley – Monroe Valley rate increase letters were mailed to all customers during the last week of January. Copies will be sent to Bethel and Swatara Townships.

EDU Calculations – Questionnaires were mailed to all monthly commercial and industrial customers requesting information necessary to update their EDU calculations. All were returned with the exception of Farmers Pride. Mr. Heisey will contact Farmers Pride and request the necessary information. The Board also discussed contacting the Bethel Twp. tax collector for information from commercial and industrial employers.

CD Interest Rates for Monroe Valley – The Board instructed the Secretary to open a 3 month CD in the amount of \$35,000 and a 6 month CD in the amount of \$100,000 with Graystone Bank.

Miscellaneous - Lorrie Wright informed the Board that there have been problems with the electrical service. There have been numerous incidences when certain areas of the office loses power. The Board instructed Ms. Wright to contact an

electrician to look into the matter. Bob Webber made a motion to authorize the secretary to contact an electrician for a recommendation. Kevin Organtini seconded the motion. All voted in favor and the motion carried.

OPERATOR'S REPORT

FSWA Water System – Scott Lutz reported that Stoner Electric completed the job at the water plant and re-adjusted the panel.

FSWA Sewer System – The staff is no longer using plant water for chlorination but switched to town water and so far there have not been any issues.

Normal daily and weekly routine tasks are being performed including filling the polymer, washing tanks, cleaning screens, pumping tanks and hauling effluent to Redner's manhole for flushing.

MV Sewer System – Aqua Aerobics will be out to install the actuator as soon as it arrives.

The plant is running well.

UV bulbs were cleaned.

The Control Building was cleaned.

Miscellaneous – All of the trucks and the skid loader are now parked in the garage.

Since all of the Extra Waste Surcharges are calculated and billed from the office, Scott informed the Board that he instructed the poultry plants to submit all of their lab reports directly to the secretary. Lorrie informed the Board that Paul Lutzkanin created a spreadsheet to help calculate those surcharges. In the future, those lab results will be calculated on a monthly basis and billed quarterly.

Grease Traps – Scott Lutz asked if the new sewer rules and regulations reviewed the grease trap inspection schedule. The solicitor and engineer stated that all that information should be included with the final version.

OLD BUSINESS

Allied Controls Maintenance Agreement – Allied Controls presented an Annual SCADA System Maintenance Agreement in the amount of \$6,171.75 per year. Bob Webber made a motion to approve the 2009 SCADA System Maintenance Agreement. Leonard Snavelly seconded the motion. All voted in favor and the motion carried.

Hillwood – Mr. Heisey informed the Board that Hillwood is not aggressively pursuing construction of their warehouse at this time due to the economic situation. There is a signed agreement between the Authority and Hillwood with respect to the improvements. Mr. Heisey will be in contact with Gary Frederick, who is the Hillwood representative.

NEW BUSINESS

Dale Bevans stated that he will be sending an email to the township supervisors asking that they address any issues with the Authority.

Rick Rudy asked if the Authority water rates are enough to cover the rate paid to the City of Lebanon. As of this date the Authority has not received notification

from the City of Lebanon indicating our rate will increase. Mr. Heisey will contact Jon Beers and get more information concerning this matter.

COMMITTEE REPORTS

There were no committee reports. Mr. Heisey will provide a revised committee list at the next meeting.

COMMENTS/COMPLAINTS

ADJOURNMENT

A motion to adjourn the meeting was made by Rick Rudy and seconded by Kevin Organtini. All voted in favor and the motion carried.

Respectfully submitted,

**Lorrie Wright
Secretary/ Treasurer**