

FREDERICKSBURG SEWER & WATER AUTHORITY
MEETING MINUTES
June 15, 2009

The June 15, 2009 meeting was called to order by Chairman, Jim Heisey. Roll call was taken by Secretary, Lorrie Wright. Those in attendance were Jim Heisey, Rick Rudy, Leonard Snavely, and Kevin Organtini. Bob Webber and Dale Bevans were absent. Also in attendance were Solicitor Tony Fitzgibbons, Operator Scott Lutz, Engineer Paul Lutzkanin, and Secretary Lorrie Wright.

COMMENTS/COMPLAINTS

MEETING MINUTES

The June 1st, 2009 meeting minutes were approved without objection.

TREASURER'S REPORT

Bills Payables – Kevin Organtini made a motion to approve the F'burg Sewer Payables in the amount of \$23,432.86, the F'burg Water Payables in the amount of \$52,663.34, and the Monroe Valley Sewer Payables in the amount of \$6,236.52. Rick Rudy seconded the motion. All voted in favor and the motion carried.

Financial Statement – Leonard Snavely made a motion to approve the financial statement as submitted. Kevin Organtini seconded the motion. All voted in favor and the motion carried.

OFFICE MANAGER'S REPORT

2008 Audited Financial Statement Approval – A draft copy of the 2008 Financial Statement was presented to the Board for approval. Rick Rudy made a motion to approve the 2008 Financial Statement. Leonard Snavely seconded the motion. All voted in favor and the motion carried.

Graystone WTR CD – The Graystone Water CD in the original issue amount of \$40,000 will mature on June 19, 2009. The Secretary informed the Board that Graystone is currently offering an interest rate of 2.1% for their Prime Money Market account. Kevin Organtini made a motion to transfer the CD monies into a Prime Money Market account at an interest rate of 2.1%. Rick Rudy seconded the motion. All voted in favor and the motion carried.

Bank Proposals – It was reported at the June 1st meeting that Graystone Bank submitted a proposal explaining the services and options they had to offer. The secretary submitted a proposal from Fulton Bank along with a letter from FNB of Fredericksburg addressing the relationship with the Authority during the past years. The Board instructed the secretary to request a proposal from Jonestown Bank. Mr. Heisey indicated that the Budget Committee will review and discuss all of the submitted proposals at a future budget meeting. Any recommendations will be brought to the Board for future consideration.

FNB Water Line Loan – The Water Line loan has a fixed interest rate of 2.49% which expires in June 2009. FNB is offering another 5 year fixed interest rate of

2.49%. The Board instructed the solicitor to work with the secretary to prepare the necessary documents for FNB.

FNB Storage Tank Loan – The Authority is currently paying an interest rate of 3.83% for the Storage Tank loan. The secretary contacted FNB to see if they would consider lowering the interest rate for this loan. If FNB offers a lower interest rate than 3.83%, the secretary requested that the Board allow the solicitor to prepare the necessary documents for FNB. The Board authorized the request.

Crissey Foreclosure Property – Payment was received from GMAC Mortgage for the Ronald Crissey property on Aster Lane in Camp Strause. Monies received were applied towards the tapping fee and delinquent sewer usage bills. GMAC was informed that whenever the property is sold, the new owners will be responsible to connect to the sanitary sewer system.

F'burg Service area – There were 18 termination notices posted for overdue April 2009 quarterly bills. Shutoffs are scheduled for Monday, June 29th.

OPERATOR'S REPORT

Monroe Valley Sewer System – Scott Lutz reported that the UV pit cleaned. Grass was mowed.

Paul Lutzkanin took pictures of the garage due to the shifting situation. Mr. Lutzkanin reported that the crack continues to widen and at some point the Board should take a look at it. The Board instructed the engineer to get some estimates on what it would cost to make the necessary repairs.

F'burg Water System – All of the out-of-town hydrants have been painted.

A new Chemical Feed pump was ordered for Well #5. Repairs for the old pump would exceed a new replacement.

A new hypo tank was installed at the water plant. This was done by the supplier at no cost to the Authority.

Grass was mowed.

F'burg Sewer System – Sludge was hauled.

Tank was washed.

Grass was mowed.

Kline's had to be called to haul sludge because the Manheim plant had to be temporarily shut down.

There is no confirmation date as to when the aerator shaft will arrive from Germany. Invoice was paid on Thursday, June 11th. Fuchs will deliver as soon as the check is received. However, the D.O. is getting low so the operator requested that the Board allow him to lease or rent an aerator until the new aerator arrives from Germany. Rick Rudy made a motion authorizing the staff to rent an aerator from Philadelphia Mixing Solutions in Palmyra for approximately \$1,500.00 per month. Kevin Organtini seconded the motion. All voted in favor and the motion carried.

The Board was informed that Ortho-Polyphosphate has been added to Well #5. At one time it was being added to Well #6 but DEP claimed that we did not have a permit to use it. The operator stated that he cannot locate a permit and requested that the necessary paperwork be sent to DEP to obtain a permit. The Board instructed the operator to get a permit.

Grease Trap Inspections- The operator would like to start doing grease trap inspections but wanted to know what, if any, guidelines there were to follow. Mr. Heisey stated that under our existing Rules & Regulations, FSWA has the authority to enter establishments and perform the inspections.

SOLICITOR'S REPORT

Harold Kreider Manhole Issue – A revised draft copy of the letter to be sent to Mr. Kreider was presented to the Board for their approval. Rick Rudy made a motion to mail the letter to Mr. Kreider addressing the buried manhole issue. Kevin Organtini seconded the motion. All voted in favor and the motion carried.

Resolution 2009-4/Board Participation Via Electronic Means – A revised copy of Resolution 2009-4 along with the amended By-Laws were presented to the Board for approval. Kevin Organtini made a motion to approve the amended By-Laws and Resolution 2009-4. Rick Rudy seconded the motion. All voted in favor and the motion carried.

PACT Construction – Henrik Maxian and Carlos Costa from PACT Construction appeared before the Board to discuss unresolved issues regarding the Monroe Valley Sewer Project. Mr. Maxian informed the Board that PACT was compensated outside of the contract terms for many of their billings and is entitled to interest on payments made outside of the timeframe specified in the contract documents. Mr. Maxian also discussed compensation for incorrect grade elevations, extra trench depth and extra rock excavation. After a lengthy discussion between the Authority solicitor, engineer, and PACT, the Board decided to discuss the matter in an executive session. The Board informed PACT that the FSWA solicitor would be in contact with them regarding any action pertaining to this matter.

ENGINEER'S REPORT

Fredericksburg Plant Expansion/South Fredericksburg – Design work continues on the plant design. There are a few more items to resolve and have drawn on the project plans before a meeting is scheduled with the operations committee.

A detailed review of the collection sewers has been performed and several design changes are being made based on PennDOT field discussions of their pending permit applications. These changes will have some positive impacts by reducing the cost of the system and accommodate the current residents better. The design changes have been incorporated on the project plans as re-submitted to DEP for the 1MG Water Tower and South Fredericksburg Water Distribution System permit review process. A copy of the plans is available for review at the FSWA office.

Fredericksburg WWTP Operations Support – Engineering continues to review the laboratory test results on the F'burg WWTP to watch for abnormalities. The plant still appears to be seeing higher than expected BOD loadings of the plant influent. However, the plant is operating well and is handling the additional organic loading without exceeding permitted effluent limits.

Monroe Valley WWTP Operations Support – Engineering continues to review the laboratory test results on the Monroe Valley WWTP to watch for abnormalities and monitor the influent BOD and TSS. Engineering looked into the possibility of an abattoir in the area and found no indication of one.

FSWA Water System Operations Support – Engineering continues to review the laboratory test results on the water system to watch for abnormalities. It has been determined that FSWA owns the water lines on Beech Avenue and Spruce Avenue. They were installed by Marks Contracting in 1997 as part of the water project for Richard Hills. Beech Avenue is a township road but Spruce Avenue has not yet been accepted by the township. Therefore, the Authority owns lines on a street that has not been accepted by Bethel Township; a policy not previously observed by the Authority. Only the Treeline Avenue lines are owned by Elvin Shilling.

Because we believe Treeline Avenue circle has some air lock due to the air release valve, Mr. Shilling has contacted the manufacturer of the air release and is getting information on how to service it. Copies will be made available to the operations staff and engineer. Mr. Shilling will service the air release himself, under the watchful eye of Paul Lutzkanin.

The hydrant pressure monitor has been installed on a hydrant south of the Treeline Avenue circle for the last two weeks to monitor the local pressure profile. It was placed outside the loop to avoid any anomalies which might occur as a result of the loop possibly being air locked. A report of the findings was presented to the Board. A copy of that report is included with the minutes. Mr. Heisey requested that the engineer include the hydrant elevations in their future reports. During conversations concerning the air release valve, Mr. Shilling has reported that water pressure is bad on Spruce Avenue as well as on Treeline Avenue. He stated that his daughter lives on Spruce Avenue and that she can't shower or wash if the chicken plants are using water. The hydrant monitor has been relocated to a hydrant on Spruce Street to monitor the pressure profile in that area. Results of the analysis will be available at the next meeting.

Well #8 – Water System Improvements – The PennVest application was finalized and electronically filed on May 8th. SESI has not received any comments from PennVest or DEP (on the funding side) but will respond to any received between now and the July 21st PennVest Board meeting.

DEP sent a comment letter regarding the Water System Permit Application for the 2009 Water System Improvement Projects, specifically for the 1MG Water Tower and the South Fredericksburg Water Distribution System. SESI has responded to those comments and questions. A copy of the response has been provided for the files and review.

NEW BUSINESS

Water Quality – Mr. Bevans requested this item be discussed due to a neighbor showing him a bottle of dirty water as a result of manganese. Mr. Heisey stated that there is not much the Authority can do (short of building a filtration plant) to improve water quality. Aqua Mag in Well #6 will help precipitate out the manganese. It will precipitate out at the reservoir. The Board discussed the

possibility of draining and cleaning out the reservoir. After discussion, the operator and engineer were instructed to work out some times to take the reservoir out of service in order so that it could be cleaned. A proposal should be submitted to the Board at a future meeting. Mr. Bevans would like some kind of explanation of why manganese exists in the water and how it affects the water. The Board decided to attach a letter addressing this issue to the 2008 Annual Drinking Water Quality Report.

COMMITTEE REPORTS

Budget Committee – Mr. Heisey stated that the budget committee will meet to discuss the bank proposals submitted to the Board. A meeting will be scheduled in July after all of the 2nd quarter reports are completed.

COMMENTS/COMPLAINTS

Full Circle Mtn Subdivision – Steckbeck Engineering requested that the Board recognize and accept Gannett-Fleming's review as a third party review of the sanitary sewer collection system. Mr. Heisey stated that he thought Gannett-Fleming did a very thorough job in reviewing the entire subdivision. Kevin Organtini made a motion to accept the third party review by Gannett-Fleming of the Full Circle Mtn Plans. Leonard Snively seconded the motion. All voted in favor and the motion carried. Steckbeck Engineering would like a letter acknowledging the motion.

Mr. Rudy questioned who would perform the final inspections. The Solicitor recommended that this matter could be addressed and specified at the time a Developer's Agreement is prepared.

RECESS

The Board recessed before re-assembling in an Executive Session to discuss the issue involving PACT Construction.

EXECUTIVE SESSION

The meeting was called back to order by Chairman, Jim Heisey. Mr. Rudy made a motion to authorize the solicitor to draft a letter to PACT requesting the amount of interest owed on the construction project in Monroe Valley and to provide details and an itemized list. Leonard Snively seconded the motion. All voted in favor and the motion carried.

ADJOURNMENT

A motion to adjourn the meeting was made by Kevin Organtini and seconded by Leonard Snively. All voted in favor and the meeting was adjourned.

Respectfully submitted,

Lorrie Wright, Secretary/Treasurer

