

FREDERICKSBURG SEWER & WATER AUTHORITY
MEETING MINUTES
February 21, 2011

The February 21, 2011 meeting was called to order by Chairman Jim Heisey at 6:30 PM.

ROLL CALL was taken by Secretary Lorrie Wright. Those in attendance were Jim Heisey, Rick Rudy, Bob Webber, Dale Bevans, Kevin Organtini and Tom Demler. Also in attendance were Tony Fitzgibbons, Scott Lutz, Paul Lutzkanin, Jeff Steckbeck and Lorrie Wright.

COMMENTS/COMPLAINTS

There were no comments or complaints.

MEETING MINUTES

The February 7, 2011 meeting minutes were approved as submitted.

TREASURER'S REPORT

Bills Payables – Kevin Organtini made a motion to approve the Fredericksburg Sewer Payables in the amount of \$10,476.29, the Fredericksburg Water Payables in the amount of \$25,072.45, and the Monroe Valley Sewer Payables in the amount of \$256.15. Dale Bevans seconded the motion. All voted in favor and the motion carried.

Financial Statement – Bob Webber made a motion to approve the financial statement as submitted. Tom Demler seconded the motion. All voted in favor and the motion carried.

ENGINEER'S REPORT

General Administrative – The Administrative Staff was assisted with technical issues regarding the minutes of the previous meeting.

The Administrative Staff assisted engineering in preparing the 2010 Chapter 94 reports by providing information on all sewer permits issued in 2010.

Fredericksburg Plant Expansion / South Fredericksburg - Mr. Steckbeck reported that Farmers Pride via email has confirmed sewage capacity in the amount of 120,000 gallons a day / 5 days per week. A Sewer Capacity Purchase Agreement when prepared by the solicitor will indicate that confirmed amount of flow. Farmers Pride will also have an obligation to pay the debt service at a ratio of 28% every month regardless of whether or not they use the sewage flow. This will guarantee income for the life of the loan. They will also be charged operations and treatment costs. This will be their actual demands they place on our plant for pounds and nutrients. Calculations will be provided to show what it will cost the FSWA annually to remove 4 different major pollutants. Farmers Pride would be charged based on how much of those pollutants they send to us. Mr. Heisey would like emphasis on the costs for the removal of Phosphorus.

Once the Farmers Pride agreement is executed, the Act 537 language will be amended to reflect the new flow. This will then lead to DEP's final review and comments, and will also lead to finalization of the Consent Order.

Fredericksburg / Monroe Valley WWTP Operations Support – Engineering continues to review the laboratory test results to watch for abnormalities and assist operations staff as requested. There have been no issues requiring engineering support since the last meeting.

A draft copy of the Chapter 94 Municipal Wasteload Management Report was presented to the Board for review.

FSWA Water System Operations Support – Engineering continues to review the laboratory test results to watch for abnormalities and assist operations staff as requested.

There have been no issues requiring engineering since the last meeting.

Water System Improvements / New 1MG Tank; Water Source – Mr. Steckbeck distributed the amended 1MG Water Tank Project Schedule, the schedule of values and the draw schedule from Caldwell Tanks to show anticipated progress. The project schedule shows that the construction start was pushed off from February 21st to March 8th due to the delay in receiving the deed for the land. Site clearing and mobilization will begin on March 8th.

Work continues with Met Ed to relocate some power lines.

The solicitor has prepared a Sales Agreement which contains language satisfactory to Farmers Pride relating to the tank signs and logos. Mr. Good has reviewed the draft agreement and indicated that if a signed copy is delivered to his office, he will give us the signed deed for the land.

Farmers Pride has provided information indicating their intention to purchase an additional 120,000 gpd for their new cooker facility. This will result in an increase of Farmers Pride water consumption from 310,000 gpd to 430,000 gpd which equates in an increase from them being 51% of our water sales to approximately 60% of our water sales. Farmers Pride also anticipates an increase in consumption at their main plant in the near future after some additional expansion occurs.

Previously a zoning hearing was held for the tank setback. Zoning Hearing Atty Brightbill sent the Authority their decision on December 10, 2010 which was written incorrectly and did not give the Authority the approval needed. Mr. Steckbeck spoke with Atty Brightbill and explained that the decision did not reflect what was voted on so she issued an amendment dated January 27, 2011 signed by Chairman Gary Lentz which cured the defect in the original decision.

New Sprinkler System Requirements – Engineers Steckbeck and Lutzkanin attended a webinar on designing residential sprinkler systems. There was discussion on recommended configurations and connection schemes. The matter was tabled until the next meeting in order for the Board to review the information.

SOLICITOR'S REPORT

Monroe Valley Delinquent Accounts – The solicitor reported that the delinquent accounts have been liened. Gristick and Alexander sheriff sales are set for June 14th. C. Fawber is being added to the sheriff sale list.

Atty. Fitzgibbons assisted the chairman in drafting a letter to Mr. Kreiser regarding an allegation that the house plumbing has not been connected to the sanitary sewer system. As a result of a dye test performed by the operations staff, it was concluded that no liquids had passed through the line. The letter also addresses a delinquent balance for sewer usage.

Farmers Pride Sales Agreement – An Agreement of Sale between Farmers Pride and FSWA was presented to the Board for approval. Operative provisions state that FSWA will build a water tank on the premises and Farmers Pride will be allowed to purchase water stored in that tank. The agreement also gives Farmers Pride the ability to paint logos on the tank. Depending on the size and type of logo selected by Farmers Pride, Zoning Hearing Board approval may be necessary. If Farmers Pride fails to submit final logo design to the Authority by May 31, 2011 then the right to place a logo on the tank shall be waived. The Authority shall not oppose the granting of Zoning Board approval and shall join in any action if necessary to gain Zoning Board approval. Nothing shall prohibit or impede the Authority from placing logos or signs in “Zone B” of the tank. Farmers Pride may only place logos advertising its business on the tank and they may not assign its rights. The right to place logos on the tank terminates upon the first to occur of: (a) fifteen years from the date of this agreement or (b) upon the date which the entire tank exterior is repainted by the Authority, estimated to be 10 – 15 years. Thereafter, negotiations to extend the period of time they may continue to place logos on the tank and shall include payment of a reasonable rental rate to the Authority by Farmers Pride. Farmers Pride is permitted to change or repaint their logos subject to condition that Farmers Pride indemnify and hold harmless the Authority from and against any and all loss or damage caused by Farmers Pride or those engaged by Farmers Pride to perform the work. Farmers Pride shall provide the Authority with proof of insurance coverage. Farmers Pride's rights and obligations regarding the placing of its logos on the tank shall survive Closing and delivery of the Deed to the Authority. Closing of the transaction contemplated by this agreement will be held on or before Friday, February 25, 2011. Tom Demler made a motion to approve the Agreement of Sale of Real Estate dated February 21, 2011. Dale Bevans seconded the motion. All voted in favor and the motion carried.

Resolution 2011-2 – Proposed Resolution 2011-2 authorizes the eminent domain proceedings if Farmers Pride fails to agree to the conditions of the Agreement of Sale document. The Board tabled the matter pending the anticipated deed and Agreement of Sale from Farmers Pride. A special meeting will be scheduled, if necessary, to approve proposed Resolution 2011-2.

OFFICE MANAGER'S REPORT

Fredericksburg quarterly late notices (143) were mailed on 2/14/11. Total outstanding to date is \$28,606.00.

Fredericksburg monthly accounts are due on 2/24/11. Total outstanding is \$52,687.00.

BC employee count totals 544.

Total outstanding Monroe Valley balance to date is \$27,647.00.

Monroe Valley Liens were filed against:

Ralph Kus, 207 Monroe Valley Drive - \$1,124.50

Ryan Margut, 25 Lark Lane - \$1,488.80

Mason Blouch, Jr., 38 Fairway Drive - \$1,388.80

Richard Koller, 126 Laurel Drive - \$895.80

Charles Deibler, 131 Laurel Drive - \$1,688.80

Randall Shaver, 120 Lakeside Drive - \$1,226.80

John Greish, 114 Second Street - \$1,457.80

Ronald Stroup, 111 Third Street - \$1,226.80 (paid in full 2/11/11)

Monroe Valley Sheriff Sales:

Michael Gristick, 112 Second Street

Travis Alexander, 132 Laurel Drive

Christopher Fawber, 548 Camp Strause Road

A sewer connection letter was mailed to Randy Kreiser on 2/17/11.

Full Circle Mountain was billed \$21,784.56 for their quarterly debt service.

Invoice is due 3/17/11.

The office staff is assisting operations by collecting information for the Annual Water Report.

The office staff is assisting operations by collecting a list of property owners within ½ mile radius of the FSWA wells.

The office staff assisted engineering with information for the Chapter 94 reports.

The office staff provided engineering with the poultry plant water consumption.

McCullough Group submitted an invoice for services in connection with the Pa H2O Grant Program. They are to receive 18% of each H2O installment. The Board signed an agreement with McCullough but would like to approve payment of the invoices as they are received so that they are aware of the amount due. Bob Webber made a motion to approve payment to McCullough Group in the amount of \$11,425.48. Kevin Organtini seconded the motion. All voted in favor and the motion carried.

The Board declined participating in the purchase of a sign for the Park & Recreation Board's Baseball Field. Dale Bevans will deliver the decision to the township.

OPERATOR'S REPORT

Monroe Valley – The staff replaced the LDO sensor cap and I button on the D.O. probe membrane.

New UV bulbs were ordered and received.

Holding tank was decanted.

Screens were changed and cleaned.

Daily Ph and Do testing was performed.

The pump station grinder was pulled out for repair. Sealed bearing and grease fitting is damaged. Replacement parts cost \$3,900.00. Still waiting for the cost

for a replacement unit. Mr. Rudy suggested that Muffin Monster information be provided to the Board before making a decision.

Fredericksburg Water System – SLI drums were mixed for Well #5

Water waiver surveys were prepared and will be sent out as soon as the office staff provides addresses.

Chapter 110 Water Supply Report is being prepared.

The staff did some pipe cleaning at the water tower.

Fredericksburg Sewer System – Sludge was hauled.

Wasted sludge as needed.

Repairs were made to the sludge truck.

Sampling at Redner's and Esther's was cancelled but will be rescheduled sometime this week.

Compliance – No issues to report.

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

Toshiba Copy Machine – Rick Rudy reported that the Fredericksburg Fire Company elected not to take the office copy machine. Mr. Rudy offered to make a small donation to the Authority in return for the copy machine. The Board agreed.

COMMITTEE REPORTS

There were no Committee Reports.

COMMENTS/COMPLAINTS

There were no Comments / Complaints.

ADJOURNMENT

A motion to adjourn the meeting was made by Tom Demler and seconded by Kevin Organtini. All voted in favor and the meeting adjourned at 8:08 PM.

Respectfully submitted,

**Lorrie Wright,
Secretary/Treasurer**