

**FREDERICKSBURG SEWER & WATER AUTHORITY  
MEETING MINUTES  
April 16, 2012**

The April 16, 2012 meeting was called to order by Chairman Jim Heisey.

**ROLL CALL**

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, Jeff Steckbeck, Kevin Snader and Lorrie Wright.

**COMMENTS/COMPLAINTS**

Dale Maulfair appeared before the Board to state that residents in S. Fredericksburg think that the sewer is being installed due to his development being shown on the map provided at the S. Fredericksburg Special Meeting. He requested that some kind of retraction be provided to the S. Fredericksburg area. Mr. Steckbeck stated that he would be happy to remove the development from the map and the Board stated that the only other means of retraction would have to be by word of mouth.

**MEETING MINUTES**

In reference to an item under the engineer's report, Mr. Bevans asked Mr. Steckbeck if the Authority was being charged for any meetings scheduled with the S. Fredericksburg residents. Mr. Steckbeck responded saying that those meetings will be part of the design fee for the project. In reference to an item under the solicitor's report that referred to a phone conversation with a S. Fredericksburg resident, Mr. Bevans asked if the Authority was allowing to be charged for information given to residents as a result of those residents obtaining our professionals contact information on the FSWA website. Mr. Fitzgibbons stated that the resident called with questions prior to the Special Meeting and confirmed that he will charge for the call. Mr. Bevans asked if the Board wanted to take action to have the office staff determine what questions should be directed to the engineer and solicitor. He also recommended removing any professional contact information from the website. After discussion there was no action taken.

The April 2, 2012 meeting minutes were accepted as submitted.

**TREASURER'S REPORT**

**Bills Payables** – Bob Webber made a motion to approve payment of the Fredericksburg Sewer Payables in the amount of \$10,383.40, the Fredericksburg Water Payables in the amount of \$30,693.68 and the Monroe Valley Sewer Payables in the amount of \$5,714.94. Tom Demler seconded the motion. All voted in favor and the motion carried.

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

### **ENGINEER'S REPORT**

**General Administrative** - Engineering assisted the Admin Staff with technical issues as requested since the last meeting. SESI IT staff updated several items on the FSWA website and upgraded the operating system in the third computer in the FSWA office. There was no cost charged to the Authority for these services except for the cost of the software.

**Fredericksburg Plant Expansion / South Fredericksburg** - Engineering consulted with PennVest several times through the last two weeks to answer questions arising during their review and ranking process. An invitation to attend their Board meeting on is anticipated. The meeting is set for April 25th. Receipt of an invitation to attend signifies that a funding offer is on the agenda for approval at the meeting.

Engineering has been working with Farmers Pride management for lobbying of the governor for his support of the PennVest funding.

Engineering was informed that for a project serving only one municipality (Bethel Township), the maximum funding offer is \$11 million. PennVest required knowledge of how the FSWA was planning to finance the shortfall of approximately \$2.6 million. Darly Peck of Concord Public Finance was asked to prepare a letter that confirms their role as financial advisor for the remaining funds. A copy of that letter was provided to the Board for review.

Design of architectural and structural aspects for the new WWTP continue as bidding documents are being prepared.

Sewer line revisions were presented for Mill Road, John's Way, and Shirksville Road to reflect Operations Committee comments from the end of March.

After discussion it was decided to hold a meeting with the residents that reside on these streets to discuss the potential relocation of the sewer lines and to obtain a unanimous consent of all property owners. A meeting is planned for Monday, April 30, 2012 at 6:30 PM in the Authority office. Atty Fitzgibbons will draft letters to the residents. The meeting will only be attended by a board committee of three members. Dale Bevans made a motion to appoint Jim Heisey, Tom Demler and himself as committee members to attend the meeting on April 30, 2012. Rick Rudy will be the alternate. Tom Demler seconded the motion. All voted in favor and the motion carried.

**Fredericksburg WWTP Operations Support** - Engineering still continues to work with staff and board members to draft a new Security Policy.

**Monroe Valley WWTP Operations Support** - There have been no issues in the Monroe Valley.

**FSWA Water System Operations Support** - Engineering is assisting operations with the investigation of the well cleaning operation for manganese removal. Mr. Steckbeck has spoken with Herb Spencer and got his opinion on the liquid CO<sub>2</sub>

cleaning method. Mr. Steckbeck has attempted to contact Steve Clark at AQUA PA for his opinion on Subsurface Technologies.

**Water System Improvements / New 1MG Tank; Water Source** - Engineering continues to monitor the site to ensure that the contractor is installing everything according to the plans.

Caldwell's painter is getting the job done quickly despite the windy weather. A request was submitted to Met Ed to install a service at the isolation valve pit site. After additional investigation, it was determined that the options to get power to the site are limited and would require multiple poles, ROW's or service agreements with the American Legion Post. All of these options carry risk or high cost. SESI is now pursuing powering the pit using solar panels as seen on many remote signs. Allied Control Services is preparing a quote which is anticipated to be far less expensive than having Met Ed install a pole or two to get to the site. Allied has successfully installed this type of remote SCADA site for other customers.

Mr. Steckbeck will be meeting with Esther's and Redner's this week to discuss the need to temporarily shut off water for installation of new valves on the water main.

Mr. Steckbeck reported that Jon Beers of City of Lebanon Authority indicated the reluctance of the COLA board to renew the FSWA 20 year water service agreement. This agreement will expire in 3 years. Mr. Steckbeck recommended that it might be in the best interest of some board members attending a future meeting of the City of Lebanon Authority to get a better understanding of their concern. Mr. Heisey offered to draft a letter to the City of Lebanon initiating the process of renewing an agreement.

### **SOLICITOR'S REPORT**

**Farmers Pride** - There have been no developments. Mr. Steckbeck will be addressing the letter of credit provisions in the sewer capacity purchase agreement with Farmers Pride as soon as we are advised of the PennVest funding decision.

**PennVest** - Our application is scheduled for consideration at the April 25th, 2012 Penn Vest meeting.

**Bank Financing for Funding Shortfall** - Atty Fitzgibbons has had preliminary discussions with Daryl Peck and Mike Setley regarding the bank financing which will be necessary to cover the difference between the maximum PennVest award of \$11 million and the total project cost. The solicitor has advised Mr. Peck and Mr. Setley that it will be desirable to arrange for a bank loan for the entire difference between the Penn Vest award and total project costs without regard to anticipated tapping fee or other revenue.

**Term Out of Swing Loan with Fulton Bank** - A Commitment Letter dated April 9, 2012 from Fulton Bank regarding the term out of the existing line of credit. There are two interest rate options with different fixed rate periods. A Concord Public Finance analysis contrasting the two options was provided to the Board. Resolution 2012-4 authorizing the term out of the loan was introduced to the

board for consideration. Rick Rudy made a motion to accept the 5 year fixed rate option from Fulton Bank. Dale Bevans seconded the motion. All voted in favor and the motion carried. Rick Rudy made a motion to adopt Resolution 2012-4 which approves the issuance of \$185,000.00 sewer revenue note selecting 3.50% and the terms set forth in the Commitment Letter. Tom Demler seconded the motion. All voted in favor and the motion carried.

**Dean and Anne Zimmerman Water Meter Issue** - Per direction at the April 2, 2012 meeting, the solicitor prepared and sent a letter to Mr. and Mrs. Zimmerman regarding the removal of the redundant water meters at 107-109 West Main St., Fredericksburg, PA.

**By-Laws** - A draft of the proposed revisions and a resolution (Resolution 2012-6) adopting those changes has been circulated via email for review. Mr. Rudy asked that the solicitor add the appointment of the budget/operation committees on an annual basis to the by-laws. Mr. Organtini asked that the language regarding the board hourly salary be changed to "self executing with the annual budget". Atty Fitzgibbons will make those revisions and present to the board for adoption at a future meeting.

**US Real Estate** - The escrow fee in the amount of \$7,500.00 has not been received yet and as a result the solicitor has not commenced efforts on the developer's agreement.

**Wage/Hour Issue** - The solicitor reviewed a wage/hour issue with Mr. Heisey and Mr. Bevans related to the applicability of the federal Fair Labor Standards Act. There was no board action necessary at the meeting.

### **OFFICE MANAGER'S REPORT**

**Fredericksburg Sewer and Water Service Area** - The monthly and quarterly billings were processed and mailed. There were billing software issues again. The readings continue automatically generated as computer estimates. The staff had to manually enter all of the readings. The quarterly cycle did not acknowledge any new meters (approx. 15 meters). Due to the operations staff being short handed, Kathy Gamble offered to go out and obtain those readings using the RF mode.

Dean and Anne Zimmerman correspondence was sent out by the solicitor but we have not received any response yet.

The H2O Water reimbursement #4 was submitted DCED in the amount of \$17,496.00 of which \$11,664.58 is to be reimbursed. \$11,891.42 is still available for reimbursement from the \$1 million grant. Final requests need to be submitted prior to June 30, 2012.

Lorrie Wright requested permission to draw funds from the S. Fredericksburg \$5 million loan. Jim Heisey made a motion to authorize the secretary to draw against the S. Fredericksburg \$5 million loan in the amount of \$150,000.00. Bob Webber seconded the motion. All voted in favor and the motion carried.

**Monroe Valley Sewer Service Area** - 23 Late notices were mailed to customers. Total outstanding is \$23,343.00.

The quarterly debt service payment from Full Circle Mountain was received and deposited however the check did not clear the bank. Fulton Bank will be returning the check and Full Circle Mountain is aware of the situation. Kathleen Shaver, 120 Lakeside, submitted a letter in response to an updated lien filed against her property for an outstanding obligation regarding sewer usage. She is requesting that the lien be lifted due to her having financial difficulties. The Board denied the request.

PennVest correspondence was received in response to FSWA request for an amendment of the Authority's repayment terms. PennVest denied the request. A copy of that correspondence was provided to the Board.

**South Fredericksburg Sewer Project** - Mary Deaven, 2690 S. Pine Grove St., submitted an email with questions involving the connection of one of her structures on her property. The solicitor stated that she will have to abide by instruction given by the Bethel Township SEO.

Copies of the well water test results were provided to Jerry Wolfe, S. Fredericksburg.

H2O Sewer Pay Reimbursement #1 was submitted in the amount of \$195,496.20 of which \$130,337.32 is expected to be reimbursed. Costs for the purchase of land and payment for easements were submitted. DCED has kicked back the easement request until copies of all cancelled checks to the property owners can be submitted.

**Misc** - A Right to Know request was received from Supervisor Martel on Friday, April 13, 2012 for board payroll compensation and a copy of a resolution or by law indicating how the board receives compensation.

The Zinn Insurance renewal packets will be submitted by the end of the week. There was a request to submit a Pa One Call Indemnity Agreement. After discussion Tom Demler made a motion to authorize the submission of the Pa One Call Indemnity Agreement on condition that Kevin Snader maintain the maps. Rick Rudy seconded the motion. All voted in favor and the motion carried.

### **OPERATION MANAGER'S REPORT**

**Fredericksburg Sewer** - Normal operations

**Fredericksburg Water** - Normal operations.

**Monroe Valley Sewer** - Envirep serviced the MV pumping station. This was the first professional service since the flooding in 2011. A few minor items were found. A channel in the Verbatim dialer was disarmed. Power failure to the control panel would not be acknowledged. The drive motor for pump #1 is suspected to have failing bearings. No spare motors are kept on hand for emergency use.

**Compliance** - There are no stipulated penalties for the month of March 2012.

### **OLD BUSINESS**

There was no Old Business.

## **NEW BUSINESS**

**Purchase of Office Building** - Rick Rudy indicated that he would like the Board to seriously look into the option of purchasing the office building. Mr. Rudy made a motion to authorize the solicitor to schedule another appraisal of the office building property. Kevin Organtini seconded the motion. All voted in favor and the motion carried.

## **COMMITTEE REPORTS**

**Hiring / Interview Committee** - Dale Bevans made a motion to hire Charles Mengel, Jr. at \$12.00 per hour with a start date as soon as he can be released from his current employer. In the event he declines, the offer would then be made to Charles Weatherholtz who was the second ranked applicant. Tom Demler seconded the motion. All voted in favor and the motion carried. Mr. Bevans will contact Mr. Mengel.

## **COMMENTS/COMPLAINTS**

There were no Comments/Complaints.

The Board briefly recessed before going into an Executive Session.

## **EXECUTIVE SESSTION**

Tom Demler made a motion to make Kevin Snader the permanent Operations Manager and to increase his salary to \$19.50 per hour effective April 16, 2012. Bob Webber seconded the motion. All voted in favor and the motion carried. Dale Bevans indicated that he wanted the minutes to reflect the unprofessional treatment directed towards him by Kevin Organtini at the April 16th, 2012 meeting. Mr. Bevans stated that he will be seeking counsel about this issue with the Bethel Township Supervisors.

## **ADJOURNMENT**

A motion to adjourn the meeting was made by Rick Rudy and seconded by Tom Demler. All voted in favor and the meeting was adjourned.

**Respectfully submitted,**

**Lorrie Wright,  
Secretary/Treasurer**