

**FREDERICKSBURG SEWER & WATER AUTHORITY
MEETING MINUTES
May 7, 2012**

The May 7th, 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, Tom Demler and Dale Bevans. Bob Webber was not in attendance. A Notice of Resignation was received via email from Kevin Organtini effective Wednesday, May 2, 2012.

Also in attendance were Tony Fitzgibbons, Jeff Steckbeck, Kevin Snader and Lorrie Wright.

COMMENTS/COMPLAINTS

There were a few South Fredericksburg residents in attendance with questions regarding the WWTP and sewer collection lines. Those questions and concerns were addressed by the Board.

MEETING MINUTES

The April 16, 2012 meeting minutes were accepted as submitted.

TREASURER'S REPORT

Bills Payables – Dale Bevans made a motion to approve payment of the Fredericksburg Sewer Payables in the amount of \$70,838.07, the Fredericksburg Water Payables in the amount of \$29,098.83, and the Monroe Valley Sewer Payables in the amount of \$1,299.49. Tom Demler seconded the motion. All voted in favor and the motion carried.

Financial Statement – Tom Demler 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 - The IT staff has updated several items on the FSWA website including the addition of the meeting minutes approved at the last meeting.

Fredericksburg Plant Expansion / South Fredericksburg - Mr. Heisey and Mr. Lutzkanin attended the April 25th PennVest Board meeting. An offer was extended to the Authority for an \$11 million loan at 1.992% for the first five years and then 2.506% for 15 years.

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

Design plans for the WWTP and collection system are being refined and completed in preparation for a bidding phase.

Engineering has been working with Farmers Pride management for lobbying of the governor for his support of the PennVest funding. Scott Sechler concluded his efforts with the governor which turned out to be unfruitful.

Mill Road, John's Way and Shirksville Road sewer line revisions were presented to reflect citizen comments from the March 29 public meeting and from the Operations Committee comments from April 2012.

Preliminary, rough estimates of sewer rates based on the PennVest funding offer of April 25th were presented to the Board.

Fredericksburg WWTP Operations Support - There have been no issues requiring engineering assistance since the last Board meeting. Engineering will resume work on the "Security Policy" now that the PennVest efforts are over.

Monroe Valley WWTP Operations Support - There have been no issues requiring engineering assistance since the last Board meeting.

FSWA Water System Operations Support - Engineering reviewed a price quotation obtained by Kevin Snader for the Subsurface Technologies well cleaning. Mr. Steckbeck spoke with Herb Spencer and got his opinion on the liquid CO2 cleaning method. He also spoke with Steve Clark at AQUA PA about his experiences using Subsurface Technologies. Mr. Steckbeck shared those comments with the Board. The Operations Committee will discuss the options and make a recommendation to the Board at a future meeting.

Water System Improvements / New 1MG Tank; Water Source - Caldwell's painter has completed their work. Martin Excavating is preparing to install the isolation valve pit and pave at the tower.

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 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.

Engineering was pursuing powering the pit using solar panels as seen on many remote signs, etc. Allied Control Services was going to prepare a quote for the solar array and batteries but has determined that it is not feasible because the site has a number of valves which need to be actuated. They felt that the power requirements are too great for a solar system and that we need to proceed with a Met Ed service.

Mr. Steckbeck consulted with Esther's and Redner's to inform them of a temporary water shut-off for installation of new valves on the water main which could occur between 11pm and 6am. Both Esther's and Redner's were ok with the information but would like a notice a day in advance to inform their staff.

Martin Excavating prepared a change order proposal for the installation of the two valves in the amount of \$10,881.00. Tom Demler made a motion to approve the change order proposal for the two valves on Rt 22. Rick Rudy seconded the motion. All voted in favor and the motion carried.

The construction of the new pressure reducing valve pit will begin with the next two weeks.

The City of Lebanon Authority will be holding its annual municipal customer/partner meeting on June 7th at 7:30 am. SESI will be attending. The FSWA Board members are invited to attend.

SOLICITOR'S REPORT

US Real Estate (former Hillwood site) - Atty. Fitzgibbons was advised that the developer's escrow check in the amount of \$7,500 has been received by the Authority office. The solicitor will be commencing efforts on the developer's agreement in the near future and will circulate a draft for review and comment. Supervisor Martel stated that the land development plans were up for final approval at their meeting later this week. Ms. Martel was asked that the plans not be approved until the plans were reviewed and approved by the solicitor and engineer.

Farmers Pride - Farmers Pride will be contacted in the near future to address the letter of credit provision in the sewer capacity purchase agreement now that the Authority has been advised of the PennVest funding decision.

Term Out Swing Loan with Fulton Bank - Settlement on the Fulton Bank swing loan is scheduled for Wednesday, May 9th at 9:00 am in the solicitor's office.

PennVest Offer/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 PennVest award and the total project cost. Mr. Peck was asked to investigate whether there is a viable option to accepting the PennVest offer. Mr. Peck will be in attendance at the swing loan settlement and will advise of his findings and recommendations. Based on preliminary analysis, it does not appear that the Authority has a viable option which will allow rejecting the offer from PennVest.

Resignation of Mr. Organtini - In accordance with the Authority By-Laws, the Secretary is required to promptly notify the township of the resignation of Mr. Organtini from the Authority Board. In accordance with the By-Laws, Mr. Organtini's resignation was effective from the time of its receipt by the Secretary. The Board now consists of five (5) members with a quorum consisting of three (3). At this time there are two members in the Monroe Valley Service Area, two in the Fredericksburg Service Area and one from the S. Fredericksburg Service Area.

Right to Know Resolution (2012-3) - In light of Mr. Organtini's resignation, by default, the Chairman is now the RTK Officer until such time as someone else is appointed by the Board.

Amendment to By-Laws - Proposed Resolution 2012-5 which amends the By-Laws in accordance with the discussion at the last meeting was presented to the Board for review. The only change was to Article I, Section 7.(d) relating to committee composition and compensation. Also attached was a draft of the By-Laws if the proposed Resolution was adopted.

This matter was tabled for adoption at the next meeting.

Potential Office Purchase - Nelson Ebersole was contacted to update the appraisal on the office building. The appraisal should be completed within the next couple of days.

Mill Road Easements - Proposed Resolution 2012-6 was presented which authorizes the acquisition of and payment for the easements along Mill Road. The draft resolution identifies the properties from which the easements are needed and identifies the length of the easement on each property. The proposed resolution also authorizes the solicitor to condemn any easements not received by the Authority by the end of June 2012. The draft resolution will be ready for adoption at the May 21st meeting. A proposed transmittal letter will be drafted and circulated for comment in advance of the meeting such that the easements can go out shortly after the May 21st meeting. John's Way and Shirksville Road easements will be included in the resolution.

OFFICE MANAGER'S REPORT

Fredericksburg Sewer and Water Service Area - Pay Request #6 was submitted to DCED in the amount of \$65,331.00 which only \$11,891.42 will be reimbursed. Receipt of the #6 reimbursement will be the total draw of the \$1 million grant.

Caldwell Tank Pay Application #7 was submitted in the amount of \$153,666.00 and was approved by the engineer. Rick Rudy made a motion to authorize payment to Caldwell Tank in the amount of \$153,666.00. Dale Bevans seconded the motion. All voted in favor and the motion carried.

Monroe Valley Sewer Service Area - A FEMA representative was in the office last week to discuss the next steps involved in processing the MV Public Assistance claim.

Full Circle Mountain payment was returned to the office. The check will be re-deposited tomorrow.

South Fredericksburg Service Area - US Real Estate submitted review fees in the amount of \$7,500.00. Monies were deposited into the Escrow Account.

Miscellaneous - The auditors will be in the office during the week of May 21, 2012 to perform the 2011 audit.

The Right to Know Request has been completed and was provided to Ms Martel prior to tonight's meeting.

Zinn Insurance submitted paperwork regarding the annual renewal of our current policy. A letter attached indicated that there was discussion in not only getting alternative quotes for the Twp/FSWA but also in splitting the insurances for the two entities. An insurance consultant from the Zigmund Company was contacted to review our policy to ensure adequate coverage. A meeting has been scheduled for Wednesday, May 9th at 10:30 am.

OPERATION MANAGER'S REPORT

April DMR were provided to the Board for review.

New Hire - Charlie Mengel started working on Monday, April 30th and is picking up things quite nicely. Fire calls will be handled on an as needed basis in lieu of imposing policy.

John Allwein LOA - John Allwein has indicated that he may be returning to work earlier than expected.

OLD BUSINESS

The Mill Road sewer revision committee met with the public on April 30, 2012.. Those in attendance were stake holders along Mill Road. They were supportive in their desire to see the sewer line revisions as discussed at the meeting. The revisions were cost saving and eliminated grinder pumps. Rick Rudy made a motion to approve the sewer revisions along Mill Road, John's Way and Shirksville Road which involves the main and lateral placement. Tom Demler seconded the motion. All voted in favor and the motion carried.

NEW BUSINESS

FSWA Email - Board member emails will be investigated to make sure all members are receiving their emails properly.

COMMITTEE REPORTS

Budget Committee - The Budget Committee will be meeting on Thursday, May 17th at 10:00 am.

COMMENTS/COMPLAINTS

There were no comments or complaints.

ADJOURNMENT

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

Respectfully submitted,

**Lorrie Wright,
Secretary/Treasurer**