

**FREDERICKSBURG SEWER & WATER AUTHORITY
MEETING MINUTES
October 15, 2012**

The October 15, 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, Dale Bevans, Tom Demler and Ron Thompson. Also in attendance were Tony Fitzgibbons, Jeff Steckbeck, Kevin Snader and Lorrie Wright.

COMMENTS/COMPLAINTS

Clarence Waltermeyer, 473 Greble Road, appeared before the board to find out if he would be required to hook up to the S. Fredericksburg sewer system given that his set back is 165 feet from the road. Mr. Heisey stated that he would not have to connect if his dwelling was beyond 150 feet. Mr. Steckbeck stated that when a lateral extends off a sewer main to the edge of the street to the edge of the right of way it is measured from the end of the lateral not from the sewer line in the street. The Board instructed the engineer to review the drawings and provide the appropriate information to Mr. Waltermeyer.

Joan Derr, 465 Greble Road, appeared before the board to find out when any information was going to be sent out pertaining to the sewer connections. Atty. Fitzgibbons stated that the Notice to Connect letters would only be mailed out once the treatment plant is about ready to be put into service which will be sometime in 2014. The Board confirmed the \$500.00 sewer permit reduction deadline of November 30, 2012. As of December 1, 2012 the permit fees will revert back to \$4,100.00. Mrs. Derr stated that she has never received any information via the mail pertaining to the sewer project. The Board explained that the lines that have been recently painted in the streets are a result of the PA One Call System marking the roads to indicate the location of underground utility lines so that contractors can perform test drillings.

BID OPENINGS

Bids for the installation of the sewer lines in the area south of Fredericksburg were opened in the order in which they were received. Awards will be announced at the November 5th, 2012 meeting.

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|---------------------------------|----------------|
| 1. Mazzuca Enterprises, Inc. | \$5,425,032.00 |
| 2. JOAO & Bradley Construction | \$4,634,226.00 |
| 3. DOLI Construction Corp. | \$4,824,842.00 |
| 4. Pioneer Construction Co. | \$6,646,261.00 |
| 5. James T. O'Hara | \$7,691,532.00 |
| 6. Sippel Development Co., Inc. | \$5,782,477.00 |
| 7. PACT Construction II LLC | \$5,147,218.00 |
| 8. Anrich, Inc. | \$5,457,104.00 |

9. JA Myers Building & Development, Inc. \$6,048,210.00

MEETING MINUTES

The October 1, 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 \$13,455.83, the Fredericksburg Water Payables in the amount of \$35,346.71, the Monroe Valley Sewer Payables in the amount of \$1,023.75 and the S. Fredericksburg Sewer Payables in the amount of \$33,503.15. 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 - Engineering continues to assist the Administrative staff with technical issues as requested. The IT staff added multiple items to the website as requested.

Fredericksburg Plant Expansion / South Fredericksburg - Contract #1 - Sanitary Sewer Collection System - plans were purchased by 14 contractors, 1 equipment vendor and 4 plan houses. 3 Addenda were issued to address contractor questions. Bids were opened this evening for Contract #1. Mr. Steckbeck indicated that the bids came very close to his estimate. Work continues with the solicitor to obtain all outstanding ROW's for the off road sewers. This has resulted in many meetings with property owners to review locations, and also in some revisions to sewer alignments to appease the property owners to avoid the high costs of condemnation. The outcome of those efforts are reported in the Solicitor's report.

The Brendle driveway issue discussed at the October 1st, 2012 board meeting was resolved on October 10th by Board Member Rick Rudy and Engineer Jeff Steckbeck who met with Mr. Brendle to relocate the pipeline route.

Contracts 2, 3, and 4 - WWTP General, Electrical and HVAC Construction were advertised in the Lebanon Daily News on September 20th and September 27th, 2012. Plans have been purchased by 27 contractors, 2 equipment vendors and 5 plan houses, to date. The engineers are currently addressing contractor questions and preparing Addendum 1. A Pre-Bid meeting will be held on Thursday, October 18th @ 10:00 AM in the Authority business office. The bid opening is scheduled for Thursday, November 15th at 2:00 PM.

The recording of the preliminary / final land development plan is awaiting financial security from FSWA's bank, which is being coordinated by the solicitor. The Bethel Township Supervisors are expected to approve the plan at their October meeting.

The meeting with Senator Folmer on October 10th was postponed by the Senator. It will be held on October 19th at 11:00 AM with the purpose to review the electrical power requirement for the new WWTP project. This meeting is in advance planning of our need for power in October or November of next year to be sure that we do not experience the same Met-Ed delays which are described below in the New Water Tank report.

Fredericksburg WWTP Operations Support - In response to a request by the operator, engineering is looking into the availability of used blowers from another SESI client for use at the oxidation ditch but an answer has not been received yet on the availability or price yet.

Monroe Valley WWTP Operations Support - Engineering awaits a decision by the Operations Committee on whether or not to apply a coal-tar epoxy to the basin walls in the SBR's 1 & 2.

Engineering continues to work on the concept for raising the Little Mountain Road Pump Station controls and generator. Envirep / Gorman-Rupp submitted a quote for a new enclosure and replacement control panel. An electrical contractor still needs to provide an estimate for the conduit and wiring changes.

FSWA Water System Operations Support - The operator and engineer met with Farmers Pride two times to discuss water issues - one related to the manganese and another to discuss the inter-relation of FSWA Well #6 with Farmers Prides main well. Some testing and evaluations are occurring. Farmers Pride will be installing a new water level gauge. They have also agreed to install the SCADA equipment to tie into FSWA's SCADA controls. They agreed to expand their SCADA so that their well water level measurements can be monitored by FSWA. As of this date, neither has yet been completed.

Water System Improvements / New 1MG Tank; Water Source - Caldwell installed the TAP-APP bubble style miser system on the new water tower. The installation of a pole mounted transformer and tie in of the electrical service is scheduled for Monday, October 29th, weather permitting. Met Ed has advised us that there will be no cost to the Authority for the installation.

Caldwell has been requested to either install the FSWA logos per prior correspondence from the engineer in August or a credit of \$21,900 will be deducted from the final pay request and FSWA can use the money to hire a sign contractor to install the logos. There will be a cost savings of approximately \$10,000 to FSWA to proceed in this manner.

Miscellaneous - The engineer met with USAA in late September to review their site plan updates and to discuss the hydraulic model conclusions related to their fire suppression system. At the meeting, the engineer requested that the public water line be extended across the full frontage of their site to terminate at the intersection of Mill Road at Route 343. This extension is required per the provisions of the Bethel Township subdivision and land development ordinance as well as the FSWA Rules and Regulations.

SOLICITOR'S REPORT

Mill Road / John's Way and Shirksville Road Easements - The solicitor provided a revised easement across the Brendle property for Board approval. Dale Bevans made a motion to approve the revised Brendle easement dated October 15, 2012. Ron Thompson seconded the motion. All voted in favor and the motion carried. The solicitor also provided a revised easement across the Collins property for Board approval. Dale Bevans made a motion to approve the revised Collins easement dated October 2, 2012. Rick Rudy seconded the motion. All voted in favor and the motion carried.

The GSLB easement and L. Brandt easement for Shirksville Road were presented to the Board for chairman and vice-chairman signatures.

The revised Hoover easement was presented to the Board for approval. Ron Thompson made a motion to approve the revised Hoover easement dated September 14, 2012. Tom Demler seconded the motion. All voted in favor and the motion carried.

The Board authorized the solicitor to move forward with the Kauffman and Hopkins condemnations. Both of the properties are located on Mill Road.

Land Development Plan for the new WWTP - The township approved the land development plan for the new WWTP on Thursday, October 11, 2012. The plan is now finalized.

The L&L Pig Farm is being auctioned on Monday, October 22, 2012. Larry Rabold, owner of the Pine Meadows Golf Course is planning to bid on the L&L Pig Farm. If successful, Mr. Rabold would use the farm to expand his golf course operation and could not do so with a driveway running through it. Therefore, Mr. Rabold has requested that the Authority agree to terminate our access easement in exchange for him giving the Authority a strip of land, at least 50 feet wide, from the plant site to Greble Road. After discussion the Board agreed to the following conditions: 1) the new owner would dedicate the Right of Way to the Authority, 2) initiate a subdivision plan within 90 days of the bid date, and 3) reimburse the Authority \$30,000 for the land development changes plus to compensate the Authority for the additional cost of a totally new driveway Tom Demler made a motion to approve the above conditions. Ron Thompson seconded the motion. All voted in favor and the motion carried.

US Real Estate - The revised plans have not yet been received.

Office Purchase - A preliminary settlement sheet was distributed among board members via email for review. Settlement is tentatively scheduled for Wednesday, October 31, 2012. Atty. Fitzgibbons suggested that the board determine the amount of rent that they would want for the apartment, garage and storage area. The Board authorized the Office Manager to contact Mrs. Rentschler's grandson and inform him that if he decides to stay in the apartment that the Board will charge \$700.00 per month and would waive the security deposit for him. Atty. Fitzgibbons will contact some rental agents to handle the responsibility of the building.

OFFICE MANAGER'S REPORT
Fredericksburg Service Area

Termination Notices - 28 termination notices were processed and given to the operations staff to post. All but one account was eventually paid in full or made payment arrangements. A lien was placed on 225 N. Center Street for non-payment of sewer and water rentals. The balance owed for this account is \$1,211.99. The October billing brings the account balance to \$1,643.98. The owner of the property was in the office to discuss the lien.

Monthly Billing - The Fredericksburg monthly reads were obtained and upon processing the meter reads it was discovered that 14 out of 17 accounts came up as "no reads" in the billing program. Support calls were logged to Harris to try and resolve the issue.

Quarterly Billing - The quarterly billing was processed and mailed on October 11th. As a result of the quarterly readings the operator has requested a letter be sent to L. Brandt asking that he remove some trees and insulation from the inside of the meter pit located at 146 Mechanic Street. The operator also requested a letter be sent to the airport asking that the concrete lid be removed in order to replace the meter. Letters will be sent out later this week. Hydrant flushing notices for Friday, October 19th were included on the monthly and quarterly bills. A Rapid Response Notice will also be issued.

Monroe Valley Service Area

Late Notices - 48 Late Notices are being processed and will be mailed this week.

Public Assistance for Flood Disaster Program - FEMA has submitted paperwork indicating that our public assistance in the amount of \$24,913.56 will be electronically transferred to our bank account in about three to four weeks from October 2nd.

South Fredericksburg Service Area

Permits - 16 permits have been purchased since the last board meeting amounting to \$57,600.00 in tapping fee revenue. Letters are being sent to some property owners who have submitted payment via mail with instructions to appear in the office for permit signatures.

Miscellaneous

2011 Audit - Auditors were in the office on Tuesday, October 9th to collect final round of information necessary to complete the 2011 audit. Mr. Kenenitz is pretty confident that the audit will be complete and ready for Ms. Kelly to do the final review. A draft of the audited financial statement will be prepared and submitted within the next week or two.

H2O Grant Audit - A draft of the H2O audit was presented to the Board for review at the last meeting. An Independent Auditor's Report was included. The "finding's in the report have a section titled "auditee's response". The Authority needs to respond and describe what corrective action will be pertaining to the findings. The Office Manager recommended the following responses to the auditee's response. In regards to the "Segregation of Duties" - "The Authority will continue to evaluate the cost versus the benefit of expanding the office to obtain a more complete segregation of duties and will continue to monitor accounting duties and other financial controls to maintain an internal control system."

"Financial Statements" - "The Authority has a very small staff and will continue to work with the auditors in monitoring the financial statement preparation." "Bond Coverage" - In the auditors findings only the office manager is insured under the current fidelity bonding policy. They are recommending that all individuals responsible for cash management be insured to comply with the contract guidelines. Mr. Heisey stated that the Budget Committee will review the recommendations at the next budget meeting.

CDL Program - Occupational Health through the Good Samaritan Hospital was approved at the September 17th meeting. A Letter of Agreement and Consortium Agreement requires board signatures in order to proceed with the application. The necessary paperwork will be signed during the next budget meeting.

Budget Meetings - January - October 2012 revenue and expense data was collected for the October 5th and 12th budget meetings.

Banking Signatures - Fulton Bank is requesting updated signature forms to be completed. Ron Thompson has been added to the signature list.

PayStubs - As a result of Direct Deposit, future paystubs will be included in board member meeting folders.

New Billing Software - A request was made to the Board for a new billing software program to be included in the 2013 budget. Costs for a new program is estimated not to exceed \$15,000.00. Mr. Thompson requested that all collected information be sent to him so that he can do some research on the internet.

Office Building Purchase - Zinn Insurance has been notified of the October 31st office purchase.

OPERATION MANAGER'S REPORT

Fredericksburg Sewer - The main pumping station needed some moderate repairs. Impellers were replaced on the pumps. Rodents caused a short in the wiring between the junction box and main control panel. The wiring was replaced by the staff.

Fredericksburg Water - The WIN911 was installed by Allied Control Services. Adjustments are being made with supervision from ACS. The voluntary water restriction is still in place. Water levels in Well #6 and #2 are OK. Well #5 has been within 15 feet of the pump.

Monroe Valley Sewer - PRWA is scheduled to be in the Monroe Valley to camera for line inspections.

The Moyno grinder may be delivered later this week.

2013 Budget - The Operator provided a list of items to be included in the 2013 budget. The Board reviewed the list and made recommendations to the budget committee to be included in the 2013 budgets.

Miscellaneous / Compliance - Stipulated penalties for the day prior to changes made to the plant amount to \$1,250.00 which are due by November 28th, 2012.

OLD BUSINESS

NEW BUSINESS

COMMITTEE REPORTS

Budget Committee - Mr. Heisey reported that the committee met twice since the last board meeting and will be meeting on Friday, October 19th. Progress is being made. Mr. Thompson reported that something needs to be done with respect to troubleshooting the radio replacement.

Mr. Thompson asked the engineer to clarify the recommendation into the upgrade of the SCADA system. Mr. Steckbeck stated that his office is the liason with Allied Controls as to obtaining ideas. Mr. Thompson stated that he is concerned with the accountability of Allied Control Services and the SCADA system's radio communication devices.

COMMENTS/COMPLAINTS

ADJOURNMENT

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

Respectfully submitted,

**Lorrie Wright,
Secretary/Treasurer**