

**FREDERICKSBURG SEWER & WATER AUTHORITY
MEETING MINUTES
November 17, 2014**

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

ROLL CALL Roll call was taken by Secretary Jon Kees. Ron Thompson, Rick Rudy, Jim Heisey, Tom Demler, Kevin Helms and Dale Bevans of the Board were present. Kevin Snader, Jeff Steckbeck and Jon Kees were also present. Anthony Fitzgibbons arrived a little later due to a meeting in Lancaster. Financial Advisor Daryl Peck was also in attendance.

COMMENTS/COMPLAINTS - None

MEETING MINUTES The meeting minutes from November 3, 2014 were accepted and adopted by the Board without revisions.

TREASURER'S REPORT

Bills Payables - The payables were presented to the Board for approval to be paid in the amounts of \$41,894.35 from the Water Fund, \$48,488.94 from the Sewer Fund and \$3,099.25 from the Monroe Valley Fund. Mr. Bevans made a motion to pay the bills as presented. Mr. Demler seconded the motion and the Board voted unanimously for the bills to be paid in the amounts presented.

Financial Statement – The financial statement was presented to the Board for approval. Mr. Demler made the motion to accept the financial statement as presented, pending an audit. Mr. Helms seconded the motion and the Board voted unanimously for the approval of the financial statement.

OFFICE MANAGER'S REPORT - Mr. Kees has signed the new copier lease, and the new copier should arrive by the end of the month. Mr. Kees was in contact with Krall Services in regards to turning the office into natural gas heating. Mr. Krall informed Mr. Kees that once the parts were all in that were ordered, which should be by the end of the week, he would be able to set up a time to do the work. Mr. Kees was in contact with Mr. Fitzgibbons in regards to an escrow account in the Authority's name in the amount of \$5,871. The account was for review fees, but due to policy changes the account should have been closed and the money reallocated accordingly. Mr. Fitzgibbons stated that some of the open accounts were before he's time with the Authority. Mr. Kees asked for a motion to release the funds into the Authority's Water and Sewer accounts. Mr. Bevans made the motion to allow Mr. Kees to close the account and allocate the funds accordingly. Mr. Thompson seconded the motion, and the Board voted unanimously for the motion to be carried.

OPERATION MANAGER'S REPORT - There has been no progress on 6 Pine Avenue. Mr. Snader has attempted to reach the plumber to no avail. The Ford F-

150 that was approved for purchase for the Operations will be built in mid January. Mr. Snader asked for permission to sell the Ford Ranger. Bids are to be made on the Ford Ranger during the first meeting in January, with Mr. Snader advertising the sale of the vehicle in the Merchandiser, as well as along Route 22. Mr. Snader was also given permission to seek buyers for the equipment in the old sewer plant.

ENGINEER'S REPORT - The energy rebate from CLEAResult and Met-Ed is still being worked on. JOAO & Bradley has begun working on restorations and compliances with respect to the recent Notice of Violation. JOAO & Bradley will be doing the work without charging anything. It was unclear as to how much Bethel Township will support in this process.

At this time, Mr. Steckbeck brought up a recent development involving the commercial land located at the southside of Route 22, and the intersection of Blue Mountain Road and Route 22, owned by Lloyd Halteman. Matthew & Hockley submitted a proposal to extend a sewer main via directional drilling from the north side of Route 22 to the south side to service the property. Mr. Halteman will pay for the work, but wanted to know if the Authority would purchase the permit since the line will be dedicated to the Authority. Mr. Thompson made a motion to allow the Authority to be the applicant on the condition that an 8 inch line be dedicated to the Authority, and extend to the rear of the property, as well as an easement be made to cover the balance to the south. In addition, the motion includes Mr. Halteman pay for the engineering fees to create the permit application. Mr. Demler seconded the motion and the Board voted unanimously for the motion to be carried.

FULTON FINANCING - At this point, Mr. Peck presented to the Board the findings regarding the Fulton Bridge Loan and Permanent Financing Loan. The Bridge Loan should be extended to mature on June 15, 2016, as well as reducing its credit line from \$5 million dollars to \$750,000. In doing this, the interest rate would also drop from 3.15% to 2.10%. Mr. Fitzgibbons presented Resolution 2014-04A, which accepts the bank proposal. Mr. Thompson made the motion to accept the Resolution as it is written to accept the proposed extension of maturity date and the reduction of the credit. Mr. Rudy seconded the motion and the Board voted for the adoption of the Resolution.

SOLICITOR'S REPORT - Mr. Fitzgibbons informed the Board of Lorrie Wright's Call of List date on January 20, 2015. Mr. Fitzgibbons also presented to the Board the official Amortization schedule for Bell and Evans for their portion of the new sewer plant. Customer Jerry Wolfe has had issue with the depth of the lateral he was to connect to and will not be connecting until the situation is rectified. SESi and JOAO & Bradley will be covering the costs to correct the issue. Mr. Fitzgibbons will work on lawsuits for the 11 customers in the expanded South Fredericksburg area who have not connected to the new sewer system.

OLD BUSINESS - None

NEW BUSINESS - The Board requested Mr. Kees to create a holiday schedule, as well as a meeting schedule, for the Board to approve at the next meeting.

COMMITTEE REPORTS

Budget Committee - The Budget Committee presented the 2015 Water and Sewer budgets for adoption. For the Water Budget, no changes are being proposed in the rate system. Mr. Demler made a motion to accept the Water Budget as presented. Mr. Bevans seconded the motion and the Board voted for the Water Budget to be official.

The Sewer Budget was also presented for adoption by the Board. The Budget Committee proposed to combine the Monroe Valley and Fredericksburg sewer districts into one consolidated budget. A brief discussion took place regarding elimination of the Monroe Valley district. Mr. Heisey pointed out that we are not eliminating that district, but adopting a uniform budget to cover both the Fredericksburg and Monroe Valley sewer areas. Mr. Thompson pointed out that our current accounting software does not adequately support two sewer districts, since all sewer expenditures are combined in all of the reports. Adopting a separate budget for each district is pointless under these circumstances. In doing so, the customers in the Monroe Valley will see a significant reduction in quarterly payments, and rates for the Fredericksburg area would remain consistent. Mr. Bevans made a motion to adopt the 2015 Sewer Budget as presented with the unified approach. Mr. Demler seconded the motion. The Board voted unanimously for the adoption of the Sewer Budget. Mr. Kees is to post the budgets in the office.

Operations Committee - None

Building Committee - None

*At 8:12 pm, the Board went into an Executive Session. The Board returned to Open Session at 8:33 pm with the Board allowing Mr. Fitzgibbons to seek additional counsel with respect to the recent Consent Order Agreement.

COMMENTS/COMPLAINTS - None

ADJOURNMENT Mr. Rudy made a motion to adjourn the meeting. Mr. Thompson seconded the motion and the meeting was adjourned at 8:36 PM.

**Respectfully submitted,
Jonathon Kees
Secretary/Treasurer**