

**FREDERICKSBURG SEWER & WATER AUTHORITY
MEETING MINUTES
August 17, 2015**

Chairman Jim Heisey called the meeting to order at 6:30 PM.

ROLL CALL Roll call was taken by Secretary Jon Kees. Ron Thompson, Jim Heisey, Tom Demler, Kevin Helms, Dale Bevans and Rick Rudy of the Board were present. Jeff Steckbeck, Tony Fitzgibbons, Jon Kees and Kevin Snader were also present. Darryl Peck from Concord Financial was also present at the meeting.

COMMENTS/COMPLAINTS - None

MEETING MINUTES The meeting minutes from August 3rd were presented, 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 \$36,302.35 from the Sewer Fund and \$31,490.99 from the Water Fund. Mr. Rudy informed Mr. Kees that Mid Atlantic Fire is not a repair organization, and that he must reclassify it in the accounting program. Mr. Demler made a motion to pay the bills as presented. Mr. Bevans seconded the motion and the Board voted in favor of the motion.

Financial Statement – The financial statement was presented to the Board for approval. Mr. Bevans made a motion to accept the financial statement, pending audit. Mr. Rudy seconded the motion and the Board voted for the acceptance of the financial statement as presented.

OFFICE MANAGER'S REPORT – Late notices have been mailed in South Fredericksburg and Fredericksburg. Mr. Kees informed the Board that there was a window with a hole in the backroom, and that Mr. Bevans will be looking to get pricing for a replacement window.

OPERATION MANAGER'S REPORT – Abel Recon will be relining the two manholes on West Main Street. A new mixer assembly was ordered from Aqua Aerobics for the Monroe Valley Waste Water Treatment Plant. Since the VFD that failed from the Fredericksburg plant was not covered under warranty, Aqua reduced the mixer price to \$1,900. The total for the mixer and volute is just over \$6,600. There is a lead-time of 11 to 12 weeks for the parts. Mr. Heisey questioned Mr. Snader on the homeowner at 6 Pine Avenue. Mr. Snader informed the Board that there has been no activity since the last meeting, but another \$250 I&I Fee has been charged to her account.

ENGINEER’S REPORT – Mr. Steckbeck addressed a complaint from Robert Altrath about water pressure. Mr. Steckbeck informed the Board that a hydrant pressure meter was used to determine pressure readings, and presented the results from Wednesday of last week to this Monday. According to the readings, Mr. Steckbeck informed the Board that the pressure has been consistently above the Board approved minimum. Moving on to his report, Mr. Steckbeck informed the Board that all the fswaonline.net email accounts are being forwarded to the personal emails of the Board Members. SESI believes that all the work required by the Consent Order & Agreement has been completed, with a final inspection to be scheduled with Aaron Baar in the near future, which is a pre-requisite to getting the final monies released by Pennvest.

Mr. Steckbeck presented two separate Change Orders for approval. Change Order 1-6 is for the restoration extras associated with the Consent Order & Agreement for the total of \$14,124.63. Change Order FS-1 is on the Administrative costs which are attributable to the FSWA. It moves one from one Cost Sheet category to another and increases the total for the Interest during Construction category. The increase due to this Change Order is \$19,072.08. Mr. Bevans made a motion to accept Change Order 1-6 as presented, with Mr. Helms seconding the motion. Mr. Thompson stated his disapproval with the lack of communication from JOAO and Bradley in providing estimates for the restoration project. Mr. Steckbeck did inform the Board that he and Mr. Lutzkanin had been in communication with JOAO and Bradley about providing estimates, but none were given. Due to the nature of the vote, Mr. Heisey requested individual votes be cast. Mr. Heisey, Mr. Bevans, Mr. Helms and Mr. Demler voted in favor of approval for Change Order 1-6. Mr. Thompson and Mr. Rudy voted against the Change Order. With the vote of 4-2, the Board approves Change Order 1-6. Mr. Demler made a motion to approve Change Order FS-1. Mr. Bevans seconded the motion, and the Board voted in favor of the motion to be carried.

SESI has received all of the budgetary estimates for the addition of the third SBR basin to assist Hain PPC in the decision making process in determining the financial viability of sending all flows from their North Center Street plant to the Little Swatara Creek Waste Water Treatment Plant. A summary of the estimate is as follows:

\$1,700,000	Plant expansion including concrete tanks, process equipment, excavation, UV disinfection equipment, conduit and wiring, piping, painting, pipe insulation and all other incidental items.
<u>\$300,000</u>	Engineering, Permitting, Construction Administration, Construction Inspection
\$2,000,000	SUBTOTAL
<u>\$200,000</u>	Contingency
\$2,200,000	TOTAL – Expected Not to Exceed

With these numbers, the Board has the ability to negotiate with Hain about the “Free Bird East” plant and connecting it to the sewer system. Mr. Demler made a motion to allow negotiations to be conducted with Hain to connect “Free Bird East.” Mr. Bevans seconded the motion, and the Board voted in favor for the motion to be carried.

At 7:14 PM, the Board went into Executive Session. The Board resumed Public Session at 7:31 PM.

SESI has begun preparing the SRBC applications for the Martin Farm Well #1, Well #2 and the Little Swatara Creek Surface Water Draw. An account has been created for the Authority with Mr. Heisey and Mr. Kees noted as the contacts for the Authority. In regards to the second well site testing on the Martin Farm, Mr. Fitzgibbons informed the Board that Mr. Martin did not accept the proposed numbers for the acreage, to which Mr. Fitzgibbons informed him that the Authority would proceed with condemnation if a meeting could not be agreed upon. Mr. Fitzgibbons will work on scheduling a meeting with Mr. Martin and the Board. Several of the Board Members would be available for a special “Executive Meeting” when a time is determined.

At this time, Mr. Steckbeck provided budgetary numbers for the water system expansion project. There were two separate items presented; an overall project long term budget plan, and a near term plan for needs. The near term plans total \$2.5 Million, which is a reasonable area to start for a bank loans. Mr. Peck began to explain that the costs are what the Authority could expect to reach the Filtration Plant. Mr. Peck informed the Board that best option would be a draw down loan with a 20 year term that is fixed and locked in. Mr. Peck informed the Board that the projected debt service will kick in in 2018, and with that time frame the current debt service would be lowered, and combined the debt service would be around \$175,000. Mr. Peck was looking for permission to file the information to find the best loan option available, and the Board gave him permission to proceed. Mr. Bevans questioned whether or not the Authority had something in writing about how much of a commitment the chicken processing plants would give for this new water source expansion. Mr. Fitzgibbons informed the Board that there was not a commitment in writing. The Board requests Mr. Fitzgibbons to work on getting a commitment from the chicken processing plants in writing for the water. At this time, Mr. Rudy made a motion to accept the proposal from Mr. Peck, which says his fee is not to exceed \$22,500. Mr. Bevans seconded the motion, and the Board voted unanimously for the motion to be carried.

SOLICITOR’S REPORT – Mr. Fitzgibbons informed the Board that negotiations with Hain and Farmer’s Pride should commence soon for the use of the water. Mr. Fitzgibbons informed the Board that it is his opinion that Speed Mart, owned by Dale Richard, should have the addition being built be connected to the sewer system. The building does not have to connect to the water system. Mr.

Fitzgibbons will work to make a meeting schedule for Mr. Richard and the Board. Mr. Fitzgibbons will continue to work with Ms. Gamble and Mr. Lutzkanin to fine tune the South Fredericksburg customers who need to connect, which he feels has gone extremely well.

OLD BUSINESS – None

NEW BUSINESS – Mr. Thompson informed the Board that he is officially resigning from the Authority Board of Directors. Mr. Thompson submitted a letter of resignation, and Mr. Heisey accepted his resignation letter.

COMMITTEE REPORTS

Budget Committee – With Mr. Thompson’s resignation, Mr. Heisey will need another person to volunteer for budget committee. Mr. Steckbeck will make himself available as needed.

Operations Committee – None

Building Committee – None

At this time, Mr. Heisey read Mr. Thompson’s resignation out loud to the Board Members and the Professional Staff. Mr. Heisey will write a letter of thanks to Mr. Thompson, and a copy will be sent to the Township Supervisors.

ADJOURNMENT Mr. Rudy made a motion to adjourn the meeting. Mr. Helms seconded the motion and the meeting was adjourned at 8:16 PM.

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