

FREDERICKSBURG SEWER & WATER AUTHORITY
MEETING MINUTES
June 15, 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.

MEETING MINUTES The meeting minutes from June 1st 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 \$87,753.15 from the Water Fund, \$71,386.55 from the Sewer Fund. Mr. Bevans made a motion to pay the bills as presented. Mr. Thompson 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. Heisey asked Mr. Steckbeck when he believes the Pennvest loan will be closed out. Mr. Steckbeck said that the restoration is almost complete, and once it is finished it would take about a month to close out. Mr. Demler made a motion to accept the financial statement, pending audit. Mr. Helms seconded the motion and the Board voted for the acceptance of the financial statement as presented.

ENGINEER'S REPORT – Mr. Steckbeck informed the Board that \$195,259.28 has been approved for payment from the Pennvest loan. In consultation with Pennvest it was recommended that an overall project Reconciliation Change Order be done as applicable to reflect actual administrative, legal, interest during construction, permit and engineering costs versus the amounts estimated and submitted at loan closing. These costs are eligible for Pennvest reimbursement, which would allow the Board to maximize the full Pennvest loan. DEP has approved the steep slope restoration plan on June 5th. Restoration work has begun on the site. Mr. Thompson asked Mr. Steckbeck about the additional costs that would be associated with the restoration. Mr. Thompson asked that full costs be circulated to the Board before anything is approved so the Board knows what they will be getting into.

Mr. Steckbeck informed the Board that Hain Celestial has requested SESI prepare the planning module to assist in the decision making process for the use of the Purdue plant. Mr. Steckbeck requested the Board's approval to perform the work. The Board does not have an issue with this and will allow SESI to perform the work. Bell & Evans is facing a higher demand for its chicken products from its

chain of national retailers. Consequently, they have expanded their work schedule, but are anticipating more demand than they can meet. This has prompted them to accelerate their schedule for the new 2nd processing plant to be built at the Chestnut Hill Road site from a target of 3.5 years till opening, to a more aggressive 2-year. They have also increased their studies on water needs and have increased the amount of water from 1 million gallons per day to 2 million gallons per day. Given the minimum 2-year SRBC permit approval turnaround, it appears to be an impossible task to develop the new water sources needed to serve them. In recognition of this, Bell & Evans management has employed the Governor's Action Team to intervene on their behalf with both DEP and SRBC.

OFFICE MANAGER'S REPORT – Monroe Valley billing was sent out on time, with some payments coming in already. In South Fredericksburg, two customers have been moved from their homes to a retirement village. Ms. Gamble has asked for direction on how she should proceed in billing these customers. Mr. Heisey explained that it could be problem with them being in the sewer only service area since we can't turn off the system. If we can verify that the house is un-occupied, the office staff will bill for debt service only. Mr. Bevans asked if there was a legal measure that could be taken to guarantee the house is vacant. Mr. Fitzgibbons informed the Board that the best thing to do is to continually bill the minimum. Mr. Snader offered a solution to be able to turn off the water at the well with a note that if the seal is broken the place will be charged full billing from the time the water was turned off till the present. Mr. Fitzgibbons believes it would work, and a letter would need to be drafted and signed by someone responsible for the property. Mr. Rudy requested that the matter be pushed to the first meeting in July that way more time can be given for research. Water meter replacement appointments continue to move along. Weaver Trucking on Route 22 has connected and been inspected to the sewer lines without having purchased a connection permit. Mr. Snader informed the Board that a miscommunication could have happened due to a conversation he had with Mr. Lutzkanin, which was directed to Mr. Kalinoski. Ms. Gamble will add a line item for the business and bill them for the tapping fee to connect.

The financial audit for 2014, the single audit for the federal funds and the special tapping fee audit results were presented to the Board for comment and approval. Mr. Heisey asked the Board if they object to his making responses and signing off on the paperwork to finalize everything. The Board agreed to allow Mr. Heisey to respond to the findings, as well as to sign off on the paperwork.

OPERATION MANAGER'S REPORT – Mr. Snader has submitted the appropriate DMRs and there are no violations to report. There hasn't been movement on the issue at 6 Pine Avenue, but with the slowing in new water meter installations this week the issue can be readdressed. Brandon Nye, the new operations employee, is studying up on his water licenses during his free time. Mr. Snader has updated the available operator's list that was filed with DEP to include Mr. Nye.

At this time, Mr. Heisey asked Mr. Fitzgibbons if he would be okay allowing Clayton Chew to address the Board. Mr. Fitzgibbons agreed to allow Mr. Chew to proceed before him.

COMMENTS/COMPLAINTS

- Clayton Chew: Mr. Chew suggested to the Board that when a new customer arrives in the service area that we give a copy of the explanation of the debt service to the realtor company to be handed to the new customer. The Board agreed this was a good idea, and would continue to look into implementing this suggestion.

SOLICITOR'S REPORT – Upon examining the special tapping fee audit, Mr. Fitzgibbons believes that the Authority will not owe Traveler's for the "returned" money the former Office Manager had in the office that was found. Mr. Fitzgibbons informed the Board that Isaac Martin has paid the Authority for all costs related to the preparation and recording of the Deed of Dedication for Mountain Stream Village. Mr. Martin also placed a \$2,500 cash escrow with the Authority to cover any maintenance issues which may arise during the next year and a half. The Letter of Credit in favor for the Authority can now be closed, but since it was lost an affidavit will need to be signed and returned to Fulton bank. Mr. Demler made a motion to authorize Mr. Heisey to sign off of the affidavit, and to close the Letter of Credit. Mr. Bevans seconded the motion, and the Board voted unanimously for the motion to be carried. Mr. Fitzgibbons informed the Board that the signed agreement with the Legion will be filed by the end of the week.

Mr. Fitzgibbons has obtained an opinion of value of the decommissioned treatment plant in the amount of \$225,000 from Roy Shirk. Mr. Heisey made mention that Greenawalt and Co. will need a signed copy of the value before finalizing the financial statements. Mr. Fitzgibbons will send a signed copy to Mr. Kees so he may forward it to Deb Kelley. Mr. Fitzgibbons is working on a draft proposal for the sewer capacity purchase agreement with Hain Celestial, which will be modeled on the agreement the Authority has with Bell & Evans.

OLD BUSINESS – Mr. Rudy informed the Board that he has had appointments with Randy Sattazahn regarding the purchase of the old plant. Nothing has come about since as the meetings fell through. Mr. Rudy has returned the keys to the office.

NEW BUSINESS – Mr. Thompson stated that he felt it would be in the Authority's best interest to let Gubba's know about the new findings from the new water meter that was installed. Mr. Bevans agreed that letting them know would be beneficial.

COMMITTEE REPORTS

Budget Committee – The Budget Committee will set a meeting to convene at the next Board Meeting.

Operations Committee – Mr. Heisey informed the Board that incidentally the Board committed this day to be a walk through day for all of the facilities in the Authority. The Board will reschedule and do one day for the Monroe Valley and one for Fredericksburg. The second meeting in July the Board will tour the Monroe Valley system, and the second meeting in August the Board will tour the Fredericksburg facilities.

Building Committee – Rent is up to date, and plumbing issues have been directed to Tony Pajski and he will be down at some point in time to do the work. The work will include fixing of the water softener downstairs, repair or replace the sinks in the bathrooms and install a sink in the employee “break room” based on the staff’s needs.

ADJOURNMENT Mr. Rudy made a motion to adjourn the meeting. Mr. Demler seconded the motion and the meeting was adjourned at 7:47 PM.

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