

FREDERICKSBURG SEWER & WATER AUTHORITY
MEETING MINUTES
October 5, 2015

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

ROLL CALL Roll call was taken by Secretary Jon Kees. Jim Heisey, Kevin Helms, Dale Bevans and Rick Rudy of the Board were present. Paul Lutzkanin, Tony Fitzgibbons, Jon Kees and Kevin Snader were also present. Tom Demler was not present due to a prior commitment.

COMMENTS/COMPLAINTS - None

MEETING MINUTES The meeting minutes from September 21st, 2015 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 \$57,943.29 from the Sewer Fund and \$28,380 from the Water Fund. Mr. Bevans made a motion to pay the bills as presented. Mr. Helms 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. Rudy made a motion to accept the financial statement, pending audit. Mr. Bevans seconded the motion and the Board voted for the acceptance of the financial statement as presented.

OFFICE MANAGER'S REPORT – The Office Staff will be starting to process ACH payments by the end of the month. Mr. Snader fixed the sink in the Men's Room in the Office Building. All quarterly taxes are paid and filled.

OPERATION MANAGER'S REPORT - Mr. Snader informed the Board that 200 Little Mountain Road has been connected to the sewer system. Hydrant flushing went well with the Operations Staff being able to leave by midnight on October 3rd. At this time, Mr. Snader introduced Russ Brown from Utility Service Company (USC) to discuss contracted maintenance services. Mr. Heisey informed the Board that ongoing maintenance for Operations is a continual financing challenge, and the budget process is such that the budget is figured out in yearly increments. Trying to budget for any contracted service is a challenge due to the nature of the budgeted funds essentially disappearing and not being able to be rolled over if funds weren't used. What is being offered is a long term contracted service with a fixed price for a number of years which would eliminate extraneous expenses.

Mr. Brown informed the Board that the USC is an Asset Management Company that specializes in allowing business entities to spread repair costs over a number

of years interest free. Once the Asset is raised to a "Like-New" condition, it would need to be maintained for the length of the contract that is signed. There would be no extra charges, unless work was requested beyond what is written in the contract. Mr. Snader and Mr. Fitzgibbons compared the contract to that of an annual repair agreement that is paid in yearly increments and not a significant cost in a single time. Mr. Rudy questioned Mr. Brown as to what would protect the Authority if USC were to go out of business. Mr. Brown informed the Board that USC is a \$125 billion a year entity. If they were to go out of business, there would be no protection for the Authority. However, the contract would last longer than a warranty agreement for a bid company. A question was raised about the price of the contract. Mr. Brown pointed out that the total for both of the Water Tanks would be roughly \$250,000 per year, plus roughly \$43,000 total for the three wells, for a total of over \$290,000. Mr. Brown did inform the Board that USC could look through the numbers and change up the schedule based on the amount of cashflow for the Authority. With no objection, Mr. Heisey will continue to work the numbers into the budget, and when the budget is completed, the Board can look through the numbers and decide what would be best for the Authority.

ENGINEER'S REPORT – Paving restoration has been completed by Joao & Bradley. Due to the extremely wet weather, the over seeding has died and must be redone. The Booster Pump Project is continuing ahead. The general contractor is scheduling insulation of the room. The electrical contractor has completed their work, and general startups and certifications are scheduled for this week. There has been no word on the SRBC docket, even though the renewal application was completed. SESI has yet to hear anything for the Esther's Plant Consumptive Use Permit. The new water main has been installed along Mill Road, while the section along Fredericksburg Road is in the process of being installed.

SOLICITOR'S REPORT – Mr. Fitzgibbons informed the Board that a meeting was held with Dale Richards and his attorney Paul Bametzreider. Since that meeting, email traffic has gone up. Mr. Richard now desires to connect the small office building he owns out near US 22 to the sewer system. This building is already required to connect. Concerning the renovations to the Speedway Mart, Bethel Township has required Mr. Richard to provide an engineer's certification as to the location and serviceable nature of the existing septic system, or else he must connect to the public sewer. Mr. Fitzgibbons stated that the engineer for Mr. Richard has been unable to determine the precise location of the septic field or certify that it is serviceable in light of today's standards. Mr. Fitzgibbons informed the Board that the fight to connect the Speedway Mart connection does not involve the Authority, nor could the Authority enforce connection with his building being beyond the distance from the line.

At 7:41 PM, the Board went into Executive Session. The Board resumed Public Session at 7:47 PM with no action taken.

A revised water and sewer service agreement for Hain Protein, dated October 5, 2015, was discussed. The Board requested Mr. Fitzgibbons make the due date for the first payment on November 30, 2015, with every subsequent payment coming once a year on November 30 from 2016 until the tapping fee is paid in full, with interest. Mr. Bevans made a motion to accept the Sewer and Water Purchase Agreements with the changes, dated October 5, 2015. Mr. Rudy seconded the motion, and the Board voted unanimously for the motion to be carried. At this time, Mr. Fitzgibbons presented a map of the Martin Farm for the potential well placements for the Authority. Mr. Fitzgibbons provided Mr. Martin with a drawing which shows the Authority acquiring less than eight acres to accommodate the new well and surface water intake. As of now, the land that the Authority needs is covered in beans, which are ready for harvest. Once the crops are off, it was agreed upon to have a meeting on the site with the well driller and geologist and mark the location, configuration and thus amount of land needed. Once the well location is specified, the Authority will be able to relatively accurately identify the land needed. Jeff Steckbeck has initiated the process with DEP to identify any issues that might be raised.

At this time, the Board discussed the recent press release from Bell & Evans stating their intention of applying for a new Water Quality Management Permit for discharge in the Little Swatara Creek. The Board is requesting an intake line for Little Swatara Creek, and with the proposed application, the discharge would be close to the current proposed intake line for the Authority. The Board requests that any and all applications the Authority needs to make must be submitted to ensure the Authority is able to have an intake line. With a close proximity to each other, if something were to go wrong, the Authority would be hard pressed to rectify any situation.

OLD BUSINESS – Mr. Heisey informed the Board that he spoke with Terry Knapp about a combined location for the Bethel Township and Authority, who seemed very much in favor. The current Chairman of the Board of Bethel Township was initially in favor of the idea, but later retracted that comment. Mr. Heisey requests a member of the Authority Board to raise the issue at the next Bethel Township Meeting, scheduled for Thursday October 8, 2015. Mr. Bevans suggested he would write an email, and copy the entire Board, to discuss at the Township Meeting about a building that would allow the Authority and Township to be in the same location, as well as to discuss and determine an appointing of a new Board Member for the Authority.

NEW BUSINESS – Mr. Rudy brought up the possibility of renting the garage at the old plant to someone to generate some income for the Authority. Dean Light questioned the Operation Staff about the possibility of it being rented out, and Mr. Snader passed the information along. Mr. Fitzgibbons informed the Board that a month to month lease agreement can be signed with a provision established to allow the Authority to sell the property and give Mr. Light one month to vacate the

premises. The Board agreed it would be beneficial for the Authority to rent out the garage, and Mr. Rudy will discuss the matter with Mr. Light.

COMMITTEE REPORTS

Budget Committee – Budgets are continuing to be worked on in an effort to be finished by the first week in November.

Operations Committee – None

Building Committee – None

ADJOURNMENT Mr. Rudy made a motion to adjourn the meeting. Mr. Helms seconded the motion and the meeting was adjourned at 8:29 PM.

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